# THE ANNUAL REPORT 2022

# THE FIGURES

| in EUR million | 2022 | 2021 | Change 2022 on 2021 in % | 2020 | 2019 |
|---|---|---|---|---|---|
| **Revenue** | **3,066** | **2,282** | **34.3** | **1,532** | **2,501** |
| Segment Germany | 870 | 740 | 17.6 | 679 | 978 |
| Segment Europe | 1,278 | 946 | 35.1 | 577 | 1,033 |
| Segment North America | 908 | 585 | 55.4 | 264 | 483 |
| Other | 10 | 13 | –19.5 | 12 | 7 |
| **Earnings before net finance costs and taxes (EBIT)** | **589** | **479** | **22.9** | **–49** | **339** |
| **Corporate EBITDA[1]** | **699** | **573** | **22.1** | **81** | **419** |
| **Earnings before taxes (EBT)** | **550** | **442** | **24.4** | **–82** | **308** |
| **Return on revenue before taxes (in %)** | **17.9** | **19.4** | **–1.5 points** | **–5.3** | **12.3** |
| **Consolidated profit/loss** | **386** | **313** | **23.2** | **2** | **247** |
| **Net income per share (basic)** | | | | | |
| Ordinary share (in Euro) | 8.21 | 6.66 | 23.2 | –0.73 | 4.97 |
| Preference share (in Euro) | 8.23 | 6.68 | 23.1 | –0.68 | 5.02 |
| **Total assets** | **5,551** | **4,521** | **22.8** | **4,428** | **6,249** |
| **Rental vehicles[1]** | **3,833** | **2,857** | **34.2** | **2,205** | **3,035** |
| **Equity** | **1,979** | **1,746** | **13.4** | **1,395** | **1,592** |
| **Equity ratio (in %)** | **35.7** | **38.6** | **–2.9 points** | **31.5** | **25.5** |
| **Financial liabilities** | **2,505** | **2,001** | **25.2** | **2,378** | **3,437** |
| **Dividend per share** | | | | | |
| Ordinary share (in Euro) | 6.11[2] | 3.70 | 65.1 | – | – |
| Preference share (in Euro) | 6.13[2] | 3.72 | 64.8 | 0.05 | 0.05 |
| **Total dividend, net** | **287.2[2]** | **174.0** | **65.1** | **0.8** | **0.8** |
| Average fleet size[3] | 270,900 | 242,000 | 11.9 | 205,400 | 284,500 |
| Share of premium vehicles (in %)[4] | 57 | 57 | 0 points | 55 | 50 |
| Share of electric vehicles, including plug-in hybrids and mild hybrids (in %) | 11 | 9 | 2 points | 3 | 1 |
| **Number of employees[5]** | **7,509** | **6,399** | **17.3** | **6,921** | **8,105** |
| **Number of stations worldwide (31 Dec.)[6]** | **2,098** | **2,180** | **–3.8** | **2,067** | **2,111** |

[1] Rights of use for leased vehicles financed via leasing contracts, which were previously included in the item property, plant and equipment, have been reported in the item leased vehicles since 2022. The depreciation attributable to these rights of use has been reclassified to depreciation of rental vehicles. The figures for the previous year have been adjusted accordingly. [2] Proposal by the management including a special dividend of EUR 2.00 per share [3] Including franchisees [4] Share of vehicles added to the fleet in terms of value [5] Average for the year [6] Including franchise countries



**+24%**

**EBT EUR 550 MILLION**

For better readability, we use the generic masculine in this report. For the sake of linguistic simplification, it should be understood as gender-neutral – this form of language is value-free and does not imply any discrimination against other genders.

# THE RECORD YEAR

**Our record for 2022: Revenue +34% to EUR 3.07 billion, pre-tax profit +24% to EUR 550 million, 35.7% equity ratio, more than 1,100 new employees. And Sixt continues to invest heavily in the future to make sure that 2022 will not be the last record year.**

**2022** What a year. On the one hand, the pandemic and the war in Ukraine, record inflation and an interest rate turnaround. On the other hand, Sixt once again excelled by achieving **record sales and earnings**. This underscores the fact that we continue to succeed in inspiring our customers despite challenging general conditions. The basis of our success was our ability to meet customer needs easily and flexibly through our integrated and fully digitalised mobility platform ONE. Thanks to our financial strength, we have expanded our mobility offering even further by making extensive investments and now offer our products, services and vehicles, which follow a clearly defined premium strategy, to an ever-larger audience worldwide. Thus, in 2022, we also grew noticeably in Germany (+17%), but mainly with our international activities in Europe (+35%) and the US (+55%). And we still see plenty of potential for further sustainable profitable growth by expanding our global rental network and in growth areas such as SIXT truck, our SIXT+ subscription model, in the car sharing sector with SIXT share and in transfer services (SIXT ride). We are one of **the pioneers and co-designers of the mobility of the future** and will continue to invest extensively in technology and digitalisation. We also want to take on a pioneering role in the area of sustainability. 2022 was very good, but our expectation of ourselves is to be even better: **EXPECT BETTER!**

**+34%**

**REVENUE EUR 3.07 BILLION**

# THE FACTS

**36%**

EQUITY RATIO

**14%**

SHARE OF E-VEHICLES (EUROPE)

**+17%**

TO 7,509 EMPLOYEES

**+10%**

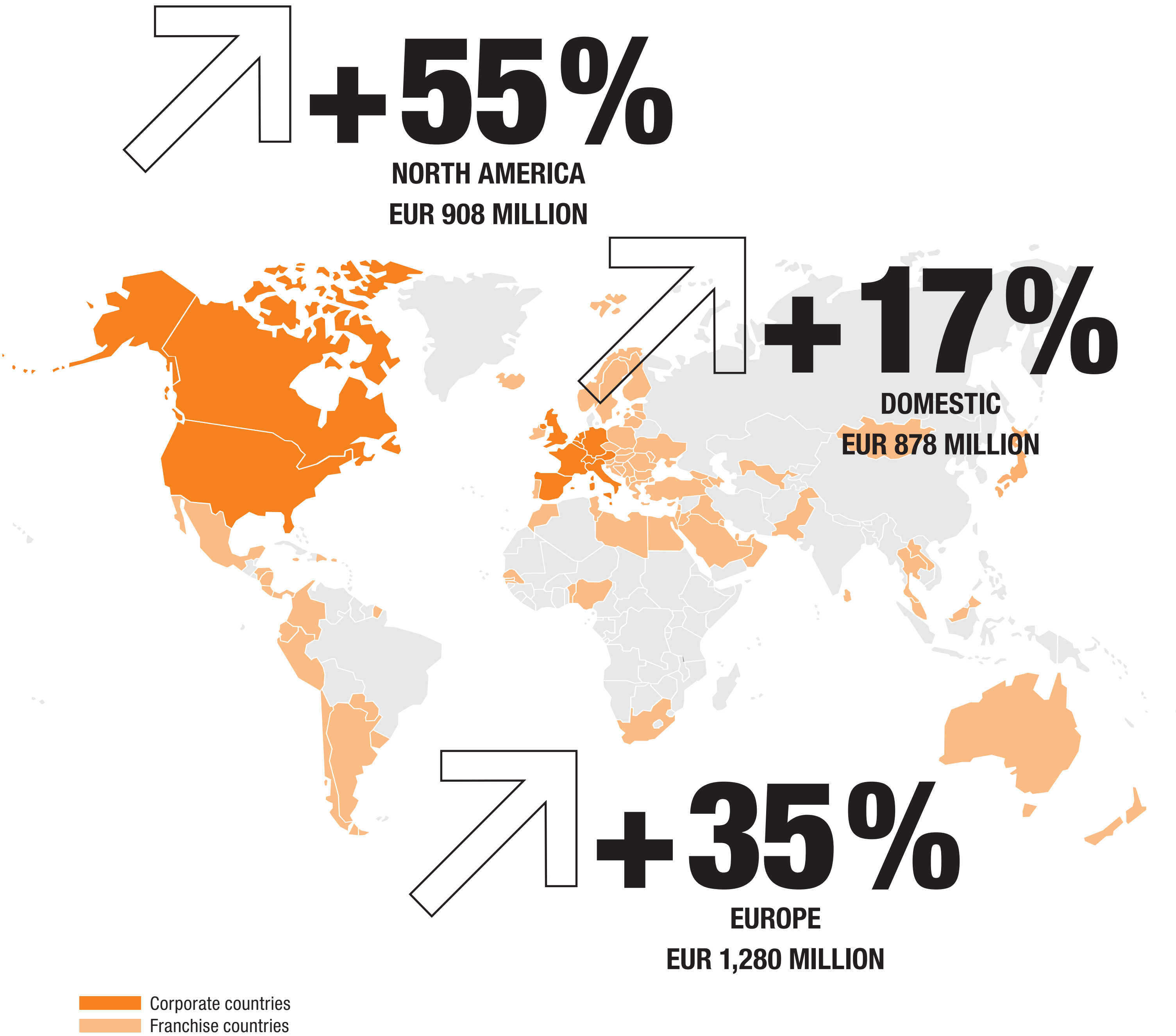
FLEET

Sixt is leveraging its very solid financial position to make substantial investments in future growth. More than 1,100 new employees were hired in 2022, for instance. And the average stock of rental vehicles in the Sixt corporate countries increased by more than 10% to 138,400 vehicles.

Sixt is striving to become one of the pioneers for a sustainable future of mobility. For example, the share of electric vehicles in Europe is expected to increase from currently 14% to 70% to 90% by 2030, and all Sixt locations are expected to be $CO_2$ neutral by the end of 2023.

# GROWTH IN ALL REGIONS

**Sixt is represented in 13 corporate countries and in around 100 franchise markets worldwide. The company managed to increase its corporate business considerably in all regions in 2022. This applies to its domestic market of Germany (+17%) as well as to the rest of Europe (+35%). The development in North America was outstanding again. The Group was able to grow dynamically here by 55%. The United States is now the largest single market.**



# THE 2022 REVIEW

Sixt expands into the billion-dollar Canadian market

Sixt triples its brand value, making it the world's fastest growing car rental brand

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Sixt is admitted to the MDAX stock exchange segment

SIXT opens one of the largest Van & Truck centres in Europe in Berlin

**07**

Capital Markets Day in Munich


Acquisition of Van & Truck in the UK

Cooperation between Sixt and Tier to offer e-bikes on the mobility platform ONE

TIER

**08**

**09**

EUR **950** million successful refinancing of the syndicated loan

Sixt expands its Management Board by two members

VINZENZ PFLANZ

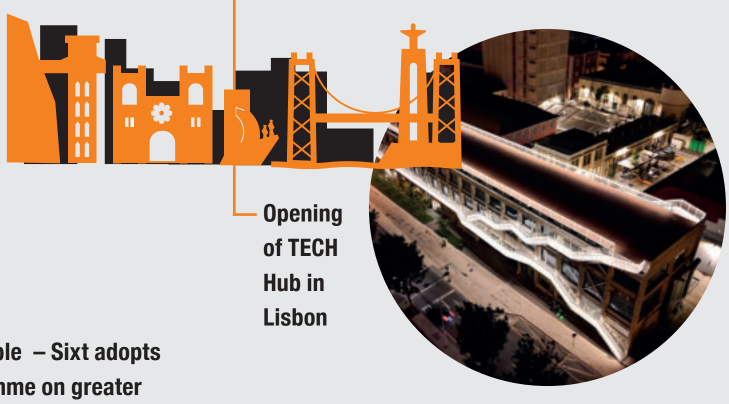
JAMES ADAMS


Acquisition of Van & Truck in the UK

Holistically sustainable – Sixt adopts far-reaching programme on greater climate protection

**10**

**11**



Opening of TECH Hub in Lisbon

**12**

Launch of “Rent THE Car” marketing campaign in North America and marketing campaigns in other markets

# THE STRATEGY

## „DON'T JUST SATISFY, EXCITE

**SIXT IS BETTER OFF TODAY THAN BEFORE THE PANDEMIC. WHAT ARE THE SUCCESS FACTORS? HOW CAN WE SUCCEED IN CONTINUING THIS SUCCESS INTO THE FUTURE? CO-CEOS ALEXANDER AND KONSTANTIN SIXT DISCUSS THIS IN AN INTERVIEW.**

**2022 was the second record year in a row for Sixt …**

**ALEXANDER SIXT** 2022 was indeed another very good year for Sixt. We managed to increase our revenue by 34% and our pre-tax profit by 24% to EUR 550 million compared to the previous year. But we are not only back to pre-pandemic levels, we are actually much stronger than before COVID-19: In terms of earnings, we have grown by close to 80% compared to 2019.

**What was the decisive factor behind this?**

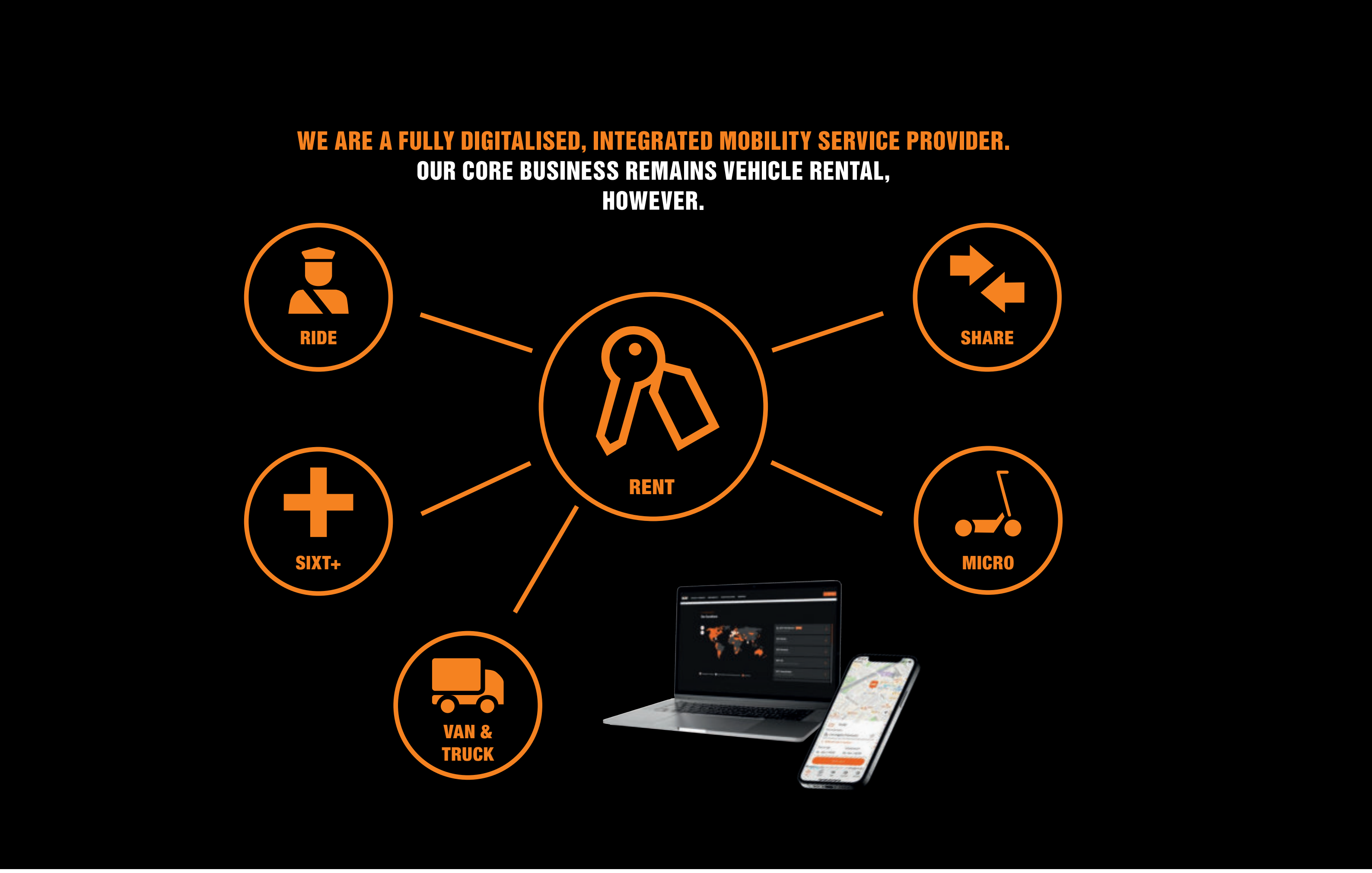
**ALEXANDER SIXT** The travel industry as a whole has made an impressive comeback. The market environment was and is positive, the desire to travel seems unbroken despite the war in Ukraine, inflation and rising interest rates. According to IATA, for example, global air traffic increased by 64% compared to the previous year in 2022 and is already back to more than two-thirds of 2019 levels. What is crucial, however, is that we have a compass with which we define for ourselves very precisely who we want to be and where we want to go.

**Namely?**

**KONSTANTIN SIXT** The essence of our self-image is "Expect Better." The premium aspiration expressed in this claim is a common thread that runs through all facets of our strategy: Firstly, we don't just want to satisfy our customers, we want to excite them and create the best possible experience for them – throughout the entire customer journey. Secondly, we want to accelerate our international expansion and achieve or maintain leading positions in the most attractive segments. Thirdly, we want to expand our technological innovation leadership. Fourthly, we want to empower people by further strengthening the principles of freedom and personal responsibility in the sense of true entrepreneurship. We are convinced that the best results and the best margin will automatically follow from this. And at the core, these fields of our strategy are held together by our strong brand, in which we continue to invest heavily and with which we want to reach not only the minds, but also the hearts of our customers and employees.

**And all of this then interacts to lead to growth …**

**ALEXANDER SIXT** Correct. And if we succeed in putting "Expect Better" more into the spotlight, this will even lead to accelerated growth.




**What does it take to live up to your premium standards?**
**KONSTANTIN SIXT** We must constantly question ourselves, be willing to learn and not be satisfied with the status quo. The good thing is that such a quest for continuous improvement is deeply embedded in our company culture. Basically, "Expect Better" was already driving Martin Sixt when he founded SIXT 111 years ago with just three cars.

**ALEXANDER SIXT** If we want to accelerate our growth once again, we also need to further accelerate our rate of investment, at all levels. In 2023, we have earmarked an investment budget of more than EUR 100 million for investments in existing stations and the further digitalisation and automation of services. In the end, however, we are and will remain a "people business," because it is first and foremost the people who bring this promise to our customers to life. We made further substantial increases in this area in 2022. As of 31 December, we had over 1,100 more employees on board at Sixt than in the previous year. And for 2023, we are again planning to make more than 1,000 new hires.

**Does "premium" at Sixt also mean premium prices?**
**KONSTANTIN SIXT** Our goal is to provide a premium experience at the best value for money.

**Speaking of vehicles: What role does the fleet play? After all, we have seen the transformation from being a buyer's market to a seller's market here. What are the consequences for Sixt?**
**KONSTANTIN SIXT** Our fleet is another focus of our investment. Despite the vehicle shortage, we were able to increase our fleet by more than 10% compared to the previous year to an average stock of 138,400 vehicles. We owe this mainly to our long-standing and cooperative relationships with the car manufacturers. We want to and will continue to expand our fleet in 2023. First and foremost, with models from premium manufacturers such as Audi, BMW incl. Mini and Mercedes. The premium share in our additions to the fleet by value was 57% last year – an increase of around seven percentage points since 2019.

**Sixt's fleet will also be increasingly electric in the future?**
**ALEXANDER SIXT** Indeed, we are stepping up our efforts in the area of electromobility. We want to make a decisive contribution to advancing this topic that is important for climate protection. At the same time, we want to secure growth opportunities in an environment with increasingly strict regulatory requirements. In 2019, we had 1% electric cars in our fleet, in 2022, we stood at 14% in Europe on average, and by 2030, our goal is 70% to 90% in Europe. At the same time, we are investing EUR 50 million to equip our stations with charging facilities. With the upcoming integration of SIXT charge into our app, we offer our customers a convenient way to charge their electric vehicle

# We must constantly question ourselves, be willing to learn and not be satisfied with the status quo.

**Konstantin Sixt**

during the rental. By doing all of this, we will become an enthusiasm accelerator. After all, every rental car trip is also a test drive. Around 70% of the Sixt customers surveyed confirm that car rental use can help to reduce reservations about e-mobility. Nearly two thirds see the use of rental cars as a good way to get to know electric vehicles and for more than 55% the previous use of an electric rental car is important or very important for the purchase decision in favour of such a vehicle.

**What role does classic car rental play for Sixt?**

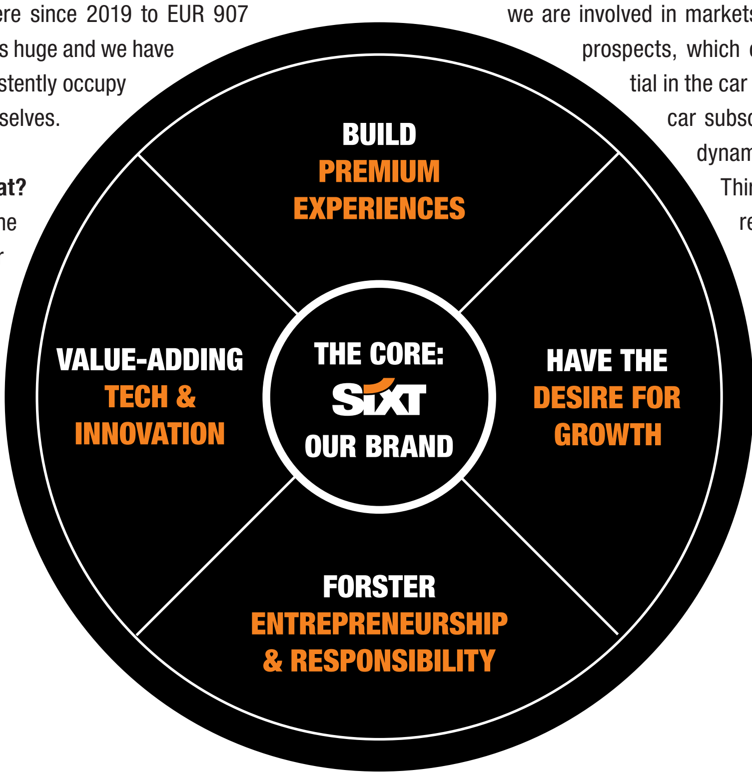
**KONSTANTIN SIXT** It plays the all-important role. It was, is and will remain the heart of our company. The global car rental market is currently worth around EUR 90 billion. Over the next five years, we expect the market to grow by around 5% per annum. This will open up outstanding growth prospects for us. We want to secure ourselves a decent piece of that. And we have proven that we can do this. In the US, for example, we were able to increase our market share from just under 2% to just under 3%. This sounds modest at first, but with a market size of USD 36 billion in 2022, this is a considerable leap. In the meantime, the United States is our largest single market. We have nearly doubled our sales there since 2019 to EUR 907 million. The further potential is huge and we have a unique opportunity to consistently occupy the premium segment for ourselves.

**How do you intend to do that?**

**KONSTANTIN SIXT** On the one hand, by making a superior value proposition and, on the other, through bold marketing to make our brand even better known on the other side of the Atlantic. “Rent a car” is the common category name in the US. We don’t want to be “a” car rental company though, but rather “the” car rental company. With us, customers don’t rent “a” vehicle, they rent “the” vehicle. This differentiation is at the heart of our broad integrated marketing campaign, “Rent THE Car,” which we launched from the West Coast to the East Coast in December 2022. It ranges from TV to digital to out-of-home. We have thus significantly increased our (supported) brand awareness in a very short time. This will give our growth an additional boost. For example, at the top 50 US airports that are strategically most interesting for us, where the rental industry turns over around USD 11 billion annually. We were already present at 38 of these airports by the end of 2022 and will continue to expand our presence.

**But you don’t just offer car rental, you have consistently expanded your business model. What is the current and prospective significance of the different products?**

**ALEXANDER SIXT** We are driving the diversification of our product range for good reason: Firstly, our customers benefit because we can then offer them more options for meeting their very different mobility needs – a true ecosystem for sustainable mobility. Secondly, we are involved in markets with their own high growth prospects, which come “on top” of the potential in the car rental market. The market for car subscriptions is expected to grow dynamically in the coming years. Thirdly, and this is the decisive reason, we are drawing attention to SIXT rent, our core product, by offering a larger portfolio. If, for example, young people in Munich or Hamburg regularly get into our Sixt Share vehicles, they are more likely to book their rental car for their next summer holiday with us.



# Travel and mobility are basic human needs that will always be there. This is exactly what we make possible with what we offer.

**Alexander Sixt**

**Apropos “next summer holiday”: Will your customers then even have enough money available to book a major trip?**

**ALEXANDER SIXT** Data from the beginning of the year, such as airline capacities or advance bookings for the summer holiday season, indicate that the desire to travel is unabated and demand remains high or even continues to increase. But, of course, geopolitical developments, rising energy prices, the resulting inflation, interest rate policy – these are obviously all factors that don’t leave us cold. However, we have built a high degree of resilience in many regards, based on financial strength on the equity and debt side that is outstanding in our industry, a broadly diversified business model, high cost variability and extensive investments in the areas I just mentioned.

**How do you view the issue of costs in times when everything is getting more expensive?**

**KONSTANTIN SIXT** We are also feeling the increased costs. It is therefore even more important that we get better in the area of operational excellence. It isn’t without reason that “Entrepreneurship & Responsibility” is one of the cornerstones of our strategy. We want entrepreneurs in the company. Operational excellence is crucial for us to meet our return targets even in a high inflation environment and with accelerated growth. And meeting these targets is in turn a prerequisite for our continued high investment capacity, thus closing the circle.

**ALEXANDER SIXT** Technology is crucial to this in two respects: It makes the experience better for our customers, when the check-out process can be completed more quickly, for example. And we use it to increase our margins, when technology helps us to identify and leverage optimisation potential with regard to vehicle utilisation.

**So, what are your economic goals for 2023?**

**KONSTANTIN SIXT** We are optimistic for the new financial year. Of course, we constantly monitor and analyse the macroeconomic influencing factors. But the post-COVID recovery trend in the travel industry seems intact, demand and especially the outlook for the summer are both positive. On the cost side, in addition to high inflation, the expenses of our extensive investment projects will also be reflected in 2023. We expect growth again mainly from the US business, but also in Canada, where we got off to a very successful start last year, and also in franchise countries such as Australia. In Europe, we also want to further expand our business by extending our network of stations and see potential in Italy, Spain and France, for example. In 2023, the focus will also be on our Van & Truck business and the SIXT+ subscription model. Overall, demand is expected to continue to approach pre-pandemic levels, but at higher prices than back then. All of these aspects have been incorporated into our guidance for 2023. Overall, we expect a significant increase in consolidated revenue in 2023 compared to 2022 and Group profit before taxes in the range of EUR 430 million and EUR 550 million. The upper end of this range is thus at the level of the record year 2022 and its lower end is clearly above the pre-corona level.

**And where will Sixt be in 2030, what is your long-term vision for the company?**

**ALEXANDER SIXT** Travel and mobility are basic human needs that will always be there because it is what brings us together. This is exactly what we make possible with what we offer. We will continue to rent out cars for this purpose in 2030. True to our motto “Expect Better,” however, we will do this even better in all respects than we already do today.

**70% – 90%** **E-vehicles in Europe by 2030**

# THE GROWTH

## "OUR GROWTH POTENTIAL IS FAR FROM EXHAUSTED

**SIXT MANAGED TO BREAK ITS PREVIOUS RECORDS FOR REVENUE AND EARNINGS AGAIN IN 2022. CHIEF OPERATING OFFICER NICO GABRIEL TALKS ABOUT HOW AND WHERE THE COMPANY STILL SEES SIGNIFICANT POTENTIAL IN THE YEARS TO COME.**

**Mr. Gabriel, what success factors will continue to drive Sixt's growth in the years ahead?**

**NICO GABRIEL** We want to excite our customers with our premium offers, at all levels. By building on this, we can continue to grow. We achieve this through four strategic focus topics: Service Excellence, Operational Excellence, International Growth and through our integrated mobility platform ONE. All of our mobility products are united on this platform, with our app as the front end. They address a wide range of mobility needs, but all have one thing in common: They help make mobility sustainable.

**Let's start with the topic of Service Excellence. What are you doing differently than your competitors?**

**NICO GABRIEL** Sixt stands for premium at all levels. It all starts with 24/7 availability for customer inquiries, continues with the equipment of our stations and ends with the premium approach to the parking spaces of our vehicles. In order to meet our high quality standards, we will continue to invest, especially in our employees. In the past year, we hired more than 1,100 new colleagues who bring the service promise to our customers to life.

**Let's move on to the success factor Operational Excellence. What do you have on the agenda here?**

**NICO GABRIEL** Of course, we are also affected by inflation-related cost increases. We are counteracting this in order to maintain our profitability. It is extremely important for us to continue to invest in our premium service and appearance and to be able to take advantage of short-term opportunities. So, it's all about cost efficiency. Accordingly, we work on improving our organisation and structures – always with ensuring the best customer experience in mind; Here, we focus mainly on the topics of digitalisation and the use of data. Our goal is to bring our cost base back to nearly the same level as in 2019, i.e., before COVID-19, and to remain one of the most profitable companies in our industry!

**Sixt achieved impressive international growth in 2022, especially in the United States. What potential do you still have here?**

**NICO GABRIEL** We recorded growth in all 13 Sixt core markets in 2022. This figure was over 30% in several countries, and it was even more than 50% in the US. Overall, the foreign share of our revenue has increased from 28% to 71% since 2008. And we see plenty of further growth opportunities, in the US, for example, which has become our largest single market with sales of EUR 907 million. At the end of 2022, we were already present at 38 of the most important airports for us and are already the brand with the highest market share at the important Miami airport. In the US, we are already differentiating ourselves through our consistent premium positioning. For instance, at 57% for additions to the fleet, we have the highest share of premium vehicles worldwide. We want to expand this ratio even further and, in particular, further expand our presence at the largest airports, which account for an extremely large market volume in the US. We want to expand our station network there, but also in the urban centres. With a nationwide US presence come new market opportunities for the corporate business and Vans & Trucks. At the end of 2022, we also launched our new marketing campaign "Rent THE Car," which we expect to increase awareness of us nationwide. Overall, we still see great sales potential from the US, as we want to expand the market we address there from USD 9 billion to USD 11 billion, out of a total market size of USD 36 billion. In Canada, where we have been active ourselves since 2022, we are gradually and carefully setting up our network. With our presence in Vancouver and the opening in Toronto in early 2023, we cover the main markets in this North American country that account for nearly 30% of the market potential in Canada.

**The US became our largest single market for the first time in 2022 with revenue of EUR 907 million**

Nico Gabriel

**How are things looking in your home markets in Europe and in the core market of Germany?**

**NICO GABRIEL** Western and Southern Europe, i.e., France, Italy and Spain, are a real pleasure for us. Thanks to investments in the expansion of our stations there, we have grown strongly in these countries since 2019. We have opened more branches there and won the contract for nine of the most important railway stations in Spain, for example. But that is by no means the end of the line. For example, we will expand our presence with Vans & Trucks in France or at airports and railway stations in Italy. In the DACH region, we are mainly growing by expanding our stations, through expansion of the vehicle fleet and through the topics of Service Excellence and investments in locations. Germany is and will remain our core market, where we have been the market leader for many years. Although the general conditions there remained challenging in 2022, we were able to achieve an 18% increase in revenue, but are still below the pre-corona figure. This is about to change thanks to profitable growth in the corporate customer segment, with our SIXT+ subscription offer and the expansion of Vans & Trucks.

**You operate with franchise partners in many markets. How is this business developing?**

**NICO GABRIEL** We are looking closely at where it makes more sense to establish a licensing and fee model with a partner in order to be successful. And we are doing this excellently by achieving high growth rates in our approximately 100 franchise markets such as Australia, Turkey, Portugal or Israel. In fact, we have grown strongly in the franchise markets since 2019. In Australia, where we have only been established since 2021, we already rank among the top 3, and the trend is rising.

**How do you intend to make the topic of sustainability a growth driver for Sixt?**

**NICO GABRIEL** We are one of the pioneers of the mobility of the future. Our offers, whether traditional vehicle rental, car sharing, ride hailing or car subscriptions, follow the shared idea. In this way, we are serving the ever-growing need for responsible mobility. With an increasingly electrified fleet, we are introducing our customers to the topic of electromobility and see ourselves as an enthusiasm accelerator here. Because every rental car trip is also a test drive. At the same time, we are investing EUR 50 million in the charging infrastructure at our stations and, by integrating SIXT charge into our app, we are giving our customers nationwide access to currently 400,000 charging points in our European corporate countries. And we want to make operations climate-neutral at our stations and locations as early as the end of 2023 – five years earlier than previously planned.


SIXT
rent the car
DON'T DRIVE A CAR. DRIVE THE CAR.
The Adventurous BMW X1
SIXT.COM
DON'T RENT A CAR. RENT THE CAR.
The Elevated Comfort of the BMW X7
SIXT.COM
The Iconic BMW 3 Series

# THE DRIVE

## „NEW SALES INITIATIVES OFFER ADDITIONAL GROWTH OPPORTUNITIES

**NEW FORMS OF MOBILITY AND VOLATILE FRAMEWORK CONDITIONS REQUIRE REPOSITIONING IN PURCHASING AND DISTRIBUTION. THE CHIEF BUSINESS OFFICER RESPONSIBLE FOR THIS, VINZENZ PFLANZ, EXPLAINS THE FUTURE STRATEGY OF HIS DEPARTMENTS.**

**Mr. Pflanz, these have not been easy years for the people responsible for purchasing at Sixt, have they?**

**VINZENZ PFLANZ** That's correct! Corona, inflation and other challenges have put our business model to the test. However, with our record results in 2021 and 2022, we have shown that we are able to meet the challenges. The decline in global car production due to the semiconductor shortage and the disruption of global production chains have severely limited the availability of vehicles. Thanks to our long-standing trusting cooperation with the OEMs, we nevertheless managed to increase our own fleet size, including franchise vehicles, by 12% compared to the previous year. Globally, we were at 270,900.

**How do you manage to utilise this fleet?**

**VINZENZ PFLANZ** Thanks to our fully digitalised mobility platform ONE and the continuously deepening digitalisation of our processes, we can track very precisely when and where which vehicle is needed. We can control the allocation so that the utilisation of the vehicle fleet is as high as possible. In doing so, we take not only regional differences in the respective markets, but also the varying demand for our Rent, Share and Auto Abo products into account. Here we can leverage synergies by making flexible use of our vehicles. Ultimately, every percentage point of higher capacity utilisation leads to an improvement in earnings in the double-digit millions.

**What do you expect in terms of how prices will develop?**

**VINZENZ PFLANZ** Although an easing in vehicle availability is expected towards the middle of the year, we do not anticipate a return to the low price levels of previous years. This has turned out to be not profitable. The price increases are thus primarily due to catch-up effects. In addition, our premium positioning across the diversified platform helps. For instance, the premium share of our additions to the fleet in terms of value was 57% in 2022. Our customers are willing to pay more for premium quality and service across the entire value chain.

**Sixt has published ambitious goals for the electrification of its fleet. How do you plan to achieve this given the scarce availability of e-vehicles?**

**VINZENZ PFLANZ** At Sixt, we see ourselves as enthusiasm accelerators on the subject of electric mobility. Every drive with an electric car from our fleet is basically a paid test drive. The vehicle manufacturers have also understood this. In view of their production plans, we expect to see a noticeable increase in the availability of electric vehicles. Accordingly, we are confident that we will achieve our goal of converting 70% to 90% of the Sixt fleet in Europe to e-vehicles by 2030. Here, we will rely on a broad mix of manufacturers and models. From 2019 to today, we have already increased the share of electrified vehicles in Europe from 1% to 14%. In some countries – like the Netherlands or France – we are already well above that. We will also take on a leading role for our customers in the area of charging infrastructure by making extensive investments.

**We want to significantly expand our vehicle fleet in 2023.**

Vinzenz Pflanz

**… and what will be your distribution strategy?**

**VINZENZ PFLANZ** We are successful thanks to three main distribution channels: B2C with private customers, B2B with business customers and increasingly also with new offers for our partners. I would be happy to say more about these in a moment. This will allow us to expand our network even further worldwide and use it for our current business, but also to develop new business ideas.

**Fleet size***

**+12%**

**to 270,900 in 2022**

* Including franchise vehicles

**What does that mean in concrete terms, in cooperation with vehicle manufacturers, for example. What new business models can be developed here?**

**VINZENZ PFLANZ** The mobility of the future requires not only innovative cooperation and business models, but also corresponding processes and structures to develop them. Thus, we are providing the “Global Fleet Purchase” team with the newly established “Global Fleet Strategic Business Development” unit in order to position Sixt as a relevant and valuable sales and value-added channel for vehicle manufacturers/OEMs, dealers and leasing companies. Our goal is to develop and roll out additional services and products for our automotive and fleet partners in order to excite customers together, increase customer loyalty and achieve the global mobility goals of our partners and Sixt.

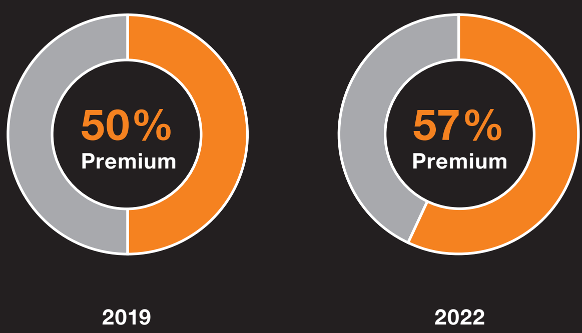
**Do the same mechanisms also apply to your Van & Truck business?**

**VINZENZ PFLANZ** We want to continue to grow in the area of Vans & Trucks and use synergies and cross-selling between our B2C and B2B channels. We already generate sales in the low eight-digit euro range with cars, vans and trucks with some of our corporate customers. Our customers obtain access to the entire product range via our mobility platform ONE. However, our Van & Truck customers often plan for the long term; for this reason, we also rely on other distribution channels. In this business field, too, we are positioning ourselves as a premium provider in customer service. In order to better align our offering with the needs of customers in the respective regions, we are also currently expanding our presence in Europe to 50 large regional Van & Truck Centres for large and commercial customers.

# THE KEY TO BETTER CARS BETTER SERVICE BETTER VALUE


## Growth goes hand in hand with an increasing premium share

Share in terms of value with additions to the fleet from the three premium brands BMW (including Mini), Audi and Mercedes-Benz



# THE STRENGTH

## „ OUR RESILIENCE IS OUR STRENGTH

**WHILE THE GLOBAL ECONOMY IS CONFRONTED WITH GREAT UNCERTAINTIES, SIXT REPORTED ANOTHER RECORD YEAR IN 2022. CHIEF FINANCIAL OFFICER PROF. DR. KAI ANDREJEWSKI EXPLAINS WHY THE COMPANY IS SO RESISTANT TO EXTERNAL INFLUENCES.**

**Dr. Andrejewski, how well is Sixt positioned with regard to the current geopolitical risks?**

**PROF. DR. KAI ANDREJEWSKI** One of the main unique selling points of Sixt is our high level of resilience. Despite the high volatility of external factors, we recently delivered two record years. Crucial to these successes was not least our ability to identify risks at an early stage and contain them through our diversified business model, our forward-looking fleet management, our high cost variability and a sound financing policy.

**Let's look at a few points in more detail, starting with the topic of variability of costs.**

**PROF. DR. KAI ANDREJEWSKI** Basically, 70% of our costs are variable, as we limit the holding period for a large share of our vehicles to a short period, usually six months. This enables us to react quickly to market changes. This also shows the high flexibility of our business model.

> **We are financially very well positioned for the growth Sixt has planned.**
>
> Prof. Dr. Kai Andrejewski

**Are you concerned about the current rise in interest rates?**

**PROF. DR. KAI ANDREJEWSKI** Of course, Sixt cannot escape the current interest rate environment and rising interest rates. Due to our maturity profile, however, the full impact of rising interest rates will only be felt gradually. In addition, we benefit greatly from our strong balance sheet, especially our high equity relative to our listed competitors and our comparatively low debt.

~36%

equity ratio

**Is the current uncertain capital market environment affecting your refinancing options?**

**PROF. DR. KAI ANDREJEWSKI** Given our very good operating performance and strong balance sheet, we have a very good reputation on the banking and capital markets. At the end of the third quarter of 2022, for example, we succeeded in paying off the existing syndicated loan of EUR 750 million early and replaced it with a new revolving credit line of EUR 950 million at improved conditions. In addition, the term of the credit line was extended through 2027 with extension options through 2029. In addition, we were able to conclude two borrower's note loans for a total of EUR 120 million in financial year 2022 and repaid a bond for EUR 250 million ahead of schedule. At the beginning of 2023, we issued additional borrower's note loans totalling EUR 450 million. This gives us sufficient financial room for manoeuvre to seize short-term opportunities and continue to invest wherever it makes sense.

**Where do you plan to invest the funds primarily?**

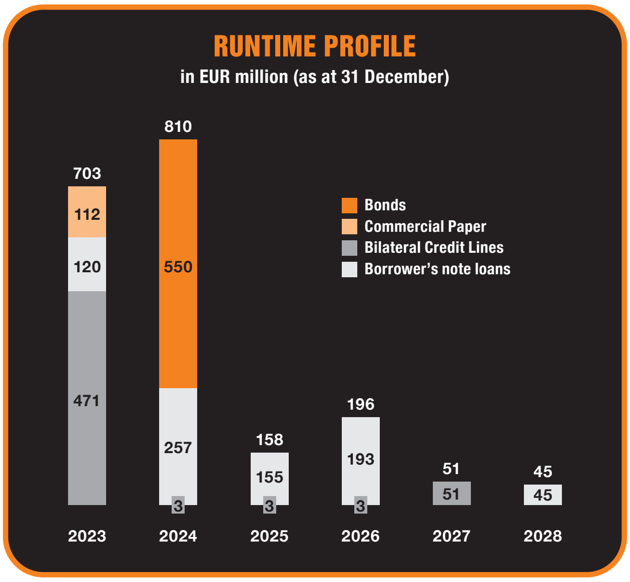
**PROF. DR. KAI ANDREJEWSKI** The largest investment block is clearly to finance our vehicle fleet. Our rental assets increased from EUR 2.86 billion to EUR 3.83 billion in 2022, an increase of 35%. We expect higher vehicle availability in 2023 and, accordingly, increasing investments in our global vehicle fleet. As we want to help shape the dynamic change of future mobility, we will continue to invest massively in our diversified business model. In addition to the fleet, this applies in particular to the main areas of Marketing, Human Resources and TECH.

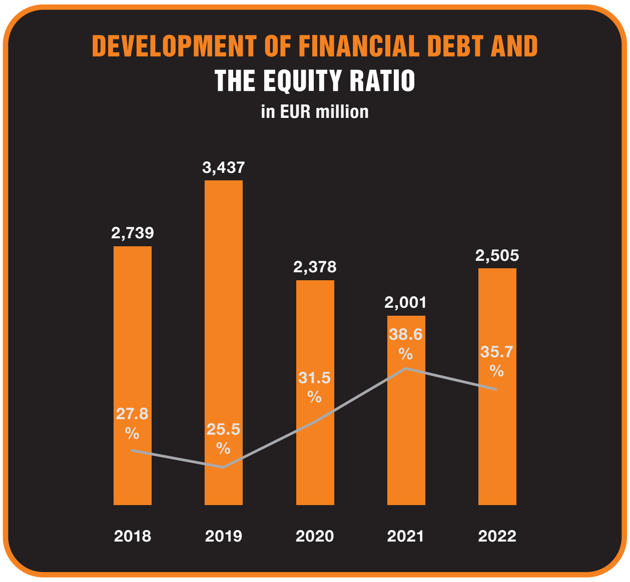
**What major positions can you name here?**

**PROF. DR. KAI ANDREJEWSKI** We are consistently investing in our premium strategy and already invested a double digit million figure in our locations in 2022, for example. In the current year, we are planning a comprehensive modernisation offensive for which we have earmarked an investment budget of more than EUR 100 million. And after we already grew strongly in terms of personnel last year, we are planning to hire another 1,000 new employees in 2023. These are investments that will pay off in the years to come to secure our growth and our profitability, which is quite high by industry standards.

**Are you satisfied with your balance sheet structure and how will it develop in the future, due to the high investments in the topic of electromobility, for example?**

**PROF. DR. KAI ANDREJEWSKI** We feel very comfortable. The risks are limited: The asset side of our balance sheet is dominated to almost 70% by our rental fleet, which includes a very high share of vehicles with buy-back agreements compared to the rest of the industry. We also rely predominantly on buy-back agreements to expand the e-fleet. In addition, our asset side is very lean; for example, we only show a very low level of goodwill. On the liabilities side, with an equity ratio of currently around 36%, we are very clearly above our targeted Group equity ratio of 20% and at the same time have considerable leeway in terms of debt financing. This allows us to not only cushion risks in the long term and finance future organic growth, but also to make smaller acquisitions opportunistically. Just as we did in 2022 with two acquisitions in the Van & Truck sector in the UK. We can also finance the planned massive expansion of electromobility at Sixt very well. In addition to the expansion of the fleet, this also includes our ambitions to build our own charging infrastructure by making investments of at least EUR 50 million.



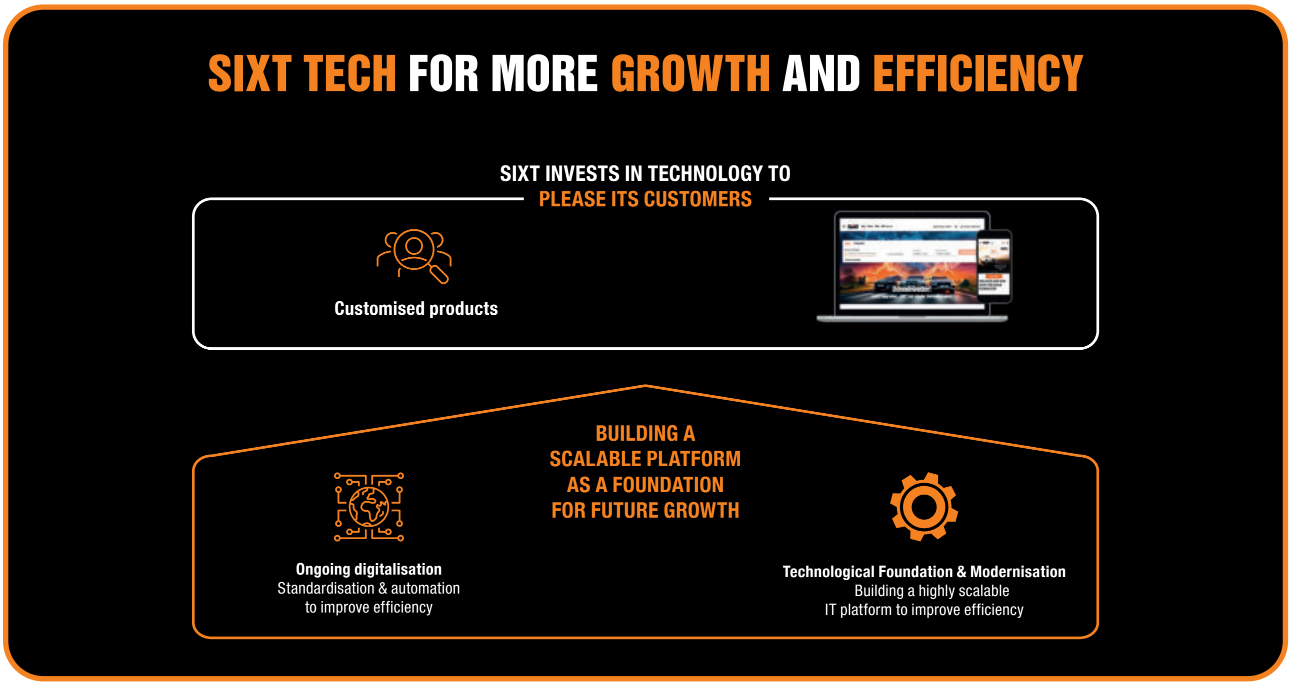
# THE TECHNOLOGY

> ” OUR TECHNOLOGICAL LEADERSHIP IS THE KEY TO OUR SUCCESS

**SIXT HAS INVESTED MASSIVELY IN TECHNOLOGICAL ADVANCEMENT OVER THE LAST TWO YEARS. CHIEF COMMERCIAL OFFICER JAMES ADAMS EXPLAINS HOW THIS WILL PAY OFF IN TERMS OF GROWTH AND PROFITABILITY IN THE FUTURE.**

**Mr. Adams, Sixt is considered the pioneer in digitalisation and technology. Why are these topics so important to Sixt?**
**JAMES ADAMS** The drive to digitalise is a key driver of growth and efficiency, which has contributed to the operational success and record figures of 2022. Our goal is to be the most advanced and digitalised company in our industry to best serve our customers while growing efficiently. The mobility market is changing very rapidly and technology is the key to keeping up with the needs and expectations of our customers.

**Where are the strategic priorities in your tech investments?**
**JAMES ADAMS** We have invested massively in our technological advancement over the last two years. The average number of our IT and technology experts increased by 10% to 770 in 2022, at four locations in the meantime. For example, we opened our fourth technology location in Lisbon in the fourth quarter of 2022. The team there is a welcome addition to the expertise at the established locations in Munich, Kiev and Bangalore. Although technology plays an important role throughout our organisation, the fully digitalised ONE mobility platform is at the heart of our work. The front end is the SIXT App, which our customers can use to conveniently book all our products. We developed it to accompany them when they use our services, e.g., by providing support before and during the rental. And intelligent technology that allows us to provide the right vehicles in the right place at the right time, for instance, is behind the platform.



## We want to lead our industry in digitalisation so that customers can expect a better experience from Sixt.

James Adams

**Let's start off with customer satisfaction. How can technology make a concrete contribution here?**
**JAMES ADAMS** Let's go back to our platform ONE, which is at the heart of our services. Sixt generates most of its revenue via the digital platform ONE and the SIXT App. True to our motto "EXPECT BETTER," we constantly attempt to improve the customer experience while using the app. Firstly, we are improving the range of services that a customer can use, whether they are our own, such as subscriptions, or third-party services, like Scooter. Then, we work on making booking easier. However, the biggest focus is on the post-booking experience, where we help customers to better manage their bookings, answer their questions and even pick up their rental vehicles. This can really transform the customer experience – simple, digital experiences are the new premium. In addition, we also use our Big Data capabilities to improve customer satisfaction.

**Can you elaborate on this a bit more?**
**JAMES ADAMS** For me, Big Data is a buzzword that companies are addressing in different ways. At Sixt, we have been looking at this topic for years to better meet the needs of our customers. We have so many data sources, from our contact centres to our branches, and we already have more than two petabytes of relevant data. Of course, data protection is a top priority! For example, an important focus is to be able to better plan what vehicles we need where for which customers, so that their rental experience and their appreciation of Sixt continues to improve. In terms of technical equipment, we have steadily expanded our network of virtual machines and data servers to meet the high demands of this data work.

**You spoke earlier about efficiency and scalability – so it's about the direct impact on the operational performance of Sixt.**
**JAMES ADAMS** Yes, that is crucial for us. Of course, we want to work efficiently, but we are also a growth-oriented company and it is important that we do so efficiently. We will continue to standardise and automate our processes so that we can grow profitably.

**We would like to understand this better; can you please provide a few concrete examples?**
**JAMES ADAMS** Of course. It concerns everything from the automated provision of the above-mentioned data for decision making to the automation of the decisions themselves. The latter includes, for example, deciding what information and options should best be displayed to a customer given the service they have booked and the stage of travel they are in. Or automating some of our processes for customers picking up their vehicles and for our agents handling vehicles between bookings and during maintenance, which will help us serve more customers and manage more vehicles more efficiently as we grow.

## Massive investments in technological advancement

# THE

# RESPONSIBILITY

## „WE WANT TO BE PIONEERS FOR A SUSTAINABLE FUTURE

**SIXT IS ALSO STRIVING TO PLAY A LEADING ROLE IN SUSTAINABILITY. THIS APPLIES TO BOTH OUR OWN RESPONSIBILITY TO SOCIETY, BUT ALSO TO OUR AMBITIONS TO ACT IN A CLIMATE-NEUTRAL WAY AS QUICKLY AS POSSIBLE. THE SIXT MANAGEMENT BOARD EXPLAINS HOW THIS IS ACHIEVED IN AN INTERVIEW.**

**You want to be pioneers for a sustainable future. A strong statement, but what are the deeds behind it?**
**SIXT MANAGEMENT BOARD** Our sustainability programme, adopted in September 2022, follows a holistic 360-degree approach. This includes a clear commitment to make a substantial contribution to the global reduction of $CO_2$ emissions through our mobility offerings and to make Sixt $CO_2$- neutral as quickly as possible. We achieve this through our mobility platform ONE, which offers our customers simple and flexible shared mobility solutions and thus the freedom to be mobile worldwide without owning a vehicle. This can save considerable amounts of $CO_2$. The increasing importance and potential of Shared Mobility was also confirmed to Sixt in a joint project by scientists from the University of St. Gallen.

**By the end of 2023, we want to operate our stations and sites climate-neutrally through our own efforts and through compensation projects**

Sixt Management Board

# EUR 50 million investment in the development of the company's own charging infrastructure

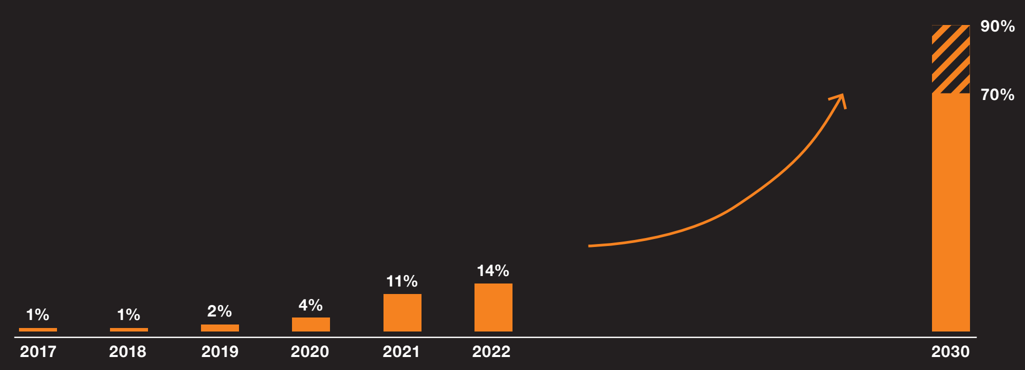
**What role does the topic of e-mobility play in this for Sixt?**
**SIXT MANAGEMENT BOARD** The accelerated use of smart e-mobility is a core element of our sustainability strategy. The share of electrified vehicles in the Sixt fleet in Europe has already reached 14% in 2022. By 2030, we are aiming to have a share of 70%–90% in Europe. We see ourselves as a partner of the vehicle manufacturers and as an accelerator of enthusiasm for the topic of e-mobility. A satisfied Sixt customer who has rented an electric vehicle from us is also much more likely to decide to purchase one.

**But for that you also need to actively address the issue of charging infrastructure, don't you?**
**SIXT MANAGEMENT BOARD** You are absolutely right. Over the next few years, we will invest EUR 50 million in a nationwide charging infrastructure at our stations, and have already started with this. Together with partners, we also want to give our customers access to a Europe-wide network with at least 400,000 charging points. This is done via our new product SIXT charge, which is integrated into the SIXT App.

