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123fahrschule SE

Annual Report

2023

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Abbreviations

BAST

Bundesanstalt für Strassenwesen (Federal Highway Research Institute)

GDP

Gross domestic product

BMDV

Bundesministerium für Digitales und Verkehr (Federal Ministry for Digital and Transport Affairs)

DStatistics

Federal Statistical Office in Germany

EBITDA

Earnings Before Interest, Tax, Depreciation

NPS

Net Promoter Score

OFSA-2

Study concerning optimization of driving school training in Germany

Foreword by the Executive Board

Dear Shareholders,

The Management Board of 123fahrschule SE looks back on a challenging but generally successful 2023. The implementation of the optimization measures adopted in December 2022 was completed in the course of the year and, in addition to a clear increase in efficiency in the operating business, ensured a significant improvement in EBITDA for the 2023 financial year. The restructuring of the holding company and the reallocation of management tasks made a significant contribution to this. In addition, the business segment professional driver training & education provider ("Bildungsträger") was significantly expanded and thus contributed significantly to revenue growth. As a result, 123fahrschule was able to achieve a significantly improved result in 2023 despite difficult economic conditions. In particular, the measures taken enabled EBITDA to increase significantly faster than revenue compared to the market. Overall, the 2023 financial year should nevertheless be regarded as a transition year and the full-year effect of the measures will have a positive impact on earnings in 2024.

Exogenous factors such as the Ukraine crisis, high inflation and consumer restraint only had a minor impact on 123fahrschule SE's business on the customer side. Unfortunately, the general mood on the capital markets was not good enough to drive forward the rapid expansion in Germany. The Management Board therefore focused exclusively on optimizing internal structures and processes, improving earnings and organic growth in 2023.

Compared to the previous year, EBITDA (earnings before interest, taxes, depreciation and amortization) improved significantly by EUR 1,784,118.34.

- Turnover rose to EUR 20,613 thousand, an increase of 23.7% YoY
- EBITDA improved significantly compared to the previous year by 66.8% to EUR -887 thousand
- The number of driving instructors stood at 150 as at 31.12.23, remaining constant despite the difficult economic conditions
- With 182K driving hours, the previous year's figure was exceeded by 12.3 %
- At 9K, registrations were slightly down on the previous year
- The number of branches has not changed significantly
- The NPS was 73 in December 2023, significantly higher than the previous year's figure of 62

With reference to the adjusted EBITDA for the first half of the financial year published on 27 July 2023, which was mainly adjusted for costs from employment and other contracts with an effect of EUR 220 thousand, the adjusted EBITDA for the year as a whole is calculated at EUR -667 thousand. Another cost element is the capital market costs, which amount to around EUR 400 thousand. Including this additional adjustment, an adjusted EBITDA amounts to EUR -267 thousand.

The 123fahrschule SE share price has developed negatively in line with the relevant market for technology companies, making it much more difficult to realize a capital increase.

Growth/business development

After the placement of 143,195 new shares as part of the capital increase in Q2 did not generate the necessary liquidity for the year as a whole, the Management Board was forced to carry out another capital increase in the second half of the year. To ensure the inflow of the necessary liquidity a share price of EUR 1.10 was set and, making almost full use of the authorized capital – 1,509,946 shares were successfully placed on the market. In addition, a further 43,731 shares were placed at a placement price of EUR 4.00 per new share in December 2023 at the request of the principal bank of an existing shareholder.

Overall, the regional subsidiaries of 123fahrschule, which operate the driving schools locally, made a positive contribution to earnings of the financial year 2023. The operating companies, including the driving instructor training centers achieved cumulative earnings before, taxes, depreciation and amortization (EBITDA) of kEUR 2,424 (previous year: kEUR 824). This clearly shows that the business model of 123fahrschule's business model in the driving school market, despite the complexity and fragmented nature of the market, can not only be operated profitably, but can also attractive margins in the future.

In 2023, as in 2022, the profitability of the operating companies of the 123fahrschule Group was eroded by necessary investments of the Holding to ensure further scalability, such as investments in the segment 'professional driver training & education provider'

("Bildungsträger"), processes and structures as well as IT development. However, the improvements in earnings at the operating companies and a reduced cost base at the holding company led to a significant improvement in the overall result. With an increase in turnover of 23.7%, EBITDA rose by 66.8%, which is well above average compared to other driving schools.

Corona and online theory

123fahrschule continues to lobby considerably for the permanent allowance for admittance of online theory lessons, for which the COVID19 special permit expired in 2022.

Despite multiple announcements of intended implementation from politicians and the BMDV, in 2023 the topic has not been given the necessary priority in the process. As various topics from the OFSA-2 study by the BAST and other studies are to be incorporated into the new learner driver training regulations, this has led to many discussions in 2023, which should now find their way into learner driver training in an all-encompassing solution.

123fahrschule expects the amended learner driver training regulations to lead to a further acceleration in growth from 1 January 2025 and has already begun with the planned expansions to the 123fahrschule business model.

Digitization

Even many years after the company was founded there are still opportunities to optimize training and internal administrative processes. Due to the continuous growth of 123fahrschule, there is a constant need to adapt the standard processes that small driving schools employ to the size of the 123fahrschule company.

In 2023, development activities focused on the introduction of a completely new driving instructor app. However, the introduction of a new CRM system and the adaptation and optimization of many processes also significantly improved the driving education experience for our customers despite reduced costs. This is particularly evident in the significant rise in NPS and the increase in the average rating on Google from 4.7 to 4.9.

For 2024, the focus will be more on theoretical training. In conjunction with the preparations for online theory, our software is to be upgraded so that many parts of training in the training provider area can also be handled via our own IT systems in future without major system disruptions.

Development of educational institutions

Sales in the segment education provider ("Bildungsträger") increased significantly. Also, especially with regards to driving instructor training, starting courses at the Erkrath, Recklinghausen and Berlin are largely at the limits of their capacity.

Unfortunately, the professional driver and service driver business areas have continued to fall short of our expectations. The combination of completely different processes in these business areas and the efficient processing of orders in a mixed business with private customer training poses major challenges for all driving schools in Germany. The IT of 123fahrschule has not yet been able to make a sufficient contribution here. In 2024, digital and automated customer acquisition in this area will be the focus of the planned optimizations.

Outlook 2024

After focusing mainly on the optimization of processes on the customer side in 2023 and thus significantly increasing customer satisfaction and recommendations, the focus for 2024 is clearly on internal processes, as well as digitalization and optimization of finance and operational controlling. The aim is to reduce the holding company's overhead costs, to lower variable costs of the operations per driving lessons and to completely digitalize previously manually executed, where this is not possible, to monitor them.

In 2023, our goal was to achieve a positive EBITDA. For 2024, a positive cash flow has absolute priority and a positive EBITDA remains on the agenda. To achieve this goal, the Executive Board execute further measures in the course of the year to achieve this goal.

Strategically, the company will continue focus on organic growth in 2024 in order to enlarge the market share of the existing driving school locations and the expansion of the training provider business. The project presented in November 2022 to create a franchise organization was discontinued due to a lack of interest in the market.

The political opening towards digitalization of driving education will create significant opportunities for 123fahrschule and its future development in 2025. The management of the 123fahrschule is busy creating a growth system for the future based on these developments and leverage effects to achieve significant sales and earnings growth in the coming years. Due to the limited liquid funds, however, the company is forced to implement this further development of the business model very cautiously and while avoiding major risks.

Provided that the market environment remains stable or does not develop negatively, particularly in terms of purchasing power, the Board of Directors sees continued positive development in 2024.

As part of ongoing cost optimization, the Management Board regularly reviews all of the company's cost items. In this context, the Management Board has decided to replace the costly and time-consuming presence at the various investor conferences with primarily digital communication with our investors in 2024. We asks all interested investors to register for the new investor newsletter, which will be published periodically. Furthermore, a

regular digital round table and the opportunity to to arrange one-on-one meetings is planned.

Thank you very much

We would also like to thank our shareholders and our Supervisory Board for their constant support and trust. Special thanks are due to our colleagues for their tireless efforts to contribute to the success of our company. The entire team works with motivation to develop our company into a profitable market leader.

Boris Polenske
CEO



Report of the Supervisory Board

Dear Shareholders,

The challenging economic conditions in the 2023 financial year affected both the growth of 123fahrschule SE and the work of the Supervisory Board. Despite high inflation and the resulting general reluctance to buy in Germany, 123fahrschule SE succeeded in increasing revenue in the 2023 financial year. On the other hand, EBITDA at the annual level was still below zero, although 123fahrschule SE was able to report positive (monthly) EBITDA for the first time in 11 months of the financial year. This will be the particular focus of the Executive Board in the coming financial year.

Supervisory Board activities in the financial year

As the Supervisory Board of 123fahrschule SE, we performed the duties incumbent upon us in accordance with the law, the Articles of Association and the rules of procedure with the utmost care. The members of the Supervisory Board advised the Executive Board on the management of the company and on relevant corporate decisions and monitored its activities. The Executive Board regularly informed the Supervisory Board in writing and verbally about the current earnings, financial and risk situation, corporate planning and strategic development. In addition, further investment opportunities and organizational measures were discussed and debated. The Supervisory Board was involved in all important decisions and passed the necessary resolutions after thorough examination on the basis of the

reports, information and draft resolutions submitted by the Executive Board.