**All of this is once again controlled via your mobility platform ONE?**
**SIXT MANAGEMENT BOARD** That's exactly why we established ONE, for the simple and flexible use of all mobility services, i.e., rental, car sharing, driving services and car subscriptions. SIXT charge complements this offer and creates additional incentives for the use of climate-friendly electric vehicles. The mobility platform ONE is increasingly developing into an ecosystem for climate-friendly mobility.

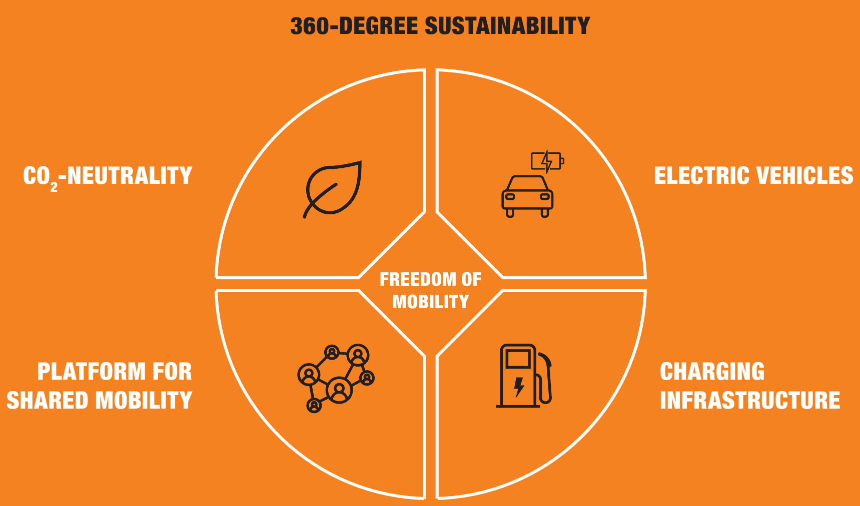
**Apropos climate neutrality, where does Sixt stand here? What goals have you set for yourself?**
**SIXT MANAGEMENT BOARD** In addition to our sustainable commitment to society and the mobility of the future, we as a company are also striving to play a pioneering role in the topic of climate neutrality. For example, we want to make the operation of our own stations and locations climate-neutral by the end of 2023, several years earlier than recently communicated. What we cannot save locally will be offset by compensation projects, the selection of which meets the highest quality standards. In terms of energy supply, for example, we are focusing on photovoltaics at our corporate headquarters. We will invest a double-digit million-euro amount to achieve these ambitious targets. By 2040, Sixt will have met the prerequisite for $CO_2$-neutral business operations in its European corporate countries.

**SUSTAINABLE FLEET:**
**SHARE OF ELECTRIC VEHICLES IN EUROPE RISES TO 14% IN 2022**

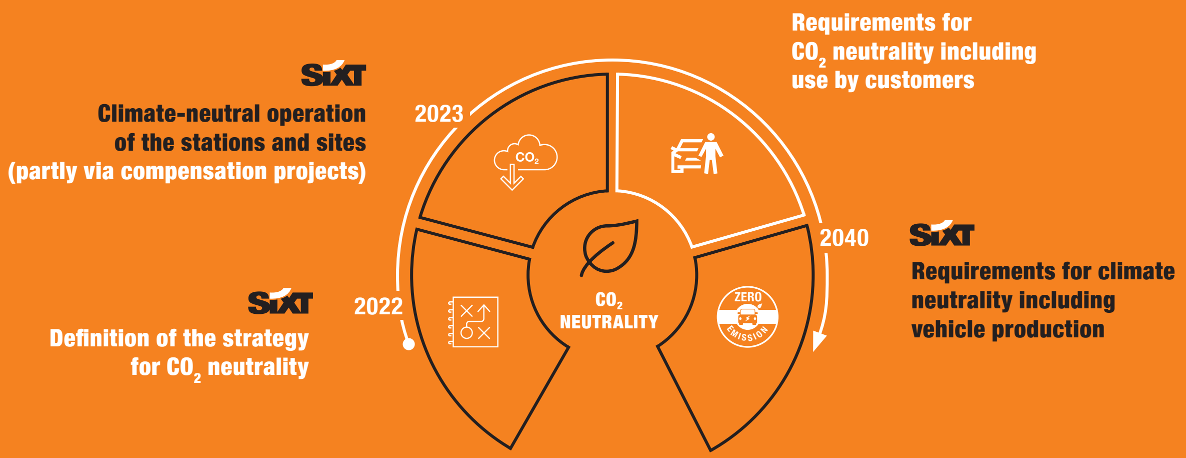




# OUR SUSTAINABILITY PROGRAMME
# HOLISTIC APPROACH BASED ON FOUR TOPICS



# THE PATH TO CLIMATE NEUTRALITY



# THE AMBITION

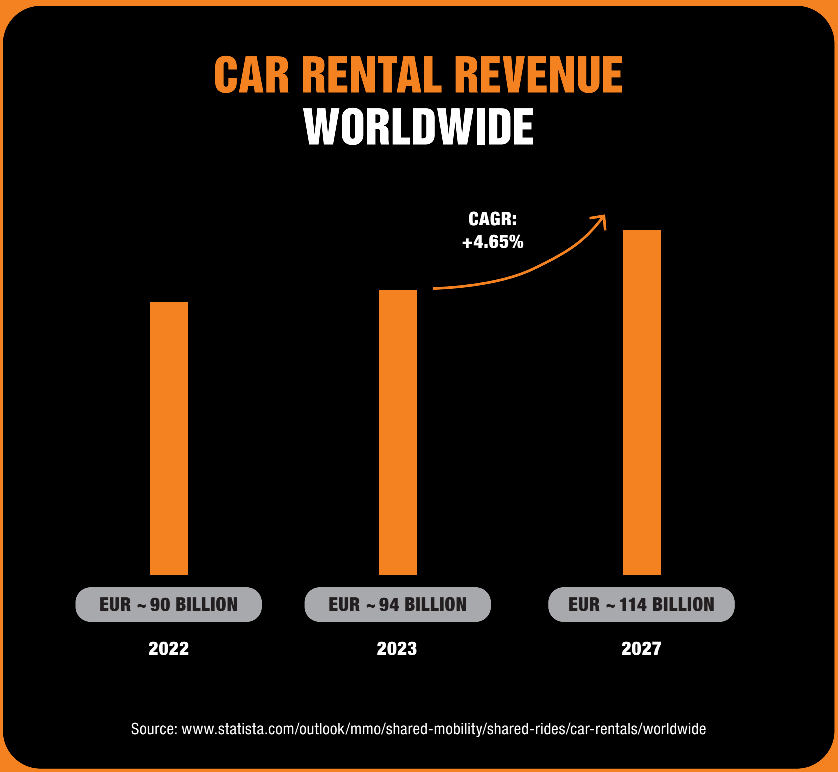
## VERY GOOD OPERATING PERFORMANCE ALSO EXPECTED FOR 2023

After two record years, Sixt is also aiming for a very good operating performance in 2023. Thus, a significant increase in consolidated revenue compared to 2022 and consolidated earnings before taxes (EBT) in the range of EUR 430 million to EUR 550 million are expected. Thus, the upper end of this range is at the level of the record year 2022 and its lower end is clearly above the pre-corona level. This forecast is based on demand returning to pre-pandemic levels, as was seen in 2022 and the first weeks of 2023, but at higher prices. The macroeconomic and sector-specific framework conditions are not expected to deteriorate significantly compared to current assumptions.

**„WE WANT TO CONTINUE TO EXCITE OUR CUSTOMERS OPERATIONALLY IN 2023**

# WE CONTINUE TO GROW

**For the financial years after 2023, Sixt is also optimistic that it will continue to grow profitably under the premises of a fundamentally positive economic development, easing inflationary pressure and no worsening of geopolitical risks. The decisive factor here is the large growth opportunities along the broadly diversified business model. The company expects continued international growth in the most important core regions of the world. A special growth focus is on the US. Sixt sees great potential here, in the corporate customer business and through the expansion of the station network to more than 50 airports and stations in the city centres of selected metropolises, for example. The company also expects sales opportunities in other regions such as Europe or in the franchise business. Worldwide, Sixt is aiming for a significantly higher market share and corresponding growth in the Van & Truck business. The company is also only at the beginning of its international expansion with the dynamically developing SIXT+ subscription model. In view of the significant market growth forecast by experts, the other offerings of the diversified business model SIXT Share and SIXT Ride also offer additional growth opportunities.**



# THE REPORT OF THE SUPERVISORY BOARD

**General information**

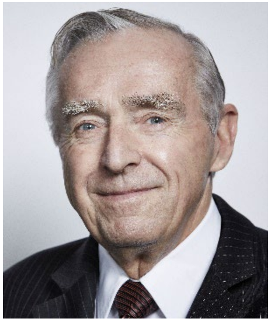
In financial year 2022, the Supervisory Board of Sixt SE duly performed the duties incumbent on it according to the law and the Articles of Association to the best of its knowledge and belief. It advised the Management Board in close and trusting cooperation on matters of major importance to Sixt SE and the Group and carefully and continuously monitored the Management Board in its management of the business.

To this end, the Management Board informed the Supervisory Board in written and verbal form regularly, promptly, and comprehensively about the current business performance and the situation of the company and the Group. The Management Board submitted a report every quarter that contained detailed information on the business performance and economic and financial position of Sixt SE as well as its domestic and foreign subsidiaries. The Management Board explained the documents and reports on how the business developed, planning and company strategies at the Supervisory Board meetings. Furthermore, the Management Board involved the Supervisory Board in decisions of significant importance for Sixt SE and the Group at an early stage. In the reporting year, there was no need to examine additional company documents above and beyond the reports and proposals for resolution submitted by the Management Board.

Apart from the meetings, the members of the Supervisory Board remained in regular contact with the Management Board, especially the chairmen of the two company organs. The provisions of the German Corporate Governance Code and of the legal stipulations on stock corporations governing the duty of the Management Board to report to the Supervisory Board were consistently complied with.

The Supervisory Board convened for seven meetings in the year under review in which it addressed the economic situation and strategic direction of the Group as well as the personnel situation in detail. One of the meetings took place with the attendees present. The remaining meetings were held by video conference.

ERICH SIXT



- Chairman of the Supervisory Board of Sixt SE since 16 June 2021
- Born 1944

**Key issues in 2022**

In the four regular meetings in the reporting year, the Supervisory Board received detailed information from the Management Board on important issues relating to the development of the business, the strategic focus, the risk situation and risk management, the internal control systems and the asset, financial and earnings position of Sixt SE and the Group. The Management Board attended these meetings, explained all matters to the members of the Supervisory Board and answered their questions. The Supervisory Board also convened regularly without the Management Board being present. In addition, the Chairman of the Supervisory Board had a direct exchange with the Co-Chairmen of the Management Board and the Chairman of the Audit Committee with the Chief Financial Officer on important current issues.

In the reporting year, the Supervisory Board's deliberations focused mainly on the following matters:

- In March 2022, the Board dealt with the audit of the accounts for financial year 2021. The financial statements were approved following the auditor's report on the results of the audit based on the recommendation of the Audit Committee.

- The Management Board informed the Supervisory Board in all regular meetings about how the business of the Sixt companies was developing. Key financial ratios and liquidity were also the subject of these reports. Besides geopolitical crises such as the war in Ukraine, the focus was on rising inflation, high energy prices, the risk of possible blackouts and the protective measures taken in this regard, as well as the continued limited availability of vehicles in 2022. The Supervisory Board acknowledged the forward-looking actions of the management.

- The Supervisory Board continuously informed itself about the company's further expansion and internationalisation. The focus was on the US market and its unique features. For the first time ever, the US market became Sixt Group's strongest market in terms of revenue in 2022 and is therefore of particular importance.

- The Supervisory Board approved an adjustment to the virtual stock performance programme (SPP) for a selected group of employees and managers in March 2022.

- The Management Board informed the Supervisory Board about the effects of the cyber-attack that took place at the end of April 2022 and the status of the follow-up process.

- The Supervisory Board was informed of the new ESG targets and advised the Management Board on them. The focus was on the further electrification of the Sixt fleet and the goal of having the fleet in Europe consist of 70% to 90% electric vehicles by 2030.

- In addition, the Management Board informed the Supervisory Board about the further development of the mobility platform ONE and, in particular, the success of the car subscription offer SIXT+ as well as the integration of third-party providers into the mobility platform.

- The medium-term business plan for Sixt Group, which the Management Board submitted at the end of the reporting year, was also noted with approval by the Supervisory Board. The Board discussed the economic and strategic assumptions underlying this planning in detail, with a view to market opportunities and cost developments, expected demand and the likely development of customer needs in the individual regions and, in particular, against the backdrop of the macroeconomic difficulties and the possibly related lower willingness to spend and travel.

- The Supervisory Board also dealt intensively with Management Board matters in the reporting year and appointed Mr. James Adams and Mr. Vinzenz Pflanz additional Management Board members with effect from 1 October 2022.

- Other important topics included the revision of the competence profile for the Supervisory Board, the amendments to the German Corporate Governance Code and the setting of targets for the share of women on the Supervisory Board and the Management Board.

**Report on the work of the committees**

The Supervisory Board has established an Audit Committee and a Nomination Committee to support it in its work. In addition, a Remuneration Committee was established in the beginning of 2023. The Corporate Governance Declaration provides more detailed information on the tasks, composition and working methods of the committees.

The Nomination Committee held one meeting by video conference in financial year 2022. It dealt with the expansion of the Supervisory Board to comprise four members and adopted an election recommendation for the Supervisory Board election to be held at the 2022 Annual General Meeting. In doing so, it was guided by the interests of the company and sought to fulfil the overall requirement profile including the competence profile and diversity concept for the Supervisory Board.

The Audit Committee held a total of eight meetings in financial year 2022, seven of which were held by video conference and one by telephone. The Board member responsible for finance was a regular participant. The auditor and heads of departments such as Accounting, Internal Audit, Global GRC and Legal were also present to address individual matters.

In addition, the Audit Committee Chairman held regular one-on-one meetings with the Management Board member responsible for finance and the auditor, among other individuals. The Chairman of the Audit Committee informed the Supervisory Board in its respective following meeting about the activities of the committee as well as the content of meetings and discussions.

The Audit Committee's deliberations focused mainly on the following topics in the reporting year:

- The meeting in March served to prepare the balance sheet meeting of the Supervisory Board and the audit of the accounts for financial year 2021. The Audit Committee reviewed the financial statements and management reports, taking the audit reports and the focal points of the audit into account, and discussed them with the auditor and dealt with the quality of the audit. The Audit Committee also met occasionally without the members of the Management Board being present.

- In addition, the Audit Committee reviewed the auditor's declaration of independence and recommended to the full Supervisory Board that Deloitte GmbH Wirtschaftsprüfungsgesellschaft be proposed again as auditor at the 2022 Annual

General Meeting. Furthermore, the Audit Committee issued the audit mandate after the Annual General Meeting.

- The Audit Committee repeatedly dealt with the current risk situation, risk management and the further development of the internal control system and the compliance organisation. In this context, the Audit Committee also dealt with the cyber-attack that took place at the end of April 2022.

- The Audit Committee also received reports on the main results of the internal audits carried out by Group Internal Audit and on further audit planning.

- The quarterly reports were presented and discussed by the Audit Committee prior to their publication. In addition, the Audit Committee dealt with the non-audit services provided by the auditor on a regular basis.

- One main focus of the Audit Committee's work was on the preparations for the change of the auditor for financial year 2024. For this purpose, the Audit Committee conducted a tendering process in accordance with the legal requirements and, after careful consideration of the candidates, submitted a reasoned recommendation to the Supervisory Board with two candidates and a preference to propose one candidate to the Annual General Meeting. The tender process was carried out at an early stage in order to ensure a timely transition of mandates in compliance with the independence requirements.

### Individualised disclosure of meeting attendance in financial year 2022

The members of the Supervisory Board and the committees attended the meetings of the Supervisory Board and the committees in the reporting period as follows:

| Supervisory Board member | Plenum | Audit Committee | Nomination Committee |
|---|---|---|---|
| Erich Sixt (Chairman) | 6/7 (86%) | n/a | 1/1 (100%) |
| Dr. Daniel Terberger (Deputy Chairman) | 7/7 (100%) | 8/8 (100%) | 1/1 (100%) |
| Anna Magdalena Kamenetzky-Wetzel (since 2 June 2022) | 3/3 (100%) | 2/3 (67%) | n/a |
| Dr. Julian zu Putlitz | 7/7 (100%) | 8/8 (100%) | n/a |
| **Total** | **96%** | **95%** | **100%** |

### Conflicts of interest

There were no conflicts of interest of Supervisory Board members in the past financial year.

### Corporate Governance

The Management Board and Supervisory Board report on the topic of corporate governance in the Corporate Governance Declaration pursuant to Sections 289f, 315d of the German Commercial Code (HGB), which is published on the Internet at *ir.sixt.eu* under "Corporate Governance" as well as in this Annual Report. Furthermore, the Management Board and the Supervisory Board issued the regular Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in December 2022 and made it permanently available to shareholders on the company's website at *ir.sixt.eu* in the "Corporate Governance" section. Apart from a few exceptions outlined in the Declaration, Sixt SE follows the recommendations of the Code in the version dated 28 April 2022 and applicable as of 27 June 2022.

One training activity of the Supervisory Board was held on the Financial Market Integrity Strengthening Act and its effects on Sixt SE in the year under review. An onboarding programme consisting of various components was offered for the new member Mrs. Kamenetzky-Wetzel. Sixt SE executives provided her with an insight into key areas of the business as well as important corporate governance topics and the work of the Supervisory Board. Otherwise, the members of the Supervisory Board took part in the training and further education measures required to perform their tasks on their own responsibility.

### Audit of the 2022 Annual Financial Statements and Consolidated Financial Statements

The Management Board prepared the Annual Financial Statements of Sixt SE as per 31 December 2022 in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch / HGB) and the Consolidated Financial Statements and Combined Management Report as per 31 December 2022 in accordance with Section 315e of the German Commercial Code and on the basis of the International Financial Reporting Standards (IFRS), as adopted by the EU. According to the Law on Strengthening the Non-Financial Reporting of Companies in their Management and Group Management Reports (CSR Directive Implementation Act), the Combined Non-Financial Declaration of the Group is included in the Management Report.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the Annual Financial Statements and Consolidated Financial Statements of Sixt SE as well as the Combined Management

Report (with the exception of the Combined Non-Financial Declaration of the Group and the Corporate Governance Declaration) and issued these documents their unqualified audit opinion. Furthermore, the auditor also determined that the Management Board had taken the appropriate measures required under Section 91 AktG, in particular those relating to the establishment of a monitoring system, and that the monitoring system is suited for the early detection of developments that could jeopardise the company as a going concern. In addition, the auditor subjected the remuneration report to a formal completeness review in accordance with Section 162 (3) AktG. The Supervisory Board had commissioned the auditor on the basis of the resolution passed by the Annual General Meeting on 25 May 2022.

Each member of the Supervisory Board received the documents together with the Management Board's Dependent Company Report and the auditor's audit reports as well as the Management Board's proposal on the appropriation of unappropriated profit in sufficient time for examination. The auditor attended the meeting of the Audit Committee on 24 March 2023 and the meeting of the Supervisory Board to approve the financial statements on 28 March 2023 and reported comprehensively on the course of the audit and its main results, addressing in particular the key audit matters. The focal points of the audit included the subsequent valuation of rental vehicles, the recoverability of trade receivables and non-financial assets, the revenue recognition, the early risk detection system and risk reporting in the Management Report, the completeness of provisions and recognised leasing transactions in accordance with IFRS 16, the cyber-attack as of 29 April 2022 and the reporting on transactions with related parties (Dependent Company Report). The recoverability of shares in affiliated companies and the receivables from affiliated companies as well as the presentation of service relationships and agency agreements within the Group were also relevant for the audit of the financial statements of Sixt SE.

The Audit Committee reviewed the financial statements and Management Reports at its meeting on 24 March 2023, taking into account the audit reports and focal points of the audit, and discussed them with the auditor. The Chairman of the Audit Committee reported on the results of this preliminary review at the meeting of the Supervisory Board on 28 March 2023. In addition, the auditor informed the Audit Committee about services provided by the audit firm and its network beyond the audit of the financial statements. In his opinion, there were no circumstances that could cast doubt on the independence of the auditor.

The Supervisory Board took due notice of the result of the audit and, following the completion of its own examination, which in particular covered the key audit matters described in the auditor's report, including the audit procedures, raised no objections. The Supervisory Board approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Management Board and audited by the auditor, as well as the Combined Management Report (including the Combined Non-Financial Declaration of the Group contained in the Management Report). The 2022 Annual Financial Statements of Sixt SE were thus adopted in accordance with the provisions of the AktG. Following its own review, the Supervisory Board also concurred with the proposal of the Management Board on the allocation of the unappropriated profit for 2022.

The auditor included the report by the Management Board covering the relationship between Sixt SE and its affiliated companies in accordance with Section 312 of the AktG in its audit and submitted its audit report to the Supervisory Board and to the Audit Committee. The audit by the auditor did not lead to any objections. The following unqualified audit opinion was issued: *"Upon completion of our audit and assessment in accordance with professional standards, we confirm that the actual disclosures made in the report are accurate."*

The Supervisory Board's examination of the report covering the relationship between Sixt SE and its affiliated companies in accordance with Section 312 of the AktG did not give rise to any objections. The Supervisory Board therefore concurred with the auditor's findings. Following the completion of its own examination, the Supervisory Board had no objections to the Management Board's concluding statement concerning its relationships with its affiliated companies.

**Personnel changes**

There were various personnel changes in the Management Board and the Supervisory Board in the reporting period.

As of 1 October 2022, the Management Board of Sixt Group was expanded to include two managers from within the company. Mr. Vinzenz Pflanz assumed the position of Chief Business Officer (CBO) and Mr. James Adams assumed the position of Chief Commercial Officer (CCO) on the Management Board of Sixt SE. As CCO, Mr. Adams is responsible in particular for Consumer Products and Price & Capacity Management. In his role as CBO, Mr. Pflanz assumed responsibility for national and international sales as well as vehicle purchasing.

The Supervisory Board of Sixt SE was expanded from three to four members in financial year 2022. Mrs. Anna Magdalena Kamenetzky-Wetzel was elected an additional member by the Annual General Meeting on 25 May. She has worked in the USA, Europe and Asia in her professional career to date and has extensive knowledge of the consumer goods, services and media industries.

Further information on the individual members of the Management Board and Supervisory Board, including information on the duration and end of their current appointments and details of their first appointment, can be found on the company's website at *ir.sixt.eu* in the "Management" section.

**Thanks to the management and all employees**

Despite the many global uncertainties in financial year 2022, particularly in connection with the war in Ukraine, Sixt Group succeeded in achieving a new record annual result for 2022 and expand its global presence even further. This once again clearly demonstrated the company's ability to weather the crisis, its reaction speed and flexibility, the resilience of its business model as well as its forward-looking management. The Supervisory Board would like to thank the members of the Management Board, all Managing Directors and all employees worldwide for their great personal commitment, ongoing dedication and constructive and trusting cooperation in these challenging times. It is convinced that the Group will continue its history of profitable growth.

Pullach, March 2023

**The Supervisory Board**

| | | | |
|---|---|---|---|
| ERICH SIXT | DR. DANIEL TERBERGER | ANNA MAGDALENA KAMENETZKY-WETZEL | DR. JULIAN ZU PUTLITZ |
| Chairman | Deputy Chairman | Member | Member |

# SIXT SHARE

**Stock market year 2022 suffers from geopolitical crises and monetary policy turnaround**
The stock market year 2022 was the worst in a long time with significant losses on the international financial markets. The German Share Index (DAX) closed the stock market year down 12%, having only risen to an all-time high of 16,290 points in mid-November 2021, and ended 2021 16% higher. High inflation was the main burdening factor for the financial markets. Contrary to what the central banks had expected at the beginning of the year, it did not prove to be a temporary phenomenon. On the one hand, inflation caused by the supply chain problems following the coronavirus pandemic proved to be more persistent than expected, and on the other hand, the energy crisis triggered by the start of the war in Ukraine in February was an additional strong price driver.

The US Federal Reserve had already reacted to the high inflation in mid-March 2022 and raised its key interest rate by 0.25 percentage points. In February, US consumer prices had risen by 7.9% – the highest rise in 40 years. It was the Fed's first rate hike since late 2018 and was followed by another six rate hikes by early November 2022, taking the US fed funds rate from 0.25% at the start of 2022 to 4.50%.

After an initial interest rate hike of 0.5 percentage points in July 2022, the European Central Bank reacted to the persistently high inflation in the euro zone with a historic interest rate step at the beginning of September. It raised the key interest rate by 0.75 percentage points. After further interest rate hikes in November and December 2022, the key interest rate was 2.5% at the end of the year.

Stagflation fears, i.e. concerns about high inflation rates and simultaneous economic weakness, increasingly made the rounds in the course of 2022. These depressed the mood on the stock markets.

Starting the stock market year at 16,021 points, the DAX reached its high for the year just two days later at 16,272 points. Under the impression of growing tension in the Russia-Ukraine conflict, the index then began a downward slide, which was accelerated by the start of the Ukraine war on 24 February 2022, causing the index to plunge to 12,832 points by 8 March – a decline of 20%. This was followed by a recovery to 14,415 points by the end of March 2022. According to the Federal Statistical Office, the price increases for fuel observed since the beginning of the war in Ukraine were higher than during the two oil crises of 1973/1974 and 1979/1980 and the financial market crisis of 2008/2009. Driven by the increase in the price of energy products, but increasingly also by rising food prices, the inflation rate exceeded the 7% mark for the second month in a row in April. The DAX then continued its volatile course until it reached its low for the year of 11,976 points on 29 September 2022. By the end of November, the index had nearly returned to its end-March level at 14,397 points, before falling again by close to 500 points at the end of the year. The DAX closed the stock market year 2022 at 13,924 points, a drop of a good 12%.

In the crisis year 2022, the second-tier index MDAX, in which the ordinary shares of Sixt SE have also been listed since 21 March 2022, fared much worse than the DAX. Starting at 35,488 points, the index had slipped 38% to 21,791 points by the end of September. The MDAX finally closed the stock market year at 25,118 points, a decline of 28%.

The US equity markets were also unable to escape the generally difficult situation in 2022. For example, after three years of in some cases significant increases in value, the Dow Jones Index recorded a decline of 9% in 2022. The MSCI World declined by 19%.

The broad-based S&P 500 Index also lost 19% by the end of 2022, while the technology index NASDAQ 100 basically crashed by losing 33% in value.

**Development of Sixt shares in 2022**
After Sixt shares had performed excellently in the corona year 2021, there was a countermovement in 2022, especially for growth shares like Sixt. Although air traffic in particular showed a clear recovery from the effects of corona in 2022, neither the Sixt ordinary share, which had been promoted from the SDAX to the MDAX on 21 March, nor the Sixt preference share were able to benefit from this development and ended up significantly underperforming the DAX and MDAX indices. Even the good figures that Sixt Group had presented and the increase in the company's forecast in September could not change this weakness in the share price. The reason for the weak share price development was in particular the threat of a recession as well as the increase in energy costs and inflation rates and their expected impact on disposable household incomes. With the withdrawal

of investors from growth and consumer shares starting in the middle of the year, Sixt shares were also dragged down. The decline in price was based on a contraction of the current valuation multiples and falling profit expectations for the next assessment year as a result of rising inflation and interest rates.

Like the MDAX as a whole, the Sixt ordinary share reached its high for the year 2022 of EUR 165.40 right at the beginning of the year on 7 January. The share price then fell by 47% to its low for the year of EUR 82.05 on 30 September. The Sixt ordinary share finally ended the stock market year by recording a loss of 45% at a price of EUR 85.95.

The stock market year 2022 was not much better for the Sixt preference share. Starting the year at a price of EUR 86.00, it closed the year on 30 December 2022 at a price of EUR 54.50, a 37% decline.

In the first weeks of 2023, the Sixt shares recovered significantly and Sixt was able to confirm its position of the MDAX.

The market capitalisation of Sixt SE, measured at year-end prices, amounted to EUR 3.51 billion – a decline of 43% compared to the figure at the end of the previous year (EUR 6.16 billion, all figures based on the Xetra closing price). In terms of the respective year's high of the ordinary and preference shares in 2022, the total stock market value of the company reached EUR 6.54 billion at its peak.

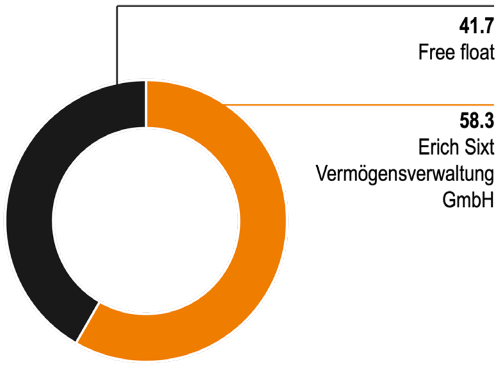
**Shareholder structure virtually unchanged**

As in the previous year, 58.3% of the ordinary shares entitled to voting rights, measured in terms of the registered share capital, were held by Erich Sixt Vermögensverwaltung GmbH at the end of 2022. Its shares are held directly and indirectly in full by the Sixt family.

Sixt SE publishes voting rights notifications on its website at *ir.sixt.eu* in the "Our News" section. The company did not receive any such notifications in the reporting year.

**Shareholder structure as at 31 December 2022**

in %




**Dividend**

Due to the very positive business performance in financial year 2021, the dividend payment was resumed after the two financial years 2019 and 2020, which were heavily impacted by the coronavirus pandemic. With a dividend of EUR 3.70 per ordinary share (2020: EUR -) and EUR 3.72 per preference share (2020: distribution of the statutory minimum dividend of EUR 0.05), the total dividend amount for 2021 was EUR 174 million, which corresponds to 56% of the consolidated profit after minority interests for financial year 2021.

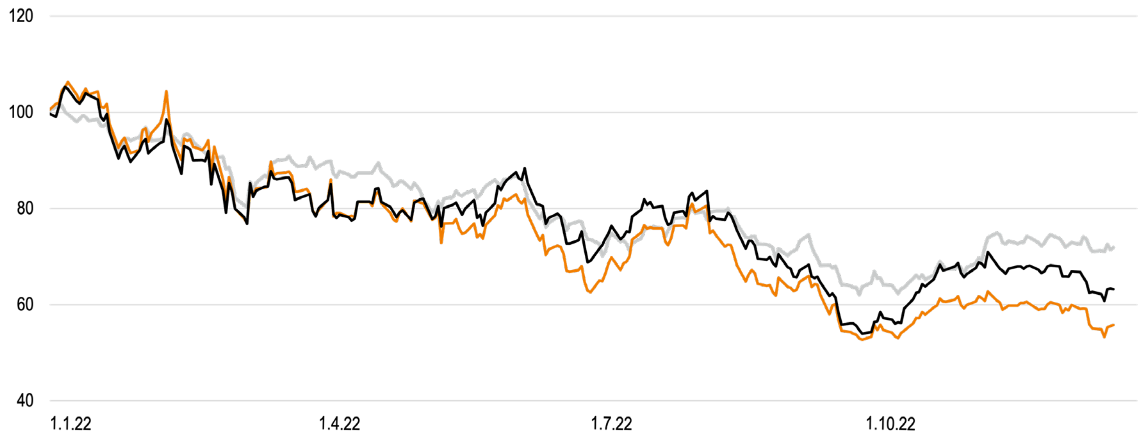
Due to the positive development of the business and results in 2022, the Management Board will, subject to the approval of the Supervisory Board, propose a dividend for financial year 2022 of EUR 4.11 per ordinary share and EUR 4.13 per preference share and a special dividend of EUR 2.00 per ordinary and preference share to the 2023 Annual General Meeting. The proposal would amount to an overall dividend payment of EUR 287 million, equivalent to 74.4% of consolidated profit after minority interests. Based on the year-end share prices in 2022 the calculated dividend yields are 7.1% per ordinary shares and 11.2% per preference share.

Sixt SE remains committed to ensuring that shareholders participate in the company's success in an appropriate manner by paying out a dividend. The amount of the dividend is determined by the Group's earnings performance and future requirements for the equity base.

| Sixt share information | |
|---|---|
| Share classes | No-par value voting bearer shares (WKN: 723132, ISIN: DE0007231326)<br>No-par value non-voting preference bearer shares (WKN: 723133, ISIN: DE0007231334)<br>No-par value voting ordinary registered shares (WKN: A1K065, ISIN: DE000A1K0656) |
| Share classes | Xetra, Frankfurt am Main, Munich, Stuttgart, Hanover, Düsseldorf, Hamburg, Berlin |
| Key indices | MDAX (weighting of ordinary shares: 0.75 %)<br>CDAX (weighting of ordinary shares: 0.09 %, weighting of preference shares: 0.08 %)<br>Prime All Share (weighting of ordinary shares: 0.08 %, weighting of preference shares: 0.06 %) |
| Trading segment | Prime Standard |
| Designated sponsors | Stifel Europe Bank AG, M.M. Warburg & Co. KGaA |

**Performance of Sixt ordinary and preference shares and MDAX**

in %




Source: Bloomberg

| | 2022 | 2021 |
|---|---|---|
| **Earnings per share – basic (in EUR)** | | |
| Ordinary share | 8.21 | 6.66 |
| Preference share | 8.23 | 6.68 |
| **Dividend (in EUR)** | | |
| Ordinary share | 6.11[1] | 3.70 |
| Preference share | 6.13[1] | 3.72 |
| Number of shares (as at 31 Dec.) | 46,943,358 | 46,943,358 |
| Ordinary share | 30,367,112 | 30,367,112 |
| Preference share | 16,576,246 | 16,576,246 |

| | 2022 | 2021 |
|---|---|---|
| **High (in EUR)[2]** | | |
| Ordinary share | 165.40 | 170.00 |
| Preference share | 91.40 | 96.30 |
| **Low (in EUR)[2]** | | |
| Ordinary share | 82.05 | 95.50 |
| Preference share | 46.85 | 55.06 |
| **Year-end price (in EUR)[2]** | | |
| Ordinary share | 85.95 | 155.60 |
| Preference share | 54.50 | 86.80 |
| **Dividend yield (in %)[3]** | | |
| Ordinary share | 7.1 | 2.4 |
| Preference share | 11.2 | 4.3 |
| **Market capitalisation (in EUR billion)[3,4]** | | |
| as at 31 Dec. | 3.51 | 6.16 |

1 *Proposal to the Annual General Meeting including a special dividend of EUR 2.00 per ordinary and preference share*
2 *All prices refer to Xetra closing prices*
3 *Based on Xetra year-end closing price*
4 *Based on ordinary and preference shares*

**Dialogue with the capital market intensified**

As a listed company, Sixt has always placed great importance to an ongoing and intensive dialogue with the capital market. Sixt SE is listed in the Prime Standard of the German Stock Exchange and is therefore subject to extensive transparency and publicity requirements.

In reporting year 2022, there was a great need for information from investors, analysts and financial media on the effects of the Ukraine war, such as deglobalisation, rising energy costs, inflation and the end of the low interest rate policy of the central banks, on the development of the Group. The effects of possibly stricter corona protection measures were also a topic. Strong interest was also shown in the further steps to advance digitalisation and internationalisation, as well as in the strategic and tactical handling of the continued scarce availability of vehicles. In addition, the Sixt sustainability strategy, including the electrification of the fleet as well as price developments within the industry and on the used car market were further key topics. As part of its investor relations work, the company held many personal meetings with investors and analysts and presented itself at roadshows and international conferences.

In addition to the virtual Annual General Meeting on 25 May 2022 and the analysts' conference in Frankfurt, which was held physically for the first time since the coronavirus pandemic on 5 April 2022 and was attended by a number of analysts and investors, the holding of the first Capital Market Day was a particular highlight of investor relations work in financial year 2022. The event took place on 6 July 2022 with attendees present in Munich and Sixt was able to welcome around 30 institutional investors and analysts on this occasion. All members of the Management Board of Sixt SE gave presentations on various topics, in particular on the company strategy and current developments in the strategically most important markets and business areas of the Group, and answered questions from the guests. In addition, there were various live demonstrations in connection with the Sixt-Customer Journey. For example, the digital rental processes including check-in and turnaround with the Operations App were explained at various stations and a self-driving Mobileye vehicle was presented.

As in last year, an investor presentation was also published for each reporting quarter at ***ir.sixt.eu*** under "Publications" that included the current business environment as well as a detailed analysis of the key data for the quarter. Sustainability aspects such as the programme to accelerate the reduction of $CO_2$ emissions and to increase the demand for intelligent e-mobility represented another focus of capital market communication.

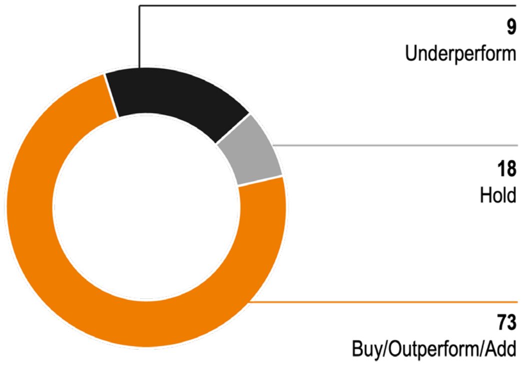
As in previous years, Sixt used investor conferences with domestic and foreign investors to communicate the Group's strategy and business development. The events that took place partly virtually and partly in person were met with very strong interest among investors on both sides of the Atlantic.

The Management Board also used the publication of the 2021 annual results and 2022 quarterly reports to provide financial and business journalists with timely information on the current development of the Group. In addition, conference calls were held, which are traditionally a fixed component of communication with relevant business media and news agencies.

In the year under review, Sixt was covered regularly by Baader Bank, Berenberg, BNP Paribas Exane, Deutsche Bank, DZ Bank, Hauck Aufhäuser Lampe, Jefferies, Metzler, M.M. Warburg, ODDO BHF and STIFEL.The average price target for the Sixt ordinary share stated in the studies was EUR 92.75 as at 31 December of the reporting year (end of 2021: EUR 166.00).

**Analyst recommendations (Sixt ordinary share) as at December 2022**

in %




73% of the financial analysts issued a positive recommendation (Buy/Outperform/Add) for the Sixt ordinary share as at the end of financial year 2022.

# COMBINED MANAGEMENT REPORT

# B \\ COMBINED MANAGEMENT REPORT

# B.1 \\ PRINCIPLES OF THE GROUP

## 1. BUSINESS MODEL OF THE GROUP

### 1.1 GROUP STRUCTURE AND MANAGEMENT

Sixt SE, with its registered office in Pullach, Germany, is a listed European stock corporation (Societas Europaea) and serves as the parent and holding company of Sixt Group. Sixt SE performs key management and administrative tasks and is responsible for the strategic and financial management of Sixt Group. It also performs important financing functions for the Group.

The operating business of Sixt Group is managed entirely by legally independent subsidiaries in Germany and abroad.

The Management Board of Sixt SE manages the company on its own responsibility. The Supervisory Board of Sixt SE appoints, monitors and advises the Management Board and is directly involved in decisions of fundamental importance to the company and the Group.

An overview of the companies included in the Consolidated Financial Statements as well as the other shareholdings of Sixt Group, which are of minor economic importance in their entirety, can be found in the Notes to the Consolidated Financial Statements under “Consolidation”. This report summarises the Management Reports of the Group and Sixt SE in accordance with Section 315 (5) of the German Commercial Code (HGB), hereinafter also referred to as the Combined Management Report or Management Report.

### 1.2 GROUP ACTIVITIES AND RANGE OF SERVICES

Sixt Group is a mobility service provider that operates in Europe and North America. Other regions of the world are covered by franchisees and cooperation partners operating under the SIXT brand name. Sixt has been pursuing a focused premium strategy for many years as a decisive unique selling proposition in competing globally. This strategy is based on the commitment to offering business and private customers high-quality solutions for their respective mobility needs that are characterised by the most flexible processes and ease of use. The high share of vehicles from renowned manufacturer brands in the vehicle fleet is also an elementary component of this strategy.

Sixt aspires to be the innovation leader in the mobility industry. The technology and mobility platform ONE launched in 2019 plays a major role here. The basis for this is the end-to-end digitalisation of the entire product portfolio (via the SIXT App) as well as all sales channels and operational business processes. Via the SIXT App, users have access to the products SIXT rent, SIXT truck, SIXT share, SIXT ride and, since 2020, also to the car subscription offer SIXT+. In line with the platform strategy, Sixt relies on strong partnerships with which the mobility platform ONE is continuously expanded as an open ecosystem. Customers can also access products and services from third-party providers, such as the electric scooter, e-bike and e-moped provider TIER and the US ride service provider Lyft, via the SIXT App. By integrating digital car and commercial vehicle rental, car sharing, car subscriptions as well as arranging transfer services, customers have access to over 270,000 vehicles and mobility offers from more than 2,700 partners with more than 5 million drivers in over 550 cities in more than 40 countries worldwide via the SIXT App.

Sixt’s digitalisation strategy is based on changing customer preferences and demands for mobility and takes a change in usage behaviour in the online and mobile sector into account, which, in turn, is a consequence of technological development. Sixt would like to offer its customers also online lean, flexible and transparent rental processes. By the end of 2022, around 72% (end of 2021: 73%) of reservations in the area of mobility were made via the company’s online and mobile channels.

Furthermore, Sixt uses digital channels such as the Group’s websites and social media accounts to engage in a constant dialogue with its customers and the general public. In addition, regular and continuous marketing activities are managed via these channels. In order to promptly identify trends and record data and experience, the company monitors the acceptance of new platforms and applications at an early stage.

## 2. OPERATING BUSINESS

### 2.1 MARKET POSITION AND POSITIONING

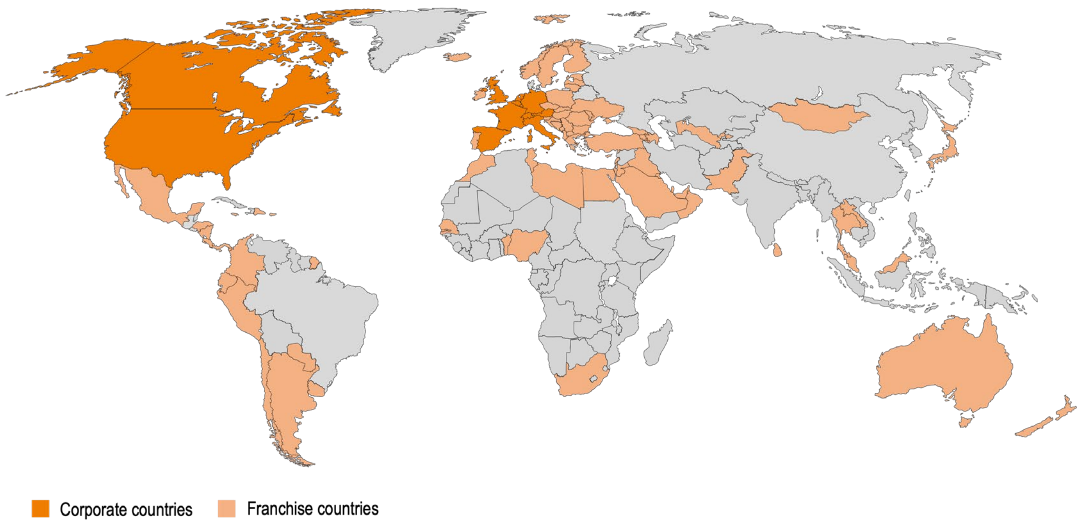
The operating business has been segmented by region since financial year 2020. A distinction is made between the reporting segments Germany, Europe and North America.

International expansion was continued again in financial year 2022 so that the SIXT brand is now present in many of the important markets. The global positioning is divided into own country organisations (corporate countries) and cooperation with franchisees and partners (franchise countries). These partners are already established in their respective markets. Iraq and Trinidad and Tobago were introduced as new franchise markets in financial year 2022. As at 31 December 2022, Sixt was represented by franchisees in a total of around 100 markets.

Sixt is present with its own subsidiaries in the European core countries of Austria, Belgium, France, Germany, Italy, Luxembourg, Monaco, the Netherlands, Spain, Switzerland and the UK, thus covering a large part of the European market. In addition, Sixt is active with subsidiaries in the US and, since 2022, in Canada, as well.

Sixt's strategy is to be represented by its own companies in large markets with low-risk conditions and by qualified franchisees and cooperation partners in smaller markets or markets with higher risks.

**Geographical presence in Sixt corporate and franchise countries**




*Segment Germany:* Based on its own estimates and data from Euromonitor, Sixt was the market leader in Germany with a market volume of EUR 2.4 billion in 2022, according to Euromonitor, well ahead of competitors. One focus of Sixt's business in Germany has traditionally been on business and corporate customers, together with a strong network of stations at German airports. Sixt operated at least one station at all major German airports as early as 1977 and was represented at 25 airports in financial year 2022. The share of private customers and tourists has increased in recent years, however. At the end of 2022, Sixt still had 355 stations, even after optimising the station network, and will thus continue to ensure extensive coverage in Germany (2021: 418 stations).

*Segment Europe:* Sixt has been steadily expanding its presence in Europe since the mid-1990s and focuses on the leading countries in the car rental market. According to Euromonitor, the UK, France and Spain are the largest rental markets. According to Euromonitor, the market size of the corporate countries in Europe (excluding Germany) amounted to EUR 9.7 billion in 2022. There were 435 stations at the end of 2022 (2021: 448 stations). Private customers and tourists are basically the most important customer segment for Sixt in Europe.

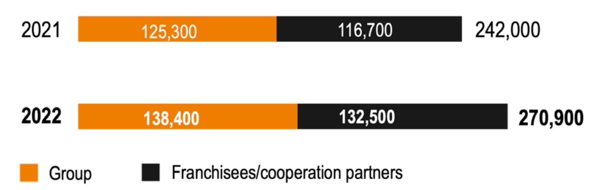
*Segment North America:* The world's largest car rental market, the US, with an estimated total volume of USD 35.7 billion in 2022 according to Euromonitor, already represents the largest single market for Sixt in terms of revenue generated. Within only a few years, Sixt managed to establish itself as the fourth largest vendor. As in other target markets, Sixt sets also on the other side of the Atlantic its strategy of providing its customers with both premium products and convincing service to achieve a differentiated positioning in the market. Compared to its original focus on European tourists, Sixt has managed to grow in recent years mainly thanks to a higher share of American private and business customers. Similar to Europe, Sixt also relies on a strong presence at major airports and business centres in the US to further support its growing corporate customer base in the US and to strengthen its network of stations on the East Coast, especially at major hubs of American airlines. At the 50 most important US airports for Sixt, which according to the company's own estimates account for around 70% of the total market volume at airports of approx. USD 11 billion, the company is already represented at 38 airports by the end of 2022. There were 99 stations in the US at the end of 2022 (2021: 98 stations). Expansion in Canada has followed a similar strategy since 2022. As at 31 December 2022, there were three stations in operation in Canada. This brings the total number of stations in North America to 102.

***Source***
*Euromonitor International, Travel 2023, January 2023, previous year`s figures refer to the updated study*

The Group's target audiences include private customers/tourists and business/corporate customers. Sixt Group's revenue is mainly generated through the Business to Customer (B2C), Business to Business (B2B) and Business to Partner (B2P) sales channels. While B2B refers to the rental business with business/corporate customers, rental business with private customers/tourists falls under B2C. The B2P sales approach also targets private/end customers, however, unlike B2C, customers are not acquired directly (e.g. via the Sixt website) but rather via an intermediary partner. The B2C and B2P sales channels account for a total of 72% (2021: 66%), the remaining 26% (2021: 34%) are accounted for by B2B and other.

The company continues to pursue its dedicated premium approach, which ensures the high quality of the vehicle fleet and includes customer-oriented service. Sixt therefore traditionally offers its customers a large number of high-quality equipped vehicles from renowned manufacturers. In 2022, around 57% of additions to the fleet in the Sixt corporate countries consisted of vehicles from the premium brands Audi, BMW and Mini, as well as Mercedes-Benz, compared to 57% the previous year. The company focuses on comprehensive and modern equipment for its vehicle fleet in terms of driving comfort and safety.

**Average number of vehicles**
**Group and franchisees/cooperation partners**

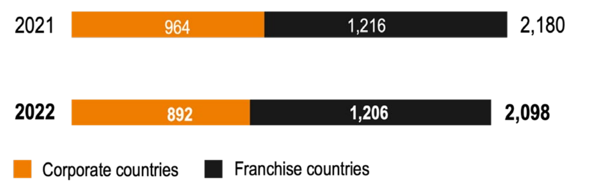



A significant shortage of vehicles in 2022 was caused by supply bottlenecks due to the shortage of semiconductors. Nevertheless, the Group's average vehicle stock in Germany and abroad (excluding franchisees) was increased to 138,400 vehicles again in financial year 2022 (2021: 125,300). Besides the 146,200 new vehicles (2021: 167,000) that were added to the rental fleet, extensions of the holding periods, as well as the holding of vehicles over the turn of the year, had a positive impact. This was Sixt's response to the significant recovery and normalisation of the market in the reporting year. Including the vehicles of franchisees and cooperation partners, Sixt's global vehicle fleet consisted of an average of 270,900 vehicles in 2022 following 242,000 vehicles in 2021.

Sixt is represented by franchise and cooperation partners outside the European and North American corporate countries. Thanks to this dual orientation with its own companies and franchisees, the SIXT brand was present in around 100 countries in 2022, virtually unchanged from the previous year.

Despite advancing digitalisation, which makes it possible for customers to rent a vehicle without making a prior visit to a rental station and saves costs, the close-knit network of 2,098 stations at the end of 2022 (including franchise countries) remains the basis of the operating business. The company had 2,180 rental stations at the end of the previous financial year. Virtual stations are also available to customers, where they can rent and pick up vehicles at frequented locations such as shopping centres or car parks simply by using their smartphone and the SIXT App.

**Rental offices**




## 2.2 RANGE OF SERVICES

The Group's product portfolio includes SIXT rent (car rental), SIXT truck (commercial vehicle rental), SIXT share (car sharing), SIXT+ (car subscriptions) and SIXT ride (transfer services). All products are linked via the SIXT App and the integrated mobility platform ONE launched in 2019.

- *SIXT rent:* SIXT rent bundles the Group's activities in the area of traditional car rental, which remains the core of the business model, and offers short- to medium-term mobility. Besides being able to receive detailed advice from service agents via the broad network of stations, the SIXT App enables a completely digital rental process. At selected rental stations in Europe and North America, especially airports, customers are able to select their vehicle until shortly before the rental period begins, head straight to the car park without having to go to the rental counter. The digital service will gradually be extended to other stations at airports and in urban areas.

  SIXT rent offers holiday travellers a wide range of international holiday rental cars. This is tailored to the respective mobility needs in the vacation regions.

- *SIXT truck:* In addition to the rental of cars, since 2021 Sixt offers a wide selection of commercial vehicles under the SIXT truck product, also known as Vans & Trucks. The products range from vans to trucks with a gross vehicle weight of up to twelve tonnes. These vehicles from renowned manufacturers for special groups of customers are available for short or long-term rentals and thus cover a wide range of mobility requirements. Services such as accessories for moving as well as special equipment and fixtures round off the truck range. As at 31 December 2022, Sixt's corporate and franchise station network comprised more than 900 stations offering vans and trucks, of which more than 20 were Truck Centres. Sixt Truck Centres are designed to meet the increased needs of corporate and commercial customers.

- *SIXT share:* With SIXT share, the company offers a flexible car sharing service that allows for a vehicle to be returned even outside of firmly defined business regions. This means the vehicle can be returned at any Sixt station in Germany. By cross-linking the vehicle fleets of SIXT rent and SIXT share, the company leverages synergies within the Group, as the vehicles can be flexibly deployed as needed. This enables Sixt to offer its services not only in large cities and metropolitan areas, but also in surrounding communities. Sixt is thus the first car sharing provider to have already opened up several communities near Munich, thus offering even more people in suburban areas a range of flexible, modern mobility options and at the same time making a contribution to the mobility revolution. The bundling of the vehicle fleets also offers Sixt customers the advantage of a larger selection of vehicle brands and types. With the integrated offering and thanks to the networking of both product areas, the usage periods can also be flexibly adapted to the actual needs of the users from a few minutes to several days, with the most favourable price being offered in each case. Following the launch of SIXT share in Berlin, Hamburg and Munich in 2019, the company expanded abroad in mid-2020 by entering the market in the Netherlands (Amsterdam, Rotterdam and The Hague). SIXT share offers a pure e-fleet in this country. A total of more than 2.0 million (2021: more than 2.5 million) drives were booked with SIXT share in financial year 2022.

  Sixt Share comprises offers in the field of micro-mobility with e-scooters, e-mopeds and e-bikes.

- *SIXT+:* With the launch of the car subscription offer SIXT+ in June 2020, Sixt expanded the product offering on its mobility platform ONE. SIXT+ is the solution for customers who do not want to be tied down for years by buying or leasing. Unlike car sharing or short-term rentals, customers receive their own car with SIXT+, which they can use just like a private vehicle for as long as they wish at fixed monthly rates. All costs for maintenance, insurance, servicing and wear and tear are included. By focusing on monthly cancellable subscriptions, fast delivery times and flexible product features such as the pause option or digital customisability of the subscription configuration during the subscription, Sixt sets itself apart from the competition.

  Due to the longer contract terms, Sixt can better plan its revenues and cash flows compared to short-term rentals. Particularly in view of the rapidly advancing shift towards electric mobility, SIXT+ offers subscribers the opportunity to test alternative drives in everyday life, without taking on long-term commitments or residual value risks.

  Following its launch in Germany in mid-2020, SIXT+ rapidly expanded into other markets and was available in all Sixt corporate countries (except Canada) by the end of 2021. In the future, all SIXT subscription products will be united under the SIXT+ brand umbrella and be specifically developed further, including the international rental car flat rate SIXT+ unlimited as a premium model, as well as SIXT+ flex as a flexible alternative to a company car.

- *SIXT ride:* SIXT ride is an integrated mobility service available since 2012 that is primarily based on the brokering of driving and transfer services (ride hailing or taxi). The company cooperates with more than 2,700 partners and more than 5 million drivers worldwide. Customers can be picked up in more than 550 cities in over 40 countries worldwide and book transfers in advance. The offer is available not only in major cities, but also includes small towns and rural areas through cooperation with local partners. In order to be able to provide this comprehensive and integrated offer, the company works together with renowned international mobility partners. Besides taxi centres in all major German cities, these include established ride-hailing networks such as the ride service provider Lyft in the US, Cabify in Spain, Addison Lee in Great Britain and itTaxi in Italy.

  SIXT ride offers corporate customers the advantage of a simple and uniform billing system so that driving services can be included in business travellers' planning and booking and be billed transparently. Thus, taxis can be booked directly while planning travel via interfaces to company travel portals. Due to the bookability in the Amadeus transfer hub, travel agencies also have access to SIXT ride.

  By integrating sustainable hybrid and fully electric vehicle models, SIXT ride has also been offering a $CO_2$-saving option for journeys from A to B in many cities and regions since October 2021. Besides Berlin and Munich, the respective models are also available in many other European cities.

## 3. SIGNIFICANT EXTERNAL INFLUENCING FACTORS

Sixt Group operates internationally and has a listed parent company. Thus, the business of the Group companies is under the influence of a large number of different legal systems and regulations. These include regulations in the areas of road traffic, environmental protection, customer and data protection and public order, as well as tax and insurance laws and regulations for the financial and capital markets.

In economic terms, Sixt Group is influenced by the general macroeconomic conditions, which determine in particular the willingness of business travellers to spend, the consumption of private individuals and the willingness of companies to invest. In addition, there are also industry-specific factors such as the availability of new vehicles and the development of the used vehicles markets. These and other influencing factors, which represent both risks and opportunities for Sixt Group, are explained in detail in the Report on Risks and Opportunities.

## 4. MANAGEMENT OF THE COMPANY

The long-term success of Sixt Group is measured using predefined financial performance indicators.

The following financial performance indicators are of particular importance at the Group level:

- Revenue
- Earnings before taxes (EBT)

In addition, the return on revenue (EBT÷revenue) and the equity ratio (equity÷total assets) serve as performance indicators.

The relevant performance indicator for the operating segments is Corporate EBITDA, i.e., earnings before interest, taxes, depreciation and amortisation (EBITDA), but with additional consideration of depreciation on rental vehicles and the attributable interest result.

Sixt Group aims to achieve the following returns and ratios in the long term and thus on a sustainable basis:

- A pre-tax return on revenue of at least 10%.
- A Group equity ratio of at least 20%.

## 5. RESEARCH AND DEVELOPMENT

Sixt pursues a consistent digitalisation strategy that encompasses both its product portfolio and sales channels as well as its operational business processes. In doing so, Sixt uses and drives the latest technological developments and digital services forward in order to be able to offer its customers fast, flexible and convenient solutions. The company places great importance on its own technological expertise and development activities for its business success. Sixt has organised its research and development activities in the SIXT TECH unit, which is divided into Product Divisions and Enabling Divisions. In 2022, 770 employees on average were working for the SIXT TECH unit, mainly in the development centres in Germany, India and Ukraine. A fourth development site was opened in Lisbon, Portugal, at the end of financial year 2022. The focus of this location is on pricing, yield and fulfilment.

*Product Divisions:* The Product Divisions pursue the goal of developing and optimising mobility solutions. In addition, the focus is on increasing internal efficiency.

*Enabling Divisions*: The Enabling Divisions are responsible for digital security, the internal IT infrastructure, provision of the cloud platform ONE and other technical support for the specialist departments. In addition, they pursue the goal of constantly keeping the IT infrastructure in the branches as well as at Group headquarters in Pullach up to date with the latest technology.

The goal is the new and further development of all mobility products and the associated fundamental and continuous modernisation of the company's own IT infrastructure towards a 100% cloud-based technology. Sixt uses an agile project management and development methodology based on SCRUM.

The most important activities in the Product Divisions in 2022 were:

*Consumer Products:* The Consumer Products Division manages the range of products aimed at customers, particularly via the Sixt website and the SIXT App. An older version of the website was completely replaced by new technologies in the reporting year.

*Pricing and Yield:* The Pricing and Yield Division deals with pricing and fleet management. In addition to the continuous optimisation of pricing algorithms, the division also works on new, data-driven approaches to fleet planning.

*Sales:* The Sales Division focuses on expanding and optimising the digital offering for business and corporate customers (B2B). Its tasks include making the functionalities from the private customer business (B2C) and partner business (B2P) available for B2B as well and digitalising the sales process end-to-end.

*Fulfillment:* The Fulfillment Division focuses on the digitalisation of car rental and fleet management processes. The IT tools used for vehicle check-in, turnaround and check-out when renting and returning vehicles were developed even further in the reporting year and digital rental software for customers was introduced. In addition, the development of new integrated fleet management software was started in order to optimise global fleet processes even further. The software developments mentioned are cloud-based.

*Finance:* Among its other tasks, the Finance Division ensures the connection and consolidation of modern payment methods across all Sixt products, flexible and real-time processing, especially of receivables and the transparent settlement of agency fees, which are of great importance to partners such as airports and booking portals. The ongoing optimisation of the ERP system is yet another focus.

*Ride:* The Ride Division provides the platform for taxis and chauffeur services and is constantly developing it further, by integrating Google Maps, for example.

*Share:* SIXT share has expanded its range by integrating partner companies and now offers various types of On-Demand mobility (mopeds, scooters, e-bikes) internationally. Car sharing partners are also included to increase availability even further. In addition, other important payment options such as PayPal have been put into operation. SIXT share has been integrated into FreeNow to further maximise the utilisation of its own fleet.

*Vans & Trucks:* The Vans & Trucks Division creates customised applications for demanding customers in need of commercial vehicles from Sixt. Above all, the solutions help Sixt customers to manage their daily work and simplify everyday life for professional drivers and fleet managers. The division was thus able to establish a professional van sharing concept together with a globally active online mail order company. This gives parcel delivery companies fully digital access to Sixt vans.

The total costs of the areas in Sixt Group that are significantly involved in development activities amounted to EUR 36.4 million in the financial year (2021: EUR 29.0 million).

Development costs of EUR 20.7 million (2021: EUR 11.4 million) relating to current and future software solutions were capitalised in 2022.

# B.2 \\ ECONOMIC REPORT

*Due to commercial rounding, it is quite possible that individual figures presented in this Combined Management Report may not add up exactly to the totals shown. For the same reason, percentages presented may not accurately reflect the absolute figures to which they relate.*

*The economic growth percentages shown below that were published by the International Monetary Fund (IMF) are preliminary estimates for 2022 and forecasts for 2023.*

## 1. GENERAL ECONOMIC CONDITIONS

In line with its internationalisation strategy, Sixt continued to expand the focus of the Group's activities in 2022, mainly to Western European countries and the United States. Therefore, the investment activity of the economy, the consumer behaviour of private customers and the willingness of corporate customers to spend in these regions have increased weight for the development of the entire Sixt Group's business.

The recovery of the economy from the effects of the corona pandemic, originally expected for 2022, was slowed down by the war in Ukraine. In response to the sanctions imposed by the West, the Russian leadership has massively reduced the supply of cheap gas to Europe. As a result, prices for energy and food rose rapidly here, and the average annual inflation in the euro area rose to over 10% in the fourth quarter, according to the statistical office of the European Union (Eurostat). This generally dampened demand and caused an unexpectedly rapid end to the low interest rate policy. Compared to US-Dollar the Euro lost value significantly and fell to a yearly average of USD 1.05 from USD 1.18 in the previous year.

The European air transport sector, on the other hand, which was hit particularly hard by the corona pandemic, was less impacted by this development. According to the aviation security organisation Eurocontrol, 9.3 million flights were operated again in 2022 – 3.1 million more than in 2021. This equates to 83% of the traffic volume in the pre-corona year 2019. After demand for domestic flights in the US had already picked up again by mid-2021, international travel has also recovered in recent months, according to Germany Trade & Invest (GTAI), the company of the Federal Republic of Germany for Foreign Trade and Location Marketing, along with the large pent-up demand as a result of the corona pandemic. For example, United Airlines reported around 20% more demand for the summer of 2022 than in 2019. Delta Air Lines announced its intention to bring its capacity back to pre-pandemic levels by the summer of 2023.

Although the impact of the pandemic has weakened in most countries, the persistent waves of infection continued to affect economic activity, especially in China. Supply bottlenecks, especially for raw materials and intermediate products, have slowed down the global economy. According to the International Monetary Fund (IMF), global economic output improved by only 3.4% in 2022 as a whole, after posting a 6.2% increase in 2021.

In the US, economic output rose by only 2.0%, after increasing by 5.9% in the previous year. The unemployment rate in the US fell from 3.9% in December of the previous year to 3.5% in December 2022.

According to IMF estimates, economic output in the EU increased by 3.5% in the reporting period after posting a 5.3% increase in the previous year. In Sixt's European corporate countries, economic growth reached rates of between 2.0% (Luxembourg) and 5.5% (Spain).

By contrast, the German economy grew by only 1.9% last year, after the gross domestic product (GDP) had increased by 2.6% a year earlier, despite the influence of the corona pandemic. The economic development was essentially shaped by the Ukraine war and the challenges associated with it, especially with regard to the energy supply. In spite of bottlenecks in supply chains, sanctions against Russia and finally the suspension of Russian gas supplies at the end of August, the German economy proved resilient overall. Notwithstanding all the crises, the German labour market was stable last year: The unemployment rate averaged 5.3% after 5.7% the previous year.

***Sources***

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*Federal Employment Agency, Annual Review 2022, press release on 3 January 2023*
*Aviation Security Organisation Eurocontrol, Performance 2022 – Outlook 2023, December 2022*
*International Monetary Fund (IMF), World Economic Outlook Update January 2023*
*U.S. Bureau of Labor Statistics, The Employment Situation – December 2022, press release on 6 January 2023*
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*Germany Trade & Invest: It is a long way to normality; 27 October 2022*

## 2. OVERVIEW OF THE GROUP'S BUSINESS PERFORMANCE AND COMPARISON WITH THE PREVIOUS YEAR'S FORECAST

Financial year 2022 was a very successful year for Sixt Group. Consolidated earnings before taxes (EBT) once again exceeded the previous year's level, which was already well above the pre-corona level. This was spurred on by the positive market environment on the one hand, marked by a strong return of the desire to travel, and by the persistently good market price level due to the scarcity of available vehicles on the other hand. The strategic investments in internationalisation and digitalisation, which are increasingly paying off, were the main factors behind the positive development, however. In the past year, Sixt achieved consolidated revenue of EUR 3.07 billion (2021: EUR 2.28 billion). Consolidated EBT amounted to EUR 550.2 million (2021: EUR 442.2 million).

Sixt SE had issued a forecast for financial year 2022 for the first time at the beginning of March 2022. At that time, the Management Board assumed a significant increase in consolidated revenue compared to 2021 (EUR 2.28 billion) and expected consolidated EBT in a range of EUR 380 million to EUR 480 million.

Sixt SE had already confirmed and concretised the forecast for the full year in August 2022 based on the figures for the first six months of 2022. According to it, the Management Board of Sixt SE expected a significant increase in consolidated revenue compared to the previous year (2021: EUR 2.28 billion) and earnings before taxes (EBT) of Sixt Group at the upper end of the range of EUR 380 million to EUR 480 million communicated most recently.

Based on the preliminary results for the third quarter of 2022, the forecast for the financial year was raised significantly on 14 September 2022: The Management Board of Sixt SE now expected consolidated revenue of between EUR 2.8 billion and EUR 3.1 billion for financial year 2022 (2021: EUR 2.28 billion). Earnings before taxes (EBT) of Sixt Group for financial year 2022 were expected to be in the range of between EUR 500 million and EUR 550 million (2021: EUR 442.2 million).

The forecast for consolidated revenue was confirmed and the forecast for consolidated EBT concretised to the upper end of the range of EUR 500 million to EUR 550 million communicated most recently when the results for the third quarter were published on 9 November 2022. These forecasts were fully met.

Consolidated revenue increased by 34.3% to EUR 3.07 billion in 2022 compared to the previous year (2021: EUR 2.28 billion). Foreign business was the main driver of this increase by posting growth of 42.7% to EUR 2.19 billion (2021: EUR 1.53 billion). Consolidated revenue in Germany rose by 17.1% to EUR 878.1 million (2021: EUR 749.6 million).

In the reporting period, Sixt Group reported a significant year-on-year increase in EBT to EUR 550.2 million (2021: EUR 442.2 million). The return on revenue in the reporting year was 17.9% compared to 19.4% in 2021.

The equity ratio of 35.7% reported as at 31 December 2022 continues to be significantly above the minimum target value of 20% and only slightly below the value of 38.6% achieved in the previous year.

## 3. SIGNIFICANT DEVELOPMENTS AND MEASURES IN THE REPORTING YEAR

- *Expansion of the Management Board:* Sixt expanded the Group's Management Board in mid-September by appointing two executives from its own ranks, thus setting the course for further growth. As Chief Commercial Officer (CCO), James Adams is responsible for Consumer Products, as well as for Price & Capacity Management, in particular. As Chief Business Officer (CBO), Vinzenz Pflanz is responsible for global sales and global vehicle purchasing.

- *Sixt advances to the MDAX:* On 21 March, the ordinary share of Sixt SE was admitted to the MDAX selection index, the 50-stock index that is the second-largest German share index after the DAX. This makes Sixt even more attractive for investors, international institutional investors, in particular.

- *Renewal of the syndicated loan at improved terms:* Sixt Group was able to increase its room for manoeuvre to finance its operating business and especially expand its vehicle fleet in financial year 2022. For example, Sixt SE repaid its previous syndicated loan of EUR 750 million ahead of schedule at the end of September and replaced it with a new revolving syndicated loan of EUR 950 million with significantly improved conditions. The new credit line has a term of five years instead of the previous three years.

- *Expansion of the fleet despite a challenging environment:* Sixt was able to further expand its rental fleet in the past financial year compared to the previous year and thus meet the increasing demand, despite the very difficult conditions on the procurement markets, including major vehicle bottlenecks. Thanks to intelligent and efficient vehicle purchasing and fleet management based on long-term supplier relationships, extensions of holding periods, procurement from new manufacturers, as well as holding vehicles over the turn of the year, the average fleet stock (excluding franchises) in financial year 2022 was around 138,400 vehicles, 10% more than in the previous year (125,300). Despite the expansion of the manufacturer structure, Sixt Group continues to rely mainly on models from European and American OEMs. Their share of the total fleet at the end of 2022 was around 84%, which is still at a very high level. The premium share (Audi, BMW, Mercedes-Benz and Mini brands) in the fleet remained stable at 57% (2021: 57%) in financial year 2022 (measured by vehicle value of the additions).

- *Continuation of the internationalisation and growth strategy:* Sixt opened four new stations in the US in the past year: the last one was at the International Airport in Nashville/Tennessee in mid-October. Before that, new stations had already gone into operation at Thurgood Marshall International Airport in Baltimore/Washington as well as at Douglas International Airport in Charlotte/North Carolina and at Lihue Airport in Kauai/Hawaii.

  In mid-July, Sixt opened its first station in Canada that is located in the middle of Downtown Vancouver and thus in an ideal location for tourists to explore.

  Sixt opened one of the largest Van & Truck Centres in Europe in Berlin in February. The 15,000 $m^2$ centre, which is specially designed to meet the individual needs of Van & Truck customers, is located on the site of the former Tegel Airport directly on the city motorway and has a fleet of up to 500 vehicles. In addition, Sixt achieved a significant expansion of its UK Van & Truck business in the third quarter by acquiring Dorset Vehicle Rentals and the Van & Truck division of GAP Group.

  Sixt expanded its network of taxi and ride-hailing partners to Italy in January. Thanks to the cooperation with the local taxi company itTaxi, on-demand ride-hailing via SIXT ride is now also available in Rome.

- *Holistically sustainable:* The Management Board of Sixt adopted a holistic sustainability programme in September. The declared goal is to get many more people excited about sustainable mobility. The package of measures focuses on the electrification of the fleet, the establishment of the company's own charging infrastructure, the expansion of the mobility platform ONE into a single sign-on for hundreds of thousands of charging points, and even earlier climate neutrality as a company. Sixt is investing a total of EUR 50 million in the expansion of its own charging infrastructure alone.

  Sixt introduced Van & Truck Sharing, a new solution for the digital management and flexible operation of a Sixt van fleet, in mid-August. The app was developed together with one of the world's largest online retailers. With Van & Truck Sharing, logistics companies can rent, manage and allocate commercial vehicles from Sixt directly via the app. This enables them to achieve higher fleet utilisation and maximum flexibility in fleet and logistics partner management. The fleet sizes necessary and the related need for production and parking areas are thus drastically reduced, which in turn protects the environment.

- *Major marketing activities:* Sixt invested in marketing activities mainly in Germany, France and the US in the reporting year. Several successful marketing campaigns were carried out in Germany, e.g. a summer campaign in June involving the comedy star Teddy Teclebrhan that was aimed at drawing attention to the advantages and product offers of the SIXT App ("Drive what, when and where you want"). The campaign was promoted across various TV and social media channels and achieved a reach of more than 100 million people on Instagram alone. Other cross-channel campaigns, such as the "50 Years of the BMW M" campaign between June and November, or the "SIXT ride Chauffeur Service" campaign launched in November, reinforced Sixt's positioning as a premium mobility provider with a variety of high-quality products and services. The "SIXT ride Chauffeur Service" campaign was also launched in France, parallel to Germany, in November. It focused on the metropolitan regions of Paris, Lyon and Nice and advertised in public places and airports as well as on various online and social media channels. Under the motto "Don't rent a car – rent THE car," Sixt launched its first nationwide brand campaign in the US in December that was broadcast on TV as well as online. The campaign is intended to increase awareness of the Sixt brand in the US and establish the image of a premium car rental company. Sixt expanded its typical airport advertising even further at important locations and advertised with eye-catching advertising spaces at international airports in the reporting year.

- *Cyber-attack:* IT Security at Sixt SE discovered irregularities at the end of April and immediately initiated countermeasures in accordance with pre-planned security protocols. In the aftermath, it was confirmed that Sixt SE had been the target of a cyber-attack, which the IT specialists were able to contain at an early stage implementing countermeasures. As a result of the safety precautions taken by shutting down the IT infrastructure, there were short-term operational disruptions in customer centres and branches, however the systems of importance to the rental business, such as the website and apps, were able to continue operating without interruption. Sixt was in contact with the relevant authorities and complied with its reporting obligations in accordance with the legal requirements.

- *Awards for excellence:* Sixt received awards in 18 different categories at the World Travel Awards for Europe in early October. The company was awarded the title of “Leading Business Car Rental Company” in Europe and “Leading Car Rental Company” in countries such as Germany, England, France, Italy and Switzerland. Sixt also received awards in the categories “Europe’s Leading Chauffeur Company” and “Europe’s Leading Luxury Car Rental Company.” Regine Sixt was also honoured with the “Corporate Social Responsibility Award” for Europe for her children’s aid foundation Drying Little Tears. The World Travel Awards have been presented since 1993 and are among the most prestigious awards in the travel and tourism industry.

## 4. REVENUE DEVELOPMENT

### 4.1 DEVELOPMENT IN THE GROUP

**Consolidated revenue**
in EUR billion


Consolidated revenue increased by 34.3 % to EUR 3.07 billion (2021: EUR 2.28 billion) in the reporting year as a result of a strong return to travel activities, particularly in other European countries and the USA, and a continuing good market price level due to the shortage of vehicles.

| Breakdown of consolidated revenue | 2022 | | 2021 | |
|---|---|---|---|---|
| | in EUR million | in % | in EUR million | in % |
| Rental revenue | 2,847.5 | 92.9 | 2,097.4 | 91.9 |
| Other revenue from rental business | 208.6 | 6.8 | 172.4 | 7.6 |
| Other revenue | 10.2 | 0.3 | 12.6 | 0.6 |
| **Total** | **3,066.2** | **100.0** | **2,282.4** | **100.0** |

### 4.2 REVENUE BREAKDOWNS BY REGIONS

In Germany, consolidated revenue for 2022 was EUR 878.1 million, an increase of 17.1% compared to the previous year (EUR 749.6 million). At EUR 768.1 million, rental revenue was 17.1% above previous year’s level (EUR 656.0 million). Other revenue from rental business increased by 21.7% and reached EUR 101.7 million (2021: EUR 83.6 million).

Abroad, an even more significant year-on-year increase in consolidated revenue of 42.7% to EUR 2.19 billion was achieved in 2022 (2021: EUR 1.53 billion).

Rental revenue abroad rose by 44.3% to EUR 2.08 billion (2021: EUR 1.44 billion). This development was driven in particular by an increase in travel compared to the previous year, with strategic investments in internationalisation also increasingly paying off. At EUR 106.8 million, other revenue from rental business was also significantly above the previous year’s level (EUR 88.8 million; +20.3%).

Overall, the share of foreign revenue also increased again in 2022 and reached 71.4% (2021: 67.2%); the share of consolidated revenue in Germany decreased to 28.6% (2021: 32.8%) accordingly.

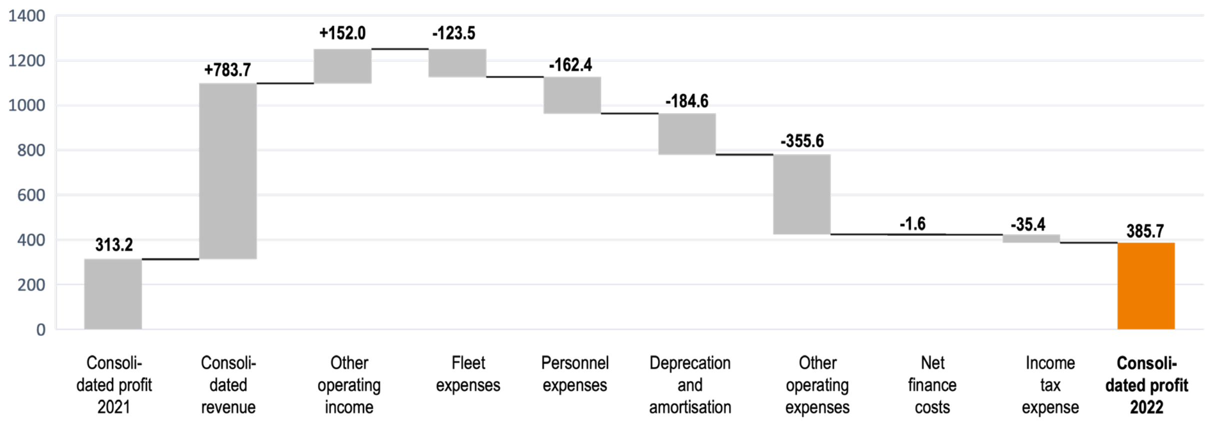
## 4.3 EARNINGS DEVELOPMENT

| Consolidated income statement (condensed) | | | Change | Change |
|---|---|---|---|---|
| in EUR million | **2022** | 2021 | in total | in % |
| Consolidated revenue | 3,066.2 | 2,282.4 | 783.7 | 34.3 |
| Other operating income | 309.3 | 157.3 | 152.0 | 96.7 |
| Fleet expenses | 630.0 | 506.5 | 123.5 | 24.4 |
| Personnel expenses | 567.7 | 405.3 | 162.4 | 40.1 |
| Depreciation and amortisation expense including impairments | 554.6 | 370.0 | 184.6 | 49.9 |
| Other operating expenses | 1,034.3 | 678.7 | 355.6 | 52.4 |
| Earnings before net finance costs and taxes (EBIT) | 588.8 | 479.2 | 109.6 | 22.9 |
| Financial result | -38.6 | -37.0 | -1.6 | 4.4 |
| Earnings before taxes (EBT) | 550.2 | 442.2 | 108.0 | 24.4 |
| Income tax expense | 164.4 | 129.0 | 35.4 | 27.5 |
| Consolidated profit/loss | 385.7 | 313.2 | 72.6 | 23.2 |
| Earnings per share (in EUR)[1] | 8.2 | 6.7 | 1.6 | 23.2 |

[1] *Basic, in 2022 based on 46.9 million shares (weighted), in 2021 based on 46.9 million shares (weighted)*

**Earnings Reconciliation – Presentation of changes compared to previous year**

in EUR million




Other operating income increased by 96.7% to EUR 309.3 million (2021: EUR 157.3 million). In particular, gains from currency translation increased significantly (EUR 157.6 million; +170.6%). Gains from currency translation are offset by expenses from foreign currencies in the amount of EUR 163.5 million which are recognised under the other operating expenses. The increase in both positions is due to the fluctuating exchange rates, especially the US-Dollar against Euro. In addition, other operating income includes among others income from forwarding costs to third parties (EUR 55.2 million; +30.7%), income from the reversal of provisions (EUR 19.1 million; +208.2%) as well as capitalised costs for self-developed software (EUR 20.7 million; +81.7%).

The fleet expenses item comprises expenses for the rental fleet during the useful lives of the vehicles (for example fuel, transport, insurance, motor vehicle taxes, vehicle maintenance and repairs, vehicle preparation). Fleet expenses rose by 24.4% to EUR 630.0 million (2021: EUR 506.5 million). In addition to the average annual increase in fleet (excluding franchisees) size by 10.5%, costs also rose in line with general inflation.

Personnel expenses increased by 40.1% to EUR 567.7 million (2021: 405.3 million) in line with the expansion of the workforce, especially in strategically important areas such as stations, service centers, and digitalisation, as well as with the market-oriented wage and salary increases and higher variable compensation.

Depreciation and amortisation expense including impairments was with EUR 554.6 million 49.9% above the level of the previous year of EUR 370.0 million. Depreciation of rental vehicles (EUR 407.7 million; +68.6%) increased significantly, in particular due to the larger fleet and the higher proportion of vehicles without buy-back agreements. Depreciation of property and equipment (EUR 140.1 million; +14.0%), mainly relating to the right of use assets according to IFRS 16, increased, too. Also amortisation of intangible assets recorded a significant growth (EUR 6.9 million; +27.2%) particularly due to the amortisation of completed projects in connection with internally developed software.

Other operating expenses increased by 52.4% to EUR 1.03 billion in the reporting year (2021: EUR 678.7 million). The rise is particularly due to increased revenue-related provisions (EUR 299.3 million; +50.7%), increased expenses for marketing and sales (EUR 155.6 million; +121,6%) as well as the upswing in expenses from currency translation, which grew from EUR 58.8 million to EUR 163.5 million by 177.8%.

For 2022, Sixt Group shows earnings before net finance costs and taxes (EBIT) of EUR 588.8 million (2021: 479.2 million). The EBIT margin, based on consolidated revenue, stood at 19.2% (2021: 21.0%).

The financial result changed slightly to EUR -38.6 million (2021: -37.0 million). The interest result came to EUR -38.7 million (2021: -37.1 million), mainly due to increased interest income. Interest expenses in amount of EUR 10.0 million (2021: EUR 6.3 million) resulted from lease agreements. Other net financial income amounted to EUR 0.1 million (2021: EUR 0.1 million).

Sixt recorded consolidated earnings before taxes (EBT) of EUR 550.2 million (2021: EUR 442.2 million). The EBT margin – based on consolidated revenue – was 17.9% (2021: 19.4%).

Income tax expense amounted to EUR 164.4 million (2021: EUR 129.0 million). The tax rate, based on EBT, thus came to 29.9 % (Vj. 29.2 %).

For the financial year 2022, the Sixt Group reports a consolidated profit of EUR 385.7 million (2021: 313.2 million). There is no minority interests (2021: EUR 3 thousand), consolidated profit after taxes and minority interests came to EUR 385.7 million (2021: EUR 313.1 million).

| **Reconciliation EBT to Corporate EBITDA**<br>in EUR million | **2022** | 2021 |
|---|---|---|
| **Earnings before taxes (EBT)** | **550.2** | **442.2** |
| Depreciation and amortisation expense including impairments | 554.6 | 370.0 |
| Financial result | -38.6 | -37.0 |
| **Earnings before interest, taxes, depreciation and amortisation (EBITDA)** | **1,143.4** | **849.2** |
| Depreciation of rental vehicles[1] | -407.7 | -241.7 |
| Fleet related interest result | -36.3 | -34.9 |
| **Corporate EBITDA** | **699.4** | **572.6** |

[1] *Since the financial year 2022 depreciation of rental vehicles contains the depreciation of right of use assets for rental vehicles financed by lease contracts, that was reported under depreciation of property and equipment in the previous year. The prior year comparative figues have been adjusted accordingly.*

The Corporate EBITDA, which is used for the assessment of the performance of the segments, increased from EUR 572.6 million to EUR 699.4 million. This industry-standard key figure is defined as earnings before taxes adjusted for non-fleet related depreciation and amortisation and non-fleet related interest as well as the other financial result. In contrast to the EBITDA, the Corporate EBITDA is thus reduced by fleet related expenses such as depreciation and interest.

Earnings per share (basic) for the reporting year amounted to EUR 8.22. In the previous year it came to EUR 6.67 per share.

| Return indicators Sixt Group | | |
|---|---|---|
| in % | **2022** | 2021 |
| Return on equity (ratio of EBT to equity) | 27.8 | 25.3 |
| Return on revenue (ratio of EBT to consolidated revenue) | 17.9 | 19.4 |

## 4.4 DEVELOPMENT OF THE SEGMENTS

In line with the company's internal reporting structures, the business of the Sixt Group is segmented according to regional aspects. The segment report distinguishes between segments Germany, Europe (excluding Germany) and North America. The profitability of the segments is represented by the industry-standard key figure Corporate EBITDA.

The share of Group revenue generated in the segment Germany amounted to EUR 869.8 million (2021: EUR 739.6 million). In the segment Germany, the combination of a rather subdued increase in demand in regional comparison and higher expenses as a result of price increases and staff expansion led to a relative decline in Corporate EBITDA (EUR 162.6 million; 2021: EUR 176.2 million). In addition, the development of prices was influenced through a relatively high share of corporate business customers.

The segment Europe contributed the largest share of EUR 1,278.0 million (2021: EUR 945.6 million) to the Group's revenue. The business benefited from strong travel activity, particularly in the summer months and vacation countries such as France, Spain and Italy. The segment Europe recorded a Corporate EBITDA of EUR 351.6 million (2021: EUR 231.5 million).

The segment North America achieved the most significant increase, contributing a share of EUR 908.2 million (2021: EUR 584.6 million) to the Group's revenue. Strong travel volumes, particularly in the third quarter, were also a key factor in the positive development. Both demand for mobility and the market price level remained at an elevated level until the end of the year. There was a positive impact of the relative strong US-Dollar compared to the Euro as well. In 2022 one Euro was equal to only USD 1.05 in average compared to USD 1.18 in the previous year. Corporate EBITDA increased relatively moderately, in particular due to high investments in brand awareness, to EUR 185.8 million from EUR 163.6 million in the previous year.

General price increases were also reflected in higher procurement costs in all segments at Sixt. However, these were offset by significant revenue increases in the segments Europe and North America.

| Revenue key figures Sixt Group | | | Change |
|---|---|---|---|
| in EUR million | **2022** | 2021 | in % |
| Segment Germany | 869.8 | 739.6 | 17.6 |
| Segment Europe | 1,278.0 | 945.6 | 35.1 |
| Segment North America | 908.2 | 584.6 | 55.4 |
| Other | 10.2 | 12.6 | -19.5 |
| **Consolidated revenue** | **3,066.2** | **2,282.4** | **34.3** |

| Corporate EBITDA | | | Change |
|---|---|---|---|
| in EUR million | **2022** | 2021 | in % |
| Segment Germany | 162.6 | 176.2 | -7.7 |
| Segment Europe | 351.6 | 231.5 | 51.9 |
| Segment North America | 185.8 | 163.6 | 13.6 |
| Other | -0.6 | 1.4 | -140.7 |
| **Group total** | **699.4** | **572.6** | **22.1** |

The Other segment comprises all activities of the Sixt Group that cannot be allocated to the Mobility business, which do not account for a significant share of the Sixt Group's revenue and earnings and are therefore not reported separately.

## 5. APPROPRIATION OF PROFIT

Sixt SE prepares its Annual Financial Statements according to the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). For 2022, Sixt SE reports unappropriated profits of EUR 390.5 million (2021: 453.8 million).

Subject to the consent of the Supervisory Board, the Management and Supervisory Board of Sixt SE propose that the Annual General Meeting 2023 distributes unappropriated profits as follows:

- Payment of a dividend of EUR 4.11 and a special dividend of EUR 2.00 per ordinary share
- Payment of a dividend of EUR 4.13 and a special dividend of EUR 2.00 per preference share
- Carry-forward to new account EUR 103.3 million

The dividend proposal would result in a total dividend payment of EUR 287.2 million. The reason for the increased dividend is particularly the pleasing business and earnings development in 2022.

## 6. NET ASSETS

As at the end of 2022, Sixt Group's total assets were with EUR 5.55 billion EUR 1.03 billion or 22.8% above the figure as at 31 December 2021 (EUR 4.52 billion). The increase in total assets is particularly due to the increase in the rental vehicles item. On the other hand, cash and bank balances declined significantly.

Non-current assets amounted to EUR 730.7 million (2021: EUR 636.6 million; +14.8%). The largest item is property and equipment including the capitalised right of use assets, which increased by EUR 92.3 million or 17.1% to EUR 633.3 million (2021: EUR 541.0 million). Goodwill rose by 35.1% to EUR 24.9 million (2021: EUR 18.4 million) along with the acquisitions made in the United Kingdom. Intangible assets grew by EUR 15.8 million or 56.2% to EUR 44.0 million (2021: EUR 28.2 million). Deferred tax assets decreased from EUR 31.7 million by 60.9% to EUR 12.4 million. Other receivables and assets increased by EUR 0.4 million to EUR 8.0 million (2021: EUR 7.6 million; +4.6%).

Current assets rose in total by EUR 936.1 million to EUR 4.82 billion (2021: EUR 3.88 billion; +24.1%). Rental assets accounted for EUR 3.83 billion, EUR 976.8 million or 34.2% more than compared to the figure as at 31 December 2021 (EUR 2.86 billion). Thus, the share of rental vehicles in current assets came to 79.5% (2021: 73.5%) and in total assets to 69.1% (2021: 63.2%).

Inventories contain mainly rental vehicles taken out of the fleet, petrol stocks as well as raw materials, consumables, and supplies. With EUR 50.0 million they registered a significant increase by EUR 23.0 million or 84.9% compared to prior year (EUR 27.1 million).

Trade receivables came to EUR 535.9 million, thus EUR 21.1 million or 4.1% slightly above the prior year's figure of EUR 514.8 million.

Current other receivables and assets recorded an increase by EUR 163.6 million to EUR 349.5 million (2021: EUR 186.0 million; +88.0%), particularly due to vehicle infleets at the end of the year. The item contains mainly delivery claims for vehicles, insurance claims and other tax receivables.

Income tax receivables declined from EUR 34.3 million by EUR 9.1 million to EUR 25.2 million (-26.4%).

The Group's cash and bank balances amounted to EUR 26.6 million as at the reporting date after EUR 265.8 million in the previous year (-90.0%) due to optimized cash management.

The SIXT brand name in particular is a significant asset that is not recognised in the balance sheet. The value of this intangible asset can be affected, among other things, by advertising campaigns. However, advertising expenses cannot be unambiguously allocated to this asset. Advertising expenses for financial year 2022 amounted to 5.1% of consolidated revenue (2021: 3.1%).

| Consolidated balance sheet (condensed)<br>Assets<br>in EUR million | 2022 | 2021 |
|---|---|---|
| **Non-current assets** | | |
| Property and equipment[1] | 633.3 | 541.0 |
| Miscellaneous | 97.3 | 95.6 |
| **Current assets** | | |
| Rental vehicles[1] | 3,833.4 | 2,856.6 |
| Cash and bank balances | 26.6 | 265.8 |
| Miscellaneous | 960.6 | 762.1 |
| **Total assets** | **5,551.3** | **4,521.2** |

1 *The right of use assets for rental vehicles financed by lease contracts that were previously included in position property and equipment are reported in the position rental vehicles since financial year 2022. The prior year comparative figures have been adjusted accordingly.*

## 7. FINANCIAL POSITION

### 7.1 FINANCIAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The financial management of the Sixt Group is largely centralised within the Corporate Finance division and is performed on the basis of internal guidelines and risk policies as well as a monthly Group liquidity planning. The key tasks include safeguarding liquidity, cost-oriented, long-term coverage of financing requirements of the consolidated companies under the going concern assumption as well as managing interest rate and currency risks. Operative liquidity control and the cash management are mainly performed centrally for all consolidated companies by the Corporate Finance division of the Group.

For financing business operations, Sixt Group mainly uses bonds, borrower's note loans, commercial papers, a syndicated revolving credit facility, short-term bilateral credit lines from several banks, real estate redeemable loans and leasing agreements.

- For the issuance of bonds, Sixt SE has at its disposal the Debt Issuance Programme established in 2020 and updated annually with a maximum total volume of EUR 2.50 billion, which allows Sixt SE to place bonds on the capital market at short notice if market opportunities arise.

- Sixt SE is also an established issuer of borrower's note loans and regularly issues variable and fix borrower's note loans with different maturities.

- Sixt SE uses a long-established commercial paper programme with a maximum total volume of EUR 1.0 billion, which allows Sixt SE to place commercial papers if there is investor demand.

- On 16 September 2022, Sixt SE as borrower and eight banks as lenders entered into a new syndicated loan agreement, which replaces the existing syndicated loan with a volume of EUR 750 million. Under the new revolving credit facility, credit drawings are possible in a total volume of up to EUR 950 million. The term of the new revolving credit facility is five years and can be extended twice by one year each, so that the maximum total term is seven years. As usual, extensions are at the discretion of the participating banks. The credit facility can be drawn in various currencies, in particular EUR and USD.

- In addition to the syndicated loan agreement, short-term credit lines have been granted bilaterally with several banks, mainly in the form of overdrafts or short-term, uncommitted credit lines.

- To finance land and buildings, Sixt Group sometimes uses real estate redeemable loans.

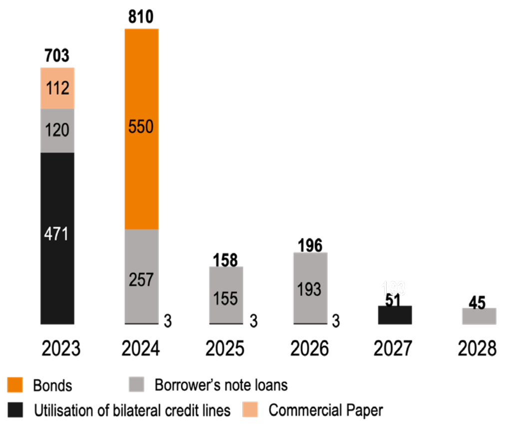
- To finance the rental fleet, the Group also uses to a large extent leasing agreements with external financial service providers, who are mainly tied to the manufacturer. Leasing financing continues to form an important part of the Group's refinancing portfolio. In some cases, vehicles are also rented directly from the manufacturer or made available for use. Furthermore, hire purchase agreements are also used in individual markets.

\\ All bonds, borrower's note loans and commercial papers are unsecured and not subordinated. This also applies to the syndicated loan and, except for the real estate redeemable loans, which are secured by mortgages, also to the credit lines granted bilaterally by banks.

The following graphics illustrate the maturities of the financial instruments and the financing mix as at 31 December 2022. The nominal amounts without accrued and future interest and without leasing liabilities of EUR 536.9 million are shown.

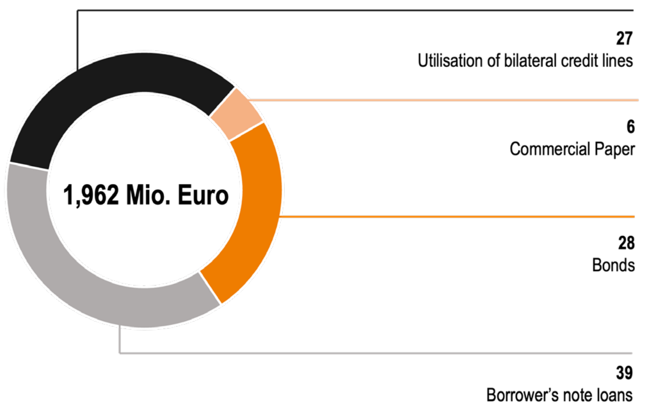
**Maturity profile of financing sources**

in EUR million




**Mix of financing instruments as at 31 December 2022**

in %




## 7.2 EQUITY

**Equity ratio**

in %


As at 31 December 2022 the Group's equity amounted to EUR 1.98 billion after EUR 1.75 billion at the same reporting date the year before. Equity increased despite of the cash outflow for the dividend paid in the reporting year for financial year 2021 (EUR 174.0 million) in particular as a result of the consolidated profit generated and positive effects from currency translation. The equity ratio nevertheless decreased due to the significant expansion of total assets to 35.7% (2021: 38.6%). However, it remained significantly above the average for the rental industry, as well as above its own target of at least 20%.

The share capital of Sixt SE as at reporting date remains unchanged at EUR 120.2 million.

### 7.3 LIABILITIES

Non-currrent liabilities and provisions increased year-on-year from EUR 1.64 billion by EUR 66.7 million or 4.1% to EUR 1.70 billion. The change is mainly based on the rise of the deferred tax liabilities by EUR 37.2 million or 263.6% to EUR 51.3 million (2021: EUR 14.1 million). The non-current financial liabilities include the bond 2018/2024 issued by Sixt SE with a nominal value of EUR 250.0 million as well as the bond 2020/2024 issued by Sixt SE with a nominal value of EUR 300.0 million. In addition, the item also contains borrower's note loans, bank liabilities and lease liabilities with remaining maturities of more than one year in the total amount of EUR 1.08 billion (2021: EUR 1.05 billion).

Current liabilities and provisions increased year-on-year by EUR 730.2 million to EUR 1.87 billion (2021: EUR 1.14 billion; +64.1%). Other provisions rose by EUR 16.2 million to EUR 158.7 million (2021: EUR 142.4 million; +11.4%), current financial liabilities by EUR 479.5 million to EUR 878.2 million (2021: EUR 398.7 million; +120.3%), trade payables by EUR 235.2 million to EUR 636.9 million (2021: EUR 401.7 million; +58.5%) as well as income tax liabilities by EUR 21.8 million to EUR 74.4 million (2021: EUR 52.6 million; +41.3%). This was offset, however, by the reduction in other liabilities by EUR 22.5 million to EUR 120.4 million (2021: EUR 142.9 million;-15.8%).

The non-current and current financial liabilities less cash and bank balances (Net Financial Debt) amount to EUR 2.48 billion (2021: EUR 1.74 billion).

| **Consolidated balance sheet (condensed)**<br>**Equity and liabilities**<br>in EUR million | **2022** | 2021 |
|---|---|---|
| **Equity** | 1,979.4 | 1,746.2 |
| **Non-current liabilities and provisions** | | |
| Provisions | 21.9 | 19.8 |
| Financial liabilities | 1,626.9 | 1,602.7 |
| Miscellaneous | 54.5 | 14.1 |
| **Current liabilities and provisions** | | |
| Provisions | 233.1 | 195.1 |
| Financial liabilities | 878.2 | 398.7 |
| Miscellaneous | 757.3 | 544.6 |
| **Total equity and liabilities** | **5,551.3** | **4,521.2** |

## 8. LIQUIDITY POSITION

For 2022, Sixt Group reports gross cash flows of EUR 1.04 billion, which is EUR 287.9 million above the prior year figure (EUR 753.6 million). Considering the depreciation on rental vehicles results in a gross cash flow before changes in net working capital of EUR 663.7 million (2021: EUR 515.2 million). Adjusted for changes in working capital, including the rental vehicles, this results in a cash outflow from operating activities of EUR 201.6 million (2021: cash inflow of EUR 79.1 million). The change compared to the previous year is primarily due to the significant expansion of the rental fleet.

Investing activities resulted in a cash outflow of EUR 57.2 million (2021: cash outflow of EUR 85.1 million). Increased payments for investments in intangible assets and property and equipment as well as payments for acquisitions less acquired cash and cash equivalents were partly offset by cash inflows from deposits (2021: cash outflows).

Financing activities resulted in cash inflow of EUR 17.5 million (2021: cash outflow of EUR 489.3 million), mainly due to lower payments for the redemption of borrower's note loans, bonds and bank loans and higher proceeds from current financial liabilities.

After changes relating to exchange rates, total cash flows resulted in a year-on-year decrease in cash and cash equivalents as at 31 December 2022 of EUR 239.3 million (2021: decrease of EUR 487.5 million)

## 9. INVESTMENTS

Sixt responded to the ongoing difficult vehicle procurement situation with a series of measures. In addition to longer vehicle holding periods, these included countercyclical procurement in the previous year and the holding of vehicles over the turn of the year. As a result, the desired fleet size was achieved despite lower investments compared with the previous year. In 2022, Sixt added around 146,200 vehicles (2021: 167,000 vehicles) with a total value of EUR 4.92 billion (2021: EUR 5.12 billion) to the rental fleet. This corresponds to a decline by 12.5% in the number of vehicles and a decrease by 4.0% in the value of vehicles. The average value per rental car was around EUR 33,700 and thus significantly above the prior year's level of EUR 30,700.

| **Vehicles added to the rental fleet** | **2022** | 2021 |
|---|---|---|
| Number of vehicles | 146,200 | 167,000 |
| Value of vehicles in EUR billion | 4.92 | 5.12 |

In addition, investments were made in property and equipment, especially in operating and office equipment for station openings and conversions, as well as investments in internally developed software and rights of use from leasing agreements.

# B.3 \\ HUMAN RESOURCES REPORT

Our employees are the key to the success of the company. Only through their constant commitment is it possible to remain innovative and competitive. Sixt expects all its employees to act in a responsible and entrepreneurial manner, to constantly improve the company's offerings and services, and thus to meet customer needs for flexible and demand-oriented mobility. For this reason, it is important to Sixt to constantly develop its employees and give them room to expand their personal skills. Therefore, it is the goal of Sixt to develop employees in the long term, to create an attractive working environment and thus to permanently retain its talented workforce.

This was particularly important in reporting year 2022, as the continuing economic upturn further intensified the "battle for talent" that had already begun by the end of 2021. In order to counteract the shortage of skilled workers, Sixt invested heavily in measures to retain and support its employees as well as in a targeted, comprehensive recruitment strategy in the reporting year in order to remain attractive as an employer in the market.

In order to make the personnel processes as effective as possible, Sixt relies on internationally uniform and modern standards and focuses on digital solutions. For this reason, the company invested in new systems to standardise global processes, speed them up, make them more measurable and create synergies.

Despite the economic upswing, 2022 brought a variety of challenges due to the Ukraine war, the energy crisis and rising inflation. At the same time, despite an easing of the situation with the coronavirus, Sixt had to be prepared to react to possible renewed waves of the pandemic. The EHS department („Environmental, Health, Safety") therefore remains an important part of the HR department.

### Attractive employer

Various employee benefits and retention measures were established in 2022 in order to counteract the above-mentioned shortage of skilled workers.

***Flexible work environment***

This includes giving employees the trust to organise their working hours flexibly – where the job profile permits. A Mobile Work Policy was therefore introduced already in 2021, which allows employees to spend up to 50% of their monthly working time outside the office. This was expanded in the reporting year to include the possibility of working abroad. Since early 2022, employees with German employment contracts have been allowed to work 30 days a year from other European countries, Switzerland, and the UK. Since this was established in January, 7% of the employees have already taken advantage of the offer to work abroad.

***Promoting a strong company culture***

At the same time, Sixt is convinced that a direct exchange promotes the effectiveness of the teams and is essential for successful cooperation. For this reason, a hybrid working concept was rolled out as early as 2021, of which team days in the office are an integral part. In order to create optimal conditions for this, among other measures, the corporate headquarters in Pullach was completely renovated in the reporting year and an open space concept was introduced. Although the departments still have fixed areas, the workstations within these can be reserved flexibly via a digital booking tool.

Various events are being offered at the global head offices, including monthly after-work parties, cultural festivals, yoga classes and other sports groups, in order to encourage personal exchange, offer employees networking opportunities and thus further strengthen the company culture.

These events link employees beyond working hours – and sometimes even across countries: For example, the "Language Tandem Programme" brings together employees from different countries to support each other in acquiring language skills. Sixt places great importance on promoting diversity and cultural exchange in order to create a respectful and tolerant working environment. The internal diversity network "DiverSIXTy" is particularly committed to this. Further aspects of employee matters are presented in the Combined Non-Financial Declaration of the Group.

The Sixt value system, which was evaluated and transformed into concrete action and value patterns in the reporting year, serves as the basis for the company culture. The goal was to make the company values understandable and tangible for all employees. Based on this, leadership principles were developed for managers. Further measures are planned for year 2023 to implement the values throughout the company and to make them tangible by holding events, training, etc.

***Feedback culture***

A living feedback culture is an important component of the value system. Sixt places great importance on actively involving its employees in strategic decisions and gathering input from the workforce. This is why the SIXTpulse employee survey takes place twice a year, the feedback from which is used to derive important measures for promoting employee satisfaction. In 2022, the survey was conducted in April and November, with an average participation of 64% (2021: 68%) of all global employees. On a positive note, the participation rate increased from 57% in the first half of the year to 71% in the second half. The survey provides information about the employees' intention to continue working for Sixt in the future (Retention Score), their willingness to recommend their work area at Sixt to friends and acquaintances (Recommendation Score) and their satisfaction with their manager (Leader Score). The results from the two surveys in the reporting year indicate a high level of employee satisfaction and show an increase compared to the previous year. On a scale of one to four, the following average results were obtained for the three areas: Retention Score 3.50 (2021: 3.48), Recommendation Score 3.37 (2021: 3.34) and Leader Score 3.60 (2021: 3.59). Both the Retention Score and the Recommendation Score increased in the November survey compared to April (Retention from 3.44 to 3.56; Recommendation from 3.31 to 3.43), which suggests that the measures implemented based on the first survey are already having an effect.

The benefits from the other countries mentioned below are also based on employee feedback from the SIXTpulse survey.

The process of the annual employee appraisal, which is conducted between December and March by the employee and his or her supervisor, was revised in 2022 in order to better address the employee's individual strengths and areas of development and to optimally support him or her. In the future, the new programme "Perform.Grow.Excite!" will not only provide for a one-off discussion, but for a continuous exchange between employees and their supervisors. At least three such discussions are mandatory over the course of the year. "Perform.Grow.Excite!" also provides for employees to be evaluated not only by their supervisor alone, but also by colleagues as part of their further development planning. This supplements the manager's feedback with multidimensional impressions from colleagues.

***Attractive remuneration and benefits***

To ensure attractive remuneration, salaries were adjusted in the branch area as well as in the service centres and the headquarters on the basis of current market analyses. This resulted in both increased basic salaries and higher guaranteed commissions, which were implemented in July and are significantly above the respective market standards. At the same time, a framework of rules was introduced by a newly created department. This forms the cornerstone for a sustainable remuneration strategy and philosophy, which is applied in the new Workday HR management system (see Digitalisation) and thus offers even higher transparency.

In addition, the highest special bonus in the company's history, amounting up to EUR 1,700 per employee, was distributed in 2022: After Sixt was able to celebrate the best half-year result in the company's history, the employees deserved to participate in this success, in which they played a key role. At the same time, this special bonus payment offered employees compensation for the rising energy costs and cost of living due to inflation.

In addition, employees benefit from various benefits that are exclusively available to them. These range from discount offers from various partners via the Corporate Benefits Platform and mobility offers (discounted rental cars, leasing offer for employees in Germany) to the yoga lessons, massages (in Austria) or allowances for life insurance (in Great Britain) already mentioned. In countries where there is no statutory health insurance (in US and India), Sixt assists with private insurance and offers extended medical support. Many of these offers are aimed at promoting the mental and physical health of employees. For example, a global health week with various on-site and digital offers was held for the first time in the reporting year, which is presented in greater detail in the summarised non-financial Group statement.

**Employee retention and promotion**

***Digital continuing education offers***

In order to retain employees in the long term, it is important to offer them longer term development opportunities within the company. The digital platform SIXTgrow was implemented in the winter of 2022 to enable them to learn about prospects on their own. It matches the employee's profile with the requirements of open positions with the company and suggests them to the employee.

In addition, the platform LinkedIn Learning has also been available free of charge to employees at headquarters since the summer of 2022. This offers them a wide range of training courses in various fields of work so that they can continue their education independently. 952 employees are already using this platform.

***Sixt Campus***

In addition, employees still have access to the digital learning platform “Sixt Campus” that offers them internationally standardised further training opportunities to expand both their professional and their personal skills. Sixt Campus currently offers 1,358 (2021: 1,100) web-based training courses in different languages, more than 423 (2021: 460) knowledge tests, 323 (2021: 237) digital and face-to-face events and around 68 (2021: 50) training plans that are precisely tailored to the needs.

In 2022, the focus was increasingly on face-to-face events, which previously could only take place digitally due to the corona pandemic. Thus, 228 (2021: 102) classroom training courses were held with a total of 948 (2021: 317) employees in 2022. At the same time, digital formats were also continued: 11,540 (2021: 9,668) employees participated in 1,963 (2021: 1,549) digital training courses.

Employee feedback is also vital in the area of the Sixt Campus in order to constantly improve the offers. This is why a brief survey is an integral part of the respective formats. In 2022, a quality index of 4.69 stars (maximum 5 stars possible) could be given for 20,393 ratings submitted. The design and functionality of the platform were optimised based on the results in the reporting year.

For the first time, a Global Training Summit was held in 2022 with more than 70 trainers and coaches from all Sixt countries to strengthen intercultural project work, implement globally coordinated training measures and establish training and quality standards globally.

***Trainee programme***

After the trainee programme was suspended due to the coronavirus, it was resumed in the branch area in all countries as early as 2021 and was expanded considerably in the reporting year. This was quite successful, as a total of 233 trainees were trained to be Branch Managers in the 9-12 month programme. On-the-job training is accompanied by central training, local workshops and regular knowledge reviews. After successfully completing the programme, the trainees immediately take over their own branch, including budget and personnel responsibility.

Furthermore, an advanced trainee programme has been developed for the branch area – the Area Directors Programme, which will be implemented in 2023. This programme is intended to accompany managers in their new role as Divisional Director and thus support them in their leadership.

The trainee programme was also revisited and revised in the main administration area in the reporting year. Twelve university graduates started their trainee programme on 1 October 2022 in the areas of Finance, Sales, Mobility Strategy & Projects, Online Marketing and Revenue Management. In their 18-month programme, they will experience the various departments in their area, sit in on work in related areas and get to know the branch business. In addition, they will be given the opportunity to develop personally by receiving training in interdisciplinary topics, an individual development plan and a personal mentor.

***Female Career Tandem***

The Sixt Female Career Tandem that is already established was successfully continued in 2022.

The Female Career Tandem is aimed specifically at female employees in order to open up new career prospects for them with the company. The programme is open to female employees at all career levels. They are assigned an experienced mentor from senior management who addresses the employee’s individual needs and questions in a direct exchange and accompanies her on her path for a year. The Female Career Tandem was rolled out globally for the first time in 2022 and the pairs were mixed internationally. A total of 115 participants (including 59 mentees and 56 mentors) from ten countries took part in the programme that will run until the summer of 2023.

***Development of managerial staff***

It is also important to Sixt that the company culture be lived by managers in particular and be passed on to their employees. A new management curriculum was implemented in 2022 in order to support and prepare the managers. New leaders go through a series of training courses to equip them with all the relevant basics of leadership. In the first quarter of 2023, the leadership curriculum will be supplemented by further training to optimally prepare the managers for the new performance management process and the resulting employee appraisals.

It is worth noting that the assessment of managers in the SIXTpulse employee survey was consistently positive. On average, employees rated their managers with 3.6 out of 4 points (2021: 3.59).

**Recruitment strategy**

The area of personnel recruitment changed at a rapid pace during the year under review and brought a number of challenges with it. As a result of the corona pandemic and current crises and their effects, potential employees are generally uncertain and less willing to change jobs. At the same time, however, the need for personnel at Sixt increased further, especially in the area of the branches, due to the strong financial year.

In order to meet the seasonal demand for branch staff, especially at the major German airports, additional temporary rental sales agents from other European countries were deployed at the sites.