In particular, the coordination between the Chairman of the Supervisory Board and the Executive Board, which also took place alongside the regular Supervisory Board meetings, was intensive and solution-oriented. The Chairman regularly informed the other members of the Supervisory Board about key findings and information from these discussions.

The intensive monitoring of the Executive Board by the Supervisory Board is reflected in the high number of 18 Supervisory Board meetings in the reporting year.

Changes in the Management Board

On June 30, 2023, CEO Timo Beyer ended his work for the company by mutual agreement and resigned from his position. As this position will not be filled for the time being, CEO Boris Polenske has taken over Mr. Beyer's duties. The strategic orientation of the company has thus been continued unchanged. In addition, Boris Polenske's Executive Board contract was extended until the end of the 2024 financial year.

Changes to the Supervisory Board

With effect from the end of December 31, 2023, the Deputy Chairman of the Supervisory Board Rudolf Rizzolli resigned from office. The vacant position on the Supervisory Board was taken over by substitute member Malte von der Ropp, who was elected at the Annual General Meeting

on October 26, 2020. At the Supervisory Board meeting on 9 January 2024, Dr. Bert Brinkhaus was elected as the new Deputy Chairman of the Supervisory Board. The other members of the Supervisory Board remain Stefan Petter (Chairman) and Dr. Heinrich Zetlmayer.

Focus of the Supervisory Board's deliberations

The main topics discussed at the Supervisory Board meetings were business development and the optimization of the company's operational performance, the strategic direction and the financing of 123fahrschule SE. This included both the examination of potential investments in new and existing business areas and the preparation of capital increases for the purpose of raising capital. All meetings of the Supervisory Board were held as hybrid meetings and video conferences.

The 10 meetings in the first half of the year included the corporate planning for the 2023 financial year and the presentation of the course of business by the Management Board, particularly in light of the further deterioration in economic conditions. In addition, there was a debate on measures to improve the company's operational performance and its strategic direction, as well as preparations for organizational measures and restructuring within the Group. In addition, the capital increases in kind and cash capital increases carried out in the first half of the year were discussed and prepared and the draft resolution regarding a new share option program for the Executive Board and senior executives, which was presented to the Annual General Meeting in June 2023, was prepared. The individual and consolidated financial statements of 123fahrschule SE were adopted

at the Supervisory Board meeting in February 2023.

The 8 meetings held in the second half of the year also included a regular exchange of information on business performance, particularly in light of the ongoing challenges posed by rising inflation, as well as on the development of the company's earnings and financial position. This also included the discussion of further organizational measures and structural optimization potential. In addition, two further capital increases were prepared and implemented to secure the company's financing. The corporate planning for the 2024 financial year was presented in November 2023.

Unqualified confirmation of the Annual financial statements

By resolution of the Annual General Meeting on June 6, 2023, MORISON Köln AG Wirtschaftsprüfungsgesellschaft und Steuerberatungsgesellschaft, Cologne, (MORISON) was appointed as the auditor of the annual and consolidated financial statements for the 2023 financial year. The corresponding audit mandate was awarded by resolution of the Supervisory Board on January 9, 2024. The consolidated financial statements and management report prepared by the Executive Board as at December 31, 2023 were audited by MORISON and issued with an unqualified audit opinion. The corresponding annual financial statements including the management report and the audit report were sent to each member of the Supervisory Board in advance. The audit report was discussed in detail at the Supervisory Board meeting on February 28, 2024. At this meeting, the auditors presented

the key findings of their audit and answered the Supervisory Board's questions in detail. The Supervisory Board's independent examination of the annual financial statements and the management report on the basis of the auditor's report did not give rise to any objections, meaning that no objections were raised. The Supervisory Board took note of and approved the financial statements and the auditor's report. The consolidated financial statements of 123fahrschule SE as at December 31, 2023 prepared by the Executive Board were therefore approved by the Supervisory Board with the resolution of February 28, 2024 and are thus adopted in accordance with Section 172 sentence 1 AktG.

The auditor submitted a declaration of independence to the Supervisory Board and disclosed the audit fee to the Supervisory

Board. In addition, the auditor of the financial statements provided further services for the Group's association during the financial year, which were also disclosed to the Supervisory Board.

The Supervisory Board would like to thank the Management Board and the company's employees for their work in the past financial year and the shareholders for the trust they have placed in the company.

Cologne, February 2024

Stefan Petter

Chairman of the Supervisory Board



Group management report for the Financial Year 2023

I. General information

123fahrschule SE, based in Frankfurt am Main - hereinafter referred to as "123fahrschule" or the "Group" - is a European Company (international: Societas Europaea, or SE for short) listed on the Düsseldorf Stock Exchange (primary market).

On October 26, 2020, 123fahrschule Holding GmbH was contributed to Livonia SE as part of a non-cash capital increase, thereby establishing the Group for which these consolidated financial statements were prepared. As at December 31, 2023, the Group's share capital amounted to EUR 4,875,560.00, divided into 4,875,560 no-par value shares. Mr. Boris Polenske was the company's CEO at the end of the financial year.

The object of the company is the management of companies and the administration of shareholdings as well as the maintenance and protection of brands and other industrial property rights. The company's activities include the acquisition, holding, management and sale of investments in domestic and foreign companies - in particular in the training and further education sector - whose corporate purpose is related to the operation and management of driving schools, as well as the licensing of trademarks and other industrial property rights. In particular, 123fahrschule operates its business with driving schools in North Rhine-Westphalia, Berlin, Hamburg and Leipzig as at December 31, 2023. The Management Board plans to expand

the operating business throughout Germany by acquiring and establishing additional driving school locations and driving instructor training centers. The Group offers its customers modern, digitally supported driving education and is constantly optimizing its operations thanks to standardized and automated processes. In doing so, the company relies on proprietary software solutions.

123fahrschule Holding GmbH acts as a strategic management holding company that performs Group-wide tasks. In addition to strategic management, this also includes the assumption of cross-divisional functions such as financing, Group controlling and accounting, taxes, legal, human resources, purchasing and IT as well as marketing, investor relations, corporate development and innovation management.

In addition to 123fahrschule Holding GmbH as the parent company, 123invest eins GmbH as the shelf company for investment activities, FahrerWerk GmbH as the company for driving instructor training and 123fahrschule Bildung GmbH for the business with training vouchers and similar forms of training, the operating business of the 123fahrschule Group is represented by the 10 regional operating companies operating the regional driving schools - 123fahrschule Rheinland GmbH, 123fahrschule Ruhrgebiet-Nord GmbH, 123fahrschule Ruhrgebiet-Süd GmbH, 123fahrschule Niederrhein GmbH, 123fahrschule Hauptstadt GmbH,

123fahrschule NRW GmbH, 123fahrschule Hamburg GmbH, 123fahrschule München GmbH (until July 2023), 123fahrschule Rhein-Sieg GmbH, 123fahrschule Sachsen GmbH. These companies operate almost 60 driving school locations in NRW, Berlin, Hamburg and Leipzig as at December 31, 2023.

The consolidated balance sheet total of 123fahrschule amounts to EUR 26,299 thousand as at 31.12.2023. The consolidated net loss for 2023 is EUR -3,907 thousand and revenue is EUR 20,613 thousand.

The consolidated income statement was prepared for the 2023 financial year. The comparative figures are shown for the same period of the previous year.

II. Business and general conditions

According to the press release issued by the Federal Statistical Office (Destatis) on January 15, 2024, initial calculations indicate that the price-adjusted gross domestic product (GDP) in 2023 was 0.3% lower than in the previous year. Adjusted for price and calendar effects, GDP was also 0.1% lower than in 2022. The high prices at all levels of the economy had a noticeably negative impact on the economy in 2023. According to Ruth Brand, President of the Federal Statistical Office, this was compounded by "unfavorable financing conditions due to rising interest rates and lower demand both at home and abroad. Compared to 2019, the last

calendar year before the start of the coronavirus pandemic, GDP rose by 0.7% in 2023¹.

According to figures from DStatis, the inflation rate in 2023, measured as the change in the consumer price index (CPI), was +5.9% compared to the previous year². This was lower than in 2022 (+6.9%), but food became particularly expensive in 2023, which reduced the purchasing power of (potential) 123fs customers. However, the current outlook is much more positive and is reflected in an inflation rate of just 2.9% in January 2024. This suggests that the tense situation could ease in 2024.

According to surveys conducted by the industry association MOVING (International Road Safety Association e.V.) for its Industry Report 2023, the driving school sector is optimistic about the future and has clearly positive sales expectations, despite the development of GDP and high inflation rates in recent years. The report anticipates an increase in turnover of 24.2% to €2.95 billion by 2025 compared to 2020³. The evaluation of the sales tax statistics at federal state level shows significant regional differences in some cases - however, all regions are recording a noticeable increase in turnover. In particular, very large driving schools in the new federal states with a turnover of over 500,000 euros are expecting rising turnover⁴.

¹ https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html

² https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_020_611.html

³ <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

⁴ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaus-sicht_2023_01.pdf

At the same time, the incipient consolidation of the market has also progressed significantly in recent years. According to evaluations by the Federal Statistical Office (DeStatis), the number of driving schools fell by 4.6% from 2019 to 2020⁵. The industry association Moving expects a further decline of 9.5% by 2025.

Nevertheless, the sector is still characterized by very small to medium-sized companies. In 2020, only around 8.5% of companies generated annual sales of more than EUR 500,000, accounting for around 38% of total industry sales. The industry can therefore still be described as highly fragmented. The majority of driving schools operate as sole proprietorships⁶⁷

Inflation is also making itself felt in the driving school sector in the form of increased training costs for students. According to MOVING's Industry Outlook 2023, 74% of all driving schools increased their prices at least once in the second half of 2022. According to the association's survey in January 2023, the average price for practical training lessons for class B is €58 - an increase of 4% compared to August 2022. Almost a third offer normal driving lessons from €61 or more at⁸⁹.

The biggest challenge facing the industry for the time being remains the shortage of skilled staff. As in most industries, driving schools sometimes have problems finding suitable specialist staff, especially driving instructors. According to MOVING, there will be a shortage of over 6,400 driving instructors for driving license category B in 2023¹⁰¹¹

With the expiry of the special permits for online theory lessons at the beginning of 2022, the Federal Minister of Transport held out the prospect of digitalizing and modernizing the driving school sector. This also included online theory lessons. In the current resolution of 22/23 March 2023, the Conference of Transport Ministers comes to the same conclusion and is willing to approve e-learning on a permanent basis, provided that the quality requirements, as with the previous face-to-face lessons, are met¹²¹³. 123fahrschule therefore expects the plans of the current government from the coalition agreement and the desire of the transport ministers of the federal states to increase the digitalization of driving education to be implemented in the near future.

On the topic of digitalization and modernization of driving school training, a hearing of

⁵ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

⁶ <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

⁷ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

⁸ <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

⁹ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

¹⁰ <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

¹¹ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

¹² <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

¹³ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

Business performance and situation of the Group

associations and publishers was held at the BMDV on 5 February, 2024. It was promised that around 50% of current face-to-face lessons may be implemented in synchronous and asynchronous form from 2025. This will enable 123fs to further extend its digitalization lead in the market.

The BMDV also held out the prospect of using driving simulators in driving school training.

III. Business performance and situation of the Group

123fahrschule can look back on a successful financial year despite various exogenous factors of uncertainty in 2023 (Ukraine crisis, increased inflation, reluctance to spend, volatile stock markets) and the resulting difficult overall economic situation in Germany. With a significant increase in sales, the growth target on the top line was achieved and, in addition, a significant and disproportionately high improvement in EBITDA in relation to the increase in sales was achieved.

In addition to the further improvement in operating efficiency, the cost-saving measures adopted in the holding company as of the end of 2022 and a restructuring of the organization in particular enabled the improvement in EBITDA. The regional subsidiaries of 123fahrschule, which operate the local driving schools, and the driving instructor training centers also made a clearly positive contribution to earnings in the 2023 financial year; earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 2,436 thousand.

In addition to training learner drivers, 123fahrschule has successfully continued to train the next generation of driving instructors

According to the BMDV, driving simulators will be allowed to be used as a permissible medium in theoretical and practical driver training in the future. It is being examined whether B197 training may in future be represented by the driving simulator. This would give 123fs the opportunity to provide even more cost-efficient driver training in the future.

in four in-house driving instructor training centers in NRW and Berlin. With its in-house training center, 123fahrschule has succeeded in establishing itself as a neutral provider and training driving instructors for its own companies as well as for the market. In addition, FahrerWerk GmbH made a significant contribution to earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 485 thousand.

In 2023, 123fahrschule continued to advocate politically for the permanent approval of online theory lessons and a general opening for further digitalization of training processes. This remains an important strategic goal and would significantly improve 123fahrschule's competitive advantage with customers and the company's personnel cost ratio. The clear prospect of permanent approval for online theory lessons from January 2025 gives the company a very positive outlook for the coming years.

As 123fahrschule is a young, dynamic start-up/scale-up company, its business performance is subject to greater fluctuation than that of established and well-established companies. In addition, the macroeconomic situation in Germany, which is characterized by the Ukraine crisis, rising inflation and volatile stock markets, increases planning uncertainty.

Business performance and situation of the Group

Nevertheless, the management expects significant growth in the 2024 financial year.

a) Earnings situation

Revenues in the financial year totaled kEUR 20,613 (previous year: kEUR 16,668), of which kEUR 15,587 (previous year: kEUR 13,477) was generated by revenues from driving education for classes A&B, kEUR 2,324 (previous year: kEUR 978) from professional driver education and kEUR 2,702 (previous year: kEUR 2,213) from driving instructor training.

Personnel expenses totaled EUR 13,659 thousand (previous year: EUR 12,138 thousand). With an average headcount of 271 employees, expenses amounted to EUR 50 thousand per employee (extrapolated for the year as a whole).

Depreciation and amortization of kEUR 3,421 (previous year: kEUR 2,970) includes scheduled amortization of intangible assets, operating and office equipment, vehicles and low-value assets in the amount of kEUR 1,812, amortization of goodwill from consolidation in the amount of kEUR 416 and kEUR 1,193 on goodwill arising from the initial consolidation of the 123fahrschule Holding subgroup, which is amortized over 7 years. The reduced amortization period was chosen due to the fact that driving education is a rather short-term and one-time consumed product and the customer base therefore changes quickly.

Other operating expenses amounted to EUR 9,020 thousand (previous year: EUR 8,393 thousand). These include, in particular, expenses for vehicle operating costs and leasing, capital procurement costs, rents and leases, legal and consulting costs and marketing.

The operating result (items 1 to 7 of the income statement) amounted to kEUR -4,308 (previous year: kEUR -5,642). Interest expenses result primarily from investment loans.

For the trade and corporation tax losses incurred in 2023 by 123fahrschule Holding GmbH and its subsidiaries, including loss carryforwards and own work capitalized, net taxable income of EUR 523 thousand (previous year: EUR 1,357 thousand) was recognized for deferred tax assets. Provisions of EUR 19 thousand have been recognized for the tax payments due from Fahrschule und Fahrlehrerfachschule Horst Fornefeld GmbH.

The consolidated net loss for the financial year amounted to EUR 3,907 thousand (previous year: EUR 4,380 thousand).

b) Financial position

Cash and cash equivalents amounted to EUR 745 thousand at the end of 2023 (previous year: EUR 335 thousand). The Group's liquidity is secured at all times due to equity measures. The company is financed on an ongoing basis through capital increases.

Sufficient cash inflows from operating activities were available throughout the reporting year to finance the business. Current liquidity is secured through special monitoring by the management and by raising funds on the capital market.

A resolution was passed on May 10, 2023 for a capital increase with the exclusion of statutory subscription rights against contributions in kind in the amount of EUR 71,334.00 against the issue of 71,334 new shares, which was entered in the commercial register on 22

Business performance and situation of the Group

June 22, 2023. In addition, the Supervisory Board resolved on June 23, 2023 to increase the capital by 143,195 shares to EUR 3,321,883.00, which was entered in the commercial register on July 3, 2023. On November 13, 2023, a resolution was passed to implement a capital increase of EUR 1,509,946.00 by issuing 1,509,946 new no-par value bearer shares in exchange for cash contributions while granting statutory subscription rights, which was entered in the commercial register on November 20, 2023. In addition, a resolution was passed on December 8, 2023 to determine the volume and implement the capital increase against cash contributions, excluding statutory subscription rights, by EUR 43,731.00 by issuing 43,731 new no-par value bearer shares. This capital increase was entered in the commercial register on December 14, 2023.

c) Asset Situation

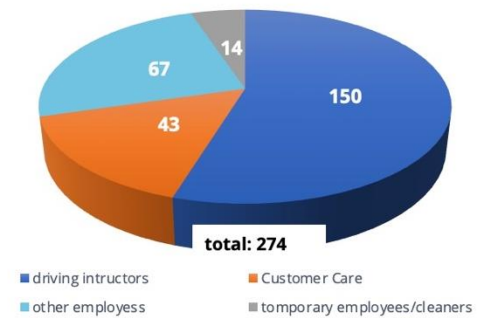
Total assets amounted to EUR 26,299 thousand as at 31.12.2023. Non-current assets amounted to EUR 15,601 thousand, current assets to EUR 6,742 thousand, prepaid expenses to EUR 432 thousand and deferred tax assets to EUR 3,523 thousand.

Fixed assets include intangible assets amounting to EUR 11,301 thousand, most of which are amortized over 7 years. Current assets consist mainly of current receivables. The development of equity is shown in Appendix 5.

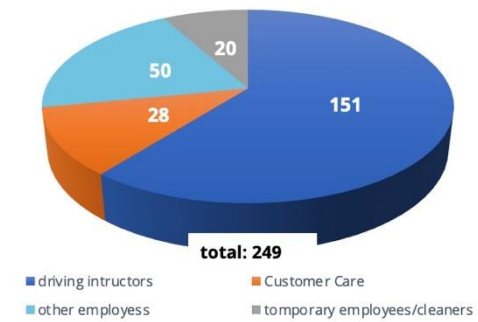
d) Personnel

Number of employees as at December 31, 2023

number of employees as at 31.12.23



number of employees as at 31.12.22



Business performance and situation of the Group

Committed, creative, responsible and independent employees who are appropriately motivated are a crucial element of the Group's entrepreneurial success. The development of our employees' professional and personal skills is therefore a particular priority. In particular, sales growth is achieved primarily by recruiting additional driving instructors. 123fahrschule provides its employees with state-of-the-art work materials, creates space for creative work, enables digital scheduling and course planning and attaches great importance to loyalty and collegiality.