In order to promote the position of rental sales agents in the branches, a campaign was carried out in the social networks and a three-week promotional trip was made through Germany. The so-called “Open House” offered those interested the opportunity to visit the sites and stations without registering to gain information about vacant positions and apply directly. In addition, Sixt again took part in various trade fairs and major events, including the Job Fair Berlin, HackaTUM, Future Works Lisbon, the Car-Connects trade fair as well as various lectures and guest presentations at universities and hosted several Tech Meetups itself.

To increase the effectiveness of the recruitment department, the role of recruitment coordinator was created in the teams with the highest recruitment volume in Germany. This function focuses on administrative and support activities and thus provides relief for the recruiters.

In addition, investments were made in the digitalisation of the recruitment processes in order to be able to react better and faster to the market (see Digitalisation). In this context, recruitment KPIs were redefined and the evaluations – also for the specialist departments – were adapted accordingly.

As employee referrals can be an important source of recruitment, the “Refer a Friend” bonus was increased from EUR 2,000 to EUR 3,000 for a period of three months in the branch area in 2022.

In order to be able to expand the search for talent, especially in the TECH area, and to be able to use cost potentials across the Group, a new site was opened in Lisbon in 2022.

In 2022, an average of 104 positions per month were filled across all target audiences in Germany and 3,573 applications per month were processed.

**Digitalisation**

Intensive investments were made in the digitalisation and standardisation of personnel processes in the reporting year and the system landscape was optimised in many areas. Here, it was important to roll out the systems as globally as possible in order to standardise the processes internationally and thus make them measurable and comparable. Germany as home to Sixt’s headquarters served as the pilot country, the other corporate countries will follow over time.

On the one hand, Smartrecruiters was implemented as a new applicant management system that maps the entire recruitment process from posting the ad for the position to creation of the contract on a single platform, thus accelerating the processes.

Secondly, the digital assessment programme Aon was piloted for the selection of candidates in the area of trainees and branch managers to provide a scientific basis for making personnel decisions. With the help of the online assessment, those who should be interviewed individually by the recruiters can be identified much more quickly.

In addition, a new travel management system (Egencia) was introduced and the travel guidelines in the Sixt countries were revised in connection with it.

A new internal human resources management system was selected at the end of 2021, the implementation of which was started in the reporting year and the global roll-out of which is planned for 2023. It will replace the previous internal system SIXTforce. Workday electronically maps all HR processes from recruitment to contract termination. The human resource planning process will also be much more professional and efficient with Workday.

**Occupational safety and employee health**

All necessary safety measures to contain the corona pandemic were continued in the reporting year in accordance with the requirements of the legislator. All employees at the headquarters in Pullach had access to an in-house testing centre that carries out both rapid and PCR tests. In order to be able to support employees on all questions concerning COVID-19, a support service is still available to them around the world. 2,794 inquiries (2021: 706) were received in the reporting year.

Digitalisation was also the focus in the area of employee health: For example, various e-learning programmes were implemented, including on the topics of occupational safety, fire protection, occupational medicine and driving in company cars. In addition, the documentation of occupational accidents and near accidents was digitalised. These can now be reported via a digital form. This means that comprehensive data is now available for the first time, to identify the most frequent causes of accidents, for example, and – where possible – to remedy them. Implementation has been completed in Germany with other corporate countries to follow in 2023.

In addition, evacuation drills were conducted at all main sites in Germany during the reporting year to prepare employees for correct behaviour in case of an emergency.

### Number of employees

Sixt Group had an average workforce of 7,509 employees in 2022 (2021: 6,399).

The average number of employees in the segment of Germany in 2022 was 3,023,11.8% more than in the previous year (2021: 2,704).

The average number of employees in the segment of Europe increased from 2,421 in the previous year to 2,768 in 2022, representing a plus of 14.3%.

The average number of employees in the segment of North America increased by 37.0% to 1,308 (2021: 955).

The Other segment had an average of 410 employees (2021: 319).

| **Number of employees (average)** | **2022** | 2021 |
|---|---|---|
| Germany | 3,023 | 2,704 |
| Europe | 2,768 | 2,421 |
| North America | 1,308 | 955 |
| Other | 410 | 319 |
| **Total** | **7,509** | **6,399** |

# B.4 \\ DISCLOSURES IN ACCORDANCE WITH SECTIONS 289A AND 315A HGB

**Composition of subscribed capital, classes of shares**
The subscribed capital of Sixt SE as at 31 December 2022 amounted to EUR 120,174,996.48 and is divided into 30,367,110 ordinary bearer shares, two ordinary registered shares and 16,576,246 non-voting preference bearer shares.

The company's shares are all no-par value shares with a proportionate amount in the subscribed capital of EUR 2.56 per share. The share of ordinary shares in the subscribed capital as at 31 December 2022 thus totalled EUR 77,739,806.72 and the share of preference shares EUR 42,435,189.76. The shares are fully paid in.

Only the ordinary shares are entitled to vote. Each ordinary share grants one vote at the Annual General Meeting. Subject to mandatory statutory provisions, the preference shares do not grant voting rights. Insofar as preference shares are nevertheless entitled to voting rights, one preference share shall grant one vote. Preference shares grant a preferential right to profits on the basis of which the holders of preference shares receive a dividend of EUR 0.02 more than the holders of ordinary shares from the unappropriated profit for the year, but a dividend of at least EUR 0.05 per share. Preference shareholders are entitled to subsequent payment of the minimum dividend if the unappropriated profit of one or more financial years is not sufficient to distribute the minimum dividend. Further details can be found in Article 22 of the Articles of Association of Sixt SE.

**Restrictions on voting rights or the transfer of shares**
Apart from the exclusion of voting rights for preference shares, there are no restrictions on voting rights under the company's Articles of Association. The transfer of shares is likewise not subject to any restrictions under the company's Articles of Association. The Management Board is not aware of any agreements between shareholders aimed at restricting voting rights or the transfer of shares.

**Shareholdings in Sixt SE**
Erich Sixt Vermögensverwaltung GmbH, Pullach, district of Munich, whose shares are held directly and indirectly in full by the Sixt family, holds 17,701,822 ordinary voting shares in the company's subscribed capital as at 31 December 2022 that grant 58.3% of the votes. The company has not been notified of any other direct or indirect shareholdings exceeding 10% of the voting rights as at 31 December 2022, nor is the Management Board aware of any such shareholdings.

**Shares with special rights**
Pursuant to Article 10 (1) of the Articles of Association of Sixt SE, the company's Supervisory Board consists of four members. Of these, three members are elected by the Annual General Meeting in accordance with the statutory provisions. Another member is appointed to the Supervisory Board by the shareholder Mr. Erich Sixt. His heirs are also entitled to the right of delegation, insofar as they are shareholders. Otherwise, there are no shares with special rights conferring powers of control.

**Employee participation and their control rights**
The company is not aware of any employee shareholdings in the company's capital in which the employees' rights of control are not exercised directly.

**Appointment and dismissal of members of the Management Board, amendments to the Articles of Association**
Sixt SE has a two-tier management and supervisory system consisting of a management body (Management Board) and a supervisory body (Supervisory Board). The statutory provisions and conditions of the Articles of Association concerning the appointment and dismissal of members of the Management Board are set out in Article 39 (2) sentence 1 of the SE Regulation, Article 46 of the SE Regulation, Section 16 of the SEAG, Article 9 (1) lit. c) (ii) of the SE Regulation, Sections 84, 85 of the AktG and Article 7 of the Articles of Association. Accordingly, the Management Board shall be comprised of one or more persons. The number of members of the Management Board is determined by the Supervisory Board. Pursuant to Article 7 (2) of the Articles of Association, the members of the Management Board may be appointed by the Supervisory Board for a maximum period of five years. The Supervisory Board resolves on this by a simple majority of the votes cast. Reappointments are permissible. Premature dismissal of a member of the Management Board by the Supervisory Board requires good cause in accordance with the statutory provisions.

Amendments to the Articles of Association of Sixt SE are resolved by the Annual General Meeting. Subject to mandatory statutory provisions, the preference shares have no voting rights. Resolutions of the Annual General Meeting amending the Articles of Association require by law a majority of three quarters of the share capital represented when the resolution is adopted (Article 59 (1) SE Regulation, Section 179 (2) 1 AktG).

However, the law also provides for the possibility that the Articles of Association allow for a smaller majority, provided that at least half of the subscribed capital is represented. Nevertheless, this possibility does not apply to changes in the object of the company, the transfer of the registered office of the company to another member state and to cases for which a higher capital majority is mandatory under statutory provisions (Article 59 (2) SE Regulation, Section 51 SEAG).

Sixt SE has made use of the possibility of a deviating regulation of the majority requirements by means of a provision in the Articles of Association that is customary for listed companies. Pursuant to Article 20 (2) of the Articles of Association, amendments to the Articles of Association require a simple majority of the valid votes cast if at least half of the share capital with voting rights is represented, unless mandatory statutory provisions provide otherwise. In deviation from this, Article 20 (2) 3 of the Articles of Association stipulates that capital increases from company funds may only be resolved by a majority of 90% of the valid votes cast. In accordance with Article 16 of the Articles of Association, amendments to the Articles of Association that only affect their wording can also be adopted by the Supervisory Board instead of the Annual General Meeting.

**Powers of the Management Board, in particular to issue and buy back shares**

**Authorised Capital 2020:** Pursuant to Article 4 (3) of the Articles of Association, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the company on one or more occasions up to and including 23 June 2025 by up to a total of EUR 32,640,000.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2020). The authorisation also includes the power to issue new non-voting preference shares up to the maximum limit legally permitted that rank equally with the non-voting preference shares previously issued in the distribution of profits and/or company assets. The Management Board is authorised, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. The new shares may, with the consent of the Supervisory Board, also carry dividend rights from the beginning of the financial year preceding their issue if the Annual General Meeting has not yet passed a resolution on the appropriation of profits for that financial year at the time the new shares are issued.

Further details, including the authorisation of the Management Board to exclude shareholders' subscription rights in certain cases, are set out in the above provision of the Articles of Association.

The authorisation to issue new shares from authorised capital enables the Management Board to meet any capital requirements of Sixt SE quickly and flexibly and to take advantage of attractive financing opportunities depending on the market situation.

**Conditional Capital 2020:** By resolution of the Annual General Meeting of 24 June 2020, the Management Board is authorised, with the consent of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or bonds with warrants with a total nominal value of up to EUR 350,000,000.00 with a fixed or unlimited term on one or more occasions up to and including 23 June 2025 and to grant the holders or creditors of bonds conversion or option rights to subscribe to a total of up to EUR 6,000,000 new no-par value bearer shares of Sixt SE and/or to provide for corresponding conversion rights for the company. The respective conversion or option rights may provide for the subscription of ordinary bearer shares and/or non-voting preference bearer shares in compliance with the statutory requirements. The convertible bonds and/or bonds with warrants may also be issued by a domestic or foreign company in which Sixt SE directly or indirectly holds a majority of the votes and capital. In this case, the Management Board is authorised to assume on behalf of the issuing company on the part of Sixt SE the guarantee for the repayment of the bonds and the payment of the interest to be paid thereon and to grant the holders or creditors of such bonds conversion or option rights to shares of Sixt SE. Convertible bonds and/or bonds with warrants may be issued against cash and/or non-cash contributions. The shareholders of Sixt SE are generally entitled to the statutory subscription right, but the Management Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right under certain conditions.

Further details, including the authorisation of the Management Board to exclude shareholders' subscription rights in certain cases, are set out in the resolution of the Annual General Meeting of 24 June 2020.

In connection with this, the share capital of the company is conditionally increased by resolution of the Annual General Meeting of 24 June 2020 by a total of up to EUR 15,360,000.00 by issuing a total of up to 6,000,000 new no-par value ordinary bearer shares and/or no-par value non-voting preference bearer shares (Conditional Capital 2020). The conditional capital increase serves the purpose of granting shares to holders or creditors of convertible bonds as well as to holders of option rights from warrant bonds issued by Sixt SE or a domestic or foreign company in which Sixt SE directly or indirectly holds a majority of the votes and capital on the basis of the authorisation pursuant to the resolution of the General Meeting of 24 June 2020 up to and including 23 June 2025. It will only be carried out to the extent that the conversion or option rights from the aforementioned bonds are actually exercised or conversion obligations from such bonds are fulfilled and to the extent that no other forms of fulfilment are used for servicing. The new shares shall be issued at the option or conversion price to be determined in accordance with the aforementioned authorisation resolution of the Annual General Meeting of 24 June 2020. The new shares shall participate in the profits of the company from the beginning of the financial year in which they are issued; instead, they shall participate in the profits of the company from the beginning of the financial year preceding their issuance if, at the time of the issuance of the new shares, a resolution on the appropriation of the profits of this financial year has not yet been adopted by the Annual General Meeting. The Management Board is authorised to determine the further details of the implementation of the conditional capital increase.

**Authorisation to acquire treasury shares:** By resolution of the Annual General Meeting of 24 June 2020, the Management Board is authorised, pursuant to Section 71 (1) 8 AktG, to acquire the company's own ordinary bearer shares and/or preference bearer shares up to and including 23 June 2025 in an amount of up to 10% of the company's share capital existing at the time the authorisation is granted or – if lower – at the time the authorisation is exercised. The shares acquired on the basis of the aforementioned authorisation, together with other treasury shares held by the company or attributable to it pursuant to Section 71d AktG, may at no time account for more than 10% of the respective existing share capital.

The authorisation may be exercised, in each case with the consent of the Supervisory Board, in whole or in part, once or several times by the company or by companies dependent on it or in which it holds a majority interest, or also by third parties acting for the account of the company or for the account of companies dependent on it or in which it holds a majority interest. The authorisation may be exercised for any legally permissible purpose. An acquisition for the purpose of trading in own shares is ruled out. In accordance with the resolution of the Annual General Meeting of 24 June 2020, the company is authorised to also use derivatives to acquire treasury shares.

Further details, including the authorisation of the Management Board to exclude shareholders' subscription rights in certain cases, are set out in the resolutions of the Annual General Meeting of 24 June 2020.

Information on the acquisition and holdings of treasury shares can be found in the Notes to the Consolidated Financial Statements under \4.22\ Treasury shares.

**Significant agreements of the company that are conditional upon a change of control following a takeover bid**

In the event of a change of control, including as a result of a takeover bid, creditors of the company shall be entitled to the following rights:

\\ The respective creditors of the bond 2018/2024 (ISIN: DE000A2G9HU0) issued by the company in the nominal amount of EUR 250,000,000.00 and of the bond 2020/2024 (ISIN: DE000A3H2UX0) issued by the company in the nominal amount of EUR 300,000,000.00 shall be entitled to a termination right exercisable with a notice period of 30 days after the announcement of the change of control (or 30 days after the next interest payment date, if this would be within the aforementioned 30-day period). A change of control is deemed to have occurred under the terms and conditions of the bonds if a person or persons acting in a coordinated manner within the meaning of Section 34 (2) WpHG acquire control of the issuer after the issue date. Control means here direct or indirect legal or beneficial ownership (in each case within the meaning of Section 34 WpHG) of ordinary shares which together grant more than 30% of the voting rights. Person means here any natural person or legal entity or organisation of any kind, but excluding (i) affiliated subsidiaries of the issuer within the meaning of Sections 15 to 18 of the German Stock Corporation Act, (ii) Mr. Erich Sixt, (iii) his relatives in the direct line, (iv) his spouse or the spouses of his relatives in the direct line, (v) a Sixt family foundation and/or (vi) a company or joint venture or other organisation or association controlled by the persons named under (ii) to (v) within the meaning of Sections 15 to 18 AktG, irrespective of whether or not it is an independent legal entity.

- After the expiry of a negotiation period of 20 banking days after the occurrence of the change of control, the creditors of the syndicated loan each individually have the right to terminate their loan commitment by observing a notice period of not less than ten banking days and to call due and payable all their shares in drawings outstanding under the syndicated loan (mandatory special redemption right). Under the terms of the syndicated loan agreement, a change of control occurs if a person or persons acting in a coordinated manner within the meaning of Section 34 (2) of the German Securities Trading Act (WpHG) acquire control over Sixt SE after the syndicated loan agreement has been concluded. Control means here direct or indirect legal or beneficial ownership (each within the meaning of Section 34 WpHG) of ordinary shares which together grant more than 30% of the voting rights. Person means here any natural or legal person or organisation of any kind, but excluding (i) Mr. Erich Sixt, (ii) his relatives in a direct line, (iii) his spouse or the spouses of his relatives in a direct line, (iv) a Sixt family foundation established by one or more persons named under (i) to (iii) or (v) and/or (v) a company or joint venture or other organisation or association controlled by the persons named under (i) to (iv) within the meaning of Sections 15 to 18 of the AktG, irrespective of whether or not it is an independent legal entity.

The rights described above are all creditor rights that are common in the capital market or the credit business.

**Compensation agreements of the company with members of the Management Board or employees in the event of a takeover bid**

The company has not entered into any compensation agreements with members of the Management Board or employees in the event of a takeover bid.

# B.5 \\ FORECAST REPORT

## 1. GENERAL ECONOMIC CONDITIONS

According to the International Monetary Fund (IMF), the global economy will continue to be burdened in 2023 by the war in Ukraine and the cost of living crisis caused by persistent inflationary pressure, in particular. The risks are still high, but have decreased compared to the last forecast from October 2022. The increasing central bank interest rates, a key mechanism to fight against inflation, puts additional pressure on global economic activity. The IMF therefore expects global growth to slow further next year. The performance of the three largest economies in the world – China, the euro area and the US – are expected to develop differently: According to the IMF, economic growth will slow down in the US and the euro area for the reasons cited above. For China, on the other hand, the IMF expects a revival of the economy by moving away from the zero COVID policy and the related complete reopening of public life. For the full year 2023, the IMF forecasts in its World Economic Outlook from January 2023 that the global economy will grow by 2.9% compared to the previous year.

Rising inflation pressures remain the most immediate threat to current and future prosperity as they depress real incomes and undermine macroeconomic stability. On average in 2022, consumer prices worldwide have increased by 8.8% compared to the previous year, according to the IMF. The experts from the IMF expect inflation to fall to 6.6% in the current financial year 2023 and to 4.3% in 2024.

The IMF forecasts economic growth of 1.4% for the US in 2023 and 0.7% for the euro zone economy. For Germany, the federal government now expects a slight increase in GDP of 0.2% instead of the originally feared slight recession. The IMF expects growth of 0.1% here.

Most recently, the European Central Bank (ECB) expected GDP growth in the euro zone of 0.5% in the current year, after still forecasting a 0.9% rise in September. Growth is expected to remain unchanged at 1.9% in 2024.

***Sources***
*Federal Ministry for Economic Affairs and Climate Protection (BMWK), Annual Economic Report of the Federal Government 2023, January 2023*
*International Monetary Fund (IMF), World Economic Outlook Update from January 2023*
*European Central Bank (ECB), Eurosystem staff macroeconomic projections for the euro area, December 2022*

## 2. SECTOR DEVELOPMENTS

In light of the economic forecasts for 2023, Sixt assumes that the economic conditions for mobility services will remain challenging. Besides the macroeconomic uncertainties, this expectation is particularly linked to uncertainties such as the availability of vehicles and the development of prices. Sixt will monitor macroeconomic and industry-specific developments closely and analyse them thoroughly in 2023.

According to the WTTC, the future prospects for the industry are positive. Despite the difficulties facing the industry, WTTC forecasts point to a strong decade of growth. According to the study, the travel and tourism industry is likely to grow by an average of 5.8% per year between 2022 and 2032, outpacing the growth of the overall economy (2.7% per year). The travel and tourism industry could even return to 2019 levels by the end of 2023.The European Travel Commission (ETC) is somewhat less euphoric. It also presents an encouraging outlook for Europe. In terms of overnight stays, however, it does not expect a return to pre-corona levels until 2025.

The aviation safety organisation Eurocontrol assumes that the number of flights in European airspace will continue to increase, but will also not return to the level of 2019 until 2025. IATA, the global airline trade association, projects that passenger traffic on domestic flights will already reach 95% of 2019 pre-corona levels in 2023, and 80% on international routes, not yet taking the re-opening of China into account.

According to the WTTC, the corona pandemic has changed the way we live, work and travel, and with it the demands, expectations and preferences of travellers. For example, following a period of closure and isolation, travellers preferred less crowded and even unknown destinations. They were also more committed to sustainability during the pandemic, which in turn had an impact on their travel decisions. From increased domestic travel to increased demand for longer stays, fee-free cancellations and improved health and hygiene measures, consumers have made their new preferences clear through bookings, inquiries and surveys, according to the WTTC.

The WTTC also sees global business travel on the road to recovery. After increasing by more than 41% this year, it forecasts average annual growth of 5.5% over the next ten years, with the Asia-Pacific region growing even faster.

For the mobility industry as a whole, the war in Ukraine on the one hand and the persistently high costs of energy and living costs on the other hand, and consequently a possible weakening of the willingness to spend on travel, represent risks for future business development that are difficult to assess.

***Sources***
*World Travel & Tourism Council (WTTC), Economic Impact 2022 Report, 6 September 2022*
*World Travel & Tourism Council (WTTC), press release from 6 September 2022*
*European Travel Commission (ETC), European Tourism 2022: Trends & Prospects Quarterly Report (Q3/2022), November 2022*
*Aviation Security Organisation Eurocontrol, Performance 2022 – Outlook 2023, December 2022*
*International Air Transport Association (IATA), Global Outlook for Air Transport, December 2022*

## 3. EXPECTED FUTURE DEVELOPMENT

Sixt's business model is characterised by huge growth potential due to dynamically changing mobility behaviour on the one hand and the ability to react quickly to changing conditions on the other. For instance, in financial year 2022, following the previous years marked by the corona pandemic and despite the burdens caused by the war in Ukraine, Sixt was able to significantly build up its staff and fleet again and take advantage of the positive market environment in terms of demand for rentals and prices. Thanks to the very solid financing and equity situation of the Group, Sixt was also able to limit the effects of the significant interest rate increases by the central banks and advance its internationalisation and digitalisation strategy through continued high investments. One important success factor for Sixt is its premium focus at all levels, from the range of vehicles to all services. The company is expanding both in the private customer business, with corporate customers and together with partner companies to tap additional growth potential.

**Great additional market potential thanks to fundamental changes in mobility behaviour**
According to experts, the mobility of the future will change massively over the next few decades. Sixt is taking this into account with its integrated mobility platform and the advanced digitalisation of all operational business processes. The company thus offers its customers maximum flexibility and freedom to shape their mobility – without having to own a vehicle. The expected increase in urbanisation is changing the individual requirements for the flexibility and availability of a vehicle. The resulting growth potential is reflected in Sixt's broadly diversified product range, which will increase the global market potential that Sixt can address many times over in the decades to come. In order to efficiently exploit this potential, Sixt is focusing primarily on the following growth initiatives, which can also be found in detail in the "Risk and Opportunity Report" section of this Annual Report:

**Expansion of the range on a fully integrated and digitalised mobility platform**
Sixt sees itself as a market and innovation leader for international mobility offerings due to its extensive investments. Thanks to the digitalisation of all business activities via the established mobility platform ONE and the SIXT App, customers can design their own mobility easily and flexibly. This includes all sales channels and business processes. In order to be able to leverage the growth and market share potential, Sixt will continue to consistently drive the further development of its digital services in the future. The focus here will be on the functionality of the applications in terms of their design and user-friendliness. In addition, Sixt will continuously optimise the successfully established integration of its offerings into the booking processes of its cooperation partners such as hotel chains, airlines, travel apps and others.

**Paving the way for sustainability in mobility**
The topic of sustainability is also increasingly shaping the company's strategy and growth opportunities. In addition to the focus on climate neutrality of all its locations and stations, Sixt also sees itself as a pioneer and trailblazer of electric mobility. The share of electric vehicles in Europe is set to increase from currently 14% to 70% to 90% by 2030. In addition, the company plans to invest EUR 50 million in the development of its own charging infrastructure.

**Internationalisation remains a key growth driver**
The consistent expansion of its market positions both domestically and internationally is the basis for Sixt's success. The significant growth of the international business includes private customers and, to an increasing extent, corporate customers, but also the Van & Truck segment. As in the previous year, the focus in 2023 will be on expanding the US business. The country became the company's largest single market last year, and its market share increased to around 3%. In addition to the expansion of its network at airports, Sixt also plans to establish stations in selected metropolitan areas. Furthermore, Sixt expects to gain additional market share from a nationwide marketing campaign launched at the end of 2022. The market entry in Canada in 2022 also promises additional growth opportunities for the future.

Besides organic growth, Sixt is also constantly examining opportunities for external growth from the international concentration process among car rental companies that has been taking place for years.

The gradual expansion and optimisation of the global franchise network is another focus of activities. Here, Sixt benefits from its cooperation with partners in around 100 countries worldwide, who are characterised by a relevant market position and comprehensive knowledge of the industry. This also applies to the collaboration with so-called General Sales Agents (GSAs), especially for offering Sixt products through B2B, B2C and B2P channels. In addition, booking partnerships are being established with important travel portals and customer service is provided in the local language to generate outbound business in Sixt corporate and franchise countries.

**SIXT rent as the basis for the company's success**

SIXT rent remains the foundation of Sixt Group's success. The focus is on tangible added value for customers in terms of flexibility, time savings and convenience of services across all sales channels. These will be continuously developed further in 2023 and expanded by integrating new partners into the mobility platform. Sixt's premium approach enables its customers worldwide to complete the entire rental process flexibly and easily via the SIXT App, from booking, vehicle use and drop-off to invoice processing.

**SIXT truck to expand its international presence**

SIXT truck is also one of Sixt's important future growth drivers. The medium-term goal is to achieve a market-leading position in Europe in the area of light and medium commercial vehicle rental and a relevant market share in the US. Sixt Group sees competitive advantages above all thanks to the high degree of digitalisation, functional synergies with the SIXT rent business, manufacturer independence in its vehicle offerings and adaptability to customer- and segment-specific product and process solutions. The number of Sixt Truck Competence Centres established since 2021 is to be expanded to 50 in the future in order to address the increased needs of demanding business customers more efficiently and to be able to offer the entire range of commercial vehicles up to 14 tonnes as well as special vehicles. The number of stations is to be significantly expanded over the next few years, including in the US. Here, too, the strategic focus is on connecting the business unit to the digital mobility platform ONE.

**SIXT+ benefits from dynamically growing demand**

SIXT+, Sixt's subscription offer since 2020, is already making a substantial contribution to revenue and is set to expand this further in view of the strong increase in demand from business and private customers. Accordingly, Sixt will significantly expand the number of subscription vehicle models, with a particular focus on electric mobility, in order to meet the dynamic demand trend in this area in the years to come.

**SIXT share in the focus of sustainable mobility of the future**

Modern car sharing will become a major building block for sustainable mobility worldwide in the years and decades to come; this is also confirmed by the researchers at the University of St. Gallen, with whom Sixt works closely. Sixt is therefore driving the networking of vehicles in the fleet for flexible use in both car rental and car sharing. This enables the company to offer car sharing vehicles outside defined business areas to already established as well as new customer segments. The offer of premium vehicles with upscale equipment and, in more and more locations, electric vehicles will be of greater importance. Besides Germany, SIXT share has also been established abroad for the first time since mid-2020 in the Netherlands and will be gradually rolled out internationally.

**SIXT ride offers flexible transfer services together with high-performance partners**

Transfer services will take on greater importance in the future. With SIXT ride, Sixt also offers these simply and flexibly via high-performance mobility partners in the taxi and ride-hailing sector through the mobility platform ONE in the core markets of Germany, the US, the UK, France, Spain, Italy and the Benelux countries. In addition, private and business customers are offered further pre-bookable transfer services in many different cities worldwide. SIXT ride is also increasingly targeting corporate travel managers, who can use it to professionally purchase taxi and driver services. The service offering also includes the option of receiving all invoices – for business trips, for example – from Sixt in one place and in one format via the app.

## 4. EXPECTED DEVELOPMENT OF THE EARNINGS SITUATION IN 2023

For financial year 2023, Sixt expects to see a good development in the key financial performance indicators of revenue and earnings before taxes.

This confidence is based on the expectation of a further normalisation of public life, a decrease in global restrictions and limitations due to the corona pandemic and no emergence of new virus variants with a significant negative impact on companies in the tourism and mobility industry. Thus, already in 2022 and in the first weeks of 2023, one could see demand approaching the pre-corona level again, but at higher prices compared to 2019. With regard to the war in Ukraine, there are considerable uncertainties regarding the further development of the geopolitical situation and the impact on the global economy, as described in the previous sections. In 2022, Sixt was able to demonstrate its resilience in the face of soaring inflation and rising interest rates around the world.

In order to be able to consistently realise its growth potential, Sixt will continue to improve its operating processes in the reporting year 2023 and continue its international and product-side expansion by making substantial investments in the recruitment of new personnel, the expansion of its vehicle fleet and infrastructure, the further development of its software and in marketing activities.

In view of the very good and established business relationships with the major car manufacturers, especially in the premium segment, and the emerging easing of the global shortage of materials, especially in the semiconductor segment, Sixt is forecasting a noticeable improvement in vehicle availability in the second half of the year at the latest and a corresponding expansion of the fleet for the year as a whole. With regard to the high market price level in previous years, a largely stable development is emerging at the beginning of the new financial year. There is currently no indication of any substantial changes in this regard. However, Sixt is monitoring the related developments very closely.

Based on these premises and assuming continued expansion of the international business and in particular the US activities, substantially rising contributions from the subscription business and expansion in the Van & Truck segment, the Management Board expects a significant increase in consolidated revenue for financial year 2023 compared to the previous year (2022: EUR 3.07 billion).

Sixt expects earnings before taxes for the Group in a range of EUR 430 million to EUR 550 million. The upper end of this rage is thus on course for the year 2022 and the lower end is clearly above the pre-corona level. Furthermore, the forecast is based on demand returning to pre-corona levels, as seen in 2022 and the first weeks of 2023, but at higher prices.

**Substantial medium and long-term growth potentials**

Sixt is also optimistic that it will continue to grow profitably in the financial years after 2023 under the premises of a fundamentally positive economic development, easing inflationary pressure and no worsening of the geopolitical risks. The key factors here are major growth opportunities along the diversified business model through continued international growth in the most important core regions of the world, the sustainable expansion in the Sixt Van & Truck business, the great potential in the SIXT+ subscription offer and the additional growth opportunities along the value chain.

# B.6 \\ REPORT ON RISKS AND OPPORTUNITIES

## 1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM (INCLUDING DISCLOSURES IN ACCORDANCE WITH SECTIONS 289 (4) AND 315 (4) HGB)

Sixt SE has installed an internal control and risk management system to identify and actively cope with all developments that could lead to significant losses or endanger the existence of the company or the Group at an early stage. Sixt's risk management system covers all activities for the systematic handling of risks in the company, starting with risk identification and documentation, analysis and assessment up to monitoring and managing of material risks, coordinating and maintaining the internal control mechanisms and countermeasures as well as the continuous monitoring of risk exposure. This systematic way of managing risks is defined by a process into which all relevant Group divisions are firmly integrated. Active management of relevant risks is ensured by decentrally defined risk owners as well as through the coordination of the risk management measures and monitoring of these measures by central functions. Opportunity management is not part of the risk management system. The internal control and risk management systems cover all relevant business processes, including the accounting process.

Sixt Group has detailed planning, reporting, early warning and internal control systems in place, both centrally and decentrally, in the respective functional areas right down to the level of the individual rental stations, that have been tried and tested in practice over many years. They map the risk management system in its entirety and are constantly optimised. The Group units Controlling as well as Governance, Risk Management & Controls (GRC) are responsible for central risk management and report directly to the Chief Financial Officer. Internal Auditing monitors the efficiency of the risk management system and also reports directly to the Chief Financial Officer and informs the Co-CEOs regularly.

The Group's business units and functional divisions determine the decision makers, communication and reporting paths, structures and risk owners involved in the risk management process. The risk owners at the level of the decentralised risk management organisations are equipped with adequate early-detection systems tailored to their areas, as well as analysis and reporting tools and monitoring systems. They are also responsible for implementing and executing appropriate controls and countermeasures.

All risks identified decentrally and the measures defined by the risk owners are also assessed at least once a year at the level of the central risk management organisation according to defined key parameters and condensed appropriately. The risk exposure determined in this way is reported to the Management Board and Supervisory Board to thus enable appropriate balancing of the risk situation and the earnings power and substance of the company (risk-bearing capacity analysis). The implementation of agreed mitigation measures is monitored by carrying out the appropriate tests and audits by the internal controls and internal audit functions.

The accounting process within the Group and the company includes organisational provisions and technical requirements to manage risks and propriety associated with accounting. Key elements here are the clear and appropriate separation of functions with regard to the Management Board and leadership responsibilities including management control processes, formalised delegation of key responsibilities, the central accounting and reporting organisation for all consolidated companies, the technical stipulations in the form of guidelines, working instructions, manuals, process descriptions and Group guidelines, the guarantee of controls in accordance with the dual control principle, the implementation of quality assurance processes and control tests, effectiveness tests by internal auditing and external audit procedures and consulting, system-based security measures, manual control measures and regular comparisons with planning and controlling processes taking the form of target to actual comparisons and analyses of deviations. The GRC department continuously monitors the adequacy and effective implementation of the main measures through regular walkthroughs and tests. To guarantee the security of the data, the accounting-related systems have access restrictions and functional access rules. Employees receive appropriate information and training on data protection rules and regulations as well as information security. In addition, general behavioural provisions for employees relating to compliance or to financial matters are part of the regulations of Sixt's internal Code of Conduct.

The Supervisory Board examines the Annual Financial Statements and the Consolidated Financial Statements together with the Combined Management Report as well as the Dependent Company Report and discusses these with the Management Board and the auditor.

## 2. IDENTIFICATION AND ASSESSMENT OF RISKS

Besides considering the risks in the installed planning, reporting, early warning and internal control systems, the organisational unit's risk owners record all business-relevant and significant risks within the entire Group during the software-based risk inventory, which is conducted by the GRC department on a regular basis. The assessments of the defined risk owners and other relevant information are then collected, analysed, condensed and interdependencies are identified. The installed risk management system at Sixt thus records all relevant individual risks and their dependencies. Any significant changes in the risk assessment and major new risks are communicated immediately to the Management Board of Sixt SE.

The probability of occurrence of an individual risk is estimated at various levels ranging from “highly improbable” (risk expected to occur once in significantly more than 50 years) to “highly probable” (risk expected to occur in up to and including 1 year) and the potential damage is also monetarily assessed in damage categories (from insignificant to significant). Both the basic recording of risks and their evaluation are initially carried out before countermeasures are taken (gross) and, taking the mitigation measures that have been put in place into account, are then converted into a net assessment. The individual risks recorded decentrally in this manner are reviewed centrally by the GRC department at Group level, condensed into a risk inventory and classified into risk groups based on defined criteria, such as probability of occurrence, and placed in a risk map. In addition, the GRC department monitors the Group's risk-bearing capacity, as well as the effectiveness and adequacy of the established countermeasures. The risk portfolio determined on this basis and the Risk Report based on it are part of the reporting to the Management Board and Supervisory Board of Sixt SE.

## 3. RISK SITUATION

As a company that operates internationally, Sixt is exposed to a variety of different risks, which can have material effects on the Group's asset, financial and earnings position. The following provides an aggregate overview of the relevant risk factors. The structure of the risk categories outlined follows the categorisation in the reporting of the central risk management system.

The risk situation of the Sixt Group at the end of financial year 2022 is characterised in particular by macroeconomic uncertainties in the core markets. These result on the one hand from the direct and indirect effects of inflation. On the other hand, the economic effects of geopolitical developments, especially the war in Ukraine, are difficult to foresee. The direct risks associated with the corona pandemic appear to have decreased significantly at the time of reporting. Nevertheless, it cannot be completely ruled out that the occurrence of new virus variants or regionally limited waves of infection and any resulting travel restrictions, disruptions to supply chains or political measures could have a negative impact on Sixt's earnings and business operations in the short term, both on the demand side and operationally. Overall, however, Sixt assumes that the effects will be temporary, and that demand will stabilise in 2023.

### 3.1 GENERAL EXTERNAL RISKS (ECONOMIC, SOCIAL, REGULATORY AND ENVIRONMENTAL RISKS)

Sixt Group offers private and corporate customers various international mobility services. Besides the business activities in Europe, business activities in North America are of great importance as part of Sixt's increasing internationalisation.

The development of the business is dependent to a high degree on the general economic environment in these markets, as this has a major effect on the investment inclination and spending propensity of customers and, in turn, on the demand for mobility services. The strong increase in inflation rates in the core markets in 2022 is particularly relevant here. In addition to restraint in spending on the customer side, this can lead to higher general procurement costs. There is a risk that these cannot be fully compensated for by increasing the company's own prices.

During phases of economic weakness, demand for mobility services can decline due to cost-saving measures on behalf of companies and private households. In addition, higher default risks (for example, counterparty risks, industry risks and counterparty default risks) can generally be expected in such phases. A weakening of the general economy can therefore have negative consequences for demand and the profitability of the services offered. In order to enable a rapid adjustment to economic conditions, Sixt relies on a structure of operating expenses that is as variable as possible. Sixt estimates 73% (2021: 73%) of its operating expenses as variable and 27% (2021: 27%) as fixed. Fleet expenses are considered fully variable, as they are directly related to the size of the fleet and can be adjusted at short notice, considering the length of the vehicle holding period. Depreciation on rental vehicles is also classified as variable in the same way. The degree of variability of personnel expenses is based on an assessment of the cost responsiveness of the individual functional areas. Other operating expenses show different cost sensitivities. While fleet-related expenses, commissions and impairments of receivables are considered variable due to their dependence on the size of the fleet and revenue development, expenses such as buildings, IT and communication expenses are classified as fixed expense items. In addition, there are expense groups with mixed cost character (e.g., miscellaneous other expenses and sales and marketing expenses).

Sixt also depends on developments in the areas of tourism and personal transport. In turn, developments in the latter are dependent on a variety of factors that Sixt Group cannot influence. These include, for example, the consequences of political decisions, the expansion of the public transport infrastructure, improvements in traffic flow and the coordination of the combined use of various transport modes. Currently, the downstream effects of the corona pandemic on demand behaviour still cannot be validated. A permanent partial substitution of business travel in order to hold face-to-face meetings by other virtual forms of communication cannot be ruled out.

Legal requirements relating to environmental protection, which are growing in importance in the European Union in particular, but also in other regions of the world, could, if combined with widespread public debate, also bring about changes in mobility behaviour. This could generally have both positive and negative effects on demand for the mobility services offered by Sixt.

So-called sustainability risks (ESG) are also gaining in importance, depending on the market. The demand for Sixt's products could be negatively affected in connection with increasing legislative requirements or on the demand side. On the other hand, direct inbound and outbound effects, e.g. of climate developments, must also be taken into account. For example, the increasing number of storms, floods etc. could also have a temporary and locally limited direct impact on demand and business operations due to the damage in vehicles or the outage of rental stations. Sixt has established targeted measures to counteract these risks as far as possible and to fully implement ESG requirements. The implementation of these sustainability strategies itself also involves a high initial investment, in the rollout of a suitable charging infrastructure, for example. At the same time, alternative mobility solutions to traditional rental products, which are being promoted and brought to market maturity in the start-up environment in particular, but also by established car manufacturers' own business units, could have a lasting impact on demand. Sixt therefore strives to identify trends at an early stage and to become active itself with innovative products in promising market fields.

To take account of the rapidly changing market conditions and customer demands, Sixt develops new product ideas and business models, whose market launch and penetration, also at an international level, may require high up-front investments. Relevant market analyses and plans cannot guarantee that these products will meet with the expected acceptance and demand. This could negatively impact the Group's asset, financial and earnings position.

In addition, national and international developments such as political upheavals and revolutions, armed conflicts, as is currently the case in Ukraine, acts of terrorism, environmental disasters or even epidemics and pandemics could lead to a massive impairment of private and business travel and thus have a negative impact on the Group's business. Since the occurrence and effects of such events are difficult or even impossible to predict, consistently reliable forecasts regarding the development and demand for travel can only, if at all, be made to a very limited extent, even over the short term.

Sixt's business activities are also affected by specific tax or regulatory frameworks. These include the taxation of company cars, which has been the subject of political discussions for years. The taxation of fuels, emission-based vehicle taxes or measures up to and including a possible complete ban on the registration of combustion engines could also have a material effect on customer demand behaviour. Sixt is also exposed to developments stemming from discussions on compliance with emission limits, climate protection measures, taxonomy requirements and local driving bans.

### 3.2 SPECIFIC RISKS OF THE MOBILITY INDUSTRY

The mobility industry continues to be dominated by intense predatory competition, both nationally and internationally. The trend in demand – mainly among corporate customers – towards large, mostly international vendors, continues. Due to its high share of corporate customers, it is extremely important for Sixt to provide its customers with a global rental infrastructure that is available particularly in areas with a high volume of traffic, such as airports and train stations, in the same highest quality possible. Intense competition also creates the risk that individual market participants attempt to gain market share in the short term by consciously implementing an aggressive pricing policy, in some cases even accepting operating losses.

A few competitors have initiated restructuring measures in connection with the effects of the coronavirus pandemic that are potentially capable of further increasing the intensity of competition.

General developments in the automotive industry are important to Sixt due to their effects on terms and conditions for purchasing vehicles and remarketing them. Sixt is highly dependent on the supply of popular vehicle models, to be able to purchase them on competitive terms and – for reasons of pricing certainty and the reduction of residual value risks – on buy-back agreements with manufacturers and dealers. These external factors influence both the purchase prices of vehicles and the revenue that can be generated when the vehicles are sold back.

By remaining vendor-neutral, Sixt can diversify risks when purchasing vehicles. The Group is usually in a position to select marketable models from a large number of manufacturers and dealers and to negotiate favourable conditions. The company tries to distribute the purchase quantities among several suppliers and to adjust the vehicle deliveries to the demand planning during the year. Flexible agreements with vehicle manufacturers and dealers enable the company to stagger vehicle orders over a period of time to a certain extent to meet the actual demand. This is especially important in times of great economic uncertainty and downturns, as well as in phases of increased demand, when the requirements for mobility services are even more difficult to predict. Further aggravation of disruptions to supply chains in international goods traffic or delays in vehicle deliveries, such as those recently observed in the course of the semiconductor crisis and in connection with the war in Ukraine, however, can lead to the fact that a further increase in demand for mobility products can only be met to a limited extent in the short term or that vehicles can only be purchased at significantly less favourable conditions.

Furthermore, Sixt's international expansion changes its purchasing necessities. The company relies on having a broad
The combination of high economic capacity utilisation of the rental fleet and simultaneous availability of vehicles is of great importance to the Group's success. Availability not only relates to the absolute size of the rental fleet, but also to individual vehicle classes and models that meet customer wishes. Declining demand can result in a lower-than-expected utilisation of the

supplier base in all corporate countries, whereby some vehicle fleets need to be tailored to specific regional needs. If Sixt would no longer be able to add a sufficient number of vehicles to the rental fleet to meet the respective demand or to offer enough vehicles with features that reflect the Group's premium orientation, this could adversely affect its revenue and earnings development. This would apply to an even greater extent if the Group's operating business were to expand dynamically, boosting demand for vehicles. In addition to any current supply bottlenecks at car manufacturers, such a bottleneck would also be conceivable in the event of adjustments to the sales strategies of car manufacturers or as a result of changes in customs law or other protectionist measures or, at least locally, due to registration restrictions.

Sixt is keeping a very close eye on the debate regarding emissions, local driving bans and fleet requirements. Thus, it is likely that requirements relating to the equipment of the rental fleet with low-emission or zero-emission drives will change. As a result, logistics and infrastructure must also be adapted accordingly, by expanding charging capacities at stations, for example. In the short term, supply bottlenecks for relevant vehicle models cannot be ruled out. In addition, the purchasing conditions for vehicles can be influenced directly or indirectly by government measures such as tax incentives or penalties depending on the emission level and pollutant emissions. However, the company believes that it is in a position to adequately adjust the fleet mix. The short holding periods of the vehicles represents an important element of the business model. In the case of passenger cars, these are usually around six months and they were well below 12 months again in 2022, despite contract extensions. In addition, a significant expansion of the share of electrified vehicles is being actively pursued as part of the defined sustainability strategy.

Besides the general economic conditions, demand in the vehicle rental and car sharing business is also dependent on many external, unforeseeable random influences such as weather conditions or short-term changes in customers' mobility requirements and therefore difficult to forecast.

The combination of high economic capacity utilisation of the rental fleet and simultaneous availability of vehicles is of great importance to the Group's success. Availability not only relates to the absolute size of the rental fleet, but also to individual vehicle classes and models that meet customer wishes. Declining demand can result in a lower-than-expected utilisation of the

rental fleet that is provided up-front, which in turn can affect the profitability of rental products adversely. This makes it all the more important to have sophisticated, reliable, error-free instruments that have been tested in practice for efficient and flexible fleet management and pricing. Sixt's internal yield management system, a sophisticated IT system that has been constantly developed further over the years and is tailored to the various requirements of the rental business, enables the company to align its purchasing activities with demand and to manage the availability of vehicles at the individual rental stations. The yield management system is constantly optimised based on the volume of historic data generated from the rental activities that has constantly grown over the years. Systematic fleet and supply management achieves the highest possible level of fleet utilisation while at the same time maintaining a sufficient price level. Through the increasing integration of car sharing and traditional rentals, Sixt will be able to further optimise the profit-oriented management of its fleet in the future.

Sixt is also highly dependent on the development of national markets for used vehicles. The changes on the used car markets, especially in Germany and the US, are important for the prices Sixt generates from selling rental vehicles on the used car market. The selling takes place through its own stationary dealerships (Sixt Car Sales) or auction platforms and used car dealers. In Germany, the average vehicle price was stable in the course of the year 2022, but high due to the supply shortages. However, in the USA following a strong increase in prices since 2021, a decline in average vehicle prices was observed from the second half of 2022. Negative effects cannot be ruled out if the market situation deteriorates.

To mitigate the risks involved in the sale of vehicles, Sixt strives to cover the marketing of rental vehicles in line with the opportunities available on the market as far as possible by concluding buy-back agreements with manufacturers or dealers. This means that buy-back conditions for these vehicles are already fixed at the time of purchase. The company therefore has a more reliable basis for calculating the development of its fleet costs and the liquidity planning. By reducing the resale risk, Sixt is to a large extent independent of the situation on the used car markets. However, market-specific aspects, especially in the US high-growth market, and a possibly necessary adjustment of the purchasing strategy due to supply bottlenecks could lead to repurchase agreements not being enforceable to the desired extent. This is particularly true for the US growth market, where buy-back agreements are less common than in Europe. Around 72% of all vehicles added to the rental fleet in the financial year were secured by means of buy-back agreements in the case of purchased vehicles or under operating lease agreements. At the end of the year, the balance sheet value of the vehicles without buy-back agreement was EUR 1.8 billion. Sixt continuously monitors the development of market values by a Residual Value Committee.

In this context, however, it cannot be completely ruled out that contractual partners may not be able to comply with the buy-back agreements and that Sixt is thus forced to market the vehicles itself. In this connection, as for all freely marketed vehicles, there is a risk that Sixt could generate lower incomes than expected due to economic risks or a possible deterioration of the used car markets.

For this reason, Sixt regularly assesses the creditworthiness of its contractual partners on the basis of strict standards. This is especially important when the automobile trading markets are tense, so that the risk of contractual partners not meeting their buy-back agreements can be detected early on and to provide for the risk appropriately. In the case of a contractual partner defaulting, Sixt would be obliged to market the vehicles on the used car market at its own economic risk.

### 3.3 FINANCIAL RISKS

The operating business, especially the rental assets, is financed mainly through bonds, borrower's note loans, a syndicated loan, short-term financing facilities from several banks, short-term debentures (so-called commercial papers) and, especially for vehicles, by concluding leasing contracts. Sixt has maintained close business relationships with many different banks for many years. Sixt Group continues to have a broad and solid financing structure with an adequate financing framework. The Group's credit lines are used as required and were only partially utilised in the reporting year.

Sixt Group is exposed to various financing risks. These include interest rate risks and exchange rate risks, which can be limited to a certain extent by using derivative financial instruments, among other means.

Due to the changes in the credit industry that continue to be seen, as a result of increasing capital requirements in the lending business or changed risk weightings, for example, the financing behaviour of banks could change permanently. Sixt Group is exposed to the risk of not being able to obtain financing from banks or other creditors (e.g., by placing borrower's note loans, bonds or short-term commercial papers) at commercially reasonable terms or at all considering the current or future market uncertainties. It could become more expensive, more difficult or even impossible for Sixt Group to enter into financing arrangements (including those mentioned above), depending on, among other factors, general market conditions and the assessment and evaluation of the creditworthiness of Sixt SE and its subsidiaries. The same applies to the receptiveness and willingness of the capital markets, which can be temporarily or permanently restricted, perhaps only in sub-segments, as was the case for large parts of the bond market for unrated companies, such as Sixt SE, in the reporting year, for example. In addition, the market uncertainties observed in March 2023 as a result of or also triggered by the rescue of some US banks, including Silicon Valley Bank and First Republic Bank, as well as Credit Suisse, could have a significant adverse effect on the financing possibilities of the Sixt Group. This increases the risk described above for the Sixt Group of not being able to obtain financing from banks or other creditors on commercially reasonable terms or at all. This applies in particular if, as a result of these market uncertainties, existing credit lines that have not been firmly committed (uncommitted lines) would be cancelled or not granted by lenders.

The interest rate increases that began worldwide in 2022 will lead to significantly higher interest charges for financing with variable interest rates, and new and follow-up financing will become significantly more expensive. This will lead to a significant increase in the interest burden.

Since banks depend on the market situation and have no choice but to accept increased risk premiums when they refinance their own activities, it cannot be ruled out that these higher premiums will be passed on to customers who take out loans. Moreover, the increasingly tighter legal regulations, which financial institutes must comply with when granting loans, require that they underlay these with more equity. This could lead to an increase in Sixt Group's financing costs.

The vast majority of trade receivables and payables are due in local currency in the country that the respective Group company is based in. As a result, Sixt Group is able to neutralise the exchange rate risk in part by using natural hedges. However, the Group's external financing is mainly in euros, therefore exchange rate risks arise primarily from receivables and liabilities for the financing of subsidiaries in non-euro countries. Currency swaps or other currency derivatives are used in particular to limit these exchange rate risks within the Group. The Group does not hedge equity positions against exchange rate risks.

Sixt is subject to counterparty default risk in the corporate customer segment and, to a limited extent for some products, also in the private customer segment. This occurs if invoice customers are unable to meet their payment obligations or credit card payments are not received. Insofar as customers are provided with a rental contingent on account, their creditworthiness is checked and monitored on the basis of internal guidelines. Furthermore, when investing bank balances, Sixt is subject to the respective counterparty risk of the account-holding bank or the counterparty of the investment transaction.

Overall, it can be expected that insolvency rates will increase in 2023 in view of inflation induced by energy price increases, especially in energy-intensive industries, and thus customers, business partners and value chains could be affected. As this could also affect the receivables portfolio, Sixt continues to monitor the associated risks very closely.

### 3.4 INVESTMENT RISKS AND TRADEMARK RIGHTS

Due to its shareholdings in various subsidiaries, Sixt SE is subject to investment risk in Germany and abroad.

Allane SE (formerly: Sixt Leasing SE) was granted the use of trademark rights for a limited period of time as part of the sale to Hyundai Capital Bank Europe GmbH. There is a potential risk that the customer or supplier perception of the Sixt brand could be influenced by disadvantageous communication without the direct influence of Sixt Group.

### 3.5 STRATEGIC RISKS

Sixt intends to continuously increase both its revenue and its market share through expansion, particularly in the US and in important Western European countries. This goal is to be achieved primarily through organic growth. Moderate acquisitions cannot be ruled out, especially to achieve growth abroad, however.

All potential acquisition candidates must meet very strict criteria with regard to their earnings situation, their risk profile, the quality of their management, their company culture and their compatibility with Sixt's business model and premium strategy.

Such transactions or market entries are associated with greater uncertainties due to the necessary investments, marketing and sales expenses, but also due to deviating constellations on procurement and sales markets. Despite the potential analyses carried out, it cannot be completely ruled out that such transactions could result in misjudgements that could have a negative impact on the Group's asset, financial and earnings position.

The internationalisation strategy also involves various risks, including market-specific, political, legal, fraud, financial and personnel risks. These include possible misjudgements of the market conditions in the respective countries, changes to national legal or tax frameworks, the costs of building up an efficient business organisation and the need to find qualified management personnel and employees. In addition, there are the usual transaction-related risks in the case of acquisitions. The establishment and expansion of foreign activities can lead to a deterioration in the Group's asset, financial and earnings position. The failure or delay of foreign expansion could also have a negative impact on existing customer relationships, as business and corporate customers are increasingly demanding mobility services with an international scope.

Sixt has a nearly global network of franchisees. Customers are also referred to Sixt corporate countries via this network. As a franchisor, Sixt maintains intensive, generally long-standing and trusting relationships with its franchisees. Nevertheless, it cannot be ruled out that the termination of such contractual relationships would temporarily or permanently change the geographical coverage of the Sixt range in a particular region and limit the attractiveness of the offering for customers. There is also a risk that customer or supplier perceptions of the Sixt brand could be influenced by adverse communications without direct influence from the Sixt Group.

## 3.6 OPERATIONAL RISKS

Operational risks are understood as the risk of a loss caused by human behaviour, individual mistakes, technological failure, inappropriate or faulty processes, or external occurrences, for instance. Such a definition of operational risks involves regulatory, legal and tax-related risks. In addition to direct financial damage, this could also result in the loss of customers due to a negative perception.

Despite a return to a more normal situation, the coronavirus pandemic poses risks for the operation of the station network and for central functions. It still cannot be completely ruled out that local or national sites will have to be closed at least temporarily due to the infection or to political decisions.

Complex, high-performance IT systems are crucial for processing rental transactions. Hardware and software-related system malfunctions and failures can considerably affect operating processes and, in serious cases, even bring them to a standstill. When implementing new, replacement or supplementary software, the high complexity of the IT systems places high demands on compatibility to existing systems so as to guarantee smooth continuation of the operating business. At the same time, Sixt is carrying out a number of strategic projects in the area of software development, the failure of which could have an impact on the Group's business operations or earnings. Besides these internal operational risks, there is also the risk of targeted external attacks on Sixt's IT infrastructure and the company's inventory of data (ransomware, hacking, DDoS attacks, etc.). To counter these risks, Sixt commissions its own IT department with carrying out ongoing monitoring, servicing and further developments, and with protecting the availability of all of the Group's IT systems and data. In addition to the failure of systems, the leakage of sensitive data, in particular personal information, could have a negative impact on the Sixt brand and thus on demand, as well as result in possible fines.

As in the past, Sixt Group intends to continue investing in Internet-based as well as mobile services for smartphones, tablet PCs and other devices as a sales and communications channel for its mobility products and as a basis for further business models. A number of risks associated with this (e.g., uncertainty regarding the protection of intellectual property or registered domains, possible violation of data protection, dependence on technological conditions, system failures, viruses, spyware, etc.), could affect the use of the Internet or mobile services as independent and cost-effective sales and communications channels.