The number of employees rose from 249 to 274 in the 2023 financial year. The additional employees are the result of organic and structural growth. In particular, the number of customer care employees was matched to service needs.

Thanks to the digitalization and automation of processes using proprietary software solutions, 123fahrschule was once again able to deploy its staff more efficiently than the competition in 2023, especially in customer service. 123fahrschule will continue to focus on achieving efficiency gains through software solutions in the future.

e) Registration figures

Compared to 2022, student registrations at 123fahrschule only fell slightly in 2023, contrary to the overall weak economy in Germany in the private customer business (classes A, B, BE). Price effects also contributed to the increase in revenue as an additional factor.

The 123fahrschule student app is perceived by customers as a USP. The quality of training was

also further improved in 2023 thanks to quantitatively supported evaluations, and the e-learning offering and online management of driving education were expanded.

f) Security

The topics of occupational safety and data security are taken seriously at 123fahrschule. Processes are regularly scrutinized, applicable law is complied with and employees are trained internally on these topics. In particular, data processing and the protection of personal customer data is of the utmost importance to 123fahrschule.

The occupational safety specialist and the data protection officer were appointed externally.

g) Research and development

The expansion of the proprietary technology stack is one of the most important success factors for the further development and expansion of 123fahrschule. The focus in software development is on fully digitizing all training and administrative processes in the driving school. Compared to normal driving schools, the company expects a clear positive effect on earnings in the medium term and a significant simplification and improvement of the training process for the student. With the resulting increase in customer satisfaction, the company assumes

that it will be able to significantly increase its market share and that 123fahrschule will be perceived as a strong brand throughout Germany.

IV. Opportunity & risk report

a) Market and competition-related opportunities & risks

The current inflation and reluctance of German consumers to spend can potentially put a heavy strain on the sales potential of driving schools. A driving license is an expensive investment for the young target group. However, as many young people are inevitably dependent on a driving license for work or due to family changes, it is more likely that sales will be delayed or postponed into the future. The extent to which the effects will have a long-term impact on the net assets, financial position and results of operations of 123fahrschule can only be estimated at the present time and is heavily dependent on further developments on the markets and the crisis situation in Ukraine. However, it is already clear that the longer inflation remains at this level, the greater the risks to the company's economic performance.

With the abolition of the exemption regulations for online theory lessons in mid-2022, an important competitive advantage of 123fahrschule has temporarily faded into the background. At the beginning of 2022, however, the Federal Minister of Transport held out the prospect of digitalization and modernization of the driving school industry, including online theory lessons. In the current resolution of March 22/23, 2023 of the Conference of Transport Ministers, it is stated with regard to the optimization of driving education that they are willing to approve online theory lessons on

a permanent basis, provided that the quality requirements are met as with the previous face-to-face lessons.

On the subject of digitalization and modernization of driving school training, a hearing of associations and publishers was held at the BMDV on February 5, 2024. There it was promised that approx. 50% of the current face-to-face lessons may be implemented in synchronous and asynchronous form from 2025. This will enable 123fs to further extend its digitalization lead in the market.

The BMDV also held out the prospect of using driving simulators in driving school training. According to the BMDV, driving simulators will be allowed to be used as a permissible medium in theoretical and practical driver training in the future. Also, the question of whether B197 training may be carried out on the driving simulator in future has been raised. This would give 123fs the opportunity to provide even more cost-efficient driver training in the future.

With the stronger tailwind from politics, 123fahrschule SE will focus its successful expansion strategy even more consistently on the long-term existence of online theory lessons and make greater use of the advantages of digital education, especially in large cities. Thanks to its digital DNA and its own software solutions, 123fahrschule is optimally positioned to clearly differentiate itself from the competition in terms of customer perception, as it did during the period of temporary permits during Covid. In addition, 123fahrschule will then once again make significant savings on premises costs and personnel and focus fully on addressing customers digitally. In 2024, 123fahrschule will continue to actively campaign politically for

the implementation of the resolution of the Conference of Transport Ministers and further digitalization steps.

The profession of driving instructor is one of Germany's most popular occupations. At 54.2 years¹⁴, the average age of driving instructors in the market is very high. As an increase in turnover for driving schools - in addition to price increases - is mainly achieved by hiring more driving instructors, the competition for driving instructors is very fierce. On the one hand, this leads to rising wages, but on the other hand also allows significant price increases due to the imbalance between supply and demand for driving lessons. The sales risks for the Group can therefore be classified as low. Nevertheless, the shortage of driving instructors remains a risk to the further growth of 123fahrschule. In order to actively counteract the shortage of driving instructors, 123fahrschule is training driving instructors in its own driving instructor training centers in North Rhine-Westphalia and Berlin at its subsidiary FahrerWerk GmbH. However, thanks in part to the relaxation of the entry requirements for driving instructor training from 2018, it is expected that more young driving instructors will join the ranks in the coming years and that the shortage of skilled workers will be reduced.

b) Technical default risk

123fahrschule's business model is heavily tailored to digital processes and training services. The Group uses - mostly proprietary - software

solutions throughout its business operations. The business activities of 123fahrschule could also be significantly impaired by failures or disruptions to the IT systems and networks as a result of hardware destruction, system crashes, software problems, virus attacks, intrusion into the system by unauthorized persons (hackers) or comparable disruptions. In order to avoid significant costs of such incidents, the IT risks are actively monitored internally and preventive measures are taken, e.g. through back-ups, automated tests and other (security) technical measures. If 123fahrschule is unable to adequately guarantee the reliability, security and availability of its IT infrastructure, this could have a negative impact on the net assets, financial position and results of operations of 123fahrschule.

c) Organizational and Business risks

The implementation of the business strategy and corporate objectives and thus the development of the 123fahr school is based in particular on the knowledge, skills and experience of the current managers (Executive Board and other managers below the Executive Board). There is a risk that the Group will not succeed in retaining managers within the company or, if necessary, in recruiting new managers. If one or more managers leave the company, there is a risk that valuable knowledge, skills and experience for the 123fahr school will be lost and/or made available to competitors.

¹⁴ <https://www.moving-roadsafety.com/veroeffentlichungen/branchenreport/>

¹⁵ https://www.moving-roadsafety.com/wp-content/uploads/2023/03/Final_MOVING_Branchenaussicht_2023_01.pdf

There is also a risk that difficulties in finding suitable new managers could affect the company's competitiveness and therefore have a negative impact on the Group's economic development.

In addition to the potential loss of managers without an equal replacement, a net loss of driving instructors would also have a negative impact on the growth and opportunities of 123fahrschule and thus on its net assets, financial position and results of operations. The Management Board ensures that employees are adequately incentivized - both in monetary and non-monetary terms - and strives to create a good working atmosphere in order to keep the probability of these risks occurring low.

In addition to the shortage of driving instructors, procurement risks arise in the procurement of a sufficient number of vehicles. Potential supply bottlenecks on the part of vehicle manufacturers can lead to a loss of sales. This risk is kept as low as possible through appropriate long-term planning and relationship management with suppliers. Thanks to its access to and relationship with many manufacturers, the 123fahrschule can often substitute bottlenecks at one manufacturer with deliveries from other companies.

Operating costs, particularly for electricity and gas, have also risen significantly over the past year. The Ukraine crisis and the tense political situation are partial reasons for this. Price increases are sufficiently priced into the 123fahrschule's business planning and are therefore relevant but not considered threatening.

d) Acquisition opportunities & risks

The high average age of driving instructors means that interesting takeover targets keep opening up for 123fahrschule. If entrepreneurs cannot find a successor, 123fahrschule can take over smaller companies at attractive multiples and continue to grow nationwide.

The integration of acquired individual operating companies involves both the technical and organizational restructuring of the acquired companies and their integration into the overall structure of the 123fahrschule Group. In particular, the employees, especially the driving instructors and managers, of the acquired companies must be retained in order to ensure the desired sales effect. This is achieved through intensive training and integration measures as well as the general measures mentioned under personnel (point III d of this report), which contribute to employee satisfaction. If the existing staff of the acquired companies cannot be retained, this will have a negative impact on the net assets, financial position and results of operations of the 123fahrschule.

e) Economic and financial Opportunities & risks

Ensuring the continuous financing of further growth is essential for the success of 123fahrschule. The capital increases from 2023 can be used to finance important investments in 123fahrschule's proprietary software solutions. However, it remains the main task of the management to secure financing at all times with foresight and to efficiently pursue further organic growth of the Group. Compliance with budgets and investment plans is closely monitored and controlled.

Liquidity is controlled centrally within the Group companies as far as possible by means of appropriate liquidity management in order to ensure that the Group companies have a constant supply of sufficient liquidity.

Operating activities within the Group are conducted in Germany. As a result, there are no transactions in foreign currencies and no currency risks.

Price trends in the procurement and operating costs of vehicles (leasing costs, fuel, etc.) are of particular importance to the Group. As a driving school chain, vehicle costs make up a significant proportion of the Group's total costs. A significant increase in these costs could have a negative impact on the net assets, financial position and results of operations of 123fahrschule. An opportunity arises above all through good conditions in the procurement of vehicles and other goods at 123fahrschule, which - due to its size - can negotiate special conditions and thus potentially reduce costs compared to the rest of the industry.

V. Forecast report

a) Macroeconomic development

The Ukraine crisis and the high inflation rate of recent years continue to dampen the upturn in the German economy. The overall economic situation, consumer sentiment and the stock markets can still be described as tense. It remains to be seen whether and to what extent consumer reluctance to spend will continue in 2024. The Ukraine crisis, with all its direct and indirect economic and political consequences, is a key uncertainty factor for forecasting macroeconomic development. The duration and escalation of the situation will have a major impact on the sales and earnings potential of

German companies. This is clearly reflected in the shrunken economic forecast for 2024.

b) Sector development

The Management Board of 123fahrschule expects the German driving school market to continue to consolidate slowly over the coming years. This development will be favored by the very high average age of the entrepreneurs and the currently still prevailing shortage of skilled workers in the industry. Demand for driving license examinations remained high in the second half of 2023. Despite the price increases in the industry, the number of applications for driving license training has not yet fallen significantly. Overall, the industry has recovered well from the training restrictions imposed by Covid-19. However, it remains to be seen whether high inflation, the current weak economy and the geopolitical conflict in Ukraine will lead to consumer restraint.

The political opening and the decision of the Conference of Transport Ministers on the online theory will change the industry in the long term and plays clearly into the hands of companies with a digital identity and sufficient size to exploit economies of scale.

c) Outlook

The focus in the 2024 financial year is particularly on achieving a positive cash flow. In addition, achieving sustainable profitability at Group level remains the declared goal. To achieve these goals, the Executive Board is focusing on further optimizing the cost side and software-supported efficiency improvements in the operating business. The Management Board considers the targets to be realistic and expects to close the 2024 financial year with a clearly positive EBITDA.

In 2024, particular attention will be paid to the further expansion of the professional driver/training provider business and driving instructor training in order to increase sales beyond the business with A and B driving licenses.

Furthermore, 123fahrschule is preparing technologically and organizationally for the implementation of the resolution of the Conference of Transport Ministers on online theory lessons for January 2025. In 2024, 123fahrschule will continue to actively lobby the federal government and the state governments for a further legal opening with regard to digital forms of driving education and will participate in reaching a consensus.

Provided that the market environment remains stable or does not develop negatively in the long term, particularly in terms of purchasing power, the Management Board expects the positive trend to continue in 2024.

Forecast report

d) Explanation of the sales segments for the 2023 financial year

The operational business of 123fahrschule consists of three main pillars: a) the nationwide training of private customers, primarily in the driving license classes A, B & BE b) the training of professional drivers and customers whose professional training and further education is supported by the employment agency with training vouchers c) the training of driving instructors.

Due to growth in recent years, more and more of the 123fahrschul Group's regional operating companies are offering services from two or more of the above-mentioned areas. In the 2023 financial year, revenue in the segments developed as follows

turnover	2023	
	TEUR	in %
a) privat customers A, B, BE	15,587	75.6
b) training of professional drivers/ customers with training vouchers	2,324	11.3
c) training of driving instructors	2,702	13.1
total	20,613	100.0

turnover	2022	
	TEUR	in %
a) privat customers A, B, BE	13,477	80.8
b) training of professional drivers/ customers with training vouchers	978	5.9
c) training of driving instructors	2,213	13.3
total	16,668	100

turnover	variation	
	abs.	in %
a) privat customers A, B, BE	2,110	15.7
b) training of professional drivers/ customers with training vouchers	1,346	137.6
c) training of driving instructors	489	22.1
total	3,945	23.7

Cologne, February 28, 2024

Boris Polenske

signed. Board of Directors

Attachments

Appendix 1 - Balance sheet

123fahrschule SE, Frankfurt a. M. - Consolidated balance sheet as at December 31, 2023

Assets	December 31, 2023		December 31, 2022	
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Intangible assets				
1) Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	2.597.624,35		1.714.496,35	
2) Goodwill	8.703.524,59		9.212.255,93	
3) Advance payments made	0,00	11.301.148,94	0,00	10.926.752,28
II Property, plant and equipment				
1) Technical equipment and machinery	1.141,00		1.431,00	
2) Other equipment, operating and office equipment	4.299.535,51		4.455.253,78	
3) Advance payments and assets under construction	0,00	4.300.676,51	56.900,00	4.513.584,78
III. financial assets				
1) Securities held as fixed assets (cooperative shares)	250,00	250,00	250,00	250,0
		15.602.075,45		15.440.587,06
B. Current assets				
I. Receivables and other assets				
Assets				
1) Trade receivables and services	2.987.079,23		3.513.432,29	
2) Other assets	3.010.554,61	5.997.633,84	2.308.304,68	5.821.736,97
II. cash on hand, Bundesbank balances, bank balances and checks		744.584,47		334.619,13
		6.742.218,31		6.156.356,10
C. Prepaid expenses and deferred charges		431.568,04		168.730,99
D. Deferred tax assets		3.523.270,96		2.999.830,59
Total assets		26.299.132,76		24.765.504,74

Liabilities	December 31, 2023	December 31, 2022
	EUR	EUR
A. Equity		
I. Subscribed capital	4.875.560,00	3.107.354,00
II. capital reserve	25.499.321,60	23.787.292,00
III Profit carried forward/loss carried forward	-10.056.082,75	-5.676.162,18
IV. Net loss for the year	-3.906.669,73	-4.379.920,57
	16.412.129,12	16.838.563,25
B. Provisions		
I. Tax provisions	18.553,20	24.966,78
II. Other provisions	485.517,17	443.241,66
	504.070,37	468.208,44
C. Liabilities		
1) Liabilities to banks	2.434.801,04	2.164.796,13
2) Advance payments received on orders	2.116.139,97	1.283.211,38
3) Trade accounts payable Services	648.951,84	1.119.534,89
4) Other liabilities	3.335.830,85	1.990.110,23
	8.535.723,70	6.557.652,63
D. Prepaid expenses and deferred charges	847.209,57	901.080,42
Total liabilities	26.299.132,76	24.765.504,74

Appendix 2 Income statement

123fahrschule SE, Frankfurt a. M.

Consolidated income statement for the
period from December
January 1 to December 31, 2023

	P&L		P&L
	EUR	EUR	EUR
		2023	2022
		EUR	EUR
1) Sales revenue		20.612.664,60	16.668.342,63
2) Other own work capitalized		285.682,39	143.699,00
3) Other operating income		892.780,23	1.077.094,59
4) Cost of materials			
a) Expenses for purchased services		0,00	-29.052,34
5) Personnel expenses			
a) Wages and salaries	-11.250.757,58		-10.078.956,26
b) Social security contributions and expenses for pensions and other benefits	-2.407.959,36	-13.658.716,94	-2.059.465,66
6) Depreciation and amortization			
a) on intangible assets fixed assets and property, plant and equipment and capitalized expenses for the start-up and expansion of business operations	-3.420.527,32		-2.970.263,67
b) to assets held as current assets assets, insofar as these exceed the usual depreciation and amortization depreciation and amortization	0,00	-3.420.527,32	0,00
7) Other operating expenses		-9.019.822,82	-8.393.192,84

Appendix 2 – Income statement

	P&L 2023		P&L 2022
	EUR	EUR	EUR
8) Other interest and similar income		340,40	53,17
9) Interest and similar expenses			
- thereof to shareholders		-46.160,24	-28.555,35
EUR 0.00 (previous year EUR 9,932.85)			
10) Taxes on income and from the yield		523.912,65	1.356.574,41
11) Earnings after taxes		-3.829.847,05	-4.313.722,32
12) Other taxes		-76.822,68	-66.198,25
13) Net loss for the year		-3.906.669,73	-4.379.920,57

Appendix 3

Notes to the consolidated financial statements 123fahrschule SE, Frankfurt a. M.

December 31, 2023

1. general information on the Consolidated financial statements

1.1 General information

The commercial register number is HRB 117584 at Frankfurt am Main Local Court and the business address is Klopstockstr. 1, 50968 Cologne.

The purpose of the company is the management of companies and the administration of shareholdings as well as the maintenance and protection of brands and other industrial property rights. The company's activities include the acquisition, holding, management and sale of investments in domestic and foreign companies, particularly in the training and continuing education sector, whose business purpose is related to the operation and management of driving schools, as well as the licensing of trademarks and other industrial property rights.

The Articles of Association were adopted for the first time on July 3, 2019 and were last amended during the financial year by resolution of the Supervisory Board on December 8, 2023 with regard to the amount and division of the share capital in Section 5 (1).

123fahrschule is required to prepare separate financial statements in accordance with the Articles of Association. In addition, as the parent company, the company has prepared voluntary consolidated financial statements.

The current Group was established as a result of the contribution in kind of the 123fahrschule

Holding GmbH subgroup to 123fahrschule SE on October 26, 2020.

The consolidated financial statements were prepared on the basis of the going concern principle (Section 252 (1) no. 2 HGB). Some of the Group companies are overindebted. The going concern assumption is made as the Group companies are provided with sufficient liquidity and equity by the shareholders.

The consolidated income statement was prepared using the nature of expense method in the reporting year.

The financial year of the consolidated financial statements and the consolidated companies corresponds to the calendar year. The consolidated financial statements are prepared in euros.