However, general usage of such systems is constantly increasing and thereby fundamentally changes consumer behaviour. Accordingly, it should be noted that customer use of such offerings and products from Sixt Group has been continually increasing for years. Against the backdrop of media convergence, in particular, i.e. the convergence of different technical devices and services and the ever-increasing presence of online services in everyday life, one may safely assume that the utilisation of such offers is set to continue in future.

As Sixt continues its efforts to further expand its position as an innovative mobility service provider, more and more established business processes will gradually be digitalised and automated. This technological development generally entails increased risks, such as temporary system failures or increased external attacks.

Sixt has therefore implemented an information security function, which together with the operating IT departments, is tasked with ensuring the protection and security of the technological platforms and Internet-based sales channels.

The rental business also involves risks of loss and the resulting financial losses, e.g. due to the destruction of assets and vehicles as a result of accidents or disasters. This also includes the theft or misappropriation of vehicles. This risk could increase due to the expansion and development of new markets. In addition, the increase in theft, which is partially covered by insurance policies, could lead to an increase in insurance premiums. If Sixt were unable to take appropriate technological or organisational preventive measures in the future, this could have an adverse effect on its asset, financial and earnings position.

In addition to the risk of vehicle theft, every business operation is subject to internal and external fraud risks that could cause damage to the company. These include so-called presidential fraud attempts. Sixt has implemented a number of functions and mitigating mechanisms for this purpose, but cannot completely exclude fraudulent transactions.

Some of the vehicles in Sixt Group's fleet are subject to manufacturer recalls. In particular, if a large number of vehicles were to be affected at the same time, this could lead to a limitation or inefficiency of Sixt Group's fleet and, as a result, to adverse effects on Sixt Group's earnings. The company could also face liability claims if it is unable to implement such recalls.

Sixt's activities involve entering into many different contractual agreements. This is only possible by using standardised agreements that must be matched to the operational processing systems accordingly. Consequently, even minor inaccuracies in the wording or changes in the legal framework could have a material effect on its business activities. Sixt counteracts the resulting risks via contract management by also involving legal experts and using various system controls.

Sixt Group also relies on intellectual property rights to protect its business activities. Preserving these rights at both the national and the international level is one important precondition to remaining competitive.

The personal know-how and skills of the Group's employees constitute an important success factor. Particularly in times of expanding business operations and the associated recruitment of new staff, Sixt depends on having a sufficient number of qualified and motivated employees who are able to perform the required work to the required quantitative and qualitative standard. Due to the shortage of skilled labour in certain markets and for individual areas of activity, which manifested itself in connection with the corona crisis, there is a risk that the service quality in the car rental business or the effectiveness of operational or administrative processes could be impaired. The same applies in the event that there is also increased fluctuation and thus a loss of know-how. Sixt guards against these risks through increased involvement in training and professional development by firmly establishing staff development as part of its company culture and by offering incentive systems.

Strategic partnerships and cooperative ties with airlines, hotel chains, booking portals and other key players in the mobility and tourism industry represent an important factor in Sixt Group's success. The contracts with these partners often contain short notice periods and are – with a few exceptions – non-exclusive. However, many of these partnerships have existed for several years and are characterized by the desire for long-term and trusting cooperation. In addition, Sixt is constantly expanding its network with partners from different sectors. Nevertheless, it cannot be ruled out that existing cooperative ties will be terminated or cannot be expanded due to changes in market conditions or to the partners' marketing or business strategies. In addition, there is a risk that more unfavourable conditions could arise for Sixt due to concentration risks.

As an international company, Sixt's business activities are generally subject to a large number of legal, tax and official provisions and regulations as well as individual agreements with business partners. Operational errors could result in punishable violations, regulatory audits or disputed matters that may have to be settled by a court of law. At the same time, Sixt Group is subject to a wide range of different legal constellations and consumer protection regulations, also as a result of its international expansion. There is a risk that it could fail to meet all regulatory requirements or to react in time to changes in the regulatory environment. In addition to concrete penalties or contractual risks due to non-compliance with specifications and agreements, image damage and thus an influence on demand cannot be ruled out.

### 3.7 RISKS RELATED TO THE PROCUREMENT OF VEHICLES

The semiconductor crisis that was triggered by the pandemic and the reduction in production capacities already led to supply bottlenecks in the new vehicle market in 2021. These were partially compensated for by an overall high price level in the car rental industry. However, a possible prolonged and/or worsening shortage of vehicles in 2023, for example due to the closure of factories especially in China, could lead to a situation in which the possible further recovery in market demand cannot be fully met at an adequate price level.

### 3.8 RISKS RELATED TO THE WAR IN UKRAINE

With the invasion of Ukraine by the Russian forces on 24 February 2022, the long-standing conflict between Russia and Ukraine escalated into war. In addition to the human suffering and a humanitarian crisis, this drastic event has already led to tangible effects on the goods and financial markets within a short period of time. In addition, strict sanctions were introduced against Russia and partly Belarus, which are leading to feedback effects worldwide.

Sixt is represented in Ukraine by a franchise partner and a development centre. Sixt was also represented in Russia and Belarus to a small extent via service partners, however active marketing there was discontinued immediately after the outbreak of the war. The direct economic and operational effects of a possible lasting military conflict are therefore limited from today's perspective, as are the direct effects of sanctions and embargo measures.

However, there is still a considerable risk that the possible indirect consequences could have a negative impact on the Group's asset, financial and earnings position. The disrupted supply chains and missing components from the production sites of suppliers and car manufacturers in Ukraine and Russia could cause a further reduction in the production of new vehicles and Sixt may not be able to procure the desired number of vehicles as a result. A persistently high level of fuel prices could lead to a decline in demand for mobility products. Likewise, insolvency rates are expected to be negatively affected.

Further price increases for energy, but also for all energy-intensive products, as well as political and social developments, could significantly slow down economic growth and lead to a lower willingness to spend among private and business customers. In addition, there is the risk of a further geopolitical deterioration with unpredictable effects.

Overall, Sixt is well prepared for crisis situations thanks to the high flexibility of its business model and solid financing. However, the possible effects of the crisis cannot be estimated in terms of duration and scope at this point in time.

## 4. MANAGEMENT BOARD'S ASSESSMENT OF THE OVERALL RISK PROFILE

Sixt SE has installed a Group-wide internal control and risk management system designed to identify all developments that could lead to significant losses or endanger the continued existence of the Group at an early stage. As part of the established risk management system, all risks listed here are reviewed and analysed regularly and the probability of their occurrence and effect is assessed. The result is communicated to the Management Board and Supervisory Board so that the necessary countermeasures can be initiated if necessary.

Both the overall risk and the risk profile of Sixt Group as well as Sixt SE have essentially remained unchanged from the previous year apart from certain risks intensified by the macroeconomic uncertainty and the war in Ukraine. At present, no risks have been identified, which individually or in their entirety, could endanger the company as a going concern.

## 5. OPPORTUNITY REPORT

As an international mobility service provider, Sixt Group pursues a consistent premium strategy. This means it offers high-quality products and services, such as those related to the vehicle fleet, or flexible bookability to meet the various requirements of its customers in around 100 countries of the world. A number of strategic and operational opportunities are open to Sixt given its solid competitive position, broad range of services, industry environment and in-house power of innovation, all of which can have a positive effect on its business development.

Sixt defines opportunities as the possibility of exceeding the company's intended objectives through events, developments or actions. It remains an ongoing undertaking to identify these opportunities for the individual operational areas and to utilise them in line with the company's strategy.

## 5.1 MARKET OPPORTUNITIES

**Economic development**
The development of Sixt Group's business is influenced by the overall economic conditions. This holds true in particular for the economic situation in the 13 Sixt corporate countries. Since increasing economic dynamism generally leads to both a higher willingness to invest on the part of companies and a larger spending propensity on the part of private individuals, there is a chance in both cases that the demand for high-quality mobility solutions will rise.

In its plans for the current financial year 2023, Sixt Group makes due allowance for the economic analysts' expectations for general economic developments, as outlined in the Forecast Report. If the economy develops better than forecasted worldwide or in the individual markets, this could lead to higher demand for Sixt's products and services.

Furthermore, a continued high level of market prices for vehicle rental could also continue to have a beneficial effect on the Group's revenue and earnings development. Key drivers of the continued high market price level in financial year 2022 included the high demand for mobility products in conjunction with the shortage of vehicles due to the global shortage of semiconductors and the impact of the war in Ukraine on the production of a number of car manufacturers. In addition, structural catch-up effects in price development within the industry also became apparent.

**Growing popularity of shared mobility**
Mobility remains an essential human need and an important pillar of global trade. As a result of advancing climate change and the global trend towards urbanisation, however, mobility is currently in a state of upheaval. More and more municipalities are adapting their mobility plans and increasingly focusing on solutions from the area of micro-mobility, i.e. getting around with non-motorised or electrically powered micro and light vehicles such as e-scooters, or the area of so-called shared mobility. This term covers all publicly accessible means of transport that are used jointly and are available at short notice and as needed, usually for a fee, without being owned by a user. Sixt is active in this area with a broad portfolio as a car rental and car sharing provider and can expect to benefit from the expected strong growth of the shared mobility market in the future. Polaris Market Research, for example, assumes an annual growth rate of 8% in the period 2022 to 2030 and expects a market size of USD 188 billion in 2030. The SIXT App and the mobility platform ONE combine a number of products with which mobility can be made as sustainable as possible. For example, a single shared vehicle can replace a large number of privately owned cars due to optimised utilisation and reduce the amount of parking space required. Another lever also lies in the increasing electrification of the fleet and the resulting expansion of a corresponding charging infrastructure. These measures are a key element of the holistic sustainability programme adopted by Sixt in the past financial year.

***Source***
*Polaris Market Research, Shared Mobility Market Industry Analysis Report, February 2022*

## 5.2 COMPETITIVE OPPORTUNITIES

**Value-creating acquisitions**
Sixt Group's expansion into relevant markets is generally based on achieving organic growth. This does not preclude the acquisition of local and regional competitors, however, should the conditions prove to be favourable. To this end, Sixt constantly reviews relevant market opportunities to accelerate the Group's growth. For example, the acquisition of two strong regional providers in the van rental sector in the third quarter of the past financial year led to a significant expansion of the SIXT Van & Truck business in the UK. The acquisitions of Dorset Rentals and the Van & Truck division of GAP Group are associated with far-reaching opportunities, as Sixt can now serve customers nationwide with a more than quadrupled fleet and ensure services with a fast response time.

From a strategic point of view, opportunities from acquisitions consist of an expansion of the customer base and the acquisition of attractive market segments, by acquiring airport concessions, for example. From a technological perspective, the focus is on innovation potential, primarily with a view to the further digitalisation of Sixt's business model.

**Opportunities thanks to a tense competitive situation**
Sixt is active in international markets that have been dominated by intense predatory competition for years. In the past, one has often seen competitors pursue an aggressive pricing strategy,

which only covers operating costs to a limited extent or not at all in the long term and leads to losses, especially in economically difficult situations.

The coronavirus pandemic had, in some cases significantly, exacerbated the situation of many competitors in the mobility market, including large companies. From the second half of 2021 on, the semiconductor crisis made it increasingly difficult to buy vehicles from manufacturers to the desired extent. The economic effects of the war in Ukraine, especially due to further bottlenecks on the supply side, as well as – especially energy price-driven – rising inflation rates in the western nations, also pose challenges for the entire industry. Following the financial restructuring of a few major competitors in the previous year, further consolidation is now conceivable, particularly when it comes to local suppliers. Should competitors be forced to discontinue or reduce their business operations, Sixt Group could close possible supply gaps and secure targeted market access and quotas.

**Growing demands on mobility**

Sixt has been pursuing its premium strategy already for many years, thus underscoring its claim of offering its customers top-quality products and services. One key element of this is to offer a fleet of vehicles from renowned manufacturers with state-of-the art extra features and options. The premium approach to rental stations is yet another important aspect. In the past financial year, Sixt already spent a double-digit million euros amount on renovations and new buildings, and many more renovation and construction projects are planned for 2023 in order to continue to ensure a holistic premium customer experience and thus retain customers for the long term and generate higher revenues. Provided that the economic situation of companies and private households develops better than expected and customers' demands on their mobility continue to rise, premium quality vehicles and services could be in above-average demand. Sixt Group in particular would benefit from such a development. In the United States, as well, Sixt is consistently pursuing its goal of occupying the premium segment, which is still strongly underrepresented there overall and thus offers a great opportunity.

**Demand-generating marketing**

The term "Sixt ads" has become a concept in its own right in the advertising industry. This is due to marketing campaigns that have been causing a sensation for decades, lending the brand high recognition value and conveying its values.

Wide-reaching advertising and marketing campaigns will continue to be the key means to raise awareness of the SIXT brand in the future, especially on an international scale and thus support the economic growth of the Group. To this end, Sixt is deploying a wide range of media with a special focus on social media channels that enable direct and very timely addressing of target audiences and direct interaction with customers. In addition, the company also uses other communication and advertising channels, depending on the objective of the advertising.

This offers opportunities in particular through investments to increase brand awareness in the US growth market. While the focus was previously more on targeted, locally limited advertising activities, December 2022 saw the launch of the integrated "rent THE car" marketing campaign, a broader and more comprehensive advertising offensive than ever before that supported Sixt's growth course in the US.

**Ongoing internationalisation**

Sixt Group is pursuing its objective of expanding its international presence and gaining additional market shares in the respective countries. To this end, the company collaborates with franchise partners in many national markets. At the same time, the Group permanently reviews measures to increase market shares in existing countries, either by changing the network of franchise partners, setting up its own structures or by tailoring specific mobility offers for certain markets.

Further growth opportunities are associated specifically with the US market – especially in the business customer segment and in the medium term also in the commercial vehicle market (Vans & Trucks). In addition, marketing activities offer Sixt Group the chance to decisively increase brand awareness in the US. As the world's largest car rental market, the US also offers Sixt significant growth potential through increasing consolidation.

In the course of expansion into Canada, synergies with the US growth market will be leveraged and Sixt's presence in North America will be significantly expanded. The company is pursuing a similar expansion strategy as in the US, with the medium-term goal of being present at half of the nation's top ten airports. According to data from Euromonitor, the Canadian car rental market has a total potential of around EUR 1.4 billion. Sixt's medium-term goal is to achieve a three to five percent market share in Canada by 2025/2026. After the opening of the first Canadian station in Downtown Vancouver in July 2022, additional stations in Vancouver and Toronto are expected to follow over the course of the year, which would enable Sixt to cover the two top-selling destinations in the country. Together they account for the majority of the Canadian car rental market and have a potential market volume of EUR 400 million. By tapping into the two Canadian metropolises, Sixt will be able to offer its service and premium fleet for business and leisure travel between the US and Canada in the future.

The new franchise partners acquired in the past financial year also offer growth opportunities for Sixt as part of its internationalisation strategy.

## 5.3 OPPORTUNITIES FROM INNOVATION

**SIXT App as preferred mobility tool**

By combining the offers of various mobility services via the mobility platform ONE developed in-house with the SIXT App, Sixt has gained a competitive advantage with great appeal for third-party providers and potential partners. There is a chance that yet other mobility partners will want to integrate their products and services into the platform and thereby make the SIXT App an even more sought-after tool for customers when they plan and organise their trips and mobility in general. This in turn would increase the Group's growth and increase awareness of the Sixt brand.

**Integrated mobility services**

With its mobility platform ONE and the SIXT App, the company is able to offer customers tailor-made one-stop mobility solutions that cover an entire area, are suited for every situation and are independent of time and location. By integrating several products into only one app, the traffic is fundamentally increased and the attention that all products receive is increased. With its integrated solutions, Sixt is also taking due account of individual and contemporary mobility. At the same time, Sixt is strengthening its position as the mobility industry's innovation leader and at the same time generating countless opportunities such as increased cross-selling opportunities and the expansion of its target audiences: for example, customers who have only used SIXT rent via the SIXT App so far can now use the same tool to access the services of SIXT share for short-term mobility needs or SIXT+ for their longer-term mobility needs. This constitutes a significant advantage over the still very fragmented offers of the competitors for car rental, car sharing, transfer services and car subscriptions.

**Services offered online and via mobile channels**

The main tools for planning and booking both business and private trips are technical interfaces such as computers, tablets or smartphones. Customers receive easy and flexible access to flights, hotels, taxis, rental cars and car sharing via these devices and the respective websites and applications. This is why Sixt developed user-friendly online and mobile solutions early on that are continually upgraded and enhanced by adding practical new features. Moreover, the company integrates its various products and services into the booking procedures of hotels and airlines and thereby extends the reach of its services. Examples in the reporting period include the newly concluded strategic partnerships with itTaxi (January 2022), Accor (February 2022), nextbike (March 2022), Professional Golf AG (April 2022), Marriott Bonvoy (August 2022), the fleet and mobility specialist Fleet Logistics (August 2022) that is active throughout Europe, or the expansion of the existing partnership with Lyft – ebikes have also been offered on the ONE mobility platform since July 2022. The continuous improvement of the user-friendliness of Sixt's online and mobile solutions, especially compared to the competition, also creates opportunities for further market share gains.

Sixt uses its own channels, such as the SIXT App, the SIXT blog or its extensive social media presence, as well as various online and offline marketing channels for international communication and promotion of its many different services. Against the backdrop of event-driven communication and marketing opportunities, the company is testing new potentially suitable platforms and working together regularly with influencers. These activities offer the opportunity of addressing target audiences in a highly targeted manner and further raising Sixt's popularity.

**SIXT rent**

Digitalising the rental fleet will thus potentially densify the contact points between Sixt and the customer, which in turn would open up additional growth opportunities. At the same time, the digitalisation of stations and rental processes – also by using artificial intelligence in pricing and fleet management – offers opportunities to generate additional revenue and cost savings.

**SIXT share**

SIXT share combines the traditionally separate products of car rental and car sharing into one integrated product. By networking both vehicle fleets, Sixt can balance out fluctuations in demand between car rental and car sharing and provide customers with optimal availability at all times. At the same time, this optimises the utilisation of the fleet, resulting in cost and efficiency benefits. Through networking, it is also possible to expand car sharing to the surrounding areas, and not to be limited exclusively to metropolitan regions as in the past, since the vehicles are not rigidly assigned to a location or business area, but can be used depending on demand. To further maximise the utilisation of its own fleet, SIXT share has also been integrated into FreeNow. This underlines Sixt's approach to make urban mobility simple and accessible for everyone. This opens up further growth potential for Sixt. Already today, around one third of the SIXT share car sharing fleet consists of electric vehicles and offers further possibilities for low-$CO_2$ mobility by integrating e-scooters, e-mopeds, and, since July 2022 also bikes and e-mopeds. The product thus pays tribute to Sixt's sustainability strategy. New branding was introduced on SIXT share vehicles in March 2022. The new design gives Sixt's car sharing product a modern new look and pays off in terms of brand awareness. In addition, Sixt customers will be able to find the vehicles even faster in the city in the future.

**SIXT+**

Given the cost benefits and the trend towards using instead of owning a vehicle, the market for car subscriptions is expected to see substantial growth. According to forecasts, the car subscription model could clock up a market share of up to 40% by 2030 with German private customers. By integrating SIXT+ into the SIXT App, the company is creating an opportunity to benefit from this growth far more than average, and to reach customer groups that can also be introduced to additional services and offers from the Group. In order to take the desire for synchronisation of usage and pricing of modern mobility customers into account, Sixt supplemented the monthly cancellable subscription offer with further term options of 6 and 12 months at the end of December 2022. This means that customers who already have concretely plannable mobility needs can benefit from even less expensive offers. For Sixt, this will result in stable cashflows, as well as in potential savings through more efficient fleet utilisation and planning. Because of the short notice period Sixt thus sees the greatest growth opportunities for the SIXT+ product in the area of electric car subscriptions in particular, as it makes possible for customers to test electric mobility without long-term obligation.

***Source***

*Automobilwoche, Study: Market share of subscription model could reach 40% by 2030, 31 August 2020*

**SIXT ride**

Sixt expects the demand for driving and transfer services to increase dynamically in the medium and long term. Strong growth is expected especially in large cities and metropolitan areas. Sixt's strategy is to provide access to its platform ONE to additional mobility service providers in order to expand and upscale its mobility services globally. The platform ONE is designed to make the integration of additional partners as swift and uncomplicated as possible. This provides an opportunity to make new products available to customers and to achieve continually higher market penetration.

**SIXT truck**

Sixt considers the Vans & Trucks rental market to be another attractive growth area, particularly in the area of light and medium commercial vehicle rental. In times of low economic growth, rising interest rates, persistent vehicle supply bottlenecks and more difficult forecasting of how demand will develop, the rental market for Vans & Trucks holds enormous potential because companies with commercial vehicle fleets need more flexible, fast and efficient ways of procuring and using fleets, especially then. The company has experienced profitable growth in this market segment in previous years and established itself according to own assessment as one of the leading providers of Vans & Trucks in the German-speaking region in the weight category below 7.5 tonnes. A noticeable increase in demand for these vehicles is still expected, due to the penetration of profitable business customer segments and their continuous professionalisation of fleet management, for example. Sixt plans to improve the customer experience in terms of service and flexibility by consistently digitalising the fleet, adapting service processes and product specifications to specific customer requirements and connecting the product area to the mobility platform ONE. The best example of this is the newly developed SIXT Van & Truck Sharing, which was established in 2022 together with a globally active online mail order company. Since Sixt is currently still a niche player in this market segment in many European countries and the local markets are often highly fragmented, there are considerable growth opportunities. Sixt has set itself the goal of gaining further market share in Europe and significantly expanding the Vans & Trucks fleet in Europe – also across a wider range of vehicle types and specifications. In financial year 2022, for example, the acquisition of Dorset Vehicle Rentals and the Van & Truck division of GAP Group not only more than quadrupled the fleet size in the UK, but also added know-how and existing structures in the areas of vehicle upgrades and conversion as well as in-house repairs. In the medium term, Sixt intends to expand its network to more than 50 Truck Centres in Europe and to extend its Vans & Trucks business to the US. According to the company's estimates, the Vans & Trucks rental market has a significant market potential of over USD 33 billion and thus offers considerable medium and long-term growth opportunities.

**Special services for corporate customers**

Sixt already offers corporate customers solutions developed specifically to meet their requirements and tailored to their needs. Besides SIXT+ unlimited, this includes other individual mobility concepts such as SIXT+ flex. These products take the "pay-as-you-use" idea as well as the factors of cost control, flexibility, individuality, sustainability and digitalisation into account. Sixt is thus expanding its product portfolio to include an innovative and sustainable mobility solution. Several major customers have already been signed up for the product and Siemens is the first customer to use SIXT+ flex exclusively with electric and hybrid vehicles. Sixt assumes that the acceptance of products tailored to the needs of special target audiences will continue to increase. This will offer the opportunity to convince corporate customers of Sixt Group's services in the long term and thus to also arouse interest in the Group's other offers.

**Further SIXT TECH location**

The opening of its fourth development centre worldwide in Lisbon creates opportunities for further successful growth of the SIXT TECH division in a very attractive location. Portugal's innovative capital is one of Europe's leading cities in the technology sector and is characterised by the availability of highly qualified development talent, especially in the field of software development, with graduates from renowned universities (e.g. Técnico Lisboa). The opening and development of the development centre in Lisbon will lead to a further regional diversification of the TECH area. This is also important with regard to the current uncertainties in Ukraine. In addition, tech giants such as Google and Facebook are located in the immediate vicinity, especially in Lisbon, and more and more qualified, international workers are also flocking to Portugal, or to Lisbon, from Brazil, for example. Sixt is pursuing a strong growth and digitalisation plan by opening the new site in Lisbon and has set itself the goal of building up the new TECH location into a triple-digit number of employees in financial year 2023.

# B.7 \\ COMBINED NON-FINANCIAL GROUP DECLARATION PURSUANT TO SECTIONS 315B AND C IN CONJUNCTION WITH 289B TO E OF THE GERMAN COMMERCIAL CODE (HGB)

## 1. SUSTAINABILITY AT SIXT

Thinking and acting sustainably are important success factors for Sixt as a company. Doing business sustainably means doing business in a way that seeks to balance the interests of all stakeholders involved in and affected by the business process. In this way, Sixt assumes responsibility towards society and contributes toward ensuring that future generations can also live in an intact social, economic and ecological environment. Sixt's main contribution to this is the qualitative development and quantitative expansion of so-called Shared Mobility, i.e. the shared use of vehicles or vehicle fleets (see section 3.1). The Regine Sixt Children's Aid Foundation is the company's official Corporate Social Responsibility programme and underscores Sixt SE's social responsibility. (see section 3.6).

### 1.1 ENTREPRENEURIAL SELF-IMAGE

Sixt Group is a global provider of high-quality mobility solutions. Through its customised products and services, Sixt provides private and business customers with mobility tailored to their individual needs, with the idea of Shared Mobility at the heart of the product offering. Besides the rental of premium vehicles, the products and services also include car sharing offers, car subscriptions, chauffeur services and other integrated offers from third-party vendors via the mobility platform ONE.

Holistic mobility concepts, a high level of service and technological innovations combined with a premium fleet are important distinguishing features of Sixt in competing (please refer to the section entitled "Principles of the Group" in the Combined Management Report for a detailed description of the business model and company structure).

The fundamental principles of Sixt Group are the harmonisation of social mobility needs and the fulfilment of global sustainability goals. The commitment to limiting climate change is a priority. Priority is also given to reducing the greenhouse gas emissions, in particular the emission of carbon dioxide ($CO_2$).

### 1.2 PRINCIPLES OF REPORTING

The Combined Non-Financial Group Declaration of Sixt for financial year 2022 included in the Combined Management Report of Sixt has been prepared in accordance with the disclosures required by Sections 315b and c in conjunction with Sections 289b to e of the German Commercial Code (HGB) and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the EU Taxonomy Regulation). The Non-Financial Group Declaration contains the information required by the CSR Directive Implementation Act on material environmental, employee and social matters, respect for human rights and the fight against corruption and bribery. The reporting on other material fields of action and topics results from their materiality for Sixt Group.

Due to the broad range of sustainability measures at Sixt Group, the respective results are not reported in full, but rather only in selected form. In accordance with Section 315b (1) sentence 3 of the German Commercial Code (HGB), reference is also made to non-financial disclosures on individual aspects covered elsewhere in this report. The Combined Non-Financial Group Declaration also reports material risks in accordance with Section 289c (3) 3 and 4 HGB, insofar as the disclosures are necessary for an understanding of the course of business, the business results, the position of the Group and the company and the effects of their activities on non-financial matters.

In accordance with Section 289c (3) no. 5 HGB, there are no non-financial performance indicators that are of material importance to the business activities of Sixt Group. Sixt Group is currently managed primarily by means of financial key figures and performance indicators. Key performance indicators are listed in the section "Principles of the Group" in the Management Report. There is no direct connection between the figures reported in the Consolidated Financial Statements of Sixt SE pursuant to Section 289c (3) no. 6 HGB and the five non-financial aspects pursuant to Section 289c (2) 1 to 5 HGB.

Pursuant to Section 171 (1) sentence 4 of the German Stock Corporation Act (AktG), the Combined Non-Financial Group Declaration contained in this Combined Management Report was reviewed by the Supervisory Board for its legality, correctness and appropriateness. In accordance with Section 317 (2) sentence 4 of the German Commercial Code (HGB), it was submitted to the auditor, but not subjected to a substantive audit.

Sixt is committed to transparency towards its stakeholders and reports on all sustainability-relevant aspects of the business and the company's environment. Sixt bases its reporting on the criteria of the Global Reporting Initiative (GRI). The reporting scope covers all companies of Sixt Group, i.e. all companies listed in the "Consolidation" section of the Notes to the Consolidated Financial Statements.

## 2. BASIS FOR ACTING SUSTAINABLY

Sixt is a premium provider and one of the innovation leaders in the mobility industry. Its range of services is permanently enhanced by adding new products and services. Technologies that meet the increasing demands of customers for flexible, contemporary and sustainable mobility are of importance here. Sixt constantly develops its broad range of products and services further in line with demand and responds directly to emerging new trends. The company's range of services is discussed in more detail in the chapter entitled "Principles of the Group."

Sixt strives for responsible and sustainable value creation across the entire business spectrum. For example, Sixt's mobility platform ONE serves the (further) development of the sustainable customer-oriented business model related to the topics of Shared Mobility. This is because, in addition to Sixt's car sharing offer, this platform enables the integration of partner offers into the Sixt portfolio. Its customers can thus make use of services for example in the area of micro-mobility or driving services such as taxis and transfer services in an uncomplicated manner and at standardised conditions. These additional offers increase the attractiveness and sustainability performance of Sixt's own products.

The goal is to design a service that offers customers a sustainable, convincing and attractive mobility solution. The optimised mobility mix thus reduces greenhouse gas emissions (see section 3.2).

## 2.1 MATERIALITY

**Motivation and background**
The Combined Non-Financial Group Declaration is based on the principle of materiality in the selection and weighting of topics. Sixt regularly conducts a materiality analysis to determine the most important topics.

Three perspectives ("dimensions") are of relevance in assessing issues in terms of their importance for the company.

- Impact: How strongly does Sixt's (business) activity affect the environment and stakeholders with regard to the respective aspect?
- Business relevance: How significant is the effect of the respective aspect on the part of the market and/or the stakeholders on the development of Sixt's business?
- Stakeholder relevance: How significant is Sixt's behaviour in terms of the respective aspects for the formation of stakeholder expectations and decision-making towards Sixt?

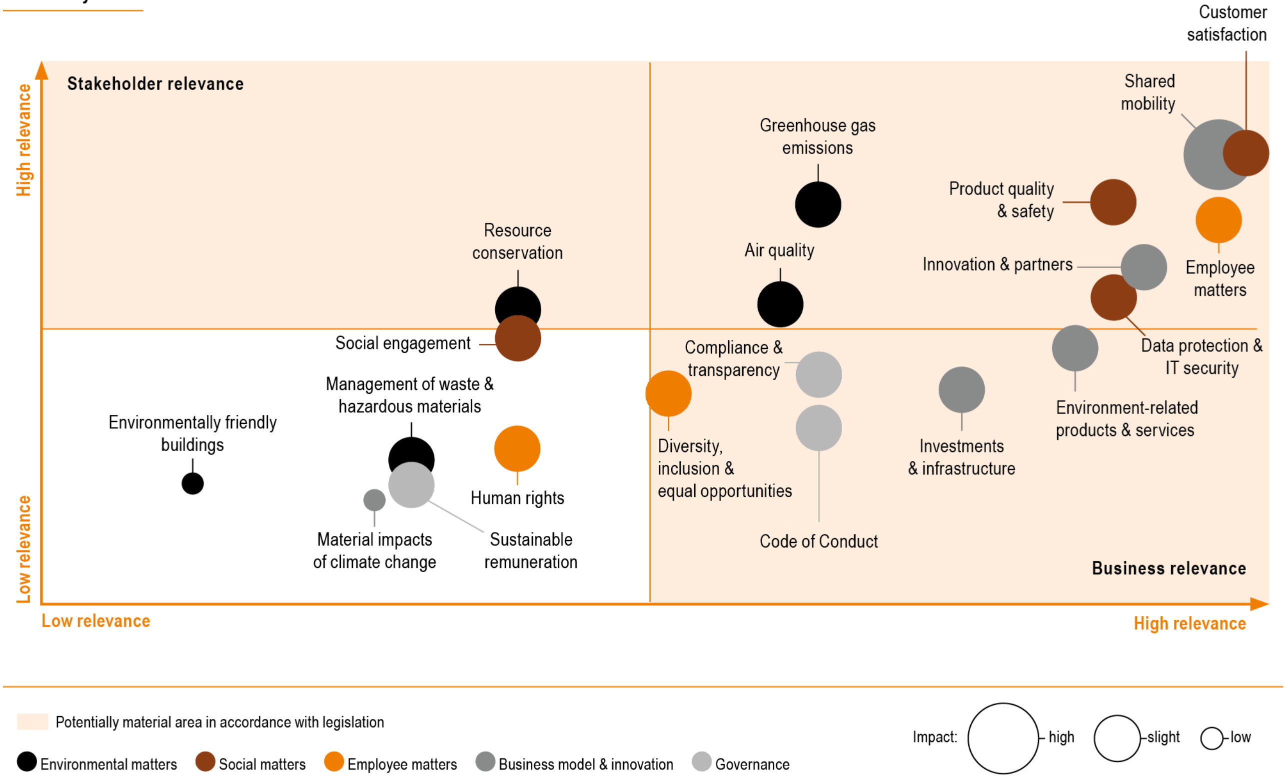
The answers to these questions provide information on the significance and thus the materiality of the individual aspects and topics relating to Sixt's business activities and actions from a sustainability perspective.

**Procedure**
In 2021, Sixt identified and prioritised the main topics of relevance to the company by holding structured workshops and by querying the specialist departments. The results of the analysis were translated into key areas for action and finally validated by the CFO as the Management Board member responsible for ESG. Internal contacts from different areas of the company and external contacts from five stakeholder groups (private customers, business customers, investors, automobile manufacturers and other suppliers) were selected for the materiality analysis. For the survey, 20 particularly relevant topics were pre-selected from a holistic list consisting of around 100 sustainability-related topics and presented to the contacts for discussion. The results of the discussion of the 14 most important topics were presented clearly in a materiality matrix.

Sixt adopted this matrix for 2022. Neither in the exchange with the stakeholders nor through the company's own market observations have there been any indications that a significant change in the materiality matrix would be necessary. Sixt plans to carry out a comprehensive analysis again in the second half of 2023.

## Results and implications of the materiality analysis for Sixt

**Materiality matrix**




**These top matters can be derived from the materiality matrix:**

- Customer satisfaction
- Shared mobility
- Employee matters
- Product quality & safety
- Greenhouse gas emissions
- Innovation & partners
- Data protection & IT security
- Air quality
- Environment-related products & services
- Resource conservation
- Investments & infrastructure
- Compliance & transparency
- Code of Conduct
- Diversity, inclusion & equal opportunities

These material fields of action are of particular importance for the business development and show what areas Sixt sees focal points in. The materiality analysis determined that the non-financial aspect of “respect for human rights” does not represent a material field of action for Sixt within the meaning of the CSR Directive Implementation Act due to the activity characteristics and business segments of the Group. Nevertheless, Sixt is expressly committed to respecting human rights. Further information on human rights compliance at Sixt Group can be found in the section “Corporate Governance and Compliance” in this Combined Non-Financial Group Declaration.

Overall, Sixt has identified seven main fields of action, which include all 14 prioritised topics from the materiality matrix: (1) Shared Mobility, (2) greenhouse gas emissions & air quality, (3) resource conservation, (4) customer satisfaction, (5) data protection and IT security, (6) employee concerns, (7) Corporate Governance, compliance and transparency. These fields of action were assigned to the five non-financial aspects of the CSR Directive Implementation Act.

## 2.2 STRATEGY AND MANAGEMENT APPROACH

As a leader in technology and innovation, Sixt has approved a comprehensive package of measures to get even more people excited about sustainable mobility. At the heart of the integrated and holistic sustainability programme are the electrification of the fleet, the establishment of its own charging infrastructure, the expansion of the mobility platform ONE into a single sign-on for hundreds of charging points, and even earlier climate neutrality as a company.

**1. Electrification: expansion of the e-fleet to 70%-90% in Europe**

By the end of 2023, the share of electrified powered vehicles (including plug-in hybrids and mild hybrids) in the global Sixt fleet is expected to be 12% to 15%. By 2030, 70% to 90% of the company’s vehicles in Europe will be electrified, all bookable via the SIXT App.

Sixt is thus becoming an enthusiasm accelerator for e-mobility. This is also shown by a study conducted together with the market research company TNS: Around 70% of the Sixt customers surveyed confirmed that using a rental car helps to lower their reservations about e-mobility (with regard to range, the charging infrastructure and charging times). Nearly two thirds consider the use of rental cars to be a good opportunity to get to know electric vehicles and for more than 55% the previous use of an electric rental car is important or very important for their decision to buy such a vehicle.

**2. Charging infrastructure: investments and partnerships**

As a further component of its sustainability programme, Sixt had already announced last year that it would invest EUR 50 million in its own charging infrastructure at its stations over the next few years. The company is thus creating the prerequisites for charging an increasingly large electric fleet after the vehicles are returned. With the help of partners, the company will also offer its customers nationwide access to the majority of all publicly available charging points, currently 400,000, in Sixt’s European corporate countries over the course of the coming year. This will be done via the new SIXT charge product, which will be integrated into the SIXT App.

**3. Mobility platform ONE: ecosystem for climate-friendly mobility**

Today, the SIXT App and the underlying mobility platform SIXT ONE are already the linchpin for the simple and flexible use of the company’s mobility offerings. With car and commercial vehicle rental, car sharing, driving services and car subscriptions, it combines several products with which mobility can be made as sustainable as possible. For example, a single shared vehicle can replace a large number of privately owned cars as a result of optimized utilisation and reduce the amount of parking space required. New, technologically modern vehicles, such as those in the Sixt rental fleet, also emit less $CO_2$ than comparable older vehicles. With the integration of SIXT charge into the ONE platform, the company is now also providing a strong additional incentive for the use of climate-friendly e-vehicles because, in addition to vehicle booking in one and the same ecosystem, the app will also allow users to find and use charging points.

**4. Climate neutrality: stations and locations $CO_2$-neutral already by 2023**

In addition to an extensively electrified fleet for its customers, the company also plans to reduce the $CO_2$ emissions generated in the operation of its own stations and locations as quickly and as far as possible – through the large-scale installation of its own photovoltaic systems, for example. What Sixt cannot save locally is offset by compensation projects. Only projects that meet the highest quality standards are supported. Sixt thus plans to make the operation of its stations and locations climate-neutral as early as the end of 2023.

In the coming years until presumably 2040, $CO_2$ neutrality is to be achieved in the procurement and use of the fleet (Scope 3 emissions in the sense of vehicle procurement and customer use of the vehicles). Achievement of the target is basically dependent on the availability of $CO_2$-neutral vehicles and sustainably generated energy.

The Group uses its organisational structures and governance processes to manage and promote responsible company behaviour – from strategy to implementation. In addition, Sixt has implemented management systems in accordance with the international standards for quality (DIN EN ISO 9001:2015) and environmental protection (DIN EN ISO 14001:2015). This is how Sixt systematically and consistently takes sustainability issues into account in all of its business activities and across all hierarchical levels.

Overall responsibility for sustainability management lies with the Management Board, which aligns business policy with the requirements of socially responsible business and defines the corresponding strategies and programmes. The Code of Conduct serves employees of Sixt Group as a guideline for acting sustainably during everyday business.

The CFO is responsible for the ESG transformation and the development of an ESG strategy. The Sixt ESG department supports the CFO in the management and coordination of the transformation, including sustainability reporting, and drives the operationalisation of the ESG strategy in divisions and corporate countries. An ESG Board serves as a (preparatory) decision-making body, with board participation by the CFO and COO in two meetings per year, including selective involvement of the ESG department, corporate countries and divisions.

The implementation and management of sustainability activities as well as the reporting of sustainability data is carried out in the various business units. The monitoring of targets and activities is carried out by the People Management department, the Operations department and the Governance, Risk Management & Controls (GRC) function and is constantly optimised. The Combined Non-Financial Group Declaration is prepared by the Finance department. Regular activities include, in particular, the tracking and monitoring of sustainability goals in the relevant departments as well as the preparation of relevant topics and analyses for the Management Board.

The Supervisory Board is responsible for monitoring the overall success of the ESG transformation and ensures its consistency with Sixt's overall strategy. The member of the Supervisory Board responsible for ESG topics is Dr. Julian zu Putlitz. The Management Board reports to the Supervisory Board on important issues, including sustainability, at least on a quarterly basis.

In order to also be able to objectively assess the development of sustainability activities, Sixt works together with rating agencies on sustainability performance. From the external feedback determined in this manner, Sixt derives targets and measures for further optimisation of this performance. Sixt's sustainability management is supported by the company's own guidelines, which extend beyond the legal requirements. A Code of Conduct that is valid for Sixt worldwide and provides the ethical framework for daily business activities is of overriding importance. This Code of Conduct has been supplemented by a separate Code of Conduct for suppliers and service providers since the end of 2022.

## 3. MATERIAL FIELDS OF ACTION

Sixt's sustainability management seeks to harmonise the Group's business activities with ecological, social and ethical aspects. It is operationalised through fields of action, goals and measures and integrated into the company processes. In addition, sustainability management builds on the requirements and interests of stakeholders. Customers, employees, suppliers and investors are of particular importance here. In addition to the overarching areas of "Sustainability at Sixt" and "Strategy and Management," the Group's sustainability management is divided into seven material fields of action that cover the results of the materiality analysis. These are described in more detail below.

| Non-financial aspect | HGB | Material fields of action | Section |
|---|---|---|---|
| Environmental matters | § 289c para. 2 no. 1 | **Shared Mobility** | 3.1 |
| | | - Environment-related products & services | |
| | | - Innovation & Partners | |
| | | - Investments & Infrastructure | |
| | | **Greenhouse gas emissions & air quality** | 3.2 |
| | | **Resource conservation** | 3.3 |
| Social matters | § 289c paragraph 2 number 3 | **Customer satisfaction** | 3.4 |
| | | - Product quality & safety | |
| | | **Data protection & IT security** | 3.5 |
| Employee matters | § 289c paragraph 2 number 2 | **Employee matters** | 3.7 |
| | | - Diversity, inclusion and equal opportunities | |
| Combating corruption and bribery | § 289c paragraph 2 number 5 | **Corporate Governance, Compliance & Transparency** | 3.8 |
| | | - Code of Conduct | |
| Respect for human rights | § 289c paragraph 2 number 4 | Formally not a material field of action for Sixt in terms of the CSR Directive Implementation Act | – |

## 3.1 SHARED MOBILITY

The future of climate-friendly and resource-saving mobility lies in Shared Mobility. Sixt understands this term to mean both the more shared use of means of transport and the optimised combination of means of transport for a certain route. Shared Mobility will become sufficiently attractive when the economic and ecological advantages on the one hand and largely preserved individual mobility on the other hand balance each other out.

In this scenario, Sixt understands Shared Mobility as the guiding idea of offering its customers the freedom to be flexibly mobile worldwide. Sixt is convinced that Shared Mobility concepts will become increasingly important in the future. The mobility platform ONE already enables the implementation of such concepts today through the flexible use of vehicles across a diversified product range.

### Environmentally friendly products and services

In 2022, Sixt's vehicle fleet comprised an average of around 138,400 vehicles. Of these, 11.2% were purely electrically powered vehicles (e-vehicles), plug-in hybrids and mild hybrids. In the previous year, the share was only 8.8%. This means that not only the number of electrified vehicles in use has increased significantly, but also the share of the total fleet. Sixt is thus continuing its strategy of acting as a trendsetter and always being able to fully serve a growing interest in environmentally friendly vehicles. In the densely populated Netherlands, the entire rental fleet for SIXT share has already been converted to e-vehicles.

| Fleet size | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Average number of vehicles from Sixt | 138,400 | 125,300 | 113,800 | 150,700 |
| Share of all-electric vehicles, plug-in hybrids and mild hybrids | 11.2% | 8.8% | 3.3% | 1.4% |
| Share of all-electric vehicles, plug-in hybrids and mild hybrids in Europe | 14.4% | 10.7% | 3.9% | 1.7% |

Sixt also gradually expanded its infrastructure for e-vehicles in 2022. The extent of this expansion is determined by the corresponding development of demand in the classic (short-term) rental business with a rental period of a few days. The focus of this expansion was on Germany and France. Sixt is thus anticipating the trend of increasing customer interest in emission-free driving. This means that as soon as an increased demand for e-vehicles becomes clear, Sixt will accompany this development with appropriate measures in the infrastructure.

The development of demand and the expansion of the electric infrastructure needs to be closely interlinked; otherwise there is a risk of misallocation of resources if the infrastructure is expanded at great expense and the corresponding demand fails to materialise. The attractiveness of e-vehicles is currently still limited, primarily due to limited charging options in the surrounding areas. At present, reliable statistical data is still lacking in order to make a reliable assessment of the circumstances under which customers will choose a vehicle with a purely electric drive. In this respect, all forecasts in this area – especially those covering several years – are subject to considerable uncertainty.

Sixt will continue to increase the share of low-emission and zero-emission vehicles as battery and charging technology continues to develop. However, this rate of increase depends to a considerable extent on technical progress and the corresponding change in customer preferences and wishes. If customer demand for this vehicle category increases, Sixt will react immediately by increasing the corresponding range of vehicles on offer. Against the backdrop of this market development, which is difficult to forecast, Sixt cannot currently set any concrete reduction targets because the achievement of these goals could only be influenced by Sixt to a limited extent. However, the company will implement various measures to steadily reduce the average standard consumption of the fleet. More concrete targets will be defined as soon as the economic and legal framework conditions are available.

By the end of 2023, the share of electrified vehicles (including plug-in and mild hybrids) in the global Sixt fleet is projected to be 12% to 15%. By 2030, 70% to 90% of the company's vehicles in Europe are to be electrified, all of which can be booked via the SIXT App.

**Innovation and partners**

Sixt invests in innovative business models and approaches to e-mobility and Shared Mobility. For example, Sixt holds a stake in Axilion (Israel), a developer of artificial intelligence for predicting traffic flows, since 2019. In addition, Sixt has partnered with the Intel Group subsidiary Mobileye to jointly provide an autonomous ride-hailing service in Munich. The self-driving cars can also be requested via the SIXT App in the future and expand Sixt's Shared Mobility offering.

**Investments and infrastructure**

In order to offer customers the highest level of service and to simplify the administrative processes surrounding the use of Sixt services as much as possible in the sense of Shared Mobility, a double-digit million-euro amount was invested in the further development of customer-oriented information technology (especially applications) in the reporting year 2022. Sixt invests in the digitalisation of business processes, i.e. wherever processes become more efficient, cost-effective and customer-friendly as a result of these investments and support business development.

## 3.2 GREENHOUSE GAS EMISSIONS & AIR QUALITY

As a provider of mobility solutions, Sixt is aware of its responsibility for climate protection and has set itself the goal of not only continuously reducing the average $CO_2$ emissions of its fleet, but also to reduce overall greenhouse gas emissions and the emission of other substances that impair air quality as much as possible. Sixt will achieve this through a combination of different measures, such as the continued use of new vehicles with the latest drive technologies such as electric and hybrid vehicles.

| **Emissions**<br>Objective | Activities | Performance indicator |
|---|---|---|
| Reduction of the average $CO_2$ emissions of the fleet<br>Reduction of average air pollutants<br>Expansion of the electrically powered fleet | Renewal of the vehicle fleet with a focus on vehicles with the lowest possible emissions | ▪ Emissions (direct and indirect)<br>▪ $CO_2$ emissions (Scope 1-3)<br>▪ Ø $CO_2$ emissions of the fleet |

All vehicles in the Sixt rental fleet are state-of-the-art in terms of resource efficiency, $CO_2$ emissions and safety systems. Passenger cars are usually kept in the fleet for about six months before they are replaced by the latest models available on the market. The number of vehicles with electric or hybrid drives and vehicle models with higher energy efficiency is also constantly increasing in the Sixt fleet. The average $CO_2$ emissions per vehicle internationally (measured in g $CO_2$/km) in Sixt Group increased in the reporting year 2022 from 150 g $CO_2$/km in 2021 to recently 162 g $CO_2$/km. The increase is particularly due to the expansion of the fleet in North America and in the Van & Truck segment. $CO_2$ emissions for passenger cars in Europe were 130 g $CO_2$/km.

| $CO_2$ emissions of all vehicles according to standard consumption in Sixt corporate countries | 2022 | 2021 | 2020 |
|---|---|---|---|
| Ø Greenhouse gas emissions of the Sixt vehicle fleet | 162 g $CO_2$/km | 150 g $CO_2$/km | 152 g $CO_2$/km |

As part of its active climate protection, Sixt has established the SIXTainability initiative. The aim of this initiative is to make the topic of sustainability more present in the company. The SIXTainability network assists employees in implementing various aspects of sustainability in the company. Project groups organise activities and discussion rounds that focus on ecological responsibility, resource conservation and management, and climate protection.

Sixt generates its own electricity in renewable energy plants and feeds this energy into the public electricity grid.

## 3.3 RESOURCE CONSERVATION

The protection of the environment and the responsible use of resources are a matter of course for Sixt. The Group keeps energy and water consumption in its sphere of influence as low as possible. With the help of its environmental management systems, which are certified in accordance with the international standard DIN EN ISO 14001:2015 at Group headquarters and other key locations, Sixt regularly monitors its resource consumption and strives to achieve continuous efficiency improvements.

Sixt pursues the goal of constantly improving its energy efficiency and reducing its energy consumption. In addition to the implementation and monitoring of concrete energy efficiency measures, energy audits and the sensitisation of employees are also part of the measures aimed at the resource-saving use of energy. Measures to increase energy efficiency are particularly easy to implement at Sixt's corporate headquarters, as the Group bears direct responsibility for the planning, construction and operation of the buildings, technical infrastructure and IT there. According to the energy audit in accordance with DIN EN 16247-1, which was carried out for the last time in financial year 2021 for calendar year 2020 and has to be renewed every four years, the consumption values for corporate headquarters are within normal parameters, and the heating requirement is below average.

Sixt SE's corporate headquarters has been connected to geothermal energy since 2018. This reduces gas consumption at the Pullach site by 95 kWh natural gas/$m^2$a. As part of further modernisation measures, energy efficiency was significantly improved, among other measures. One area of this is the increased use of LED lighting. According to the most recent energy audit, this can result in savings of 50% in the area of electricity for lighting. In addition, Sixt purchases electricity from renewable energy sources (green electricity) for all its sites in Germany where Sixt is responsible for purchasing. The properties at other locations are rented, therefore Sixt's influence on energy efficiency there is comparatively low. Nevertheless, the company pays attention to the use of sustainable technologies in the ongoing renewal, expansion and new establishment of locations. For example, almost exclusively energy-saving LED lighting is used when setting up Sixt stations.

| **Energy**<br>Objective | Activities | Performance indicator |
|---|---|---|
| Continuous improvement of energy efficiency | Implementation of measures and monitoring of energy efficiency measures<br>Implementation of energy audits<br>Raising awareness of energy-saving measures among employees | Total energy consumption |

Sixt SE's total energy consumption in Germany in 2020 was 19.1 gigawatt hours (GWh) according to the TÜV Süd energy audit. This is a significant improvement compared to 2016 (penultimate complete survey), when Sixt consumed 26.3 GWh of energy in Germany; this corresponds to an average annual improvement of 7.7%. The electricity for locations where Sixt can decide on the purchase was obtained entirely from renewable energy sources ("green electricity").

In addition to improving energy efficiency, Sixt has set itself the goal of continuously optimising its water consumption. This affects both administration and operations. Despite more employees returning to the office, the company headquarters achieved water consumption of around 3.0 m$^3$ per employee in 2022, which was well below the 7.9 m$^3$ per employee in 2019.

Sixt washes its vehicles at its own car washes at the airports in Frankfurt and Cologne, for example. By using water recovery systems, up to 85% of the wash water can be reused. The average amount of (fresh) water used for vehicle cleaning is about 150 litres per wash. By using water reclamation, the amount of fresh water used can be reduced to about 25 litres, and about 125 litres are recycled. Likewise, dry washing already saves up to 150 litres of water per vehicle cleaning at many Sixt locations.

| **Water consumption per employee at company headquarters**<br>in m$^3$ | **2022** | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| | 3.0 | 3.5 | 3.6 | 7.9 | 8.6 |

Sixt is also consistently converting the printing and dispatch of rental agreements and invoices to electronic document dispatch. For example, Sixt had already largely discontinued the printing and dispatch of paper rental agreements in Germany in financial year 2019.

Regular monitoring of resource consumption takes place with the ISO environmental management system DIN EN ISO 14001:2015.

## 3.4 CUSTOMER SATISFACTION

Sixt permanently analyses customer satisfaction. After each use of a product or service, customers are asked by e-mail to assess the service provided and to give a quantitative evaluation. The two questions "How satisfied were you with the rental?" and "Would you recommend Sixt?" are of great importance to the result?" Customers can rate their satisfaction on a scale from one (dissatisfied) to five (very satisfied). Supplementary and explanatory information is also possible. Sixt derives optimisation measures from this information, such as changing the staffing of work shifts to reduce waiting times for customers, or targeted training measures for employees.

The global customer satisfaction score for Sixt's car rental business, the Customer Excitement Score (CES), reached an average of 4.42 points on the one to five scale in 2022. The score was thus at the level before the pandemic.

| Customer satisfaction | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| Customer Excitement Score (CES) 1 = dissatisfied, 5 = very satisfied | 4.42 | 4.38 | 4.40 | 4.42 |

The highest satisfaction score of 4.56 points was achieved by Sixt in Italy and Spain. As the market returns to normal and customer demand for vehicles stabilises, satisfaction scores are rising again, reflecting Sixt's ambition to get as close to the highest score of 5.0 as possible.

#### Product quality and safety

The Sixt vehicle fleet is comprised of high-quality vehicles of all categories. Safety aspects play a very important role in the selection of manufacturers and models. During operations, the vehicles are permanently subjected to visual inspections and undergo scheduled maintenance. The vehicles are also checked for possible damage after each return. In addition, time-based, kilometre-based and ad-hoc recalls (e.g. recall by the manufacturer) ensure the safety and high quality of the vehicles. Sixt is not aware of any cases of health or safety impairments in which the company was accused of disregarding compliance with safety standards.

Depending on the vehicle type, the vehicles are equipped with modern assistance systems such as automatic distance and lane keeping functions, blind spot warning or a rear view camera. A personal handover usually takes place with trucks, during which the special dimensions of the vehicles are specifically pointed out. In addition to this, Sixt offers a range of protection services for all aspects of driving.

### 3.5 DATA PROTECTION & IT SECURITY

Networking and digitalisation play an important role in future mobility. The advantages are offset by increased risks for the protection of personal rights and data security. Minimising such risks and protecting those of customers and business partners and dealing with them responsibly is extremely important to Sixt. Sixt SE therefore has a comprehensive concept of IT security measures oriented to the relevant industry standards. As part of this, Sixt has established organisational and technical measures to comprehensively protect the operational security of its information technology (IT) systems, products and customer data. Sixt SE is aware of its responsibility for protecting its customers' and business partners' data. The company has therefore established organisational and technical measures to comprehensively protect the operational security of its information technology (IT) systems, products and customer data.

The information security organisation, consisting of an Information Security Officer (ISO), information security managers and security specialists in IT, is constantly working to improve protective measures, to ward off cyber-attacks, for example. The organisational measures implemented include company-wide information security policies, regular audits and security awareness training for employees. The technical measures implemented include regular so-called penetration tests (simulated attacks on IT systems to discover vulnerabilities), "bug bounty programmes" for external hackers (identification of security gaps) and the use of powerful security software in the working and development environment of the IT systems. Across industries, 2022 saw an increase in the number of cyber-attacks by third parties on companies' IT systems, with the goal of causing damage or spying on data to monetise it.

At the end of April, Sixt SE's IT security identified IT irregularities and immediately initiated countermeasures in accordance with pre-planned security protocols. This confirmed that Sixt SE had been exposed to a cyber-attack, which the IT specialists were able to successfully fend off through the rapid implementation of countermeasures. As a result of the security precautions taken by deliberately shutting down IT infrastructure, there were short-term disruptions in customer centres and branches; however, the systems essential to the rental business, such as websites and apps, could be operated without interruption. Sixt was in contact with the relevant authorities and fulfilled its reporting obligations in accordance with legal requirements.