1.2 Scope of consolidation

In addition to 123fahrschule SE as the parent company, the following companies were also included in the scope of consolidation:

List of shareholdings pursuant to Section 313 (2) HGB

As at December 31, 2023

Appendix 3

Fully consolidated Subsidiaries	Seat	Share ownership in %
123fahrschule Holding GmbH	Co-logne	100,00
123fahrschule Rheinland GmbH	Co-logne	100,00
123fahrschule Ruhrgebiet-Nord GmbH	Co-logne	100,00
123fahrschule Ruhrgebiet-South Ltd.	Co-logne	100,00
123fahrschule Niederrhein GmbH	Co-logne	100,00
123fahrschule NRW GmbH	Co-logne	100,00
FahrerWerk GmbH	Co-logne	100,00
123fahrschule Hamburg GmbH	Co-logne	100,00
123fahrschule Munich GmbH	Co-logne	100,00
123fahrschule Hauptstadt GmbH	Berlin	100,00
123invest one GmbH	Co-logne	100,00
123fahrschule Bildung GmbH	Berlin	100,00
123fahrschule Rhein-Sieg GmbH	Co-logne	100,00
123fahrschule West GmbH	Co-logne	100,00
123fahrschule Sachsen GmbH	Co-logne	100,00
Driving school and driving instructor school Horst Fornefeld GmbH	Wesel	100,00

1.3 Capital consolidation

Capital consolidation was carried out in accordance with Section 301 (1) HGB using the revaluation method. Under this method, any hidden reserves and hidden liabilities of the subsidiaries are disclosed before the difference from

capital consolidation is calculated and the revalued equity determined in this way is compared with the acquisition costs.

If a positive difference arises, this is capitalized as goodwill.

1.4 Debt consolidation

Debt consolidation is carried out in accordance with Section 303 (1) HGB by eliminating the receivables with the corresponding liabilities between the companies fully included in the consolidated financial statements.

1.5 Interim profit elimination

No interim profit eliminations had to be carried out in the past financial year.

1.6 Expense and income statement Consolidation of income

Expenses and income are consolidated in accordance with Section 305 (1) HGB by offsetting sales revenues and other income between the Group companies against the resulting expenses. Interest income and similar income are also offset against the corresponding expenses.

1.7 Deferred tax

Deferred taxes are recognized in accordance with Section 306 of the German Commercial Code (HGB) to the extent that consolidation measures have resulted in significant changes in the consolidated result compared to the sum of the individual results of the companies included in the consolidated financial statements. No deferred taxes arose from consolidation measures.

1.8 Information on currency

In the consolidated financial statements, the balance sheets of the consolidated companies are presented in euros.

2. Accounting and Valuation principles

The accounting and valuation methods previously applied by the parent company were essentially applied to the consolidated financial statements. Acquired intangible assets are generally measured at cost less amortization.

The reported goodwill resulting from the initial consolidation was capitalized and amortized over a period of 7 years. The shortened amortization period corresponds to the product-related short-term change in the customer base.

As in the previous year, personnel costs for two employees are capitalized under internally generated intangible assets and amortized over eight years. This corresponds to the internal programming work in the internally created and continuously expanded operational ERP system "123Charger".

Vehicles under residual value leases are capitalized at their discounted present value and depreciated over five years and the corresponding lease liabilities are recognized as liabilities.

Intangible assets and property, plant and equipment are recognized at acquisition or production cost less scheduled depreciation based on use. In the year of acquisition, low-value assets up to a value of EUR 250 per asset are fully depreciated. For low-value assets of more than EUR 250 to EUR 1,000, a collective item is set up in accordance with Section 6 (2a) EStG, which is

depreciated on a straight-line basis over a period of 5 years.

Receivables, other assets and cash and cash equivalents are generally recognized at cost (nominal amounts). In the case of trade receivables, recognizable risks are taken into account by means of a general bad debt provision of 1% of the net receivables. The general bad debt provision amounts to kEUR 35 (previous year: kEUR 17).

Other provisions are recognized at their settlement amounts, which were necessary to cover uncertain liabilities or uncertain risks according to reasonable business judgment.

All recognizable risks are adequately and sufficiently taken into account when measuring other provisions.

Liabilities are recognized at their settlement amount. The option to capitalize deferred taxes in accordance with Section 274 (1) sentence 2 HGB is exercised

3. Information on items of the Consolidated balance sheet

The development of the individual items of Group fixed assets is attached as Annex 3A. Trade receivables mainly comprise receivables from driving instructor training centers and are mainly due from local employment agencies. Receivables and other assets include EUR 2,069,405.92 with a remaining term of more than one year.

Deferred tax assets were recognized on trade and corporation tax loss carryforwards as shown below. As at December 31, 2023, losses of 123fahrschule Holding GmbH and its

Appendix 3

subsidiaries amounting to EUR 11,042,419.45 are expected to be fully utilized for tax purposes in the following five years. The loss carryforwards of 123fahrtschule Holding GmbH will only be recognized for tax purposes after the company's shares have been contributed to 123fahrtschule SE. Deferred tax assets of EUR 3,641,237.81 were recognized on this amount at the Group tax rate of 32.975%.

In addition, deferred tax liabilities of EUR 61,353.50 for trade tax and EUR 56,613.36 for corporation tax were recognized on own work capitalized.

As at the balance sheet date, there was a surplus of deferred tax assets amounting to EUR 3,523,270.96 (previous year: EUR 2,999,830.59).

Liabilities to banks in the amount of EUR 2,434,801.04 essentially comprise the counteritem to the vehicles capitalized under residual value leases.

Other liabilities include EUR 974,947.91 (previous year: EUR 875,460.00) in liabilities to shareholders, EUR 1,089,465.59 (previous year: EUR 628,228.50) in tax liabilities, EUR 219,865.41 (previous year: EUR 3,568.87) in social security liabilities and EUR 95,238.65 (previous year: EUR 85,365.69) with a term of more than one year. As at the date of the audit opinion, the social security liabilities have been repaid in full and half of the tax liabilities have been adjusted.

According to the resolution of the Annual General Meeting on 6 June 2023, the Authorized Capital 2022/I resolved by the Annual General Meeting on 27 June 2022 under agenda item 5 in the current amount of EUR 1,284,653.00 was cancelled in accordance with Section 5 (3) of the

Articles of Association when the Authorized Capital 2023/I proposed under item 5.2 below came into effect.

Furthermore, the Annual General Meeting on June 6, 2023 resolved the following, among other things. § Section 5 (3) of the Articles of Association is reworded as follows: "The Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to a total of EUR 1,553,677.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions, in full or in partial amounts, on one or more occasions, until June 5, 2028 (Authorized Capital 2023/I). The new shares are to be offered to the shareholders for subscription (also by way of indirect subscription in accordance with Section 186 para. 5 sentence 1 AktG).

However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in whole or in part, particularly in the following cases:

- (a) to exclude fractional amounts from the subscription right;
- (b) in the case of capital increases against contributions in kind to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets or rights;
- (c) in the case of cash capital increases, if the issue price of the new shares is not significantly lower than the stock market price of the existing shares at the time of the final determination of the issue price and the shares issued with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG do not exceed a total of 10% of the share capital, either at the time this

authorization becomes effective or at the time it is exercised. This limit of 10% of the share capital shall include shares that (a) are issued or sold during the term of this authorization with the exclusion of subscription rights in direct and corresponding application of Section 186 para. 3 sentence 4 AktG or (b) are issued or can be issued to service bonds and/or participation rights with conversion and/or option rights or conversion and/or option obligations, provided that these financial instruments are issued after this authorization becomes effective in corresponding application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights;

(d) in the case of cash capital increases, insofar as

is necessary in order to grant holders of bonds or profit participation rights with conversion and/or option rights or conversion or option obligations issued by the company or by Group companies in which the company holds a direct or indirect majority interest a subscription right to new shares in the company to the extent to which they would be entitled after exercising the option or conversion right or fulfilling the option or conversion obligation or after exercising a right of substitution of the company as a shareholder;

(e) to grant a scrip dividend, whereby shareholders are offered the opportunity to contribute their dividend entitlement (in whole or in part) to the company as a contribution in kind in return for the granting of new shares from the authorized capital. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further content of the share rights, the details of the capital increase and the conditions of the share issue, in particular the issue price."

The Management Board is authorized to grant up to 90,735 subscription rights ("share option rights") for up to 90,735 no-par value bearer shares in the company in the period up to and including 5 June 2028 as part of the 2023 share option programme. If share option rights are to be granted to members of the Management Board, the Supervisory Board is authorized accordingly. The authorization becomes effective upon entry of Conditional Capital 2023/I in the commercial register in accordance with sections 6.2 and 6.3 below ("date of entry").

The share capital is conditionally increased by up to EUR 90,735.00 by issuing up to 90,735 no-par value bearer shares (Conditional Capital 2023/I). The conditional capital increase serves exclusively to grant rights to the holders of share option rights from the 2023 share option program, which the Management Board or, in the case of an option issue to members of the Management Board, the Supervisory Board was authorized to issue in the period up to 5 June 2028 (inclusive) by resolution of the Annual General Meeting on 6 June 2023 in accordance with Section 6.2 above. The conditional capital increase will only be carried out to the extent that the holders of share option rights granted on the basis of the authorization of the Annual General Meeting on 6 June 2023 exercise these share option rights and the company does not fulfil the share option rights by delivering treasury shares or by making a cash payment.

The new shares participate in profits from the beginning of the financial year for which, at the time the new shares are issued, the Annual General Meeting has not yet passed a resolution on the appropriation of net profit.

Appendix 3

The company's share capital was increased from the original EUR 250,000.00 to EUR 1,264,480.00 on October 26, 2020 through the contribution of 123fahrschule Holding GmbH, Cologne, as a contribution in kind by issuing 1,014,480 new shares with a nominal value of EUR 1.00 each. Further capital increases were carried out in the 2021 and 2022 financial years. The share capital was adjusted by the following capital increases up to December 31, 2023:

On May 10, 2023, a capital increase excluding statutory subscription rights was resolved in return for a non-cash contribution of EUR 71,334.00 against the issue of 71,334 new no-par value shares, which was entered in the commercial register on June 22, 2023. In addition, the Supervisory Board resolved on June 23, 2023 to increase the capital by 143,195 shares to EUR 3,321,883.00, which was entered in the commercial register on July 3, 2023. On November 13, 2023, a resolution was passed to implement a capital increase of EUR 1,509,946.00 by issuing 1,509,946 new no-par value bearer shares in exchange for cash contributions while granting statutory subscription rights, which was entered in the commercial register on November 20, 2023. In addition, a resolution was passed on December 8, 2023 to determine the volume and implement the capital increase against cash contributions, excluding statutory subscription rights, by EUR 43,731.00 by issuing 43,731 new no-par value bearer shares. This capital increase was entered in the commercial register on December 14, 2023.

As at December 31, 2023, the company's share capital therefore amounted to EUR 4,875,560.00, divided into 4,875,560 no-par value shares of EUR 1.00 each.

The development of Group equity is shown in Appendix 5.

Tax provisions were recognized for the driving school and driving instructor college Horst Fornefeld GmbH in the amount of EUR 19 thousand. Other provisions include provisions for personnel costs as well as preparation and audit costs.

All liabilities are broken down in the consolidated liabilities schedule shown in Appendix 3B, indicating the remaining terms and the collateralization.

4. information on items of the Profit and loss account

The income statement is taken into account for the period from January 1 to December 31, 2023. The sales revenues were generated in Germany.

Revenues in the financial year amounted to a total of EUR 20,613 thousand (previous year: EUR 16,668 thousand), of which EUR 15,587 thousand (previous year: EUR 13,477 thousand) was mainly generated by revenues from driving schools, EUR 2,324 thousand (previous year: EUR 978 thousand) from the training provider business and EUR 2,702 thousand (previous year: EUR 2,213 thousand) from driving instructor training.

In 2023, income relating to other accounting periods amounted to EUR 8 thousand. Expenses relating to other accounting periods amounted to EUR 141 thousand.

Appendix 3

5. other informationOther financial obligations

As at the balance sheet date, there were other financial obligations for rent, leasing and installment purchase in the amount of EUR 3,613 thousand (previous year: EUR 3,441 thousand).

Profit and loss transfer agreements

On November 27, 2023, 123fahrschule Holding GmbH concluded profit and loss transfer agreements with the following companies: 123fahrschule Niederrhein GmbH, 123fahrschule Hamburg GmbH, 123fahrschule Sachsen GmbH, 123fahrschule Hauptstadt GmbH, 123fahrschule Ruhrgebiet-Nord GmbH, Fahrschule und Fahrlehrerfachschole Horst Fornefeld GmbH. The contracts are each concluded retroactively to 01.01.2023. The term ends on 31.12.2028.

Shareholdings

As at the balance sheet date, there are shares in affiliated companies within the meaning of Section 285 No. 11 HGB in the following company - the respective surplus or deficit represents the unconsolidated value at individual financial statement level:

123fahrschule Holding GmbH, Cologne

100 % Share in nominal capital of	€	503.620,00
Equity at Dec. 31, 2023:	€	10.014.500,54
Shortfall Dec. 31, 2023:	€	-1.741.470,27

123fahrschule Rheinland GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	-526.032,51
Surplus Dec. 31, 2023:	€	80.621,78

123fahrschule Ruhrgebiet-Nord GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	84.000,00
Surplus Dec. 31, 2023:	€	172.341,22

123fahrschule Ruhrgebiet-Süd GmbH, Cologne

100 % Share in Nominal capital of	€	12.500,00
Equity at Dec. 31, 2023:	€	-25.572,73
Shortfall Dec. 31, 2023:	€	-32.207,18

Appendix 3

123fahrschule Niederrhein GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	25.000,00
Surplus Dec. 31, 2023:	€	199.319,58

123fahrschule Hauptstadt GmbH, Berlin

100 % Share in Nominal capital of	€	51.129,19
Equity at Dec. 31, 2023:	€	172.869,23
Surplus Dec. 31, 2023:	€	0,00

123fahrschule NRW GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	-672.487,54
Shortfall Dec. 31, 2023:	€	-264.755,72

123fahrschule Hamburg GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	40.689,69
Surplus Dec. 31, 2023:	€	0,00

123fahrschule Bildung GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	-1.003.530,94
Shortfall Dec. 31, 2023:	€	-432.715,48

123fahrschule München GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	-121.760,46
Shortfall Dec. 31, 2023:	€	-88.398,92

123fahrschule Rhein-Sieg GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	-191.621,12
Shortfall Dec. 31, 2023:	€	-84.345,81

123fahrschule Sachsen GmbH, Cologne

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	43.398,56
Surplus Dec. 31, 2023:	€	0,00

123fahrschule West GmbH, Cologne

100 % Share in Nominal capital of	€	12.500,00
Equity at Dec. 31, 2023:	€	-75.042,34
Shortfall Dec. 31, 2023:	€	-10.837,30

invest eins GmbH, Cologne

100 % Share in Nominal capital of	€	12.500,00
Equity at Dec. 31, 2023:	€	-20.500,70
Shortfall Dec. 31, 2023:	€	-686,94

Appendix 3

FahrerWerk GmbH, Cologne

100 % Share in Nominal capital of	€	134.647,00
Equity at Dec. 31, 2023:	€	1.004.038,92
Surplus Dec. 31, 2023:	€	358.469,48

**Driving school and driving instructor
school Horst Fornefeld GmbH, Wesel**

100 % Share in Nominal capital of	€	25.000,00
Equity at Dec. 31, 2023:	€	25.000,00
Surplus Dec. 31, 2023:	€	207.620,60

Supplementary report

The war in Ukraine and the associated implications, such as a sharp rise in energy costs and high inflation, may have a negative impact on the development of the net assets, financial position and results of operations in 2023. In this regard, we refer to the statements in the management report, which are presented in the forecast report and the report on opportunities and risks.

Employees

The average number of employees for the Group in 2023 is as follows

Employees	253
Temporary staff	18
	271

Total auditor's fee

The total fee charged by the auditor for the past financial year amounted to EUR 62 thousand, of which EUR 36 thousand was for auditing services, EUR 16 thousand for other assurance

services and EUR 10 thousand for other consulting services.

Information on relationships with related companies and persons

In the 2023 financial year, there were no transactions with related parties of the company and its subsidiaries that had to be disclosed and were not concluded at arm's length.

Group affiliation

The annual financial statements of 123fahrschule SE, Frankfurt am Main, are included in the consolidated financial statements of 123fahrschule SE, Frankfurt am Main. As the parent company, it prepares the consolidated financial statements for the smallest and at the same time largest group of companies.

Corporate bodies

Board of the company in the 2023 financial year:

Management Board member Boris Polenske, Cologne, since December 16, 2020.

Management Board member Timo Beyer, Pulheim, since April 1, 2021. Timo Beyer left the company on June 30, 2023.

In accordance with Section 286 (4) HGB, the total remuneration of the Management Board is not disclosed.

Supervisory Board

The Supervisory Board of the company has held the following positions since December 16, 2020 and since January 6, 2021:

Chairman of the Supervisory Board Stefan Peter, Cologne,

Appendix 3

Deputy Chairman of the Supervisory Board Rudolf Rizzolli, Munich, resigned as of 31.12.2023, member of the Supervisory Board and new Deputy Chairman Dr. Bert Brinkhaus, Cologne, Member of the Supervisory Board Dr. Heinrich Zetlmayer, Rüslikon/Switzerland. The vacant position on the Supervisory Board was filled by substitute member Malte von der Ropp, who

was elected at the Annual General Meeting on October 26, 2020.

Cologne, February 28, 2024

signed. Boris Polenske
Management Board

Appendix 3A

123fahrschule SE, Frankfurt a.M.