With regard to data protection, Sixt takes the utmost care and fulfils its responsibility with regard to the protection of customer and business partner data without restrictions. In addition, employees received continuous activity-related training with regard to data protection regulations.

### 3.6 SOCIAL ENGAGEMENT

Regine Sixt Children's Aid Foundation has been supporting children's aid projects worldwide for more than twenty years with the goal of improving the living conditions of children and young people in the long term. Founded in 2000, the non-profit Regine Sixt Children's Aid e.V. was converted into a non-profit foundation in 2010. Since the Regine Sixt Children's Aid Foundation was founded, more than 300 projects in more than 60 countries have been supported in the areas of education, welfare, health and emergency aid.

In addition to the founder and CEO Regine Sixt, her two sons, the Co-CEOs of Sixt SE, Alexander Sixt and Konstantin Sixt, and Dr. Julian zu Putlitz and Dr. Andrew Mountstephens are actively involved in the organisation. Dr. Brigitte Mohn, Dr. Daniel Terberger and Prof. Dr. Peter Biberthaler support the foundation on the Foundation Advisory Board chaired by Prof. Dr. Marcus Englert.

In the past year, one focus of the foundation's work was on supporting Ukrainian children and their families. In addition to the transport of aid and refugees, as well as food donations, initial reception facilities were also equipped, play areas set up, school materials made available and various measures implemented to integrate Ukrainian children in Germany.

After Hurricane Ian devastated large areas of Florida, the Regine Sixt Children's Aid Foundation also provided immediate emergency aid here. Together with Sixt employees in the US, the respective families were provided with emergency supplies. In addition, further projects to rebuild facilities for children in the region are already being planned.

Relevant projects were also implemented in the areas of education, welfare and health. For example, the foundation supports the Kenyan village of Kinakoni together with Welthungerhilfe and the stern foundation. Together with the villagers and start-up companies from Nairobi, new solutions to combat hunger are being sought in Kinakoni. The Regine Sixt Children's Aid Foundation is financing the renovation of the dilapidated school and will accompany the project for several years.

In Bamenda, Cameroon, the Regine Sixt Children's Aid Foundation is also financing the construction of multifunctional shelters for children who have fled the conflicts in Cameroon and Chad.

The intensive support for projects in Israel is also being continued. For example, the purchase of new medical equipment for the St John Eye Hospital in Jerusalem and the conversion and equipment of the clinic for the treatment of special eye diseases in children were supported.

In implementing the projects, the Regine Sixt Children's Aid Foundation works closely with leading aid organisations such as Malteser Hilfsdienst, Johanniter Unfallhilfe, Habitat for Humanity, Jerusalem Foundation and many other organisations.

In addition to the usual project work, many local initiatives are pursued – also with the extensive support of Sixt employees worldwide. In addition to Easter and Christmas visits from children's wards in numerous hospitals and other institutions, the traditional children's festival was finally able to take place again this year. On this day, the Regine Sixt Children's Aid Foundation invites needy and sick children to the Oktoberfest in Munich.

Sixt Group also enables all Sixt employees to get involved in supporting children's aid projects one day a year during working hours as part of DRYING LITTLE TEARS Day.

The foundation is the official Corporate Social Responsibility (CSR) programme of Sixt SE worldwide.

### 3.7 EMPLOYEE MATTERS

Sixt places great importance on being an attractive employer for its employees. To achieve this, the company wants to offer the entire workforce the most pleasant working environment possible and strengthen cohesion to a great extent. Important components of this are the active involvement of employees in operational decisions, responsibility for the safety and health of employees and fair and opportunity-preserving cooperation.

| Employer attractiveness target | Activities | Performance indicator |
|---|---|---|
| Increase attractiveness of Sixt as an employer and employer of choice | Continuous further development of a global employer branding concept<br>Expansion and digitalisation of Feel Good Management | Satisfaction measure in surveying employees<br>Fluctuation rate<br>Number of areas with Feel Good Management support |
| Increasing the work-life balance of employees | Expansion of programmes to strengthen the work-life balance | Ratio of employees on a trust-based working time basis |
| Maintain a high level of employee satisfaction | Regularly conducting and evaluating employee satisfaction surveys and deriving potential need for action from the results of the survey | Satisfaction measure in surveying employees<br>Fluctuation rate |

**Employee surveys**

Sixt attaches great importance to living an open and transparent feedback culture and actively involving employees in operational decisions. For this reason, global surveys are conducted twice a year, in which employees can rate both the company and their managers and make suggestions for improvement. The results provide important impetus for the development of measures to increase employee satisfaction. This was of great importance, especially in 2022, in order to counteract the shortage of skilled workers through targeted employee retention measures. Details are discussed in the Human Resources Report.

Sixt employed an average of 7,509 people in the 2022 reporting year, compared to 6,399 in the previous period. Of these, 3,023 were employed in the Germany segment, 2,768 in the Europe segment and 1,308 in the North America segment.

In 2022, the survey was conducted in April and November. On average, 64% (2021: 68%) of employees took part in the survey. On a scale of one to four, employees can rate whether they would like to continue their employment at Sixt, whether they would recommend Sixt as an employer and how satisfied they are with their manager. Concrete measures are derived based on the feedback. The exact results and the measures derived from them are presented in more detail in the Human Resources Report.

Another important part of the feedback culture is the new process "Perform.Grow.Excite!" which replaced the original annual employee appraisals at the end of 2022. Details on this can also be found in the Human Resources Report.

**Health and safety**

The EHS (Employee Health and Security) team is an important part of the Human Resources department. It has the task of initiating all appropriate measures for the (health) protection of both employees and customers. In doing so, the committee not only implements the legal requirements, but also makes numerous recommendations on preventive and response measures.

Sixt practices a comprehensive occupational safety policy throughout the Group. A significant part of this is devoted to prevention: safety specialists, occupational physicians and internal occupational safety coordinators carry out regular site inspections. In the year under review, evacuation drills were also carried out at all locations in Germany in order to be prepared for emergencies. Due to the digitalisation of the documentation of work accidents and near-accidents that took place in 2022, there is now analysable data that makes it possible to identify common causes of accidents and – where possible – to remedy them. Sixt trains its employees on giving first aid and acting as fire protection assistants and safety officers beyond the number required by law in companies. In addition, there are e-learning courses on occupational safety and fire protection for the entire workforce.

Sixt offers a regular range of preventive check-ups and counselling as part of site visits and weekly online consultations; this also includes psychological counselling by trained staff who can be reached at any time via an emergency number.

In addition, a global health week was implemented for the first time in 2022, during which employees had the opportunity to learn about back health, nutrition and relaxation in various courses. In addition, various sports units such as yoga, Pilates and health checks took place.

Yoga classes that complement the digital sports offerings have been taking place twice a week at headquarters in Pullach since November 2022.

**Support for employees in Ukraine**
With the escalation of the crisis situation in the Ukraine at the beginning of the reporting year, the company's highest priority was to ensure the safety of the employees based there. By reacting early, the employees and their immediate families who wished to leave were brought out of the crisis areas in good time. A specially set up task force was available to the employees at all times to provide support with the relocation. Relatives were granted special leave to support their families.

**Employee promotion**
Sixt's success as a company depends to a decisive degree on the knowledge, skills and commitment of its employees. Sixt expects its employees to act on their own responsibility, to permanently improve Sixt's services and to meet the changing mobility needs of its customers. That is why the Group is committed to a culture that focuses on the people who work for Sixt. The company is committed to consistently awakening and promoting the talents of its employees, to adequately rewarding their commitment and to applying uniform principles to remuneration that exclude any form of discrimination.

For this reason, Sixt offers an extensive training programme. In the reporting year, this was expanded to include the digital systems SIXTgrow, LinkedIn Learning and Smartrecruiters, which give employees the opportunity to develop themselves independently and to learn about career opportunities inside the company.

The training and further education offered at Sixt is also of particular importance. In 2022, all employees (100%) participated in at least one training event. A total of 192,760 (2021: 66,729) hours of training were given, of which 112,988 (2021: 43,813) hours were in the context of e-learning programmes and 79,772 (2021: 22,916) hours in workshops. With an average number of 7,509 employees (2021: 6,399) in 2022, 25.7 (2021: 10.4) training hours were given per employee.

| **Employee promotion and development** | Activities | Performance indicator |
|---|---|---|
| Further development of the professional expertise of employees and managers | Demand-oriented, target audience-specific, digital and analogue learning formats | Number of training courses and number of participants |
| Further development of remuneration models | Regular evaluation and improvement of the employee participation programmes | ./. |

**Career and family**
Sixt shows great flexibility with regard to the compatibility of work and family. In 2022, 5.5% (2021: 5.4%) of female employees and 1.8% (2021: 2.0%) of male employees in Europe were on parental leave. In order to give parents the opportunity to give their children an insight into their work, a children's day was held in December 2022 at the headquarters in Germany, Italy, France, Austria and Switzerland as well as at the Sixt Service Centre in Rostock. Employees on parental leave were also invited to give them the opportunity to exchange ideas with their colleagues and to revive old contacts.

**Diversity, inclusion and equal opportunities**
Sixt attaches great importance to promoting employees regardless of gender, age, religion or origin. The best candidate for each position to be filled is hired. In the event of equal qualifications, attention is paid to increasing diversity, which Sixt sees as an important building block for success due to the more diverse experiences, expertise and more creative approaches. For the further development of diversity, Sixt has committed itself to the "Diversity Charter." This charter is a voluntary commitment published in 2006 by major German companies that advocates a prejudice-free working environment. In the meantime, many other companies have joined this initiative to show appreciation for and develop diversity within organisations.

An important instrument for promoting diversity and integrating individual strengths into work and business processes at Sixt is the company's internal diversity network DiverSIXTy, which is intended to support the development of a diverse company culture. Through specifically organised activities, training and panel discussions as well as by naming trustworthy contacts and through constant target audience support, Sixt consciously focuses on strengthening a respectful, appreciative and tolerant working environment.

In addition, a major focus was placed on the promotion of female talent in the company in the year under review. The "Female Career Tandem" mentoring programme, which was already established in Germany, was rolled out globally, creating an international women's network. In addition, a "Female Leadership Circle" was set up to promote exchange between employees at management level. In the year under review, Sixt made it possible to work remotely outside of the office, with up to 50% of the working time being able to be spent as "mobile work" in positions that technically allow this.

Relevant key figures and further information on the employee development programmes, the basic features of the remuneration system and the employee share ownership programme can be found in the chapters "Human Resources Report" and "Corporate Governance Declaration."

| Personnel structure at Sixt worldwide in 2022 | | |
|---|---|---|
| Gender ratio | Women: 43 % | Men: 57% |
| Age of managers | up to 30 years | 35% |
| | 31 to 50 years | 52% |
| | over 50 years | 13% |
| Average age | | 34.9 years |
| Number of nationalities of Sixt employees (excluding the US, where recording nationalities is restricted for legal reasons) | | 110 |

| Personnel structure at Sixt worldwide as at 31 December 2022 | Women | Men | Total |
|---|---|---|---|
| **by working time models[1]** | **3,258** | **4,454** | **7,712** |
| Full-time | 2,665 | 4,167 | 6,832 |
| Part-time | 593 | 287 | 880 |
| **by contract type[2]** | **3,412** | **4,487** | **7,899** |
| Permanent | 3,255 | 4,205 | 7,460 |
| Temporary | 157 | 282 | 439 |
| **by region (yearly average)** | **3,205** | **4,304** | **7,509** |
| Germany | 1,333 | 1,690 | 3,023 |
| Europe | 1,201 | 1,567 | 2,768 |
| North America | 595 | 713 | 1,308 |
| Other | 76 | 334 | 410 |

1 *Values refer to all employees with active employment status*
2 *Values refer to all employees with existing employment contract*

In 2019, Sixt comprehensively analysed the salary structure of all employees and determined as a result that there are no gender-dependent differences in remuneration between comparable positions. Since then, the salary payments have been compared annually with the reference values (internal guidelines, market and industry standards) for the respective hierarchical levels and job profiles. If there are significant downward deviations, Sixt closes these gaps.

Since 2019, all employees who are employed by Sixt in Germany have been offered a company pension scheme in the form of direct insurance, which can be used with flexible contribution amounts within tax- and social security-free limits for old-age provision and occupational disability insurance. All employees employed by Sixt in Germany are eligible, regardless of whether they are employed full-time or part-time, on a temporary or permanent basis.

| **Management structure at Sixt worldwide**[1] | | |
|---|---|---|
| Gender quota (C-1 and C-2) | Women: 29 % | Men: 71% |
| Age of managers | up to 30 years | 1% |
| | 31 to 50 years | 83% |
| | over 50 years | 16% |
| Average age | | 42.6 years |
| Number of women on the Supervisory Board | | 25% |
| Number of nationalities of Sixt executives | | 12 |

[1] *Information on the two management levels below the Management Board (C-Level)*

An audit in accordance with the German Remuneration Transparency Act (Entgelttransparenzgesetz) in 2019 did not reveal any gaps at Sixt outside the narrow tolerance range. Independently of this, Sixt carries out an annual comparison of position-related salary levels using reference figures derived from salary groups, job categories and market and industry standards. Any remuneration differences identified in the course of this analysis are then closed. Sixt employees are not covered by collective agreements.

Relevant key figures and further information on the employee development programmes, the basic features of the remuneration system and the employee share ownership programme can be found in the chapters “Human Resources Report” and “Corporate Governance Declaration.”

## 3.8 CORPORATE GOVERNANCE, COMPLIANCE & TRANSPARENCY

The success of Sixt Group is based not only on its strong business policies, but also on the economic integrity and trust that customers, suppliers, shareholders and business partners place in the Group. To win and retain this trust, it is a precondition that the Management Board and the employees comply with the high standards of legislation, ethics and social skills in every situation and constantly. The Code of Conduct of Sixt SE and its affiliated companies, which is mandatory for all employees, defines these behavioural principles for the acting individuals’ dealings in relation to third parties and within the company. The Management Board of Sixt SE defines its clear expectations of ethical and lawful conduct by all employees and business partners in this Code of Conduct and thereby establishes the so-called “Tone from the Top.”

This Code of Conduct is agreed upon with all employees when they first join the company as a binding element of the employment relationship and can also be accessed at any time via the Intranet as well as on the Sixt SE website at about.sixt.com under the heading “Responsibility.”

In addition to the general requirements and expectations for integrity and law-abiding compliance, the Code of Conduct also contains specific and more detailed information and specifications on individual areas of compliance. These refer in particular to anti-corruption regulations, the granting of advantages, donations and sponsoring, questions on anti-trust legislation, money laundering prevention, data protection as well as capital market law.

These generally applicable specifications are supplemented by specific implementation requirements, which come in the form of detailed individual instructions, as well as by independent compliance control loops (tax compliance and data protection, for example).

A Group-wide compliance organisation has been established to ensure that all ethical and legal requirements adopted by the Management Board are known and implemented within the Group. These comprise various individual functions and are based on the well-known Three-lines-of-defence-model: besides the operational departments that are primarily responsible for implementation, the Compliance Officer, the Legal, Tax and Internal Controls departments are responsible for the effectiveness of the compliance processes in a coordinating or advisory capacity. As an independent auditing instance, the Group’s Internal Audit body verifies the appropriateness and effectiveness of the compliance organisation as well as the implementation of and adherence to compliance requirements as part of its risk-oriented audits.

In addition to the standards and processes defined in this manner, special training seminars on specific topics are held on sensitive areas together with important partners. In selecting its business partners, Sixt pays close attention to whether its partners comply with the same standards as defined in Sixt's Code of Conduct and has developed a separate Code of Conduct for suppliers and service providers for this purpose.

To be made aware of potential compliance violations, Sixt provides different reporting channels. Information can be brought to the compliance organization via the supervisor, the internal Compliance Officer, the external ombudsman or a platform accessible to external stakeholders (whistleblower system on the Sixt SE website at about.sixt.com in the "Responsibility" section). Sixt has taken precautions to ensure that notifications to the Ombudsman can be made anonymously and that the anonymity of whistleblowers can be strictly preserved in order to reduce the fear of repression for the reporting persons and thus lower the reporting threshold. In the event of relevant notifications, the Ombudsman and the Compliance Officer discuss and decide on the measures to be taken. In addition, the Compliance Officer is in regular contact with the Management Board, reports to the respective departments on the current compliance situation or individual transactions and provides support on developing and implementing preventive measures.

Sixt reviews the functionality and appropriateness of the compliance organisation at regular intervals and, if necessary, implements the necessary changes or additions as quickly as possible, due to changing regulations, market conditions or new internal structures, for example.

Relevant business transactions are investigated regularly for possible suspicions of bribery and corruption.

All Sixt companies and business areas are audited regularly and based on the risks by the auditors as part of audits. All particularly sensitive functions are trained in relation to corruption risks. As part of the risk assessment, no significant risks were identified that go beyond the usual risks associated with B2B business.

| **Corporate Governance and Compliance**<br>Objective | Activities | Performance indicator |
|---|---|---|
| Sensitisation of employees to compliance issues | Regular review of the Code of Conduct<br>Integration of further compliance requirements into the Code of Conduct as required<br>Obligation of employees, franchise and agency partners to comply with the Code of Conduct, extended behavioural guidelines in particularly sensitive business areas | ▪ Certified environmental responsibility<br>▪ Compliance audits<br>▪ Compliance |
| Compliance organisation | Implementation of an internal governance structure according to the Three Lines of Defence model<br>Compliance audits by the internal audit department, among others | ▪ Supplier audit<br>▪ Supply chain transparency<br>▪ Anti-corruption measures<br>▪ Whistleblowing<br>▪ Stand-alone programme Whistleblower Protection<br>▪ Anti-corruption programme<br>▪ Communication Ombudsperson |

**Supply chain**

External service providers and suppliers also make an important contribution to Sixt's value creation. They are carefully selected according to commercial and ecological aspects as well as compliance with legal requirements and social standards. As an internationally active company, Sixt is fully committed to respecting human rights and corresponding legal regulations at home and abroad. The Group is committed to respecting and promoting human rights in accordance with the wording of the UN Global Compact and to reporting transparently on the results of its actions.

Furthermore, Sixt contractually obliges its franchise and agency partners to comply with high social standards and to act with integrity in accordance with ethical principles. In Germany, among other topics, compliance with the Minimum Wage Act and the application of collective agreements for temporary employment are selection criteria for employing temporary workers.

The most important purchasing item at Sixt is vehicles, which account for the vast majority of the goods and services purchased. With regard to these manufacturers, Sixt has analysed the possible risks from a sustainability perspective in the value chain. The respective information and statements are included in the selection of purchased products. Thus, Sixt decides not only based on the criteria of safety, price, quality and delivery reliability, but also takes the results of the risk analysis, in particular on human rights and labour rights, at the respective suppliers into account.

In 2022, Sixt sourced close to three-quarters of its vehicles from European (environmentally certified) manufacturers. These companies subject their upstream supply chain to extensive auditing and monitoring. This also includes preventive measures such as contractual obligations to comply with environmental and social standards, human rights as well as management systems for occupational health and safety and environmental protection. The basic prerequisite for awarding any contract is compliance with the specified sustainability requirements. These requirements are verified through various measures such as audits. The manufacturers sometimes also select their primary products under strict sustainability criteria – for example, when sourcing sustainable, certified natural rubber and rayon, a wood-based material used to reinforce tyres. The above-mentioned manufacturers have had their (production) sites certified according to the environmental management standard ISO 14001:15.

With regard to the purchase of other products and services, around 80% of suppliers were based in the European Union, another 7% in European non-EU countries and 11% in non-European industrialised countries in 2022.

Here, the risk of environmental protection, human rights and labour law violations on the part of suppliers is very low – with a limited scope of auditing at Sixt. Only 2% of Sixt's purchases came from non-European, non-industrialised countries; here, too, more frequent random checks did not reveal any suspected cases of the aforementioned violations.

In the year under review, Sixt developed suitable programs and took all necessary measures to fully comply with the Supply Chain Due Diligence Act (LkSG), which has been in force since January 1, 2023.

Sixt takes social and ecological concerns into account when monitoring the supply chain. The suppliers' handling of human rights and the environment is evaluated; Sixt makes selection decisions accordingly. A key tool for making supply chains more sustainable is Sixt's Code of Conduct for suppliers and service providers. The goal is to oblige all business partners to comply with it. Sixt expects that the obligations and standards from the Code of Conduct will also be passed on to the business partner's suppliers. By raising awareness and committing the contractual partners, specific rules are created to implement human rights and relevant environmental concerns throughout the supply chain. To this end, Sixt checks its suppliers on a risk-based basis and will make use of appropriate control mechanisms such as the right to information or on-site inspections. Depending on the risk identified, further measures are applied, such as agreeing special rights of termination, regular exchange with suppliers, agreeing special action plans or conducting individual training courses.

Sixt measures its entrepreneurial actions with regard to the protection of human and labour rights against central agreements such as the International Human Rights Charter, the UN Guiding Principles for Business and Human Rights, the ten principles of the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at work and its follow-up, the ILO core labour standards or the OECD guidelines for multinational companies.

**Codes of Conduct**

In order to ensure compliance with legal requirements as well as moral and ethical standards, the Management Board of Sixt SE has adopted a number of behavioural guidelines and standards. Since franchise and agency partners are perceived as representatives of Sixt, the company regularly sensitises employees as well as franchise and agency partners to the topic of compliance.

Against this backdrop, the Group-wide Code of Conduct plays an important role. Employees and key business partners (franchisees, agency partners) have undertaken to comply with this Code of Conduct. The Code of Conduct regulates behaviour internally and towards business partners and third parties, the principles of the working environment, the handling of conflicts of interest, assets and facilities of Sixt, the handling of intellectual property of third parties and the handling of confidential information as well as a clear commitment to human rights, environmental protection and social responsibility.

The Code of Conduct also describes various, also anonymous, reporting channels for whistleblowers with regard to violations of rules. These general rules are operationalised by specific instructions and further specified by extended behavioural instructions for particularly sensitive areas.

**Anti-corruption rules**
Sixt formulates clear expectations regarding the correct behaviour of its employees and ensures that business relationships are only maintained with those customers and business partners whose business activities are in accordance with legal regulations and whose financial resources are of legal origin. At the same time, Sixt obliges and trains its employees and business partners with regard to strict compliance with anti-corruption requirements. The same applies to ensuring behaviour with integrity with regard to competition agreements. Both the management and Sixt employees are trained regularly and sensitised with regard to these requirements.

**Governmental funding measures**
Programmes intended to mitigate the consequences of measures to combat the corona pandemic were used in financial year 2022. Government grants received in this context as part of the use of short-time work and similar instruments amounting to EUR 977 thousand (2021: EUR 9,963 thousand) were deducted directly from personnel expenses. Standard subsidy programmes (e.g. the BAFA bonus in Germany) were used for electrified vehicles and charging infrastructure.

## 4. EU TAXONOMY

### 4.1 BACKGROUND AND OBJECTIVES OF THE REGULATION

A key objective of the European Union's Sustainable Growth Financing Action Plan is to redirect capital flows towards sustainable investments and ensure market transparency. To achieve this goal, the Commission called for the creation of an EU classification system for sustainable economic activities (EU Taxonomy).

Regulation (EU) 2020/852 (hereinafter the Taxonomy Regulation, EU Taxonomy or Taxonomy) was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It aims to define which economic activities are to be considered environmentally sustainable. It is an important legal instrument to enable and expand sustainable investments and thus implement the European Green Deal. The Taxonomy Regulation classifies environmentally sustainable economic activities on the basis of technical assessment criteria set out in the Commission's delegated acts to this Regulation. The first delegated act establishing the technical assessment criteria for economic activities that make a significant contribution to climate change mitigation and adaptation was adopted on 4 June 2021.

As a company that is required to issue a Non-Financial (Group) Declaration pursuant to Section 289b (3) and Section 315b (3) of the German Commercial Code (HGB), Sixt must disclose information on how and to what extent its activities are linked to economic activities that are to be classified as environmentally sustainable economic activities under the EU Taxonomy in accordance with Article 8 (1) of the Taxonomy Regulation.

Article 8 (2) sets out the key performance indicators ("KPIs") in relation to revenues, capital expenditure ("CapEx") and operating expenditure ("OpEx") that Sixt must disclose. The disclosure requirements are specified in another delegated act.

After making use of the simplification option for reporting exclusively on taxonomy eligibility last year, Sixt is reporting for the first time in financial year 2022 the share of revenue from products or services in connection with Taxonomy-aligned activities and the share of capital expenditure (CapEx) and operating expenses (OpEx) from assets or processes related to Taxonomy-aligned activities.

### 4.2 TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

In the financial year, Sixt identified the following economic activities as Taxonomy-eligible and aligned within the meaning of the Taxonomy Regulation in connection with the first two environmental goals of climate protection and adaptation to climate change:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6 Freight transport services by road

Other economic activities related to individual investments were considered separately. An economic activity is Taxonomy-eligible if it is covered by the Delegated Acts. For the consideration of Taxonomy eligibility, it doesn't matter whether the economic activity fulfils all technical assessment criteria set out in the Delegated Acts.

### 4.3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

In order for an economic activity to be classified as ecologically sustainable or as "taxonomy-aligned," the activity must meet all the technical evaluation criteria in addition to the description. These evaluation criteria consist of the criteria for a significant contribution and the DNSH criteria ("do no significant harm"). Furthermore, the minimum protection criteria specified in the EU Taxonomy Regulation must be observed. Only the "climate protection" environmental target was identified as relevant. The further analyses presented below were therefore limited to Annex I of the delegated act relating to climate goals.

**Significant contribution**
In order to find out whether the economic activities identified as Taxonomy-eligible make a significant contribution, Sixt looked at the criteria within Annex I and analysed which vehicles met the listed criteria.

Certain emission limit values must be complied with as part of the fulfilment of the essential contribution. 11.2% of Sixt's vehicles comply with this limit.

**Do no significant harm**
In order to achieve Taxonomy alignment, economic activities must not only make a significant contribution to at least one of the environmental goals, but must also not significantly impair the other five environmental goals. Depending on the respective economic activity, there are criteria for the other five environmental goals that must be met. For the economic activities relevant to Sixt "6.5 Transport by motorbikes, passenger cars and light commercial vehicles" and "6.6 Freight transport services by road," there are criteria for the environmental goals "Adaptation to climate change," "Transition to a circular economy" and "Avoidance and reduction of environmental pollution."

The following checks were carried out in connection with the environmental goals:

A climate risk and vulnerability analysis in accordance with Appendix A of Annex I was carried out for the relevant regions for the environmental goal of "adapting to climate change." To assess the climate risks, the various climate scenarios (RCP scenarios) 2.6, 4.5 and 8.5 were analysed and evaluated with reference to the years 2030, 2050 and 2100. Taking adjustment solutions into account, Sixt is not left with any significant risk that could negatively affect the economic activities identified.

The recyclability and reusability of the vehicles were considered and analysed for the environmental goal "transition to a circular economy." Since Sixt does not manufacture the vehicles itself, there is no influence on reusability, recyclability and usability. The Taxonomy requires waste management measures to be consistent with the waste hierarchy. Since the average holding period is six months and most of the vehicles are resold or returned to the manufacturer, it can be assumed that this DNSH criterion will be met.

In order to meet the requirements of the environmental target "Avoidance and reduction of environmental pollution," analyses were carried out with regard to the emission limit values of the vehicles and a detailed analysis of the tyres. The tyre requirements described in Annex I could not be met. The vehicles are delivered to Sixt with tyres and the decision on the tyres for the vehicles lies with the respective supplier (OEM). Furthermore, the availability of tyres that meet both the strict requirements for external rolling noise and the criteria for the rolling resistance coefficient is currently still very limited. Since Sixt does not have any detailed information about the respective tyres on the vehicles, a random analysis of the rental fleet was carried out and the data collected was compared with the information from the European Product Database for Energy Consumption Labelling (EPREL). The analysis revealed that all the criteria for Taxonomy alignment were only met in individual cases. It remains to be seen how the availability of Taxonomy-aligned tyres will develop on the market and what influence Sixt will be able to exert on vehicle tyres in the future. Converting the tyres to this extent does not currently make ecological or economic sense.

**Compliance with minimum safeguards**
Compliance with the minimum safeguards (Article 18 of the Taxonomy Regulation) is another prerequisite for an economic activity to be able to be Taxonomy-aligned. In this context, companies must implement appropriate processes and procedures that avoid negative influences on or violations of the following four subject areas in particular: Human rights (incl. labour and consumer rights), taxation, corruption and bribery and (fair) competition. As part of the review at Group level, there were no indications of a violation or non-compliance.

To this end, Sixt has set up processes and procedures that ensure compliance with these requirements through an appropriate risk assessment and the definition of specific countermeasures. In addition to internal guidelines and systems and a corresponding supplier selection process, this also includes the commitment of our suppliers and relevant partners to recognised standards, the introduction of a complaint procedure and regular checks.

## 4.4 DETERMINATION OF THE TAXONOMY KEY FIGURES

The determination of the Taxonomy key figures and the reporting on Sixt's Taxonomy-eligible and -aligned economic activities takes place in accordance with the Delegated Act on the disclosure requirements. The ratios to be determined are the shares of Taxonomy-eligible and -aligned revenue, capital expenditure and operating expenditure.

Double counting is avoided when determining the revenue, investment and operating expenditure ratios by using accounting data. For data that could not be clearly assigned, suitable allocation keys were used to include them in the calculation.

## 4.5 SALES REVENUES

The revenue share referred to in Article 8 (2) (a) of Regulation (EU) 2020/852 is calculated as the part of net revenue in goods or services, including intangibles, linked to Taxonomy-eligible and -aligned economic activities (numerator) divided by net revenue (denominator) within the meaning of point 5 of Article 2 of Directive 2013/34/EU.

In order to determine the revenues that Sixt generates with Taxonomy-eligible and -aligned economic activities, we have analysed the consolidated revenues in an initial step to determine which of the economic activities covered by the Taxonomy are relevant for Sixt. These are the activities 6.5 and 6.6. and in each case the rental of vehicles. For the economic activities identified, the net sales revenues for financial year 2022 (numerator) were determined and set in relation to the sales revenues of Sixt reported in the income statement (denominator).

*See Income statement (revenue)*

## 4.6 CAPITAL EXPENDITURE

Capital expenditure (CapEx) within the meaning of the EU Taxonomy comprises additions to property, plant and equipment and intangible assets during the financial year under review before depreciation and revaluations, including those resulting from revaluations and impairments for the financial year in question and excluding changes in fair value. This also includes additions to property, plant and equipment and intangible assets resulting from business combinations. Capital expenditure includes costs incurred on the basis of IFRS Standards IAS 16 Property, Plant and Equipment, paragraph 73, subparagraph (e), item (i) and item (iii), IAS 38 Intangible Assets, paragraph 118, subparagraph (e), item (i), IAS 40 Investment Property, paragraph 79(d), items (i) and (ii) (for the cost model), and IFRS 16 Leases, paragraph 53, item (h).

Taxonomy-eligible and -aligned investment expenditure can relate to assets or processes associated with Taxonomy-eligible and -aligned economic activities, or be part of a plan to expand Taxonomy-eligible and -aligned economic activities or transform Taxonomy-eligible economic activities into Taxonomy-aligned economic activities, or relate to the purchase of products from Taxonomy-eligible and -aligned economic activities and individual measures that carry out the target activities in a low-carbon manner or reduce greenhouse gas emissions.

In order to determine Sixt's Taxonomy-eligible and -aligned capital expenditures, we have analysed the additions in the reporting year in a first step to determine what portion of them is related to the Taxonomy-eligible and -aligned economic activities 6.5 and 6.6. The major part of our rental fleet is reported under current assets (see 4.17 in the Notes to the Consolidated Financial Statements) due to the average holding period of less than one year under IFRS. Due to the direct economic connection with our Taxonomy-eligible revenue, the investments in the rental fleet were included in the analysis.

In the case of investments that cannot be clearly allocated (e.g. buildings), the Taxonomy-eligible and -aligned capital expenditure was determined using appropriate allocation keys based on cost centres.

*See Notes: Fixed assets movement schedule (additions) + additions of rental vehicles (4.15)*

In addition, capital expenditures from the purchase of products from Taxonomy-eligible economic activities and the implementation of individual measures to reduce greenhouse gas emissions were taken into account, in particular the installation of charging stations for electric and hybrid vehicles in buildings in connection with economic activity 7.4. The Taxonomy-eligible capital expenditures (numerator) determined in this manner were set in relation to the total capital expenditures (denominator) shown in the appendix. The Taxonomy alignment of these investments could not be analysed conclusively, as we did not have the relevant evidence from the manufacturer.

There were no capital expenditures that are part of a plan to expand Taxonomy-eligible economic activities or to convert Taxonomy-eligible economic activities into Taxonomy-aligned economic activities in the reporting year.

## 4.7 OPERATING EXPENSES

Operating Expenditure (OpEx) for the purposes of the EU Taxonomy includes direct, non-capitalised costs relating to research and development, building refurbishment, short-term leasing, maintenance and repair, and any other direct expenditure associated with the day-to-day maintenance of tangible fixed assets that is necessary to ensure their functionality. The Taxonomy-eligible and -aligned operating expenditure can relate to assets or processes associated with taxonomy-eligible and aligned economic activities, or be part of a plan to expand Taxonomy-eligible economic activities or to transform Taxonomy-eligible economic activities into Taxonomy-aligned economic activities, or relate to the purchase of products from taxonomy-eligible and -aligned economic activities and to individual measures that carry out the target activities in a low-carbon manner or reduce greenhouse gas emissions, as well as to individual building renovation measures.

In order to determine Sixt's Taxonomy-eligible and -aligned operating expenses, we first analysed the expenses in the reporting year to determine what share of them related to assets or processes associated with Taxonomy-eligible and -aligned economic activities 6.5 and 6.6 (numerator). These were mainly expenses for maintenance and repair as well as leasing expenses. For expenses that cannot be clearly allocated, the Taxonomy-eligible and -aligned operating expenses were determined on a cost centre basis using appropriate allocation keys. The Taxonomy-eligible and -aligned operating expenses thus determined were set in relation to the total operating expenses covered by the Taxonomy (denominator). The taxonomy does not provide for direct allocation to operating expenses in the Consolidated Financial Statements.

There were no operating expenses that are part of a plan to expand Taxonomy-aligned economic activities or to transform Taxonomy-eligible economic activities into taxonomy-aligned economic activities or that relate to the purchase of products from taxonomy-eligible and aligned economic activities and individual measures through which the target activities are carried out in a low-carbon manner or the emission of greenhouse gases is reduced in the reporting year.

## 4.8 REPORTING OF THE TAXONOMY INDICATORS

Share of revenue from goods or services associated with Taxonomy-aligned economic activities. Disclosure for the year 2022.

| Key figures for the EU Taxonomy: Turnover | Code | Absolute turnover | Proportion of turnover | Substantial contribution criteria: Climate change mitigation | Substantial contribution criteria: Climate change adaptation | DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation | DNSH criteria: Climate change adaptation | DNSH criteria: Water and marine resources | DNSH criteria: Circular economy | DNSH criteria: Pollution | DNSH criteria: Biodiversity and ecosystems | Minimum safeguards | Taxonomy-aligned proportion of turnover 2022 | Taxonomy-aligned proportion of turnover 2021 | Category "Enabling activities" | Category "Transitional activities" |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | EUR million | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | % | E | T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 2,755.0 | 90 | | | | | | | | | | | | | |
| Freight transport services by road | 6.6 | 216.7 | 7 | | | | | | | | | | | | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **2,971.7** | **97** | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **2,971.7** | **97** | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities (B)** | | **94.5** | **3** | | | | | | | | | | | | | |
| **Total (A + B)** | | **3,066.2** | **100** | | | | | | | | | | | | | |

## Share of capital expenditures (CapEx) from goods or services that are associated with Taxonomy-aligned economic activities. Disclosure for the year 2022.

| Key figures for the EU Taxonomy: Capital expenditure | | | | Substantial contribution criteria | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code | Absolute CapEx | Proportion of CapEx | Climate change mitigation | Climate change adaptation | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Bio-diversity and eco-systems | Minimum safe-guards | Taxonomy-aligned proportion of CapEx 2022 | Taxonomy-aligned proportion of CapEx 2021 | Category "Enabling activities" | Category "Transitional activities" |
| | | EUR million | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | % | E | T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 4,071.3 | 95 | | | | | | | | | | | | | |
| Freight transport services by road | 6.6 | 195.7 | 5 | | | | | | | | | | | | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **4,267.0** | **99** | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **4,267.0** | **99** | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligible activities (B)** | | **39.9** | **1** | | | | | | | | | | | | | |
| **Total (A + B)** | | **4,306.8** | **100** | | | | | | | | | | | | | |

*Due to the direct economic connection with the Taxonomy-eligible sales revenues, the investments in the rental fleet were included in the analysis*

Percentage of operating expenses (OpEx) from goods or services associated with Taxonomy-aligned economic activities. Disclosure for the year 2022.

| Key figures for the EU Taxonomy: Operating expenses | | | | Substantial contribution criteria | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code | Absolute OpEx | Proportion of OpEx | Climate change mitigation | Climate change adaptation | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Taxonomy-aligned proportion of OpEx 2022 | Taxonomy-aligned proportion of OpEx 2021 | Category "Enabling activities" | Category "Transitional activities" |
| | | Euro million | % | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | % | E | T |
| **A. Taxonomy-eligible activities** | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | 6.5 | 342.1 | 86 | | | | | | | | | | | | | |
| Freight transport services by road | 6.6 | 26.9 | 7 | | | | | | | | | | | | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)** | | **369.1** | **93** | | | | | | | | | | | | | |
| **Total (A.1 + A.2)** | | **369.1** | **93** | | | | | | | | | | | | | |
| **B. Taxonomy-non-eligible activities** | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligible activities (B)** | | **27.9** | **7** | | | | | | | | | | | | | |
| **Total (A + B)** | | **396.9** | **100** | | | | | | | | | | | | | |

# B.8 \\ DEPENDENT COMPANY REPORT

In accordance with section 17 of the AktG, Sixt SE is a dependent company of Erich Sixt Vermögensverwaltung GmbH, Pullach, as well as ES Asset Management and Services GmbH & Co. KG, Pullach. According to article 9 (1) lit. c) (ii) of the SE regulation, section 49 (1) SEAG in conjunction with section 312 of the AktG a report on the related party transactions in financial year 2022 is therefore prepared containing the following concluding declaration by the Management Board:

"There were no legal transactions or measures subject to disclosure requirements in the financial year."

# B.9 \\ CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH SECTIONS 289F AND 315D HGB

In accordance with the provisions of Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch – HGB), the company is obliged to include a Corporate Governance Declaration in its Management Report. Pursuant to Section 317 (2) 6 HGB, the audit of the disclosures made in accordance with Sections 289f and 315d HGB is limited by the auditor to whether the disclosures have been made. The Declaration can also be found on the website of Sixt SE at *ir.sixt.eu* under "Corporate Governance."

**Corporate Governance**

For Sixt SE, good and responsible corporate management and supervision (Corporate Governance) is an important way of ensuring and enhancing the confidence of customers, business partners and the capital market in the company. Responsible management that focuses on long-term value creation is therefore of great importance to the company. The basic hallmarks of good Corporate Governance are efficient and trusting collaboration between the Management Board and the Supervisory Board, upholding shareholders' interests and transparency in the company's communication, both externally and internally.

With the German Corporate Governance Code, the Government Commission on the German Corporate Governance Code makes recommendations regarding the corporate management of listed German companies. Apart from the exceptions listed in the Declaration of Conformity of December 2022, the Management Board and the Supervisory Board of Sixt SE affirm their commitment to these recommendations of the German Corporate Governance Code.

**Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG)**

The Management Board and Supervisory Board of Sixt SE declare:

The recommendations of the "German Corporate Governance Code" in the version of 28 April 2022 (hereinafter referred to as "the Code") announced by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 27 June 2022 has been and will be complied with, with the following exceptions:

- Recommendation C.10 with respect to the Chairman of the Supervisory Board: In C.7, the Code contains a list of criteria which are suitable for denying the independence of Supervisory Board members, but which do not necessarily exclude it. Two of these criteria apply to the Chairman of the Supervisory Board, Mr. Erich Sixt. The Supervisory Board is of the opinion that Mr. Erich Sixt will exercise the function as Chairman of the Supervisory Board in the best interests of Sixt SE, regardless of his previous position as member of the Management Board and his family relationships with two members of the Management Board.

- Recommendations G.1 and G.2.: The Supervisory Board believes that the determination of individual target total compensation in addition to a maximum compensation neither provide an additional incentive for the Management Board nor a further advantage for Sixt SE.

- Recommendation G.7: The Supervisory Board believes that a long-term determination of performance criteria for variable compensation components is more beneficial to sustainability than an annual determination for the upcoming financial year.
- Recommendation G.10: The contracts of the Management Board members do not stipulate that variable compensation amounts are to be invested predominantly in shares of the company or granted accordingly. The Supervisory Board believes that such a structure would not be more beneficial to the long-term promotion of the company's well-being and to ensuring the sustainable and long-term success of the company.

Pullach, 8 December 2022

| **The Management Board** | **The Supervisory Board** |
|---|---|

**Remuneration System / Remuneration Report**
The applicable remuneration system for the members of the Management Board pursuant to Section 87a (1) and (2) sentence 1 AktG, which was formed by the Annual General Meeting on 16 June 2021, as well as the resolution on the remuneration of the members of the Supervisory Board adopted by the Annual General Meeting on 25 May 2022, are publicly accessible on the website of Sixt SE at *ir.sixt.eu* under the header "Corporate Governance".

The Remuneration Report and the auditor's report pursuant to Section 162 AktG are made publicly available at the same Internet address.

**Relevant disclosures on Corporate Governance practices**

**Risk management and the control system**
The practices used for managing Sixt SE and Sixt Group fully comply with the statutory provisions. The Management Board of Sixt SE ensures that the Group's control instruments and management systems are continuously developed and that planning follows proven approaches.

In addition to comprehensive control systems and reporting, strategic and operational management is characterised by an effective internal governance structure. Besides adequate establishment and staffing of organ functions, this includes the risk management system, the internal control system, compliance management and internal audit.

The established risk management system serves the management as an integral part of Corporate Governance to identify and control risks in a responsible, timely and sustainable manner. Its functionality and scope are documented in the risk manual and it provides for comprehensive tools and measures to support and monitor the management in identifying, assessing and controlling risks, following up on countermeasures and implementing a sustainable risk strategy.

The definition of clear responsibilities, the provision of a technical platform and the defined reporting obligations ensure that the management of Sixt SE receives a comprehensive and up-to-date status on all risks of the Group. The risk management system takes into account all risks relevant to the Group, including operational risks and risk areas that could have a direct impact on the sustainability goals of Sixt Group or the implementation of the sustainability strategy. In addition to quarterly risk surveys, the Management Board is informed on an ad hoc as well as an ongoing basis by the company's functional units about market trends and relevant topics in order to be able to react to a change in risk exposure at an early stage. The Management Board and the Audit Committee of the Supervisory Board also receive a comprehensive risk report at least once a year, detailing significant risks and their mitigation measures.

The company department "Governance & Internal Controls" has been established to ensure the regularity of the accounting processes as well as all relevant business processes and compliance with all legal requirements, on the one hand, and the effectiveness and appropriateness of countermeasures, on the other hand. Based on the aforementioned comprehensive risk survey, this department maintains a risk-control matrix and ensures, through consultation, documentation and the performance of regular tests, that the most important controls and management measures are implemented in accordance with management decisions and remain appropriate. The controls recorded and tested in this way include both process-immanent operational controls such as approval procedures and dual control principles as well as organisational risk mitigation measures such as steering committees, planning committees or management meetings.

Both the Management Board and the Audit Committee of the Supervisory Board are informed about the results of the tests performed and thus the maturity of the internal control system at least twice a year, or on an ad hoc basis if necessary. In order to ensure the completeness of the controls and tests to be set up, a regular exchange also takes place between the specialist departments, in particular with the ESG, Tax, Legal and Compliance functions.

The structure of governance in the Sixt Group basically follows the proven Three-lines-of-defence model, i.e. the clear allocation and separation of responsibilities for the implementation, consultation, approval and monitoring of measures.

This also includes the establishment of an internal audit system and, if necessary, involving external experts. The internal audit department carries out risk-oriented plan audits, event-related individual audits as well as audits of management systems, the standard content of which also includes an audit of the risk management measures and the identification of possible control gaps. The results of these audits are communicated to the Management Board in audit reports and regular meetings and discussed by the Audit Committee.

The Management Board is not aware of any circumstances arising from its involvement with the internal control and risk management system or from reporting by the Governance & Internal Controls and internal audit functions that speak against the appropriateness and effectiveness of the internal control system and the risk management system.

**Compliance at Sixt Group**

The success of Sixt Group is based not only on its strong business policies, but also on the economic integrity and trust that customers, suppliers, shareholders and business partners place in the Group. To win and retain this trust, it is a precondition that the Management Board and the employees of the company comply with the high standards of legislation, ethics and social skills in every situation and constantly. The Code of Conduct of Sixt SE and its affiliated companies, which is mandatory for all employees, defines these behavioural principles for the acting individuals' dealings in relation to third parties and within the company. In this Code of Conduct, the Management Board of Sixt SE defines its clear expectations of ethical and lawful conduct by all employees and business partners and thereby establishes the so-called "Tone from the Top."

This Code of Conduct is agreed upon with all employees when they first join the company as a binding element of the employment relationship and can also be accessed at any time via the central Intranet as well as on the website of Sixt SE at *about.sixt.com* under the heading "Responsibility".

In addition to the general requirements and expectations for integrity and law-abiding compliance, the Code of Conduct also contains specific and more detailed information and specifications on individual areas of compliance. These refer in particular to anti-corruption regulations, granting of advantages, donations and sponsoring, questions on anti-trust legislation and money laundering prevention, data protection as well as capital market law.

These generally applicable specifications are supplemented by specific implementation requirements, which come in the form of detailed individual instructions, as well as by independent compliance control loops (tax compliance and data protection, for example).

A Group-wide compliance organisation has been established to ensure that all ethical and legal requirements adopted by the Management Board are known and implemented within the Group. These comprise various individual functions and are also based on the well-known Three-lines-of-defence-model: alongside the operational departments that are primarily responsible for implementation, the Compliance Officer, the Legal, Tax and Internal Controls departments are responsible for the effectiveness of the compliance processes in a coordinating or advisory capacity. As an independent auditing instance, the Group's internal audit body verifies the appropriateness and effectiveness of the compliance organisation as well as the implementation of and adherence to compliance requirements as part of its risk-oriented audits.

In addition to the standards and processes defined in this manner, special training seminars on specific topics are held for such sensitive areas. In selecting its business partners, Sixt pays close attention to whether its partners comply with the same standards as defined in Sixt's Code of Conduct and has developed a separate Code of Conduct for suppliers and service providers for this purpose.

To become aware of potential compliance violations, Sixt provides different reporting channels. Thus, information can be brought to the attention of the compliance organisation via the supervisor, the internal Compliance Officer, the external

Ombudsman or a platform accessible to external stakeholders (whistleblowing system on the Sixt SE website at *about.sixt.com* under the heading “Responsibility”). Sixt has taken precautions to ensure that notifications can be made anonymously and that the anonymity of whistleblowers can be strictly preserved in order to reduce the fear of repression for the reporting persons and thus lower the reporting threshold. In the event of relevant notifications, the Ombudsman and the Compliance Officer discuss and decide on the measures to be taken. In addition, the Compliance Officer is in regular contact with the Management Board, reports to the respective departments on the current compliance situation or individual transactions and provides support on developing and implementing preventive measures.

Sixt reviews the functionality and appropriateness of the compliance organisation at regular intervals and, if necessary, implements the necessary changes or additions as quickly as possible, due to changing regulations, market conditions or new internal structures, for example.

**Working practices of the Management Board and Supervisory Board**

As a European Stock Corporation (Societas Europaea), Sixt SE is governed by the German Stock Corporation Act, the specific European SE regulations and the German SE Implementation Act. One key principle of the Stock Corporation Act is the dualistic management system (Management Board and Supervisory Board), which is also established for Sixt SE. Sixt SE takes due account of this principle of separate management and supervisory bodies and has different personnel in the Management and Supervisory Boards of Sixt SE. Simultaneous membership in both bodies is not permitted. In accordance with Article 7 (1) and (2) of the company’s Articles of Association, the Management Board of Sixt SE consists of one or more members appointed by the Supervisory Board for a maximum period of up to five years. Reappointments are generally possible. The members of the Management Board are responsible for the basic strategic orientation, the day-to-day operational business and the monitoring of the risk management of Sixt SE and Sixt Group. Sixt SE acts as the strategic and financial holding company for the Group and performs central administrative functions for various Group companies. The Management Board of Sixt SE comprised the following members in financial year 2022: Mr. Alexander Sixt and Mr. Konstantin Sixt (Co-Chairmen), Mr. James Adams (since 1 October 2022), Prof. Dr. Kai Andrejewski, Mr. Nico Gabriel and Mr. Vinzenz Pflanz (since 1 October 2022). Further information on the members of the Management Board and their memberships to be disclosed in accordance with Section 285 (10) of the German Commercial Code (HGB) can be found in the Notes to the Consolidated Financial Statements of the 2022 Annual Report in the section “Supervisory Board and Management Board of Sixt SE.”

The members of the Management Board carry out the tasks assigned to them with clear departmental responsibility in accordance with the schedule of responsibilities and the rules of procedure adopted by the Supervisory Board.

The two Co-Chairmen of the Management Board are jointly responsible for the overall management and business policies of the company as well as in matters relating to the shareholders, the Annual General Meeting, the Supervisory Board and Management Board. In addition, the Co-Chairman of the Management Board, Mr. Alexander Sixt, is responsible for Group Strategy, Global Human Resources, IT (Soft- and Hardware), PR & Communication and the management of all Global Business Services. The Co-Chairman of the Management Board, Mr. Konstantin Sixt, is responsible for Brand & Digital Marketing, SIXT+, International Franchise Development & Business to Partners as well as Marketing – in addition to his joint responsibilities with Mr. Alexander Sixt. Mr. James Adams is responsible for Consumer Products and Price & Capacity Management. Chief Financial Officer Prof. Dr. Kai Andrejewski is responsible for Corporate Finance, Accounting, Group Controlling, Legal, Taxes, Internal Audit, Risk Management / Compliance, Financial Projects / M&A, Investor Relations and ESG issues (Environmental, Social and Governance). The member of the Management Board responsible for Operations, Mr. Nico Gabriel, is responsible for the operational business, including Group-wide compliance with all public and other legal requirements for operating and holding motor vehicles and ensuring the traffic and operational safety of Sixt Group’s rental vehicles. In addition, he is responsible for the areas of Global Customer Operations, Quality Management, Global Fleet Management, E-Mobility, Mobility Projects, Corporate Development, SIXT Van & Truck, SIXT share, Used Car Sales, International Franchise and SIXT ride. Vinzenz Pflanz is responsible for national and international sales as well as vehicle purchasing.

Management Board meetings, at which cross-portfolio issues are discussed, are held as and when necessary. The Management Board has not established any committees.

The Supervisory Board of Sixt SE has four members in accordance with Article 10 (1) of the Articles of Association. Three members are elected by the Annual General Meeting in accordance with legal provisions and the provisions of the Articles of Association. One further member is appointed by the shareholder Mr. Erich Sixt. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members (Article 12 (1) of the Articles of Association). In financial year 2022, the Supervisory Board was expanded by one member and Mrs. Anna Magdalena Kamenetzky-Wetzel was elected an additional member by the Annual General Meeting on 25 May 2022. The Supervisory Board of Sixt SE has thus consisted of four members since the registration of the amendment to the Articles of Association to expand the Supervisory Board on 2 June 2022. Further information on the members of the Supervisory Board and their memberships, which must be disclosed in accordance with Section 285 (10) of the German Commercial Code (HGB), can be found in the Notes to the Consolidated Financial Statements in the 2022 Annual Report section “Supervisory Board and Management Board of Sixt SE”.

The Supervisory Board’s main responsibilities include the appointment of Management Board members and monitoring of the Management Board. As a general rule, the Supervisory Board adopts its resolutions at meetings. If instructed by the Supervisory Board Chairman, resolutions by the Supervisory Board may also be adopted outside of meetings (or by way of a combined resolution) by casting votes verbally or by telephone, in writing (Section 126b German Civil Code (Bürgerliches Gesetzbuch)) and/or by using other means of telecommunication or electronic media (Article 14 (2) Articles of Association). Moreover, a resolution may also be validly adopted by aforementioned means without any instructions from the Chairman of the Supervisory Board if no member objects (Article 14 (3) Articles of Association). Resolutions of the Supervisory Board require a simple majority of the votes cast, unless otherwise mandatorily required by law (Article 14 (7) Articles of Association). The Report of the Supervisory Board in this Annual Report contains further details on the meetings and activities of the Supervisory Board in financial year 2022. The current Rules of Procedure of the Supervisory Board of Sixt SE are available on the company’s website at *ir.sixt.eu* under the header “Corporate Governance”.

The Management Board and Supervisory Board cooperate closely for the benefit of Sixt Group. The Management Board informs the Supervisory Board regularly, promptly and comprehensively on all matters that are relevant to the company and the Group regarding strategic planning, business development, the risk situation and risk management as well as the results of internal audits. To this end, the Management Board arranges for the company’s strategic orientation to be approved by the Supervisory Board and discusses its strategy implementation at regular intervals. Documents required to make decisions, in particular the Annual Financial Statements of Sixt SE, the Consolidated Financial Statements, the Management Report on the Group’s and the company’s situation, including the auditor’s reports, are forwarded to the members of the Supervisory Board in good time before the respective meeting.

**Committees of the Supervisory Board**

The Supervisory Board has established an Audit Committee and a Nomination Committee in financial year 2022. Their tasks, responsibilities and work processes comply with the requirements of the German Stock Corporation Act and the German Corporate Governance Code. A remuneration committee was also established at the beginning of the financial year 2023.

The Audit Committee deals in particular with the audit of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements and their quality and compliance, as well as the internal procedure for transactions with related parties (Section 111a (2) 2 AktG) and the approval of such transactions pursuant to Section 111b (1) AktG. The details of the working methods and responsibilities of the Audit Committee are defined in the Rules of Procedure for the Audit Committee, which the Supervisory Board has issued.

The members of the Audit Committee are Dr. Julian zu Putlitz (Chairman), Dr. Daniel Terberger and Mrs. Anna Magdalena Kamenetzky-Wetzel (since 13 September 2022). The members of the Audit Committee are, as a whole, familiar with the industry in which the company operates. At least one member of the audit committee must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing (Sections 100 (5) and 107 (4) 3 AktG). According to the Code, expertise in the field of accounting should consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and expertise in the field of auditing should consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit. The chairperson of the Audit Committee thus needs to be an expert in at least one of the two areas. The Chairman of the Audit Committee, Dr. Julian zu Putlitz, was the member of the Management Board of Sixt SE responsible for finance from 2009 until the end of 2018 and has been Chief

Financial Officer of the IFCO Group since 2019. Before joining Sixt SE, he worked for the management consultancy Roland Berger in the Restructuring & Corporate Finance division. In particular, during his many years as Chief Financial Officer of Sixt SE, Dr. zu Putlitz acquired the expertise in the field of auditing and accounting required by the Code.