Development of Group fixed assets in the 2023 financial year

Acquisition and production costs

I. Intangible assets					
	Lecture 01.01.2023 EUR	Additions EUR	Departures EUR	Rebooking EUR	Stand 31.12.2023 EUR
1. concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	2.316.227,16	1.320.413,22	-433,34	0,00	3.636.207,04
2. goodwill	12.812.515,59	1.309.085,91	-99.793,00	35.447,74	14.057.256,24
3. advance payments made	0,00	0,00	0,00	0,00	0,00
	15.128.742,75	2.629.499,13	-100.226,34	35.447,74	17.693.463,28
II. Property, plant and equipment					
1. land, land rights and buildings, including buildings on third-party land	0,00	0,00	0,00	0,00	0,00
2. technical equipment and machinery	1.675,50	0,00	0,00	0,00	1.675,50
3. other equipment, operating and office equipment	6.356.231,76	1.307.566,59	-571.916,19	-35.447,74	7.056.434,42
4. advance payments and assets under construction	56.900,00	0,00	-56.900,00	0,00	0,00
	6.414.807,26	1.307.566,59	-628.816,19	-35.447,74	7.058.109,92
III. Financial assets					
1. shares in affiliated companies	0,00	0,00	0,00	0,00	0,00
2. securities held as fixed assets (cooperative shares)	250,00	0,00	0,00	0,00	250,00
	250,00	0,00	0,00	0,00	250,00
	21.543.800,01	3.937.065,72	-729.042,53	0,00	24.751.823,20

Depreciation and amortization

I. Intangible assets					
	Lecture 01.01.2023 EUR	Additions EUR	Departures EUR	Rebooking EUR	Stand 31.12.2023 EUR
1. concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	601.730,81	437.284,22	-432,34	0,00	1.038.582,69
2. goodwill	3.600.259,66	1.810.153,24	-56.681,26	0,00	5.353.731,64
3. advance payments made	0,00	0,00	0,00	0,00	0,00
	4.201.990,47	2.247.437,46	-57.113,60	0,00	6.392.314,33
II. Property, plant and equipment					
1. land, land rights and buildings, including buildings on third-party land	0,00	0,00	0,00	0,00	0,00
2. technical equipment and machinery	244,50	290,00	0,00	0,00	534,50
3. other equipment, operating and office equipment	1.900.977,98	1.172.799,86	-316.878,93	0,00	2.756.898,91
4. advance payments and assets under construction	0,00	0,00	0,00	0,00	0,00
	1.901.222,48	1.173.089,86	-316.878,93	0,00	2.757.433,41
III. Financial assets					
1. shares in affiliated companies	0,00	0,00	0,00	0,00	0,00
2. securities held as fixed assets (cooperative shares)	0,00	0,00	0,00	0,00	0,00
	0,00	0,00	0,00	0,00	0,00
	6.103.212,95	3.420.527,32	-373.992,53	0,00	9.149.747,74

Carrying amounts

	31.12.2023 EUR	31.12.2022 EUR
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets as well as licenses in such rights and values	2.597.624,35	1.714.496,35
2. Goodwill	8.703.524,59	9.212.255,93
3. Advance payments made	0,00	0,00
	11.301.148,94	10.926.752,28
II Property, plant and equipment		
1. Land, land rights and buildings rights and buildings including Buildings on third-party land	0,00	0,00
2. Technical equipment and machinery	1.141,00	1.431,00
3. Other equipment, operating and Office equipment	4.299.535,51	4.455.253,78
4. Advance payments and assets under construction	0,00	56.900,00
	4.300.676,51	4.513.584,78
III. financial assets		
1. Shares in affiliated companies	0,00	0,00
2. Shareholdings	250,00	250,00
	250,00	0,00
	15.602.075,45	15.440.587,06

Appendix 3B

Group liabilities Spiegel 123fahrschule SE, Frankfurt a. M. 31.12.2023

	Term up to 1 year	1 to 5 years	> 5 years	total	Type of col- lateraliza- tion
Type of liability					
Liabilities to Credit institutions	111.283,80	2.323.517,24	0,00	2.434.801,04	none
Advance payment received on or- ders	2.116.139,97	0,00	0,00	2.116.139,97	none
Liabilities from deliveries and ser- vices	648.951,84	0,00	0,00	648.951,84	none
Other liabilities	2.265.644,29	1.070.186,56	0,00	3.335.830,85	none
	5.142.019,90	3.393.703,80	0,00	8.535.723,70	

Appendix 4

123fahrschule SE, Frankfurt a. M.

Consolidated cash flow statement for 2023

	2023	2022
	EUR	EUR
1. Cash flow from operating activities		
Profit for the period	-3.906.669,73	-4.379.920,57
Depreciation of property, plant and equipment	3.420.527,32	2.970.263,67
Non-cash change in deferred taxes	-523.440,36	-1.362.600,79
+Loss/ gain from disposal of assets	149.597,22	-52.094,56
Change in trade receivables		
Services and other assets	-438.733,92	-3.663.727,45
Changes in current provisions	35.861,93	165.058,97
Change in liabilities		
Trade accounts payable and other liabilities	1.649.916,20	3.552.724,90
Cash flow from operating activities	387.058,66	-2.770.295,83
2. Cash flow from investing activities		
Proceeds from asset disposals	205.452,79	198.545,56
Non-cash change due to changes in the scope of consolidation	0,00	-2.276.375,04
Payments for investments in fixed assets	-3.932.786,62	-5.493.788,00
Cash flow from investing activities	-3.727.333,83	-7.571.617,48
3. Cash flow from financing activities		
+Deposits/repayments of bank liabilities	270.004,91	2.098.869,86
Payment from capital increase	3.480.235,60	5.416.336,00
Cash flow from financing activities	3.750.240,51	7.515.205,86
4. Cash and cash equivalents at the end of the period		
Cash-effective change in cash and cash equivalents (Subtotal 1-3)	409.965,34	-2.826.707,45
Cash and cash equivalents at the beginning of the period	334.619,13	3.161.326,58
Cash and cash equivalents at the end of the period	744.584,47	334.619,13
5. Composition of cash and cash equivalents		
Cash and cash equivalents	744.584,47	334.619,13

Appendix 5

123fahrschule SE, Frankfurt a. M.

Consolidated statement of changes in equity 12/31/2023

	Drawn. Capital EUR	Capital reserve EUR	Profit reserve EUR	Profit lecture EUR	Annual result EUR	Total EUR
31.12.2019	250.000,00	0,00	0,00	0,00	-815,40	249.184,60
Appropriation of earnings	0,00	0,00	0,00	-815,40	815,40	0,00
Contribution 123fahrschule	1.014.480,00	7.787.831,00	0,00	0,00	0,00	8.802.311,00
Net loss for the year 2020	0,00	0,00	0,00	0,00	-1.192.977,69	-1.192.977,69
31.12.2020	1.264.480,00	7.787.831,00	0,00	-815,40	-1.192.977,69	7.858.517,91
Appropriation of earnings	0,00	0,00	0,00	-1.192.977,69	1.192.977,69	0,00
Capital increase	1.154.826,00	11.271.173,00	0,00	0,00	0,00	12.425.999,00
Net loss for the year 2021	0,00	0,00	0,00	0,00	-4.482.369,09	-4.482.369,09
31.12.2021	2.419.306,00	19.059.004,00	0,00	-1.193.793,09	-4.482.369,09	15.802.147,82
Appropriation of earnings	0,00	0,00	0,00	-4.482.369,09	4.482.369,09	0,00
Capital increase	688.048,00	4.728.288,00	0,00	0,00	0,00	5.416.336,00
Net loss for the year 2022	0,00	0,00	0,00	0,00	-4.379.920,57	-4.379.920,57
31.12.2022	3.107.354,00	23.787.292,00	0,00	-5.676.162,18	-4.379.920,57	16.838.563,25
Appropriation of earnings	0,00	0,00	0,00	-4.379.920,57	4.379.920,57	0,00
Capital increase	1.768.206,00	1.712.029,60	0,00	0,00	0,00	3.480.235,60
Net loss for the year 2023	0,00	0,00	0,00	0,00	-3.906.669,73	-3.906.669,73
31.12.2023	4.875.560,00	25.499.321,60	0,00	-10.056.082,75	-3.906.669,73	16.412.129,12

Independent auditor's report

Based on the final results of our audit, we have issued the following unqualified audit opinion on the consolidated financial statements as of December 31, 2023 (Appendices 1 to 5) and the Group management report for the financial year 2023 (Appendix 6) of 123fahrschule SE, Frankfurt am Main, dated February 28, 2024, which is reproduced here:

"Independent Auditor's Report of the Independent Auditor

To 123fahrschule SE, Frankfurt am Main

Audit assessments

We have audited the consolidated financial statements of 123fahrschule SE, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of 123fahrschule SE, Frankfurt am Main, for the financial year from January 1 to December 31, 2023.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German

commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with German Legally Required Accounting Principles, and the accompanying Group management report as a whole provides an appropriate view of the Company's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 S. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of German

commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or fraudulent misrepresentation) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there are factual or legal circumstances to the contrary.

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

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

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

opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

Auditor's report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the company's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

Cologne, February 28, 20

MORISON Cologne AG
Auditing company
Tax consulting company

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The online version of the annual report can be found at:
company.123drivingschool.com

This annual report was published on February 29, 2024 and is available for download on the Internet.

Disclaimer

This annual report and in particular the forecast report contain forward-looking statements that are based on the Management Board's current assessment of the future development of the market environment and the Group. This assessment was made on the basis of all information available at the time this annual report was completed. Forward-looking statements are subject to uncertainties - as described in the risks and opportunities section of our management report - that are beyond the Group's control. This applies both to the possible effects of the Ukraine crisis and the after-effects of the Covid-19 pandemic as well as their further course and macroeconomic impact. If the assumptions on which the forecast is based do not apply or the described risks or opportunities materialize, the actual results may differ significantly from the statements made in the outlook. If the information basis changes to such an extent that a significant deviation from the forecast becomes predominantly probable, 123fahrschule SE will communicate this in accordance with the statutory disclosure requirements.