Dr. zu Putlitz was also appointed the member of the Supervisory Board responsible for ESG issues in December 2021.

Mrs. Kamenetzky-Wetzel has a university degree with a focus on external accounting, controlling and finance. Due to her many years of experience in the financial sector, among other positions at Goldman Sachs in investment banking, as Managing Director of Ripplewood Holdings Japan International S.A. for restructuring issues, and as Co-Head of the external fund business at JAB Holding Company LLC, as well as her experience on the boards of listed companies, she also has the expertise in the field of auditing and accounting required by the Code.

Dr. Daniel Terberger studied business administration in St. Gallen and began his professional career at Deutsche Bank in Hong Kong and New York, among other places. He has been active in the textile and fashion industry for more than twenty years as Chairman of the Management Board of KATAG AG and was previously Chief Financial Officer there for several years. In his work, he has been dealing with sustainability in supply chains and the creation of the necessary transparency in the textile industry, among other topics, for several years. Thanks to his educational background and his professional work, Dr. Terberger also has expertise in the field of accounting and auditing.

The Nomination Committee is responsible for proposing qualified candidates to the Supervisory Board for the election of Supervisory Board members by the Annual General Meeting. In addition to the necessary skills and professional experience of the proposed candidates, the objectives specified by the Supervisory Board for its composition, the competence profile and the diversity concept are also to be taken into account.

The members of the Nomination Committee are Mr. Erich Sixt and Dr. Daniel Terberger.

The Remuneration Committee was established at the beginning of financial year 2023. It supports the Supervisory Board in the appropriate structuring of the Management Board remuneration and, in particular, prepares the remuneration system for the members of the Management Board and reviews the appropriateness of the total remuneration of the Management Board members. The members of the Remuneration Committee are: Mrs. Anna Magdalena Kamenetzky-Wetzel (Chairwoman), Dr. Julian zu Putlitz and Dr. Daniel Terberger.

**Target figures for equal participation of women and men in leadership positions**

The following target figures have been set for Sixt SE for the share of female members on the Supervisory Board and the Management Board as well the first two management levels below the Management Board.

The Supervisory Board last set the target figure for the share of women on the Supervisory Board at 25% and the target figure for the share of women on the Management Board of Sixt SE at 0% on 27 June 2022. The deadline for achieving the targets is 27 June 2027.

The reasons for setting the target figure at 0% for the Management Board at the time the target was set on 27 June 2022 were as follows:

Till the present day (27 June 2022) there are no women on the four-member Management Board of Sixt SE (current quota: 0%). Sixt SE has always been a family-run company. Since Mr. Erich Sixt stepped down as Chairman of the Management Board and joined the Supervisory Board in 2021, the company has been successfully managed at the top by his sons, Alexander and Konstantin Sixt, as Co-Chairmen of the Management Board. The terms of office of Mr. Alexander Sixt and Mr. Konstantin Sixt were extended when they assumed their new roles as Co-Chairmen of the Management Board and the two other members of the Management Board, Prof. Dr. Kai Andrejewski and Mr. Nico Gabriel, were appointed members of the Management Board for the first time. The term of office of all current Management Board members runs until 2024. In the opinion of the Supervisory Board, gender is an important element of the diversity concept for the staffing of all management levels as well as all other positions with the company. Nevertheless, the Supervisory Board has no intention of assigning priority decision-making relevance to gender for future appointments to the Management Board. The Supervisory Board would like to reserve the right to extend the terms of office of the current Board members. Therefore, in the interest of continuity in the management of the company and confidence in the current composition of the Management Board, it does not wish to bind itself in its personnel decisions in advance by setting a higher target figure or to create the impression of such a self-binding commitment over the next five years.

As at 31 December 2022, the target figures were met. The Supervisory Board consisted of four members, one of whom was a woman, which corresponds to a share of 25%. The Management Board was comprised of six members on 31 December 2022. As at 31 December 2022, the share of women on the Management Board was therefore 0%.

On 27 June 2022, the Management Board determined that the share of women serving at the first executive level below the Management Board should be 17% and at the second executive level below the Management Board 30%, both in accordance with an implementation period up until 27 June 2027. As at 31 December 2022, the share of women serving at the first executive level below the Management Board was 24% and at the second executive level below the Management Board 32%. Consequently, the targets for both levels were met. This takes due account of the German consolidated companies of Sixt SE.

**Diversity concept for the Management Board and long-term succession planning**

The Management Board in its entirety should have a wide range of professional expertise and views that are deemed to be of material significance for the activities of Sixt Group.

In the opinion of the Supervisory Board, a wide range of professional expertise and views among the members of the Management Board facilitates a good understanding of the organisational and business affairs of Sixt Group and enables the members of the Management Board to constructively question decisions and be open for innovative ideas.

The Supervisory Board is further of the opinion that mutually complementary professional profiles as well as different professional and educational backgrounds already follow from the duty to provide orderly business management. Furthermore, different track records and experiences among the members of the Management Board are crucial for analysing current challenges, problems and strategies from different viewpoints and then making the best possible decisions for the company.

In-depth experience in IT management and a profound understanding of digitalisation are indispensable for all topics the company covers, given the increasing digitalisation of business models and the high relevance of a modern IT structure, to lead the company successfully into the future.

The Supervisory Board considers management experience and intercultural skills for the successful leadership and motivation of global teams gained in an internationally active company, if possible, to be essential elements of modern management. In addition, the Management Board also needs to have in-depth knowledge of accounting, finance management and the capital markets.

The Supervisory Board has set an age limit for the members of the Management Board in accordance with the recommendation of the German Corporate Governance Code. Only persons who have not yet reached the age of 67 at the time of their first or repeated appointment to the Management Board may be appointed members of the Management Board. With regard to gender-specific aspects of the diversity concept, the Supervisory Board has defined the target figure outlined in the above paragraph.

The Supervisory Board takes the diversity aspects described above into account when appointing the Management Board.

The current composition of the Management Board complies with the aspects of the diversity concept. Further details on the careers and qualifications of the Management Board members can be obtained from the company's website at ***ir.sixt.eu***.

Together with the Management Board, the Supervisory Board takes care of the long-term succession plan for the Management Board. The Supervisory and Management Board are in regular communication regarding qualified internal and external successor candidates so as to ensure the continued further development of the company. In all these deliberations, the main focus is always on the company's interests, taking due account of all circumstances of the individual cases. The long-term succession planning takes into account, among other factors, the requirements of the German Stock Corporation Act and the Corporate Governance Code as well as the aspects of the diversity concept for the Management Board. Taking into consideration the specific qualification requirements, there is a regular exchange between the Supervisory Board, the Management Board and the management of Human Resources regarding potential internal and external candidates. Structured interviews are conducted with the candidates. Subsequently, a recommendation is submitted to the Supervisory Board.

**Objectives for the composition, competence profile and diversity concept of the Supervisory Board**

The Supervisory Board strives for a composition that ensures qualified supervision and advice to the Management Board of Sixt SE and takes the special needs of the company into account.

For the election of Supervisory Board members, candidates are proposed to the Annual General Meeting who, due to their professional expertise and experience, their integrity, their willingness to perform, their independence and their personality, contribute to the Supervisory Board fulfilling the defined competence profile in its entirety. The proposals to the Annual General Meeting also take the diversity concept and the objectives for the composition of the Supervisory Board into account.

**Competence profile and diversity concept**

The Supervisory Board has developed a competence profile for the entire Board. According to it, the members of the Supervisory Board as a whole must be familiar with the industries in which the company operates and cover the following professional competencies in their entirety:

- Work experience in at least one of the following industries: Car rental, mobility services, motor vehicle leasing, motor vehicle industry, motor vehicle trade or travel and tourism.
- Knowledge of IT and software development.
- At least one member must have expertise in the field of accounting and at least one other member must have expertise in the field of auditing. The expertise in the field of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit.
- At least one member should have expertise in sustainability issues relevant to the company. In the area of environmental concerns, these are in particular the reduction of greenhouse gas emissions and resource-saving business practices, and in the area of social concerns, diversity, inclusion and equal opportunities for employees as well as customer satisfaction.
- At least one member should have experience as a member of supervisory or administrative boards.
- Experience in personnel matters with regard to board matters.

The Supervisory Board strives to achieve an appropriate level of diversity in terms of personality and experience, professional expertise, age, gender and internationality. Overall, the members of the Supervisory Board should complement each other in terms of their professional profiles, professional and life experience in such a way that the Board can draw on a diverse pool of experience and different specialised knowledge.

The Supervisory Board will consider the following criteria in particular:

- At least 50% of the members have different educational and professional backgrounds.
- At least 50% of members have international experience due to their origin or activity.

The Supervisory Board has set a target figure for the share of women on the Supervisory Board and a deadline for its implementation to which reference is made.

**Further targets for composition**

Every member of the Supervisory Board must ensure that he or she has sufficient time to perform the Supervisory Board mandate and that he or she can perform the mandate with due regularity and diligence. When accepting further mandates, the statutory restrictions on mandates and the recommendations of the German Corporate Governance Code must be complied with.

The members must be personally reliable and have knowledge and experience required for the conscientious and independent performance of the duties of a member of the Supervisory Board.

No member of the Supervisory Board may have any executive or advisory functions with any significant competitor or any personal relationship with a significant competitor. The Supervisory Board may not include more than two former members of the Management Board.

At least three members must be independent of the company and its Management Board and independent of a controlling shareholder. The Supervisory Board uses the assessment criteria of the current German Corporate Governance Code in its assessment.

The Supervisory Board has also set a standard age limit for the members of the Supervisory Board. As a rule, i.e. subject to special reasons, only candidates who are not older than 72 years at the time of election may be proposed for election as members of the Supervisory Board for a full term of office.

According to recommendation C.6 of the German Corporate Governance Code, the Supervisory Board should include what it considers to be an appropriate number of independent members, taking the ownership structure into account. With Dr. Julian zu Putlitz, Dr. Daniel Terberger and Mrs. Anna Magdalena Kamenetzky-Wetzel, the Supervisory Board, which consists of four persons, includes what it considers to be an appropriate number of members, who are independent of the company and its Management Board and independent of a controlling shareholder, also taking the ownership structure of Sixt SE into account.

The Supervisory Board takes the aforementioned objectives into account regarding the composition, competence profile and diversity aspects when proposing the election or appointment of Supervisory Board members and, in each individual case, recognises the extent to which different, mutually complementary professional profiles as well as professional and life experience benefit the work of the Supervisory Board.

The current composition of the Supervisory Board complies with the composition objectives and fills out the competence profile and diversity concept.

The following overview presents the competence profile of the Supervisory Board as well as the independence of the Supervisory Board members.

| | Erich Sixt | Dr. Julian zu Putlitz | Dr. Daniel Terberger | Anna Magdalena Kamenetzky -Wetzel |
|---|---|---|---|---|
| Industry knowledge | ✓ | ✓ | | |
| Knowledge in IT and software development | ✓ | ✓ | | |
| Accounting expertise | | ✓ | ✓ | ✓ |
| Audit expertise | | ✓ | ✓ | ✓ |
| Sustainability matters | | ✓ | ✓ | ✓ |
| Experience as a member of supervisory and administrative boards | ✓ | ✓ | ✓ | ✓ |
| Experience in personnel matters with regards to board matters | ✓ | ✓ | ✓ | ✓ |
| Independence | | ✓ | ✓ | ✓ |

Further details on the careers and qualifications of the Supervisory Board members can be obtained from the company's website at *ir.sixt.eu.*

Moreover, the Supervisory Board subjects itself to a regular efficiency review. This review is aimed at monitoring the effective execution of the tasks assigned to the Supervisory Board, including a practicability assessment of the procedural rules of the Supervisory Board's by-laws, as well as the efficiency of the Supervisory Board's work. The last review took place in December 2022. For this purpose, a questionnaire was used in which the members of the Supervisory Board gave their assessment of the effectiveness of the working methods of the Supervisory Board and were invited to suggest possible improvements. The questionnaire contained questions on the following topics, among others: the preparation of Supervisory Board meetings, the conducting of Supervisory Board meetings, the reporting and information provided by the Management Board, risk management and accounting. The evaluation of the questionnaires also took into account changes from the last review in December 2021. The results of the evaluation of the questionnaires were discussed in the following regular meeting of the Supervisory Board and possibilities for improvement were discussed.

**Employee participation programmes (Matching Stock Programme, Stock Performance Programme)**

Details of the employee participation programmes are set out in the Notes to the Consolidated Financial Statements under "Share-based payment."

**Notification of managers' transactions**

In accordance with Article 19 of the Regulation (EU) no. 596/2014 of the European Parliament and the Council on market abuse (European Market Abuse Directive), members of the Management and Supervisory Boards of Sixt SE as well as persons closely associated with them are legally required to report their own transactions with shares or bonds of Sixt SE and their related financial derivatives or other related financial instruments to Sixt SE and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), as long as the aggregated total of the transactions conducted by the respective person reaches or exceeds the sum of EUR 20,000 within a calendar year. The transaction notifications received by Sixt SE are duly published and can be retrieved on the website of Sixt SE at *ir.sixt.eu* under the header "Corporate Governance – Managers' Transactions".

**Disclosures relating to the auditor**

On 25 May 2022, the Annual General Meeting adopted the proposal of the Supervisory Board to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as the auditor for Sixt SE and Sixt Group for financial year 2022 and as the auditor for any review of financial reports/financial information of Sixt SE for financial year 2022 and for financial year 2023 in the period up to the 2023 Annual General Meeting. Auditing companies from the Deloitte Group are auditing the majority of the companies included in the Consolidated Financial Statements that require such audits. Deloitte GmbH Wirtschaftsprüfungsgesellschaft has been the auditor of Sixt SE (formerly Sixt Aktiengesellschaft) since the 2005 Annual Financial Statements. The auditor Klaus Löffler has been the auditor responsible for conducting the audit since the 2019 Annual Financial Statements. Details on the auditor’s fees can be found in the Notes to the Consolidated Financial Statements in the 2022 Annual Report under Note 4.6 Other operating expenses.

# B.10 \\ ADDITIONAL INFORMATION FOR SIXT SE PURSUANT TO HGB

**Fundamentals and business performance**
Sixt SE (European Stock Corporation – Societas Europaea) is the parent company that acts as the holding company for the Sixt Group. The legal form “SE” of the holding reflects the Group’s strong international orientation. Sixt SE assumes the central administrative and management tasks and is responsible for the strategic and financial management of the Group. Sixt SE has registered branches in Leipzig and at Munich Airport.

In its function Sixt SE’s business performance, net assets, financial and earnings position as well as its risks and opportunities are essentially dependent on the development of Sixt Group’s consolidated companies.

Business performance of Sixt SE is characterised by the services provided to its subsidiaries; by the financing requirements and the proceeds distributed or transferred by Sixt Group’s subsidiaries. The Annual Financial Statements of Sixt SE are prepared pursuant to (German) commercial law and the legal stipulations on stock corporations and serve as the basis for the financial year’s allocation of the unappropriated profit to be approved by the Annual General Meeting.

**Net assets, financial and earnings position**
For its services rendered, Sixt SE receives remunerations of EUR 108.9 million (2021: EUR 95.5 million). The increase stems from the positive business development of the subsidiaries. Other operating income in the amount of EUR 351.5 million (2021: EUR 151.8 million) includes, among others income from forwarding cost and income from currency translation. Besides this, Sixt SE receives EUR 45.1 million (2021: EUR 41.4 million) from financing services and income from investments, and earnings transfers of EUR 190.9 million (2021: EUR 100.9 million). This is set off by personnel and operational expenses of EUR 520.8 million (2021: EUR 246.2 million) as well as interest and similar expenses of EUR 35.9 million (2021: EUR 30.6 million). There were loss transfers in the year under review in the amount of EUR 0.3 million (2021: EUR 0.0 million). The taxes on income are at EUR 27.6 million (2021: EUR 16.8 million). Net income for the period under review is EUR 110.7 million (2021: EUR 76.1 million).

Sixt SE’s significant assets consist of shareholdings in affiliated companies and investments of EUR 1,079.9 million (2021: EUR 875.2 million). In addition, Sixt SE has receivables from affiliated companies and investments of EUR 2,046.3 million (2021: EUR 1,752.4 million).

As in the year before, the share capital of Sixt SE amounts to EUR 120.2 million. The equity reported amounts to EUR 827.4 million (2021: EUR 890.7 million).

Significant financial liabilities are the outstanding bonds of EUR 550.0 million (2021: EUR 800.0 million), liabilities from borrower’s note loans in the amount of EUR 769.5 million (2021: EUR 718.5 million) and commercial papers of EUR 112.0 million (2021: EUR - million). Further to these, Sixt SE has liabilities to affiliated companies of EUR 337.7 million (2021: EUR 342.4 million). Overall, the financial year was successful and the previous year`s expectations of a stable result were exceeded.

**Risks, opportunities and outlook**

As far as its opportunities and risks are concerned, Sixt SE's development is essentially dependent on the performance of the operating companies within the Sixt Group. A negative development of these companies could have an impact on the recoverability of recognised investments in the companies and receivables from the companies. To this extent, the overall assessment in the report on risks and opportunities of the Sixt Group serves as reference. The economic development of Sixt SE is likewise significantly determined by the performance, financing requirements and earnings strength of the Sixt Group's companies. The earnings position of the subsidiaries is constantly monitored by regular investment controlling. Their earnings distributions are directly or indirectly determined by the resolutions of Sixt SE. In line with its expectations regarding the general interest rates and results of the operating subsidiaries, and with explicit reference to the uncertain overall geopolitical and economic situation, Sixt SE expects for the current financial year stable earnings before taxes.

**Investments**

As part of its financing function within the Sixt Group, Sixt SE will provide consolidated companies with loans and funds in the form of equity when required. Potential company start-ups or acquisitions could require investments to be made by Sixt SE.

Pullach, 27 March 2023

**Sixt SE**

**The Management Board**

| | | | | | |
|---|---|---|---|---|---|
| ALEXANDER SIXT | KONSTANTIN SIXT | JAMES ADAMS | PROF. DR. KAI ANDREJEWSKI | NICO GABRIEL | VINZENZ PFLANZ |

# ANNEX TO THE COMBINED MANAGEMENT REPORT: REPORT ON EQUAL OPPORTUNITIES AND EQUAL PAY (UNAUDITED)

As part of the Remuneration Transparency Act, Sixt regularly reviews position-related salary levels, taking into account salary groups, tasks as well as market and industry standards, in order to eliminate any remuneration differences that are identified. Sixt employees are always selected, hired and promoted on the basis of their qualifications and skills.

Various measures have been developed and introduced to ensure gender balance in recruitment and succession planning, calibration meetings for the promotion of staff and gender-neutral language in job advertisements, for example.

Among other steps taken, Sixt was able to increase the number of women in management positions. In 2021, the share of women in the first and second management levels below the Management Board totalled 28%. This compares to 24% at the beginning of the reporting period. In order to develop managers from within the Sixt ranks, high potential female employees who are identified during the personnel development interviews receive special support. For example, Sixt has placed an increased focus on the promotion of female managers through the company's established mentoring programme Female Career Tandem.

Furthermore, it is only a natural step for Sixt to have committed itself to the "Diversity Charter." A diverse culture is ensured through our diversity network DiverSIXTy by offering organised activities, training and discussions.

Relevant key figures and further information on the employee development programmes, the basic features of the remuneration system and the employee share ownership programme can be found in the chapters "Human Resources Report", "Corporate Governance Declaration" and the "Combined Non-Financial Group Declaration".

### Statistical information on the employees of Sixt SE

| Average number of employees | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Full-time** | | | |
| Women | 254 | 302 | 313 |
| Men | 489 | 527 | 545 |
| **Total full-time** | **743** | **829** | **858** |
| | | | |
| **Part-time** | | | |
| Women | 77 | 81 | 93 |
| Men | 16 | 14 | 27 |
| **Total part-time** | **93** | **95** | **120** |
| | | | |
| Women | 331 | 383 | 406 |
| Men | 505 | 541 | 572 |
| **Total** | **836** | **924** | **978** |

C

# CONSOLIDATED FINANCIAL STATEMENTS

# C \\ CONSOLIDATED FINANCIAL STATEMENTS

## C.1 \\ CONSOLIDATED STATEMENT OF INCOME AND STATEMENT OF COMPREHENSIVE INCOME

of Sixt SE, Pullach, for the financial year ended 31 December 2022

| **Consolidated Statement of Income** | | | | | |
|---|---|---|---|---|---|
| in EUR thousand | Notes | | **2022** | | 2021 |
| Revenue | \4.1\ | | 3,066,180 | | 2,282,448 |
| Other operating income | \4.2\ | | 309,277 | | 157,268 |
| Fleet expenses | \4.3\ | | 629,954 | | 506,496 |
| Personnel expenses | \4.4\ | | 567,733 | | 405,286 |
| a) Wages and salaries | | 485,799 | | 348,616 | |
| b) Social security contributions | | 81,934 | | 56,670 | |
| Depreciation and amortisation expense including impairments | \4.5\ | | 554,639 | | 370,039 |
| a) Depreciation of rental vehicles[1] | | 407,658 | | 241,721 | |
| b) Depreciation of property and equipment[1] | | 140,078 | | 122,890 | |
| c) Amortisation of intangible assets | | 6,903 | | 5,428 | |
| Other operating expenses | \4.6\ | | 1,034,346 | | 678,717 |
| **Earnings before interest and taxes (EBIT)** | | | **588,785** | | **479,178** |
| Financial result | \4.7\ | | -38,635 | | -37,009 |
| a) Interest income | | 1,416 | | 766 | |
| b) Interest expense | | 40,110 | | 37,849 | |
| c) Other net financial income | | 60 | | 75 | |
| **Earnings before taxes (EBT)** | | | **550,150** | | **442,169** |
| Income tax expense | \4.8\ | | 164,445 | | 129,019 |
| **Consolidated profit/loss** | | | **385,705** | | **313,150** |
| Of which attributable to minority interests | | | - | | 3 |
| **Of which attributable to shareholders of Sixt SE** | | | **385,705** | | **313,148** |
| | | | | | |
| Earnings per ordinary share – basic (in EUR)[2] | \4.9\ | | 8.21 | | 6.66 |
| Earnings per preference share – basic (in EUR)[2] | \4.9\ | | 8.23 | | 6.68 |

| **Consolidated Statement of Comprehensive Income** | | | |
|---|---|---|---|
| in EUR thousand | Notes | **2022** | 2021 |
| Consolidated profit/loss | | 385,705 | 313,150 |
| | | | |
| Other comprehensive income (not recognised in the income statement) | | 21,162 | 38,469 |
| Components that could be recognised in the income statement in the future | | | |
| Currency translation gains/losses | | 22,715 | 44,677 |
| Changes in the fair value of derivative financial instruments in hedge relationships | | -1,131 | 572 |
| Related deferred taxes | | 282 | -143 |
| | | | |
| Components that could not be recognised in the income statement in the future | | | |
| Remeasurement of defined benefit plans | \4.23\ | 617 | 479 |
| Related deferred taxes | | -144 | -62 |
| Remeasurement of equity investments | | -1,180 | -7,143 |
| Related deferred taxes | | 4 | 89 |
| | | | |
| **Total comprehensive income** | | **406,867** | **351,619** |
| | | | |
| Of which attributable to minority interests | | - | 3 |
| Of which attributable to shareholders of Sixt SE | | 406,867 | 351,617 |

1 *Since financial year 2022 depreciation of rental vehicles contains the depreciation of right of use assets for rental vehicles financed by lease contracts, that was reported under depreciation of property and equipment in the previous year. The prior year comparative figures have been adjusted accordingly.*

2 *The diluted earnings per share correspond to the basic earnings per share*

# C.2 \\ CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Sixt SE, Pullach, as at 31 December 2022

| Assets | | | |
|---|---|---|---|
| in EUR thousand | Notes | 31 Dec. 2022 | 31 Dec. 2021 |
| **Non-current assets** | | | |
| Goodwill | \4.10\ | 24,923 | 18,442 |
| Intangible assets | \4.11\ | 44,001 | 28,164 |
| Property and equipment[1] | \4.12\ | 633,349 | 541,033 |
| Investment property | \4.13\ | 6,656 | 6,779 |
| Financial assets | \4.14\ | 1,393 | 2,911 |
| Other receivables and assets | \4.18\ | 7,968 | 7,614 |
| Deferred tax assets | \4.8\ | 12,395 | 31,689 |
| **Total non-current assets** | | **730,685** | **636,632** |
| | | | |
| **Current assets** | | | |
| Rental vehicles[1] | \4.15\ | 3,833,393 | 2,856,632 |
| Inventories | \4.16\ | 50,039 | 27,056 |
| Trade receivables | \4.17\ | 535,852 | 514,778 |
| Other receivables and assets | \4.18\ | 349,531 | 185,960 |
| Income tax receivables | | 25,216 | 34,268 |
| Cash, cash equivalents and bank balances | \4.19\ | 26,569 | 265,835 |
| **Total current assets** | | **4,820,600** | **3,884,529** |
| | | | |
| **Total assets** | | **5,551,285** | **4,521,162** |

| Equity and liabilities | | | |
|---|---|---|---|
| in EUR thousand | Notes | 31 Dec. 2022 | 31 Dec. 2021 |
| **Equity** | | | |
| Subscribed capital | \4.20\ | 120,175 | 120,175 |
| Capital reserves | \4.21\ | 204,771 | 200,538 |
| Other reserves | \4.22\ | 1,654,463 | 1,425,473 |
| **Total equity** | | **1,979,408** | **1,746,186** |
| | | | |
| **Non-current liabilities and provisions** | | | |
| Provisions for pensions and other post-employment benefits | \4.23\ | 2,680 | 3,051 |
| Other provisions | \4.24\ | 19,188 | 16,748 |
| Financial liabilities | \4.25\ | 1,626,937 | 1,602,688 |
| Other liabilities | \4.26\ | 3,177 | - |
| Deferred tax liabilities | \4.8\ | 51,300 | 14,111 |
| **Total non-current liabilities and provisions** | | **1,703,283** | **1,636,598** |
| | | | |
| **Current liabilities and provisions** | | | |
| Other provisions | \4.24\ | 158,673 | 142,445 |
| Income tax liabilities | | 74,396 | 52,632 |
| Financial liabilities | \4.25\ | 878,194 | 398,661 |
| Trade payables | \4.27\ | 636,938 | 401,729 |
| Other liabilities | \4.26\ | 120,394 | 142,910 |
| **Total current liabilities and provisions** | | **1,868,594** | **1,138,377** |
| | | | |
| **Total equity and liabilities** | | **5,551,285** | **4,521,162** |

[1] *The right of use assets for rental vehicles financed by lease contracts that were previously included in position property and equipment are reported in the position rental vehicles since financial year 2022. The prior year comparative figures have been adjusted accordingly.*

# C.3 \\ CONSOLIDATED STATEMENT OF CASH FLOWS

of Sixt SE, Pullach, for the financial year ended 31 December 2022

| Consolidated Statement of Cash Flows | | | |
|---|---|---|---|
| in EUR thousand | Notes | **2022** | 2021 |
| **Operating activities** | | | |
| Consolidated profit/loss | | 385,705 | 313,150 |
| Income taxes recognised in the income statement | \4.8\ | 113,123 | 106,486 |
| Income taxes paid | | -82,488 | -90,565 |
| Financial result recognised in the income statement[1] | \4.7\ | 38,695 | 37,083 |
| Interest received | | 622 | 919 |
| Interest paid | | -34,943 | -34,572 |
| Dividends received | | 400 | - |
| Depreciation and amortisation expense including impairments[2] | \4.5\ | 546,659 | 370,039 |
| Income from disposal of fixed assets | | 1,584 | 2,534 |
| Other (non-)cash expenses and income | | 72,120 | 48,517 |
| **Gross cash flow** | | **1,041,478** | **753,592** |
| Depreciation and impairments on rental vehicles[3] | \4.5\ | -377,774 | -238,410 |
| **Gross cash flow before changes in working capital** | | **663,704** | **515,182** |
| Change in rental vehicles[3] | \4.15\ | -837,718 | -642,246 |
| Change in inventories | \4.16\ | -22,970 | 54,274 |
| Change in trade receivables | \4.17\ | -14,663 | 15,265 |
| Change in trade payables | \4.27\ | 233,797 | -21,084 |
| Change in other net assets | | -223,731 | 157,721 |
| **Net cash flows used in/from operating activities** | | **-201,582** | **79,112** |
| | | | |
| **Investing activities** | | | |
| Proceeds from the disposal of intangible assets, property and equipment | | 35 | 70 |
| Payments for investments in intangible assets, property and equipment | \4.11\ to \4.13\ | -64,764 | -35,023 |
| Payments for investments in financial assets | \4.14\ | - | -85 |
| Payments for acquisitions less acquired cash and cash equivalents | | -42,472 | - |
| Payments for investments in short-term deposits | | -24 | -50,024 |
| Payments from short-term deposits | | 50,024 | - |
| **Net cash flows used in investing activities** | | **-57,201** | **-85,062** |
| | | | |
| **Financing activities** | | | |
| Dividends paid | | -174,022 | -829 |
| Payments made for the purchase of minority interests | | - | -160 |
| Payments received from borrower's note loans taken out, bonds and bank loans | \4.25\ | 120,000 | 315,000 |
| Payments made for redemption of borrower's note loans, bonds, bank loans and lease liabilities | \4.25\ | -478,447 | -833,300 |
| Payments made for redemption of/payments received from short-term financial liabilities taken out[4] | \4.25\ | 550,018 | 29,990 |
| **Net cash flows from/used in financing activities** | | **17,550** | **-489,299** |
| | | | |
| **Net change in cash and cash equivalents** | | **-241,233** | **-495,249** |
| Effect of exchange rate changes on cash and cash equivalents | | 1,967 | 7,721 |
| Changes in the scope of consolidation | | - | 40 |
| **Cash and cash equivalents on 1 Jan.** | | **265,835** | **753,322** |
| **Cash and cash equivalents on 31 Dec.** | \4.19\ | **26,569** | **265,835** |

1 *Excluding income from investments*
2 *Including impairment reversals in amount of EUR 7,980 thousand (2021: EUR -)*
3 *Disclosure on rental vehicles does not contain right of use assets for rental vehicles financed by lease contracts*
4 *Short-term borrowings with terms of up to three months and quick turnover*

# C.4 \\ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Sixt SE, Pullach, as at 31 December 2022

| Consolidated Statement of Changes in Equity<br>in EUR thousand | Subscribed capital | Capital reserves | Other reserves: Retained earnings | Other reserves: Currency translation reserve | Other reserves: Other equity | Equity attributable to shareholders of Sixt SE | Minority interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **1 Jan. 2022** | **120,175** | **200,538** | **225,633** | **20,869** | **1,178,971** | **1,746,186** | **-** | **1,746,186** |
| Consolidated profit/loss | - | - | - | - | 385,705 | 385,705 | - | 385,705 |
| Dividend payments in 2021 | - | - | - | - | -174,022 | -174,022 | - | -174,022 |
| Other comprehensive income | - | - | - | 22,715 | -1,553 | 21,162 | - | 21,162 |
| Increase due to the employee participation programme | - | 377 | - | - | - | 377 | - | 377 |
| Transfer from retained earnings | - | - | -18,726 | - | 18,726 | - | - | - |
| Transfer to the capital reserves | - | 3,855 | - | - | -3,855 | - | - | - |
| **31 Dec. 2022** | **120,175** | **204,771** | **206,907** | **43,584** | **1,403,971** | **1,979,408** | **-** | **1,979,408** |
| | | | | | | | | |
| **1 Jan. 2021** | **120,175** | **197,280** | **212,439** | **-23,808** | **888,622** | **1,394,709** | **-** | **1,394,709** |
| Consolidated profit/loss | - | - | - | - | 313,148 | 313,148 | 3 | 313,150 |
| Dividend payments in 2020 | - | - | - | - | -829 | -829 | - | -829 |
| Other comprehensive income | - | - | - | 44,677 | -6,208 | 38,469 | - | 38,469 |
| Increase due to the employee participation programme | - | 809 | - | - | - | 809 | - | 809 |
| Changes in the scope of consolidation | - | - | -248 | - | 248 | - | - | - |
| Purchase of minority interests | - | - | -120 | - | - | -120 | -40 | -160 |
| Transfer to retained earnings | - | - | 13,562 | - | -13,562 | - | - | - |
| Transfer to the capital reserves | - | 2,449 | - | - | -2,449 | - | - | - |
| Other changes | - | - | - | - | - | - | 38 | 38 |
| **31 Dec. 2021** | **120,175** | **200,538** | **225,633** | **20,869** | **1,178,971** | **1,746,186** | **-** | **1,746,186** |

*See also the Notes \4.20\ to \4.22*

# C.5 \\ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Sixt SE, Pullach, for the financial year ended 31 December 2022

## 1. GENERAL DISCLOSURES

### 1.1 INFORMATION ABOUT THE COMPANY

Sixt SE, domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court, under docket number 206738. The company was formed in 1986 as a result of a reorganisation of "Sixt Autovermietung GmbH", established in 1979, and has done business since then as "Sixt Aktiengesellschaft", which in 2013 was converted into "Sixt SE". The company floated on the stock market in 1986. It has registered branches in Leipzig and at Munich Airport. The company has been established for an indefinite period.

In accordance with its Articles of Association, the purpose of the company is to rent, lease and sell vehicles, aircraft and moveable equipment, to manage, acquire, administer and provide support for companies and equity interests in companies, particularly those whose purpose wholly or partly extends to the aforementioned areas of activity, and to carry out any secondary activities that fall within these areas in the widest sense, as well as any other business activities that serve its purpose. The company may establish branches at home and abroad, found, acquire or hold equity interest stakes in other companies in and outside Germany. The limits of the aforementioned purpose shall not apply to the purpose of subsidiaries and investees. The company is entitled to hand over its operations wholly or partly to subsidiaries or investees as well as to transfer its operations wholly or partly to subsidiaries or investees. The company may limit its activities to one purpose or specific purposes of the aforementioned objects, and also to the activity of a holding company and/or the administration of other own assets.

On the reporting date, the company's subscribed capital amounted to EUR 120,174,996.48. Both ordinary shares and non-voting preference shares have been issued, both categories as no-par value shares with a notional value of EUR 2.56 per share. All shares have been fully paid up. The largest shareholder is Erich Sixt Vermögensverwaltung GmbH, Pullach, which holds 58.3% of the ordinary shares and voting rights of the subscribed capital on the reporting date. Erich Sixt Vermögensverwaltung GmbH, Pullach, is the parent of Sixt SE, Pullach. In accordance with Section 17 of the German Stock Corporation Act (AktG), Sixt SE is a dependent company of Erich Sixt Vermögensverwaltung GmbH, Pullach, as well as ES Asset Management and Services GmbH & Co. KG, Pullach.

### 1.2 GENERAL DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of Sixt SE as at 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and the applicable commercial law regulations according to Section 315e (1) of the German Commercial Code (HGB).

The Consolidated Financial Statements were prepared on the basis of the historical acquisition and production costs. Certain financial instruments that were measured at fair value as at the reporting date are excluded. The appropriate explanations are given in the sections entitled "Reporting and valuation methods" and "Additional disclosures on financial instruments".

The company applied the following new and/or amended standards for the first time in the current financial year:

**Amendments to IFRS 3 – Business combinations – Reference to the conceptual framework**

The amendments to IFRS 3 specify, that the standard refers to the 2018 conceptual framework instead of the 1989 framework. IFRS 3 is amended by the requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies these standards instead of the conceptual framework to identify the liabilities it has assumed in a business combination. Furthermore, the standard is amended by an explicit statement that contingent assets acquired in a business combination cannot be recognised. This had no material impact on the Consolidated Financial Statements.

**Amendments to IAS 37 – Onerous contracts – Cost of fulfilling a contract**

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. This had no material impact on the Consolidated Financial Statements.

The annual improvement project to the IFRS – Cycle 2018 to 2020 – resulted in amendments to various standards. These relate to IFRS 1, IFRS 9, IFRS 16 and IAS 41. The application of these amendments does not have a significant influence on reporting and valuation in the consolidated financial statements.

No other new and/or amended standards/interpretations are of relevance for the Consolidated Financial Statements of Sixt SE.

**New standards and interpretations**

The following new and/or amended standards have been ratified by the IASB but are not yet mandatory. The company has not applied these regulations early.

| Standard/Interpretation | | Adoption by European Commission | Applicable as at |
|---|---|---|---|
| IFRS 17 | Insurance contracts | 19 Nov. 2021 | 1 Jan. 2023 |
| Amendments to IAS 1 | Classification of liabilities as current or non-current, Non-current liabilities with covenants | No | 1 Jan. 2024 |
| Amendments to IAS 1 | Disclosure of accounting policies | 2 Mar. 2022 | 1 Jan. 2023 |
| Amendments to IAS 8 | Definition of accounting estimates | 2 Mar. 2022 | 1 Jan. 2023 |
| Amendments to IAS 12 | Deferred tax related to assets and liabilities arising from a single transaction | 11 Aug. 2022 | 1 Jan. 2023 |
| Amendments to IFRS 16 | Lease liability in a sale and leaseback | No | 1 Jan. 2024 |
| Amendments to IFRS 17 | Initial application of IFRS 17 and IFRS 9 – Comparative information | 8 Sep. 2022 | 1 Jan. 2023 |

**IFRS 17 – Insurance contracts**

The standard IFRS 17 (Insurance contracts) and the amendments to IFRS 17 (Initial application of IFRS 17 and IFRS 9 - Comparative information) apply to annual reporting periods beginning on or after 1 January 2023. The standard replaces IFRS 4 and establishes consistent principles for the recognition, measurement, presentation and disclosure of insurance contracts. In connection to the rental of vehicles, Sixt provides its customers various protection products. These protection products are not considered insurance contracts within the meaning of IFRS 17, as Sixt does not take over any risk from its customers, that the customers have previously been exposed to.

**Application of new standards and interpretations**

No material changes are expected from the application of other published new and/or amended standards and interpretations. Sixt Group currently does not expect to apply any of the new and/or amended standards early.

The Consolidated Statement of Income is prepared using the total cost (nature of expense) method.

The Group currency of Sixt SE is the euro (EUR). Unless specified otherwise the amounts stated in the Consolidated Financial Statements are in “EUR thousand”.

Due to rounding it is possible that individual figures in these Consolidated Financial Statements do not add up exactly to the totals shown. For the same reason, the percentage figures presented may not always exactly reflect the absolute figures to which they relate to.

The Annual Financial Statements of Sixt SE, the Consolidated Financial Statements and the Combined Management Report are submitted electronically to the agency that maintains the company register (Unternehmensregister) to be included in the company register.

## 2. CONSOLIDATION

### 2.1 CONSOLIDATED COMPANIES

The scope of consolidated companies derives from the application of IFRS 10 (consolidated financial statements).

The Consolidated Financial Statements of Sixt SE as at 31 December 2022 include the following fully consolidated companies (the equity interest corresponds to the voting power).

| Name | Domicile | Equity interest |
|---|---|---|
| 1501 NW 49 ST 33309, LLC | Wilmington | 100 % |
| AKRIMO Beteiligungs GmbH | Pullach | 100 % |
| AKRIMO GmbH & Co. KG | Pullach | 100 % |
| Atlic Rent SARL | Chambray-lès-Tours | 100 % |
| Azucarloc SARL | Cannes | 100 % |
| Benezet Location SARL | Nimes | 100 % |
| BLM Verwaltungs GmbH | Pullach | 100 % |
| Blueprint Holding GmbH & Co. KG | Pullach | 100 % |
| Bopobiloc SARL | Mérignac | 100 % |
| Brenoloc SARL | Rennes | 100 % |
| Capitole Autos SARL | Toulouse | 100 % |
| Eaux Vives Location SARL | Grenoble | 100 % |
| Eiffel City Rent SARL | Neuilly-sur-Seine | 100 % |
| Europa Service Car Ltd. | Chesterfield | 100 % |
| Flash Holding GmbH & Co. KG | Pullach | 100 % |
| Francilsud Location SARL | Athis-Mons | 100 % |
| Hireco 2 Holdings Ltd | Clydebank | 100 % |
| Lightning Holding GmbH & Co. KG | Pullach | 100 % |
| Matterhorn Holding GmbH & Co. KG | Pullach | 100 % |
| Mobimars SARL | Marignane | 100 % |
| Nizza Mobility SARL | Nice | 100 % |
| Ory Rent SARL | Orly | 100 % |
| Phocemoove SARL | Marseille | 100 % |
| Rail Paris Mobility SARL | Paris | 100 % |
| RhôneSaône Mobility SARL | Colombier-Saugnieu | 100 % |
| Septentri Loc SARL | Marcq-en-Baroeul | 100 % |
| Sigma Grundstücks- und Verwaltungs GmbH & Co. Immobilien KG | Pullach | 100 % |
| Sigma Pi Holding GmbH & Co. KG | Pullach | 100 % |
| SIL CAP, LLC | South Burlington | 100 % |
| Sixt Air GmbH | Weßling | 100 % |
| Sixt Asset and Finance SAS | Avrigny | 100 % |
| Sixt B.V. | Hoofddorp | 100 % |
| Sixt Belgium BV | Machelen | 100 % |
| Sixt Beteiligungen GmbH & Co. Holding KG | Pullach | 100 % |

Table continued:

| Name | Domicile | Equity interest |
|---|---|---|
| Sixt Canadian Holding GmbH | Pullach | 100 % |
| Sixt Car Sales GmbH | Garching | 100 % |
| Sixt Car Sales, LLC | Wilmington | 100 % |
| Sixt Développement SARL | Paris | 100 % |
| Sixt Fleet Transfer LLC | Wilmington | 100 % |
| Sixt Franchise USA, LLC | Wilmington | 100 % |
| Sixt Funding Associate LLC | Wilmington | 100 % |
| Sixt Funding LLC | Wilmington | 100 % |
| Sixt G.m.b.H. | Vienna | 100 % |
| Sixt GmbH | Munich | 100 % |
| Sixt GmbH & Co. Autovermietung KG | Pullach | 100 % |
| Sixt Insurance Services PCC Ltd. | St. Peter Port | 100 % |
| Sixt International Services GmbH | Pullach | 100 % |
| Sixt Limousine SARL | Clichy | 100 % |
| Sixt Limousine Switzerland AG (in liquidation) | Basle | 100 % |
| Sixt Plc | Langley | 100 % |
| Sixt R&D Private Limited | Bangalore | 100 % |
| SIXT RENT A CAR INC. | Vancouver | 100 % |
| Sixt Rent A Car Ltd. | Langley | 100 % |
| SIXT RENT A CAR S.L.U. | Palma de Mallorca | 100 % |
| Sixt rent a car srl | Eppan | 100 % |
| Sixt Rent A Car, LLC | Wilmington | 100 % |
| Sixt rent-a-car AG | Basle | 100 % |
| Sixt Research Development Services, Lda. | Lisbon | 100 % |
| Sixt Ride GmbH & Co. KG | Pullach | 100 % |
| Sixt Ride Holding GmbH & Co. KG | Pullach | 100 % |
| SIXT S.A.R.L. | Monaco | 100 % |
| SIXT S.à.r.l. | Luxembourg | 100 % |
| Sixt SAS | Avrigny | 100 % |
| Sixt Seine SARL | Paris | 100 % |
| Sixt Shack 2821S Federal Highway FLL, LLC | Wilmington | 100 % |
| Sixt Systems GmbH | Pullach | 100 % |
| Sixt Titling Trust | Wilmington | 100 % |
| Sixt Transatlantik GmbH | Pullach | 100 % |
| Sixt Ventures GmbH | Pullach | 100 % |
| Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Delta Immobilien KG | Pullach | 100 % |
| Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Epsilon Immobilien KG | Pullach | 100 % |
| Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Gamma Immobilien KG | Pullach | 100 % |
| Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Sita Immobilien KG | Pullach | 100 % |
| Sixti SARL | Tremblay-en-France | 100 % |
| Smaragd International Holding GmbH | Pullach | 100 % |

Tabel continued:

| Name | Domicile | Equity interest |
|---|---|---|
| Speed Holding GmbH & Co. KG | Pullach | 100 % |
| SVAT Ltd (formerly: GAP Hire Limited) | Clydebank | 100 % |
| SXT Beteiligungsverwaltungs GmbH | Pullach | 100 % |
| SXT Dienstleistungen GmbH & Co. KG | Rostock | 100 % |
| SXT DR Services GmbH | Pullach | 100 % |
| SXT International Projects and Finance GmbH | Pullach | 100 % |
| SXT Projects and Finance GmbH | Pullach | 100 % |
| SXT Reservierungs- und Vertriebs-GmbH & Co. KG | Rostock | 100 % |
| SXT Retina Lab GmbH & Co. KG | Pullach | 100 % |
| SXT Services GmbH & Co. KG | Pullach | 100 % |
| SXT Telesales GmbH | Berlin | 100 % |
| Tango International Holding GmbH | Pullach | 100 % |
| TOV 6-Systems | Kiev | 100 % |
| United Kenning Rental Group Ltd. | Langley | 100 % |
| United Mile Fleet, LLC (in liquidation)[1] | | 100 % |
| United Rental Group America Limited (in liquidation) | Chesterfield | 100 % |
| United Rental Group Ltd. | Chesterfield | 100 % |
| United Rentalsystem SARL | Mulhouse | 100 % |
| Urbanizy Loc SARL | Paris | 100 % |
| Utilymoov SARL | Roissy-en-France | 100 % |
| Varmayol Rent SARL | La Valette-du-Var | 100 % |
| Velocity Holding GmbH & Co. KG | Pullach | 100 % |
| West Country Self Drive Ltd | Slough | 100 % |
| West Country Self Drive Services Limited | Slough | 100 % |
| Wezz Rent SARL | Bouguenais | 100 % |

[1] *The company doesn`t have a legal address*

The following list shows all Group companies that have not been consolidated. These subsidiaries, most of which have no operating activities, have not been consolidated because of their insignificance in the aggregate for the presentation of a true and fair view of the net assets, financial position and results of operations of the Group. The combined revenue of these companies amounts to less than 1% of consolidated revenue.

| Name | Domicile | Equity[1] | Equity interest | Annual result[1] |
|---|---|---|---|---|
| CV Main 2000 UA[2] | Schiphol | 505,814 EUR | 50 % | - EUR |
| Sixt Beteiligungen GmbH | Pullach | 13,814 EUR | 100 % | -1,654 EUR |
| Sixt Immobilien Beteiligungen GmbH | Pullach | 207,340 EUR | 100 % | 5,867 EUR |
| Sixt Ride Holding Verwaltungs GmbH | Pullach | 15,641 EUR | 100 % | -1,861 EUR |
| Sixt Ride Verwaltungs GmbH | Pullach | 14,903 EUR | 100 % | -1,189 EUR |
| Sixt Verwaltungs B.V. | Hoofddorp | 39,004 EUR | 100 % | -4,287 EUR |
| Sixt Verwaltungs-GmbH | Vienna | 30,852 EUR | 100 % | -11,184 EUR |
| SXT Projects and Services GmbH | Pullach | 25,000 EUR | 100 % | -2,804 EUR |
| SXT Projects GmbH | Pullach | 21,776 EUR | 100 % | -3,224 EUR |
| SXT Retina Lab Verwaltungs GmbH | Pullach | 13,188 EUR | 100 % | -2,686 EUR |
| SXT V+R Verwaltungs GmbH | Rostock | 17,670 EUR | 100 % | -922 EUR |
| SXT Verwaltungs GmbH | Pullach | 19,360 EUR | 100 % | -896 EUR |
| TÜV SÜD Car Registration & Services GmbH | Munich | 1,098,540 EUR | 50 % | 264,172 EUR |

[1] *All information is based on preliminary, unaudited financial statements*
[2] *Financial figures for financial year 2021*

In accordance with Section 264b of the German Commercial Code (HGB), the following companies are exempt from the obligation to prepare and publish annual financial statements under the provisions applicable to corporations: Akrimo GmbH & Co. KG, Pullach, Blueprint Holding GmbH & Co. KG, Pullach, Flash Holding GmbH & Co. KG, Pullach, Lightning Holding GmbH & Co. KG, Pullach, Matterhorn Holding GmbH & Co. KG, Pullach, Sigma Grundstücks- und Verwaltungs GmbH & Co. Immobilien KG, Pullach, Sigma Pi Holding GmbH & Co. KG, Pullach, Sixt Beteiligungen GmbH & Co. Holding KG, Pullach, Sixt GmbH & Co. Autovermietung KG, Pullach, Sixt Ride GmbH & Co. KG, Pullach, Sixt Ride Holding GmbH & Co. KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Delta Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Epsilon Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Gamma Immobilien KG, Pullach, Sixt Verwaltungsgesellschaft mit beschränkter Haftung & Co. Sita Immobilien KG, Pullach, Speed Holding GmbH & Co. KG, Pullach, SXT Dienstleistungen GmbH & Co. KG, Rostock, SXT Reservierungs- und Vertriebs-GmbH & Co. KG, Rostock, SXT Retina Lab GmbH & Co. KG, Pullach, SXT Services GmbH & Co. KG, Pullach, as well as Velocity Holding GmbH & Co. KG, Pullach. Sixt Transatlantik GmbH, Pullach, Smaragd International Holding GmbH, Pullach, SXT International Projects and Finance GmbH, Pullach, and SXT Projects and Finance GmbH, Pullach, make use of the exemption with regard to publication provided for in Section 264 (3) of the HGB.

## 2.2 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes in the consolidated Group compared to the end of 2021 took place:

In the third quarter of 2022 the Group acquired 100% of the shares in each of the following four companies in Great Britain for a total consideration of EUR 45.9 million. The consideration was paid entirely in cash.

- SVAT Ltd. (formerly: GAP Hire Ltd.), Clydebank
- Hireco 2 Holdings Ltd., Clydebank
- West Country Self Drive Ltd., Slough
- West Country Self Drive Services Limited, Slough

In line with the Sixt Group's growth strategy in the Van & Truck business, the acquisitions serve to strengthen the Van & Truck business in the segment Europe. Thanks to these acquisitions, Sixt Van & Truck UK achieves the end-to-end coverage with services, depot/station network and the fleet that is important for large customers operating nationwide. On the other hand, the success-critical depth of value creation in the area of customisation and in the repair and maintenance sector was gained, which is of great importance to the further expansion of the long-term rental business.

The difference between the consideration transferred and the acquired, revalued net assets was preliminary recognised as goodwill. The recognised goodwill in amount of EUR 6.8 million is likely not tax deductible. The purchase price allocation of the acquisitions could not be finalised as at the balance sheet date. The preliminary nature of the purchase price allocation is due to the fact, that the preparation and the audit of the companies' financial statements have not been completed yet.

| **Goodwill calculation**<br>in EUR million | **2022** |
|---|---|
| Consideration transferred | 45.9 |
| Net assets acquired | 39.1 |
| Foreign exchange differences | -0.3 |
| **Balance as at 31 December** | **6.5** |

The acquired assets and liabilities at fair value upon the acquisition break down as follows:

| **Net assets acquired**<br>in EUR million | Fair Value at the date of acquisition |
|---|---|
| Intangible assets and Property and equipment | 3.0 |
| Rental vehicles | 103.7 |
| Inventories | 0.0 |
| Trade receivables | 6.4 |
| Other receivables and assets | 1.6 |
| Cash and bank balances | 3.5 |
| **Total assets** | **118.2** |
| Financial liabilities | 64.9 |
| Trade payables | 1.4 |
| Other liabilities | 4.1 |
| Income tax and deferred tax liabilities | 8.7 |
| **Total liabilities** | **79.1** |
| **Balance of net assets acquired** | **39.1** |

The gross amount of accounts receivables is EUR 6.6 million of which EUR 0.2 million is deemed to be not recoverable.

The companies acquired and consolidated in the financial year 2022 contributed EUR 12.4 million to the revenue, and EUR -1.5 million to the consolidated profit/loss. If the acquisition had been concluded on 1 January 2022, the imputed revenue would have been EUR 40.5 million, and the imputed consolidated profit/loss would have amounted to EUR -5.6 million.

The below reported changes in the scope of consolidation had no noteworthy effects on the Group's net assets, financial and earnings position.

The company Sixt Research Development Services, Lda., Lisbon, that was founded by Sixt Group has been newly consolidated. In addition, Sigma Grundstücks- und Verwaltungs GmbH, Pullach, has been merged into BLM Verwaltungs GmbH, Pullach.

## 2.3 CONSOLIDATION METHODS

The single-entity financial statements included in the Consolidated Financial Statements are uniformly prepared in accordance with the IFRS accounting policies applicable to Sixt Group as at the balance sheet date, in this case 31 December 2022. Where necessary, the single-entity financial statements of the consolidated companies are adjusted to bring them into line with the accounting policies used within the Group. Subsidiaries are those companies that are controlled by the Group. Control exists if the Group is exposed to variable returns from the relationship with a company and its power over the relevant activities gives it the opportunity to influence these returns. Control results from existing rights that give it the ability to direct the main activities, therefore the activities that have a material impact on the profitability of the company. As a rule, the possibility of control is based on a direct or indirect majority of the voting rights by Sixt SE. Subsidiaries are consolidated from the date on which the possibility of control exists. They are no longer consolidated when this possibility no longer exists.

Acquisition accounting is performed in accordance with IFRS 3, which requires business combinations to be accounted for using the acquisition method. Assets and liabilities acquired must generally be recognised at fair value. Any excess of the cost of the business combination over the Group's share of the net fair values of the acquiree's assets, liabilities and contingent liabilities is recognised as goodwill and tested for impairment on a regular basis, at least once a year.

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

Intra-group transactions are eliminated in the course of consolidation. Significant receivables, liabilities and provisions between consolidated companies are offset against each other, and intercompany profits and losses are eliminated. Intra-group income is offset against the corresponding expenses. Deferred taxes are recognised as required by IAS 12 for temporary differences arising on consolidation.

The results of subsidiaries consolidated for the first time during the year are included in the Consolidated Statement of Income from the date of their initial consolidation.

### 2.4 FOREIGN CURRENCY TRANSLATION

The financial statements of consolidated foreign subsidiaries are translated using the functional currency concept. The subsidiaries' functional currency is in each case the local currency, as the subsidiaries operate independently in their respective markets.

Assets and liabilities are translated at the closing rate, equity at historic prices. Income statement items are translated at the average rates for the year. The resulting difference to the closing rate is recognised in other comprehensive income and accumulated in equity as currency translation differences.

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

The exchange rates (= EUR 1) applied for currency translation of the most significant currencies are shown in the table below:

| **Exchange rates** | | Closing rate | | Average rate |
|---|---|---|---|---|
| | **31 Dec. 2022** | 31 Dec. 2021 | **2022** | 2021 |
| British pound | 0.88693 | 0.84028 | 0.85482 | 0.85840 |
| Canadian dollar | 1.44400 | 1.43930 | 1.37036 | 1.48039 |
| Swiss Francs | 0.98470 | 1.03310 | 1.00170 | 1.07988 |
| US-Dollar | 1.06660 | 1.13260 | 1.04998 | 1.18156 |

## 3. REPORTING AND VALUATION METHODS

### 3.1 INCOME STATEMENT

**Revenue**
Revenue is recognised when a contract with enforceable rights and obligations exists and control of goods has been transferred to the customer or the service has been rendered. Revenue is measured at the fair value of the consideration received or receivable. It is the amount receivable for goods and services provided in the course of ordinary operating activities. Revenue from services is recognised on a straight-line basis over the service period.

For services that are not provided by the Group, thus where the Group acts as an agent, revenue is only recognised in the amount related to the brokerage service of the Group. Amounts received in the name and on account of third parties are not recognised as revenue.

Discounts, bonuses and VAT/sales or other taxes relating to the goods or services provided are deducted from revenue.

Vehicle sales are recognised when the vehicle is delivered and ownership is transferred, the amount of revenue and the costs still to be incurred can be determined reliably and an incoming benefit is probable. The Group does not recognise proceeds from the sale of used vehicles, as rental fleet vehicles are predominantly sold under buy-back agreements. To better reflect this fact, proceeds from the sale of used vehicles are not recognised. Instead, the selling expenses carried under fleet expenses are reduced by the corresponding amounts. Any remaining balance is allocated to depreciation and amortisation expense.

**Government grants**
Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to the grant. They are recognised in profit or loss on a predefined basis over the periods in that the Group recognises the related costs that the grants are intended to compensate for. Grants relating to profit or loss are offset against the corresponding expenses, as far as attributable.

**Financial result**
Interest income and expense presented in the financial result is recognised on an accrual basis taking into account the outstanding loan amount and the applicable interest rate. The effective interest method is applied for this. Income and expense arising from profit and loss transfer agreements are recognised at the end of the

financial year, while dividend income is recognised on the date from which the shareholder is entitled to receive payment thereof.

**Income tax expense**
Income tax expense is the aggregate of current tax expense and deferred taxes.

Current and deferred taxes are generally recognised in the Statement of Income, except where they relate to items recognised in other comprehensive income or directly in equity. In this case the current and deferred taxes are also recognised in other comprehensive income or equity.

Current tax expense is calculated on the basis of the taxable income for the year.

In accordance with the balance sheet liability method as defined by IAS 12 (Income taxes), deferred taxes are principally formed for all temporary differences arising from deviations in the valuation of assets and liabilities from the corresponding tax basis. Deferred tax assets are also recognised for the carryforward of unused tax losses.

**Earnings per share**
Earnings per share are measured in accordance with IAS 33 (Earnings per share). Basic earnings per share are calculated by dividing the share in post-tax earnings of the parent company's shareholders by the weighted average number of shares outstanding during the financial year. Consolidated profit is to be allocated to the different classes of shares. If applicable, diluted earnings per share are reported separately.

## 3.2 ASSETS

**Goodwill**
Any goodwill generated from a business combination is recognised at cost less any necessary impairment and reported separately in the Consolidated Statement of Financial Position. For the purpose of testing impairment, goodwill is allocated to those cash-generating units (or groups) of the Group, of which it is expected that they can draw benefit from the synergies of the business combination.

Those cash-generating units, to which a portion of goodwill is allocated, must be tested for impairment at least annually. In addition, the cash-generating units need to be tested for impairment in case of a triggering event. If the recoverable amount of a cash-generating unit is smaller than the carrying amount of the unit, the impairment loss must be allocated first to the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The recoverable amount is the higher amount from the value in use and the fair value less costs to sell.

Any impairment of goodwill is recognised directly in the income statement. An impairment loss recognised for goodwill is not to be reversed in subsequent periods.

The annual impairment test is based on management's planning. The planning assumptions used to determine the recoverable amount, which is the value in use, are adapted annually to reflect current market conditions and the company's results of operations. The actual amounts can differ from these assumptions. The model used for the impairment test is based on the discounted cash flow method, with a multi-year plan and a growth factor taken as the basis in deriving a sustainable figure. The assumptions used for the model are based on external observations.

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

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

**Property and equipment and investment property**
Property and equipment are carried at cost less straight-line depreciation and recognised impairments. Investment property is assessed according to the cost model at cost less straight-line depreciation and recognised impairment.

Depreciation is performed in a way that the acquisition costs of assets less their residual values are depreciated on a straight-line basis over their useful lives. The expected useful lives, residual values and depreciation methods are re-evaluated at the end of each reporting period and all necessary changes in estimates are applied prospectively. Depreciation is based on the following useful lives, which apply uniformly throughout the Group:

| Useful lives | |
|---|---|
| Buildings and fixtures in buildings | 12 to 50 years |
| Operating and office equipment | 2 to 20 years |

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

**Leases**

Leases concluded by Sixt Group as lessee are recognised as lease liabilities under the item financial liabilities and as corresponding right of use assets.

The lease liability is initially measured at the amount of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, the lessee's incremental borrowing rate. Sixt Group generally uses the incremental borrowing rate for the respective currency.

The measurement of the lease liability includes fixed payments less any lease incentives receivable, variable payments that depend on an index or a rate, amounts expected to be paid under a residual value guarantee, the exercise price of a purchase option that the Group is reasonably certain to exercise, lease payments for extension periods, if the group is reasonably certain to exercise the extension option or the lessor is entitled to the extension option, as well as agreed compensation for the termination of a lease, unless the Group is reasonably certain that the lease will not be terminated early.

Right of use assets are initially measured at the amount of the lease liability adjusted for any payments made at the beginning of the lease, initial direct costs and any lease incentives received.

The lease liability is subsequently measured at amortised cost according to the effective interest method. The right of use asset is depreciated on a straight-line basis over the useful life of the asset or the term of the lease.

The lease liability is remeasured, if the future lease payments change due to the adjustment of the contract, an index or a rate, if the assumption regarding the amount expected to be paid under a residual value guarantee changes, or if the Group changes its assumption regarding the exercise of a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset.

Lease liabilities are presented within the financial liabilities, the right of use assets are reported under property and equipment or rental vehicles, depending on the leased asset.

Sixt Group applies the exemption to not recognise right of use assets and lease liabilities for short-term leases and leases for assets of low value. This concerns in particular lease agreements for rental vehicles as well as rental stations and other business premises with a contractual term of up to one year. Sixt Group recognises the payments of these leases directly in profit or loss on a straight-line basis over the lease term.

The Group reviews the carrying amounts of property and equipment and intangible assets including right of use assets at each balance sheet date, to determine whether there are any indications of an impairment of these assets. If any such indications are identified, the recoverable amount of the asset is estimated to determine the extent of a possible impairment expense.

Leases concluded by Sixt Group as lessor are classified as finance leases, if under the lease agreement all opportunities and risks associated with ownership are essentially transferred to the lessee. All other leasing relations are classified as operate leases.

**Rental vehicles**

Own rental vehicles are measured at cost, including incidental costs, less straight-line depreciation to their residual values. The residual values are based on the buy-back value per vehicle type contractually agreed with the suppliers. If no buy-back value has been agreed, the vehicles must be sold by the Group on the open market. In this case the residual value is based on the expected fair value. In estimating the expected fair value the Group is exposed to the development of the used car market. The value of the vehicles is analysed regularly based on the company's own experience and market observations. Write-downs for impairment are recognised to the extent that recognition of a lower value is required.

The accounting and valuation methods described under the section Leases are applied to the right of use assets for rental vehicles financed by lease contracts.

**Inventories**
The item inventories contains vehicles for sale. These are measured at amortised cost, including incidental costs, and are regularly compared with the net realisable value. If it is lower, an impairment loss is recognised.

Raw materials, consumables and supplies are carried at the lower of cost, including incidental costs and discounts, or net realisable value.

**Financial assets, other receivables and assets**
Financial assets are composed of loans granted and receivables, equity instruments, purchased debt instruments, cash and cash equivalents, and derivatives. Financial assets are recognised when the Group has a contractual right to receive cash or another financial asset from another party. Purchases and sales of financial assets are generally recognised at the settlement date. Financial assets are initially recognised at fair value plus transaction costs if applicable. Transaction costs incurred for the purchase of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Subsequent measurement is based on the allocation of the financial assets to the categories according to IFRS 9.

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

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method. Trade receivables, financial receivables and loans reported in other assets, as well as cash and cash equivalents are assigned to this measurement category. Interest income from items in this category is calculated using the effective interest method unless the receivables are short-term and the effect of interest accumulation is immaterial.

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

Equity instruments in companies listed on the stock exchange that are not held for trading are also measured at fair value through other comprehensive income. Changes in fair value of such equity instruments are recognised in other comprehensive income and are not recycled to profit or loss upon disposal.

Assets that are not measured at amortised cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Equity instruments in companies whose shares are not traded on the stock exchange and derivatives reported in other financial assets are assigned to this category. The gain or loss resulting from the measurement of derivative financial instruments is immediately recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument in a hedging relationship (hedge accounting). In this case, the timing of the recognition in the income statement of the measurement result depends on the type of hedging relationship.

With the exception of financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, financial assets are assessed at each reporting date on the basis of expected credit losses. The impairment method applied depends on whether there has been a significant increase in credit risks. For trade receivables and receivables from insurances, the Group applies the simplified approach, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivables is recognised for all instruments irrespective of their credit quality.

Some categories of financial assets, such as trade receivables, are tested for impairment on a portfolio basis. The portfolio-based assessment is carried out by grouping together assets with similar risk characteristics, such as customer group, customer creditworthiness and transaction type to determine an impairment provision that reflects the expected probability of default.

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

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

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

When the Group concludes that there are no realistic prospects of recovering the asset, the respective amount is written-off. The Group also derecognises a financial asset if the contractual right to cash flows from the financial asset expires or the financial asset and practically all the opportunities and risks associated with the financial asset are transferred to a third party.

## 3.3 EQUITY AND LIABILITIES

**Shared-based payments**

Cash-settled share-based payment transactions are measured at fair value at the grant date and at each reporting date up to and including the settlement date. The fair value is recognised in the income statement as personnel expenses over the period until the vesting date and presented as a liability under other provisions.

Equity-settled share-based payment transactions to employees are measured at the grant date fair value of the equity instruments granted. The fair value determined at the grant date of the equity-settled share-based payments is recognised as expense on a straight-line basis over the vesting period with a corresponding increase in equity (capital reserves) and is based on the Group's expectations regarding the equity instruments expected to vest. The Group reviews at each balance sheet date its estimate regarding the quantity of equity instruments expected to vest.

The section entitled "Share-based payments" provides further information on the determination of the fair value of share-based payments.

**Provisions for pensions and other post-employment benefits**

Provisions for pensions and other post-employment benefits are measured annually by independent actuaries using the projected unit credit method. The measurement is based on actuarial valuations relying on financial and demographic assumptions. The assumptions are reviewed for appropriateness at each balance sheet date.

The amount recognised as provisions for pensions and other post-employment benefits in the Consolidated Statement of Financial Position is the current deficit of the defined benefit plans of the Group.

Service costs are recognised in personnel expenses within the Consolidated Statement of Income, while the net interest result is recognised as part of finance costs. Remeasurements of the defined benefit obligation, net of deferred taxes, are recognised in other equity. These amounts recognised in other comprehensive income are not recognised in the income statement in the future.

**Provisions**

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

**Financial liabilities**

Financial liabilities are measured on initial recognition at their fair value and subsequently according to the effective interest method at amortised cost less directly attributable transaction costs, where applicable. Lease liabilities to the lessor are initially recognised at the present value of the future lease payments and subsequently measured according to the effective interest method at amortised cost. Only the interest portion is recognised as expense within the financial result.

## 3.4 HEDGING RELATIONSHIPS

The Group designates individual financial instruments, including derivatives, as part of cash flow hedges where applicable. Hedging relationships are recognised in accordance with IFRS 9.

Eligibility and details of the hedge relationship between the underlying and the hedging transaction as well as the relevant risk management objectives and strategies are documented at the start of hedge accounting. In addition, both at the inception of the hedging relationship and over the course of the relationship, it is regularly documented whether the hedging instrument designated in the hedge relationship meets the requirements for hedge effectiveness.

The effective portion of the change in the fair value of derivatives that are suitable for cash flow hedges and have been designated as such, is recognised in other comprehensive income under the item changes in the fair value of derivative financial instruments in hedge relationships. The gain or loss from the ineffective portion is recognised immediately in the income statement under other operating income or other operating expenses. Amounts recognised in other comprehensive income are transferred to the income statement during the period in which the hedge underlying transaction is also carried through profit or loss and are offset against the corresponding underlying hedge underlying transaction.

The section entitled "Additional disclosures on financial instruments" provides details on the fair value of the derivatives used for hedging.

Financial accounting of the hedging relationship ends when the hedging instrument expires, is sold or terminated, or the instrument is no longer suitable for hedging. The full amount of gains or losses recognised in other comprehensive income at this point in time and accumulated in equity remains in equity and is only recognised in the income statement when the expected transaction is also recognised in the income statement. Where the forecast transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is transferred directly to the income statement.

## 3.5 ESTIMATION UNCERTAINTIES AND DISCRETIONARY DECISIONS

In preparing the Consolidated Financial Statements, it is often necessary to make estimates and assumptions that affect both the items reported in the Consolidated Statement of Financial Position and the Consolidated Statement of Income, as well as the disclosures contained in the Notes to the Consolidated Financial Statements. The amounts actually realised can differ from the reported amounts. Changes are recognised in the income statement on the date at which better knowledge is gained. The estimates and assumptions made are outlined in the disclosures on the individual items.

Estimates and assumptions for areas of the Consolidated Financial Statements in which amounts are most significantly affected are unchanged as follows.

The recoverability of goodwill and assets within the scope of IAS 36 (Impairment of assets) is assessed on the basis of expected developments and estimated parameters (planning assumptions, capitalisation interest rates). Property and equipment and intangible assets are measured on the basis of the estimated useful lives of the assets. The term of leases is evaluated based on the estimation of whether extension and termination options are exercised. Rental vehicles are measured on the basis of the estimated useful lives taking into account the expected residual value of the vehicles. The residual values expected on the market are reviewed on an ongoing basis. The adjustments for expected credit losses on receivables and other assets are based on estimates of the expected probability of default. The parameters used to determine risk provisions on the basis of management expectations are continuously reviewed and adjusted to the current overall economic situation. Derivatives are measured on the basis of estimated market yield curves. The need for provisions is determined using the best estimate of the most probable settlement amount of the present obligation at the balance sheet date.

## 4. EXPLANATIONS AND DISCLOSURES ON INDIVIDUAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.1 CONSOLIDATED STATEMENT OF INCOME

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

| **Revenue** | | Germany | | Europe | | North America | | Total | Change |
|---|---|---|---|---|---|---|---|---|---|
| in EUR thousand | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | in % |
| Rental revenue | 768,088 | 656,007 | 1,213,119 | 884,294 | 866,243 | 557,081 | 2,847,450 | 2,097,382 | 35.8 |
| Other revenue from the rental business | 101,709 | 83,602 | 64,872 | 61,336 | 41,975 | 27,496 | 208,556 | 172,434 | 20.9 |
| Other revenue | 8,271 | 9,942 | 1,903 | 2,690 | - | - | 10,174 | 12,632 | -19.5 |
| **Group total** | **878,068** | **749,551** | **1,279,894** | **948,320** | **908,218** | **584,577** | **3,066,180** | **2,282,448** | **34.3** |

The main activity of the Group is vehicle rental including other related services and brokerage of transfer services.

Rental revenue from short-term rental of vehicles increased by 35.8% compared to the previous year to EUR 2,847,450 thousand (2021: EUR 2,097,382 thousand). Other revenue from the rental business, damage compensation resulting from rental business and other revenues such as subsidies, licence and franchise fees and commission revenue, for example, increased by 20.9% to EUR 208,556 thousand (2021: EUR 172,434 thousand) and includes compensation payments from third parties totalling EUR 124,267 thousand (2021: EUR 120,076 thousand).

As in the previous year, rental fleet vehicles were sold predominantly under buy-back agreements concluded with manufacturers and dealers, and therefore only partially directly on the used car market. To better reflect this fact, proceeds from the sale of used vehicles are not recognised. Instead, the selling expenses carried under fleet expenses are reduced by the corresponding amounts. Any remaining balance is allocated to the item depreciation and amortisation expense including impairments.

Other revenue contains the revenue that is not directly related to the main activity of the Group.

\4.2\ ***Other operating income*** is broken down as follows:

| **Other operating income** | | | Change |
|---|---|---|---|
| in EUR thousand | **2022** | 2021 | in % |
| Forwarding costs to third parties | 55,208 | 42,231 | 30.7 |
| Currency translation | 157,572 | 58,238 | 170.6 |
| Non-cash benefits | 7,829 | 7,469 | 4.8 |
| Payments on derecognised receivables | 7,839 | 2,211 | 254.5 |
| Reversal of impairments for trade receivables and other assets | 8,238 | 13,654 | -39.7 |
| Reversal of provisions | 19,077 | 6,189 | 208.2 |
| Reversal of impairments for property and equipment | 7,980 | - | 100.0 |
| Capitalised costs | 20,709 | 11,397 | 81.7 |
| Miscellaneous income | 24,826 | 15,879 | 56.3 |
| **Group total** | **309,277** | **157,268** | **96.7** |

\4.3\ *Fleet expenses* are broken down as follows:

| Fleet expenses<br>in EUR thousand | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Repairs, maintenance and reconditioning | 319,826 | 230,431 | 38.8 |
| Fuel | 60,443 | 40,456 | 49.4 |
| Insurance | 113,315 | 110,829 | 2.2 |
| Transportation | 37,312 | 38,249 | -2.5 |
| Taxes and charges | 21,788 | 22,429 | -2.9 |
| Other | 77,270 | 64,102 | 20.5 |
| **Group total** | **629,954** | **506,496** | **24.4** |

The fleet expenses item comprises expenses for current rental operations. Selling expenses relating to the rental fleet are reduced by the corresponding amounts of sales revenue.

\4.4\ *Personnel expenses* increased from EUR 405,286 thousand the year before to EUR 567,733 thousand in the year under review. Social contributions mainly include employer contributions to statutory social insurance schemes. The expense for defined contribution pension plans in the amount of EUR 19,461 thousand (2021: EUR 16,145 thousand) primarily results from statutory pension insurances. Expenses for defined benefit pension plans are included in the amount of EUR 1,240 thousand (2021: EUR 1,284 thousand). Personnel expenses also include further expenses for defined post-employment benefits in the amount of EUR 188 thousand (2021: EUR 88 thousand). Personnel expenses include government grants for the use of short-time working and similar instruments in relation to the coronavirus pandemic (2022: EUR 977 thousand, 2021: EUR 9,963 thousand).

| Personnel expenses<br>in EUR thousand | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Wages and salaries | 485,799 | 348,616 | 39.4 |
| Social security contributions | 81,934 | 56,670 | 44.6 |
| **Group total** | **567,733** | **405,286** | **40.1** |

The average number of employees during the year was:

| Employees in the Group | 2022 | 2021 |
|---|---|---|
| Female employees | 3,205 | 2,843 |
| Male employees | 4,304 | 3,556 |
| **Group total** | **7,509** | **6,399** |

\4.5\ ***Expenses for depreciation and amortisation including impairments*** in the financial year are explained in more detail below:

| **Depreciation and amortisation expense including impairments** | | | Change |
|---|---|---|---|
| in EUR thousand | **2022** | 2021 | in % |
| Rental vehicles[1] | 407,658 | 241,721 | 68.6 |
| Property and equipment and investment property[1] | 140,078 | 122,890 | 14.0 |
| Intangible assets | 6,903 | 5,428 | 27.2 |
| **Group total** | **554,639** | **370,039** | **49.9** |

[1] *The prior year figures have been adjusted due to the change in the reporting of depreciation of right of use assets for rental vehicles financed by lease contracts.*

The depreciation of rental vehicles includes the depreciation of own rental vehicles and since financial year 2022 the depreciation of right of use assets for rental vehicles financed by lease contracts with terms of more than one year as well. These were previously included in the depreciation of property and equipment. The prior year figures have been adjusted accordingly.

The rental vehicles are depreciated over the planned holding period, taking into account their residual values. The residual values of the vehicles are based on the agreed buy-back value or the expected fair value. The expected fair values are analysed regularly based on market observations and the company's own experience. The necessary changes in estimates are taken into account prospectively. Write-downs for impairment are recognised to the extent that recognition of a lower value is required.

The depreciation expense for own rental vehicles at EUR 377,774 thousand was higher than in the previous year (2021: EUR 238,410 thousand). It includes impairment losses in amount of EUR 1,704 thousand (2021: EUR 1,753 thousand), of which EUR 1,673 thousand is attributable to Europe (2021: EUR 1,690 thousand) and EUR 31 thousand to North America (2021: EUR 63 thousand).

The depreciation of right of use assets for rental vehicles financed by lease contracts increased from EUR 3,311 thousand to EUR 29,884 thousand in the financial year, which is mainly due to the higher number of vehicles financed by long-term lease agreements.

The depreciation of property and equipment and investment property mainly includes the depreciation of right of use assets and the depreciation of operating and office equipment.

The amortisation of intangible assets includes the amortisation of purchased and internally developed software and other intangible assets.

\4.6\ The following table contains a breakdown of *other operating expenses*:

| Other operating expenses<br>in EUR thousand | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Leasing expenses | 47,437 | 54,008 | -12.2 |
| Commissions | 299,322 | 198,683 | 50.7 |
| Expenses for buildings | 57,764 | 50,654 | 14.0 |
| Other selling and marketing expenses | 155,592 | 70,215 | 121.6 |
| Expenses from write-downs/impairments of receivables | 79,561 | 98,928 | -19.6 |
| Audit, legal, advisory costs, and investor relations expenses | 36,088 | 27,035 | 33.5 |
| Other personnel services | 71,858 | 41,439 | 73.4 |
| Expenses for IT and communication services | 35,724 | 19,364 | 84.5 |
| Currency translation/consolidation | 163,468 | 58,837 | 177.8 |
| Miscellaneous expenses | 87,533 | 59,554 | 47.0 |
| **Group total** | **1,034,346** | **678,717** | **52.4** |

The Consolidated Financial Statements of Sixt SE recognised as operating expense in the amount of EUR 461 thousand (2021: EUR 380 thousand) fees for the auditors of the Consolidated Financial Statements. The fees break down into audit costs (EUR 392 thousand, 2021: EUR 309 thousand) and other assurance services (EUR 69 thousand, 2021: EUR 67 thousand) in particular for revenue confirmations, EMIR audit and comfort letter. The fees of the auditors included in the previous year tax consultancy services in amount of EUR 4 thousand, that were provided for the parent or subsidiary companies.

\4.7\ The *financial result* came to EUR -38,635 thousand in total (2021: EUR -37,009 thousand). The following table contains a breakdown of the financial result:

| Financial result<br>in EUR thousand | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Other interest and similar income | 1,416 | 766 | 84.8 |
| Interest and similar expenses | -40,110 | -37,849 | 6.0 |
| Thereof from leases | -10,003 | -6,338 | 57.8 |
| **Net interest expense** | **-38,695** | **-37,083** | **4.3** |
| Income from financial assets | 400 | - | - |
| Expenses for financial assets | -3 | -3 | -14.6 |
| Result from fair value measurement of financial assets | -338 | 78 | -533.9 |
| **Other financial result** | **60** | **75** | **-20.2** |
| **Group total** | **-38,635** | **-37,009** | **4.4** |

\4.8\ *Income tax expense* comprises the following:

| **Income tax expense** in EUR thousand | **2022** | 2021 | Change in % |
|---|---|---|---|
| Current income tax for the reporting period | 113,123 | 106,486 | 6.2 |
| Deferred taxes | 51,322 | 22,532 | 127.8 |
| **Group total** | **164,445** | **129,019** | **27.5** |

Current income tax in the amount of EUR 113,123 thousand in financial year 2022 (2021: EUR 106,486 thousand) comprises tax income for previous years in the amount of EUR 6,538 thousand (2021: tax expense of EUR 11,227 thousand).

In accordance with the balance sheet liability method as defined by IAS 12 (Income taxes), deferred taxes are principally formed for all temporary differences arising from the deviations in the valuation of assets and liabilities in the IFRS consolidated balance sheet compared to the tax balance sheet and the consolidation measures recognised in the income statement. In addition, deferred tax assets are recognised for the future benefits expected to arise from accepted tax loss carryforwards.

Deferred taxes are measured at the tax rates that are expected to apply for the period when the temporary differences reverse or the tax loss carryforwards are used. Until changes to tax laws are ratified, deferred taxes are measured at current tax rates. A corporation tax rate of 15% (2021: 15%) was used to calculate deferred taxes at the German companies as at 31 December 2022. Furthermore, a solidarity surcharge of 5.5% (2021: 5.5%) on the corporation tax was also included and a trade tax rate between 9.1% and 16.3% (2021: between 9.1% and 16.3%) depending on the municipality's tax assessment rate was applied. Thus, an aggregated tax rate between 24.9% and 32.1% (2021: 24.9% and 32.1%) was used to calculate deferred taxes at the German companies. The country-specific tax rates were used in each case to calculate deferred taxes at the foreign companies.

Deferred taxes are generally recognised in the income statement, except where they relate to items recognised directly in equity, as well as if applicable deferred taxes coming from first-time application of IFRS standards.

The reconciliation of taxes explains the relationship between the expected and the effective tax expense reported. The expected tax expense results from the application of an income tax rate of 24.9% (2021: 24.9%) to consolidated profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax of 15% (2021: 15%), a solidarity surcharge of 5.5% (2021: 5.5%) as well as trade tax of 9.1% (2021: 9.1%).

| **Reconciliation of taxes** in EUR thousand | **2022** | 2021 |
|---|---|---|
| Consolidated profit before taxes in accordance with IFRS | 550,150 | 442,169 |
| Expected income tax expense | 137,152 | 110,233 |
| Effect of different tax rates outside Germany | 2,606 | -1,448 |
| Effect of different trade tax rates | 9,339 | 8,710 |
| Effect from tax rate changes | 1,463 | 351 |
| Changes in permanent differences | 756 | -4,286 |
| Changes in impairments | 4,979 | -852 |
| Non-deductible operating expenses | 9,863 | 6,651 |
| Tax-exempt income | -3,199 | -2,310 |
| Current and deferred income taxes from other periods | 1,138 | 11,158 |
| Other effects | 348 | 812 |
| **Reported tax expense** | **164,445** | **129,019** |

At the balance sheet date deferred taxes with no impact on profit or loss amounted to EUR -75 thousand (2021: EUR -207 thousand). The change in deferred taxes with no impact on profit or loss compared to the previous year showed EUR -141 thousand (2021: EUR 115 thousand) or in consideration of currency translation effects, EUR -132 thousand (2021: EUR 126 thousand). Deferred taxes through the income statement are explained in more detail below:

| **Deferred taxes** in EUR thousand | **2022** | 2021 |
|---|---|---|
| From temporary differences | 217,068 | 8,696 |
| From tax loss carryforwards | -165,746 | 13,836 |
| **Group total** | **51,322** | **22,532** |

The increase in deferred tax expenses from temporary differences and the increase in deferred tax income from tax loss carryforwards are mainly due to special tax depreciation in the US, which led to an increase in deferred tax liabilities on the fleet and an increase in tax loss carryforwards.

Deferred tax liabilities in amount of EUR -8,494 thousand (2021: EUR -) were recognised with no impact on profit or loss in financial year 2022 following the acquisition of subsidiaries. The effect of exchange rate differences on deferred taxes amounted to EUR -3,192 thousand in the financial year (2021: EUR -1,691 thousand). The following overview outlines the sources of the deferred tax assets and liabilities:

| **Deferred taxes** | Deferred tax assets | | Deferred tax liabilities | |
|---|---|---|---|---|
| in EUR thousand | **31 Dec. 2022** | 31 Dec. 2021 | **31 Dec. 2022** | 31 Dec. 2021 |
| Property and equipment | 1,971 | 1,788 | 110,579 | 89,982 |
| Fleet | 3,341 | 3,447 | 265,315 | 21,450 |
| Receivables | 16,276 | 19,645 | 6,347 | 2,503 |
| Other assets | 12,992 | 6,933 | 11,610 | 6,608 |
| Financial liabilities | 127,111 | 97,017 | - | - |
| Other liabilities | 3,553 | 2,556 | 1,266 | 12,914 |
| Provisions | 24,207 | 18,580 | 484 | 430 |
| Tax loss carryforwards | 167,245 | 1,499 | - | - |
| | 356,696 | 151,465 | 395,601 | 133,887 |
| Offsetting | -344,301 | -119,776 | -344,301 | -119,776 |
| **Group total** | **12,395** | **31,689** | **51,300** | **14,111** |

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where they relate to income taxes of the same tax subject levied by the same tax authority.

As in the previous year, the tax losses carried forward of EUR 12,997 thousand (2021: EUR 10,771 thousand), for which no deferred tax assets were recognised, will not expire in the following years. The loss carryforwards for which deferred tax assets were recognised are expected to be used during a four-year planning period.

For deductible temporary differences in the amount of EUR 496 thousand (2021: EUR 901 thousand) no deferred taxes were recognised in financial year 2022.

For temporary differences in relation to shares in subsidiaries of the Group in the amount of EUR 45,425 thousand (2021: EUR 40,437 thousand) deferred tax liabilities were not recognised for reported periods.

\4.9\ ***Earnings per share*** are as follows:

| **Earnings per share - basic** | | **2022** | 2021 |
|---|---|---|---|
| Consolidated profit/loss for the period after minority interests | in EUR thousand | 385,705 | 313,148 |
| Profit attributable to ordinary shares | in EUR thousand | 249,294 | 202,357 |
| Profit attributable to preference shares | in EUR thousand | 136,411 | 110,791 |
| Weighted average number of ordinary shares | | 30,367,112 | 30,367,112 |
| Weighted average number of preference shares | | 16,576,246 | 16,576,246 |
| Earnings per ordinary share | in EUR | 8.21 | 6.66 |
| Earnings per preference share | in EUR | 8.23 | 6.68 |

The profit attributable to preference shares includes the additional dividend of EUR 0.02 or the minimum dividend of EUR 0.05 per preference share payable in accordance with the Articles of Association for preference shares carrying dividend rights in the financial year (as at 31 December). The weighted average number of shares is calculated based on the proportionate number of shares per month for each category of shares, taking due account of the respective number of treasury shares.

The Matching Stock Programme MSP 20212 was terminated in financial year 2022. The potential dilutive effect of stock options issued as part of the Matching Stock Programme MSP 2012 is insignificant in the previous year 2021, so that no adjustment was made. There were no circumstances in the financial year that would lead to the dilution of earnings per share. The diluted earnings per share therefore correspond for both categories of shares in terms of the amount to basic earnings per share.

## 4.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

\4.10\ to \4.13\ The changes in the Group's *non-current assets* (excluding financial assets) are shown below.

| Consolidated Statement of Changes in Non-current Assets | Acquisition and production costs | | | | | | |
|---|---|---|---|---|---|---|---|
| in EUR thousand | 1 Jan. 2022 | Foreign exchange differences | Changes in the scope of consolidation | Additions | Disposals | Transfers | 31 Dec. 2022 |
| **Goodwill** | **26,050** | **-277** | **6,802** | **-** | **-** | **-** | **32,576** |
| Purchased software | 45,545 | 10 | 11 | 80 | 6,240 | 20 | 39,426 |
| Internally developed software | 9,277 | - | - | 3,698 | - | 6,222 | 19,197 |
| Payments for software | 15,137 | - | - | 17,010 | 224 | -6,242 | 25,682 |
| Other intangible assets | 9,760 | 483 | - | 2,109 | 145 | - | 12,208 |
| **Intangible assets** | **79,720** | **493** | **11** | **22,898** | **6,609** | **-** | **96,513** |
| Land and buildings | 767,723 | 13,960 | 2,772 | 175,830 | 13,859 | - | 946,426 |
| Operating and office equipment[1] | 184,688 | 894 | 258 | 40,706 | 10,996 | 2,507 | 218,057 |
| Payments on account of property and equipment | 3,699 | -54 | - | 5,026 | - | -2,507 | 6,163 |
| **Property and equipment** | **956,111** | **14,801** | **3,030** | **221,562** | **24,855** | **-** | **1,170,649** |
| **Investment property** | **11,713** | **-** | **-** | **-** | **-** | **-** | **11,713** |
| **Total** | **1,073,594** | **15,017** | **9,843** | **244,459** | **31,464** | **-** | **1,311,450** |

| Consolidated Statement of Changes in Non-current Assets | Acquisition and production costs | | | | | | |
|---|---|---|---|---|---|---|---|
| in EUR thousand | 1 Jan. 2021 | Foreign exchange differences | Changes in the scope of consolidation | Additions | Disposals | Transfers | 31 Dec. 2021 |
| **Goodwill** | **25,996** | **55** | **-** | **-** | **-** | **-** | **26,050** |
| Purchased software | 43,972 | 19 | - | 1,561 | 7 | - | 45,545 |
| Internally developed software | 2,529 | - | - | 1,041 | - | 5,707 | 9,277 |
| Payments for software | 10,155 | - | - | 10,689 | - | -5,707 | 15,137 |
| Other intangible assets | 9,056 | 615 | - | 90 | - | - | 9,760 |
| **Intangible assets** | **65,712** | **634** | **-** | **13,381** | **7** | **-** | **79,720** |
| Land and buildings | 668,542 | 23,441 | - | 96,389 | 8,936 | -11,713 | 767,723 |
| Operating and office equipment[1] | 169,692 | 3,144 | - | 18,216 | 9,863 | 3,500 | 184,688 |
| Payments on account of property and equipment | 4,207 | 130 | - | 2,863 | 1 | -3,500 | 3,699 |
| **Property and equipment** | **842,442** | **26,714** | **-** | **117,468** | **18,800** | **-11,713** | **956,111** |
| **Investment property** | **-** | **-** | **-** | **-** | **-** | **11,713** | **11,713** |
| **Total** | **934,149** | **27,403** | **-** | **130,849** | **18,807** | **-** | **1,073,594** |

1 *The right of use assets for rental vehicles financed by lease contracts that were previously included in the position property and equipment, operating and office equipment, are reported in the position rental vehicles since financial year 2022. The prior year comparative figures have been adjusted accordingly.*

| | Depreciation/amortisation, including impairments | | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|
| | 1 Jan. 2022 | Foreign exchange differences | Depreciation/ amortisation in the financial year | Disposals | Reversal of impairment | 31 Dec. 2022 | **31 Dec. 2022** | 31 Dec. 2021 |
| | **7,608** | **44** | **-** | **-** | **-** | **7,652** | **24,923** | **18,442** |
| | 40,911 | 9 | 2,064 | 6,164 | - | 36,820 | 2,607 | 4,634 |
| | 2,698 | - | 4,357 | - | - | 7,056 | 12,142 | 6,579 |
| | - | - | - | - | - | - | 25,682 | 15,137 |
| | 7,947 | 384 | 482 | 138 | 37 | 8,637 | 3,571 | 1,814 |
| | **51,555** | **392** | **6,903** | **6,302** | **37** | **52,512** | **44,001** | **28,164** |
| | 316,500 | 3,594 | 116,061 | 4,239 | 6,942 | 424,973 | 521,453 | 451,223 |
| | 98,577 | 276 | 23,894 | 9,421 | 1,001 | 112,325 | 105,732 | 86,112 |
| | - | - | - | - | - | - | 6,163 | 3,699 |
| | **415,077** | **3,870** | **139,955** | **13,660** | **7,943** | **537,300** | **633,349** | **541,033** |
| | **4,934** | **-** | **123** | **-** | **-** | **5,057** | **6,656** | **6,779** |
| | **479,176** | **4,306** | **146,981** | **19,962** | **7,980** | **602,521** | **708,929** | **594,419** |

| | Depreciation/amortisation, including impairments | | | | | | Carrying amounts | |
|---|---|---|---|---|---|---|---|---|
| | 1 Jan. 2021 | Foreign exchange differences | Depreciation/ amortisation in the financial year | Disposals | Transfers | 31 Dec. 2021 | 31 Dec. 2021 | 31 Dec. 2020 |
| | **7,554** | **55** | **-** | **-** | **-** | **7,608** | **18,442** | **18,442** |
| | 37,569 | 17 | 3,332 | 7 | - | 40,911 | 4,634 | 6,403 |
| | 1,086 | - | 1,613 | - | - | 2,698 | 6,579 | 1,443 |
| | - | - | - | - | - | - | 15,137 | 10,155 |
| | 6,978 | 485 | 484 | - | - | 7,947 | 1,814 | 2,078 |
| | **45,633** | **502** | **5,428** | **7** | **-** | **51,555** | **28,164** | **20,080** |
| | 216,687 | 7,306 | 101,131 | 3,813 | -4,811 | 316,500 | 451,223 | 451,854 |
| | 82,606 | 1,289 | 21,636 | 6,955 | - | 98,577 | 86,112 | 87,086 |
| | - | - | - | - | - | - | 3,699 | 4,207 |
| | **299,295** | **8,595** | **122,767** | **10,768** | **-4,811** | **415,078** | **541,033** | **543,147** |
| | **-** | **-** | **123** | **-** | **4,811** | **4,934** | **6,779** | **-** |
| | **352,481** | **9,151** | **128,318** | **10,774** | **-** | **479,176** | **594,419** | **581,668** |

\4.10\ ***Goodwill*** of EUR 24,923 thousand (2021: EUR 18,442 thousand) results from the consolidation of the companies belonging to United Kenning Rental Group Ltd., Langley/Great Britain, acquired in 2000, as well as from the consolidation of the companies West Country Self Drive Services Limited, Slough/ Great Britain, West Country Self Drive Ltd, Slough/ Great Britain, Hireco 2 Holdings Ltd., Clydebank/ Great Britain and GAP Hire Limited, Clydebank/ Great Britain, acquired in 2022.

The annual impairment test of goodwill was carried out on the basis of value in use, which as in the previous years is determined by using the discounted future cash flows based on a multi-year plan and a growth factor of 1% taken as the basis in deriving a sustainable figure. The revenue and earnings planning is based on the assumptions on how the business will develop in the future, with due consideration of the increased uncertainty resulting from the war in the Ukraine, high inflation and the anticipated weaker overall economic development. The discount rates (before taxes and growth factor) used are between 11.3% and 12.5% (2021: between 9.2% and 9.9%) and reflect the current market situation.

As at 31 December 2022, as in the previous year, an annual impairment tests for goodwill was performed based on the updated planning. The impairment test confirmed the value of the goodwill.

In addition to the impairment test, sensitivity analyses were also conducted. A shift in the discount rates of +50 / -50 basis points would change the recoverable amount of the cash-generating unit by EUR -24.6 million / EUR +27.7 million. A change in the growth factor of +50 / -50 basis points would change the recoverable amount of the cash-generating unit by EUR +19.2 million / EUR -17.1 million. The decrease of the growth factor to 0.5% or the increase of the discount rate by 50 basis points would not require an impairment of the goodwill.

\4.11\ ***Intangible assets*** include purchased software amounting to EUR 2,607 thousand (2021: EUR 4,634 thousand) and internally developed software amounting to EUR 12,142 thousand (2021: EUR 6,579 thousand). The item also includes payments on account in respect of software and software in development amounting to EUR 25,682 thousand (2021: EUR 15,137 thousand) and other intangible assets amounting to EUR 3,571 thousand (2021: EUR 1,814 thousand).

\4.12\ The item ***property and equipment*** includes own property and equipment in the amount of EUR 216,210 thousand (2021: EUR 193,291 thousand) as well as right of use assets in the amount of EUR 417,139 thousand (2021: EUR 347,742 thousand).

***Property and equipment*** owned by the Group includes land and buildings for rental stations/service points and administrative buildings in Germany and abroad in the amount of EUR 107,410 thousand (2021: EUR 108,721 thousand). Furthermore, operating and office equipment (mainly IT systems, fixtures and fittings and office equipment) are included in the amount of EUR 102,636 thousand (2021: EUR 80,871 thousand). The item also includes payments on account made for property and equipment in the amount of EUR 6,163 thousand (2021: EUR 3,699 thousand). Land charges are registered against properties for real estate financing in the amount of EUR 63,090 thousand (2021: EUR 65,826 thousand).

***Right of use assets*** for assets leased by Sixt Group as lessee are included in the item property and equipment in the amount of EUR 417,139 thousand (2021: EUR 347,742 thousand). In addition, there are right of use assets for rental vehicles financed by lease contracts in the amount of EUR 145,787 thousand (2021: EUR 9,816 thousand) that are reported in the position rental vehicles.

The changes in the right of use assets are presented below:

**Right of use assets**

| in EUR thousand | Buildings and rental stations | Operating and office equipment | Total property and equipment | Rental vehicles |
|---|---|---|---|---|
| **1 Jan. 2022** | **342,502** | **5,241** | **347,742** | **9,816** |
| Additions | 175,826 | 1,761 | 177,587 | 70,458 |
| Additions from changes in the scope of consolidation | 2,772 | - | 2,772 | 100,352 |
| Depreciation including impairments in the financial year | -114,285 | -3,867 | -118,152 | -29,884 |
| Reversal of impairment | 6,942 | - | 6,942 | - |
| Other incl. foreign exchange differences | 286 | -39 | 248 | -4,955 |
| **31 Dec. 2022** | **414,043** | **3,096** | **417,139** | **145,787** |
| | | | | |
| **1 Jan. 2021** | **343,642** | **1,123** | **344,765** | **810** |
| Additions | 87,928 | 7,898 | 95,827 | 12,334 |
| Depreciation including impairments in the financial year | -99,343 | -3,443 | -102,787 | -3,311 |
| Other incl. foreign exchange differences | 10,275 | -338 | 9,937 | -17 |
| **31 Dec. 2021** | **342,502** | **5,241** | **347,742** | **9,816** |

Sixt Group rents or leases primarily rental stations and parking spaces, office and advertising spaces, as well as rental fleet vehicles, as part of its business activities. The rental vehicles financed under lease agreements with a term of more than one year are presented separately since the 2022 financial year and are reclassified in this context from the position property and equipment to rental vehicles. The previous year's figures were adjusted accordingly.

Rental agreements for buildings and rental stations have lease terms between one and more than twenty years. The rental conditions are negotiated individually and include a wide range of various contract terms. Some of the lease contracts contain extension options, which are taken into consideration for the calculations of the right of use assets and lease liabilities, if Sixt Group plans to exercise them. At various locations, e.g. airports, the rental agreements concluded by Sixt Group apart from fixed payments also contain payments that are usually linked to sales figures. Such variable lease payments are expensed by the Group as commissions in profit or loss in the period in which those payments occur and are not included in the calculation of the lease liability. As a result of the increase in revenue the share of variable lease expenses to total expenses for leases of buildings and rental stations increased to 49% (2021: 42%).

As a result of the coronavirus pandemic some rental stations could only be used to a limited extent. For the affected stations Sixt was able to reach agreements with the lessor to reduce rent payments or to defer them to a later date. For the respective changes in rent payments, as far as the conditions are met, Sixt Group applied the exemption to not assess whether the change is a lease modification, but rather accounted for these payments as variable lease payments.

Leases for operating and office equipment of the Group relate mainly to rental agreements for advertising spaces.

Part of the vehicle fleet consists of rental vehicles that are financed by lease contracts. In connection with the acquisitions in the financial year 2022, as well as the extended terms of contracts due to the shortage of vehicles, among other things, the recognised rights of use from leases for rental vehicles increased from EUR 9,816 thousand in the previous year to EUR 145,787 thousand as at 31 December 2022. The contracts have terms of between one and six years.

Certain lease contracts concluded by Sixt Group as lessee have a lease term of less than one year. For these lease agreements, the Group applies the exemptions not to recognise the right of use assets or the corresponding lease liabilities. Besides the leases for buildings and rental stations, these are predominantly leases for rental vehicles, which mostly have a lease term of less than one year.

Expenses incurred in connection with leases that have not been capitalised, are presented in other operating expenses. The expenses are broken down as follows:

| Expenses recognised in profit or loss relating to leases | | |
|---|---|---|
| in EUR thousand | **2022** | 2021 |
| Expenses relating to short-term leases | 65,087 | 69,706 |
| Expenses relating to leases of low-value assets | 374 | 321 |
| Expenses from variable lease payments | 129,589 | 81,320 |
| Rent concessions (reduction of expenses) | 2,116 | 9,648 |

In financial year 2022, payments of EUR 165.4 million (2021: EUR 98.0 million) were recorded for capitalised leases. The total cash out relating to leases in the year under review amounted to EUR 360.4 million (2021: EUR 249.3 million).

Information on the lease liabilities corresponding to the right of use assets is presented in text item \4.25\ and in the section titled “Additional disclosures on financial instruments”.

Impairment losses are recognised, if necessary, for rental stations no longer used by the Group with ongoing rental agreements. In this context, impairment losses of EUR 1.1 million were recognised in the financial year, all of which were attributable to the segment Germany (2021: EUR 2.3 million, in the segment North America). As in the previous year, no impairment losses were recognised on property and equipment and rights of use in the course of impairment tests in the financial year. Reversals of impairment losses recognised in previous years were recorded in the amount of EUR 8.0 million (2021: EUR -million), of which EUR 7.0 million were attributable to the segment Europe and EUR 1.0 million to the segment North America.

\4.13\ The ***investment property*** item in the amount of EUR 6,656 thousand (2021: EUR 6,779 thousand) includes properties that are held to generate rental income.

Investment properties are measured at amortised cost and depreciated over a useful life of 50 years. The fair value of the investment property as at the reporting date amounted to EUR 11,639 thousand (2021: EUR 20,565 thousand). The fair value was calculated using the income capitalisation approach. The income capitalisation approach uses currently known and estimated future rental income and a discount rate of 5.0% p.a. or 4.0% p.a. (perpetual annuity). The fair value reflects the indexation of future expected instalments. The investment property is not valued by an external appraiser. No impairment was required in the financial year, as the fair value was above the amortised cost. Net rental income for the period is the balance of rental income of EUR 822 thousand (2021: EUR 956 thousand) and expenses of EUR 190 thousand (2021: EUR 89 thousand).

\4.14\ The carrying amount of the unconsolidated affiliates and investments presented under ***financial assets*** amounts to EUR 1,393 thousand (2021: EUR 2,911 thousand). The change compared to 2021 resulted mainly from fair value changes through other comprehensive income for the shares in an investment listed on the stock exchange.

\4.15\ The ***rental vehicles*** item increased by EUR 976.8 million (2022: EUR 3,833.4 million, 2021: EUR 2,856.6 million). In addition to own rental vehicles, leased rental vehicles are also included in the amount of EUR 145.8 million (2021: EUR 9.8 million).

As a result of the further recovery of the business and the very high demand, own rental vehicles increased to EUR 3,687.6 million (2021: EUR 2,846.8 million). As at 31 December 2022, rental vehicles with a planned remaining useful life of more than one year amounted to EUR 726.0 million (2021: EUR 423.7 million).

Acquisition costs for new additions to the own rental vehicles in the financial year amounted to EUR 3,991.9 million (2021: EUR 3,770.3 million). For the own rental vehicles reported at the end of the year under review, they amounted to EUR 4,071.0 million (2021: EUR 3,082.0 million).

Rental vehicles are largely covered by buy-back agreements with dealers and manufacturers, from which a calculated residual value at the respective contract end of EUR 1,767 million (2021: EUR 2,020 million) is expected as at the reporting date.

As in the previous years, rental vehicles were financed also via lease agreements, which were concluded with manufacturers/manufacturer financing companies. In addition, the companies newly acquired in the financial year also have financing via lease agreements concluded with other financing companies. In contrast to the existing lease contracts concluded with manufacturers or manufacturer financing companies, these contracts generally provide for a purchase option at the end of the lease contract. The purchase option and the market value of the vehicles were taken into account in the valuation of the right of use assets.

The majority of the lease contracts concluded by the Sixt Group for rental vehicles have a term of less than one year. No right of use assets and lease liabilities are recognised for these vehicles. Right of use assets for rental vehicles financed under leases with a term of more than one year are included in the rental vehicle item in amount of EUR 145.8 million (2021: EUR 9.8 million). Of this amount, 135.4 million euros were attributable to leased rental vehicles with a planned remaining useful life of more than one year as at 31 December 2022. There are purchase options at the end of the lease term for right of use assets for leased vehicles recognised in the balance sheet in the amount of 89.4 million euros. The Group expects to use the purchase options.

\4.16\ ***Inventories*** consist mainly of rental vehicles available for sale, purchased vehicles intended for resale, as well as fuel, raw materials, consumables and supplies. The increase of inventories to a total of EUR 50,039 thousand (2021: EUR 27,056 thousand) resulted mainly from the higher number of vehicles available for sale as at the reporting date.

\4.17\ ***Trade receivables*** of EUR 535,852 thousand (2021: EUR 514,778 thousand) resulted almost exclusively from services invoiced in the course of rental business and from used vehicle deliveries of the rental fleet. Valuation allowances were recognised for expected credit losses.

\4.18\ ***Other receivables and assets*** can be broken down as follows:

**Other receivables and assets**

| in EUR thousand | **31 Dec. 2022** | 31 Dec. 2021 |
|---|---|---|
| Financial other receivables and assets | | |
| Receivables from affiliated companies and from other investees | 118 | 95 |
| Deposits | 23 | 50,024 |
| Miscellaneous assets | 163,827 | 85,237 |
| Non-financial other receivables and assets | | |
| Other recoverable taxes | 96,268 | 10,214 |
| Insurance claims | 18,137 | 16,980 |
| Deferred expense | 25,423 | 20,955 |
| Delivery claims for vehicles of the rental fleet | 53,703 | 10,070 |
| **Group total** | **357,499** | **193,574** |
| | | |
| Thereof current | 349,531 | 185,960 |
| Thereof non-current | 7,968 | 7,614 |

Deposits are short-term cash investments with a contractual maturity of more than three months and up to one year.

Miscellaneous assets include, to a significant extent, receivables from grants and rebates to vehicle manufacturers are included. Miscellaneous assets also include deposits for leases and advances amounting to EUR 7,968 thousand (2021: EUR 6,551 thousand), in each case maturing in one to five years.

\4.19\ ***Cash, cash equivalents and bank balances*** of EUR 26,569 thousand (2021: EUR 265,835 thousand) include cash and short-term deposits at banks with terms of up to three months. The item corresponds to the cash and cash equivalents item in the Consolidated Statement of Cash Flows.

### Equity and liabilities

Sixt Group's equity increased year-on-year to a total of EUR 1,979.4 million (2021: EUR 1,746.2 million). The subscribed capital of Sixt SE included in this total amount was unchanged at EUR 120.2 million.

### \4.20\ Subscribed capital of Sixt SE

| Composition of the share capital | No-par value shares | Nominal value in EUR | No-par value shares | Nominal value in EUR |
|---|---|---|---|---|
| | | **31 Dec. 2022** | | 31 Dec. 2021 |
| Ordinary shares | 30,367,112 | 77,739,807 | 30,367,112 | 77,739,807 |
| Non-voting preference shares | 16,576,246 | 42,435,190 | 16,576,246 | 42,435,190 |
| **Total** | **46,943,358** | **120,174,996** | **46,943,358** | **120,174,996** |

Ordinary shares are bearer shares with the exception of two registered shares, while the preference shares are exclusively bearer shares. Both categories of shares are no-par value shares. The notional interest in the share capital is EUR 2.56 per share. The preference shares entitle the holders to receive a dividend EUR 0.02 per share higher than that of the ordinary shares and a minimum dividend of EUR 0.05 per share from net retained profit for the year. The share capital is fully paid up.

### Treasury shares

By resolution of the Annual General Meeting of 24 June 2020 the Management Board, with the consent of the Supervisory Board, is authorised, as specified in the proposed resolution, to acquire in the period up to and including 23 June 2025 treasury shares in the amount of up to 10% of the company's share capital at the time of the authorisation or, if lower, at the time of the exercise – including the use of derivatives in the amount of up to 5% of the share capital. The authorisation may be exercised wholly or partially, on one or more occasions for any purpose permitted by law. Acquisitions for the purpose of trading in treasury shares are excluded.

As part of the share performance programs for selected employees and executives, the company concluded share price hedging transactions in the form of total return equity swaps with a bank as counterparty with effect from 5 May 2021 and 8 April 2022. These hedging transactions are settled only in cash. For legal reasons, the acquisitions of the underlying shares were treated as an acquisition of shares by a third party. As underlying shares, a total of 25,193 ordinary shares of the company were acquired by the bank on the stock exchange in the financial year 2021 and a total of 74,406 ordinary shares in financial year 2022.

The authorisation to acquire treasury shares has not yet been fully exercised as at the reporting date. As in the previous year, Sixt SE did not hold any treasury shares as at 31 December 2022.

### Authorised capital

By resolution of the Annual General Meeting of 24 June 2020 the Management Board is authorised to increase the share capital on one or more occasions in the period up to and including 23 June 2025, with the consent of the Supervisory Board, by up to a maximum of EUR 32,640,000 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2020). The authorisation also includes the power to issue new non-voting preference shares up to the legally permitted limit. For the distribution of profits and/or company assets, these non-voting preference shares are ranked equal to the non-voting preference shares previously issued.

In principle the shareholders of Sixt SE are granted the statutory subscription right. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right under certain conditions, which follow entirely from the resolution passed by the Annual General Meeting on 24 June 2020.

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the further details of the pre-emptive rights and the terms and conditions of the share issue. The Management Board may resolve, with the consent of the Supervisory Board, that the new shares shall also carry dividend rights from the beginning of the financial year preceding their issue if the Annual General Meeting has not adopted a resolution on the appropriation of the profit for the financial year in question at the time the new shares are issued.

As at 31 December 2022 the authorisation has not been exercised.

**Conditional Capital**

By resolution of the Annual General Meeting of 24 June 2020, the Management Board is authorised to issue on one or more occasions in the period up to and including 23 June 2025, with the consent of the Supervisory Board, convertible and/or bonds with warrants registered in the name of the holder and/or bearer by up to a maximum of EUR 350,000,000 with a fixed or open-ended term and to grant conversion or option rights to holders and/or creditors of convertible and/or bonds with warrants to acquire a total of up to 6,000,000 new ordinary bearer shares in Sixt SE and/or to provide corresponding conversion rights for the company. Taking due account of statutory requirements, the respective conversion or option rights may provide for the subscription of ordinary bearer shares and/or preference bearer shares without a voting right. The convertible and/or bonds with warrants may also be issued by a German or foreign company in which Sixt SE is directly or indirectly invested with a majority of votes and capital. In this case, the Management Board is authorised on behalf of the Issuing company to take on the guarantee for repayment of the convertible and/or bonds with warrants and the payment of interest due thereon and to grant the bearers and/or creditors of such convertible and/or bonds with warrants conversion or option rights on shares of Sixt SE. Convertible and/or bonds with warrants may be issued against cash and/or non-cash contributions. The shareholders of Sixt SE are in principle granted the statutory subscription right. However, the Management Board is authorised to exclude the subscription right under certain conditions, with the consent of the Supervisory Board, which follow fully from the resolution passed by the Annual General Meeting on 24 June 2020.

In this context, the company's share capital was conditionally increased based on the resolution passed by the Annual General Meeting on 24 June 2020 by up to EUR 15,360,000 (Conditional Capital 2020). The conditional capital increase serves to grant shares to the holders or creditors of convertible bonds and holders of option rights from bonds with warrants, which were issued up until and including 23 June 2025 on the basis of the aforelisted resolution passed by the Annual General Meeting on 24 June 2020, by the company or a German or foreign subsidiary, in which the company directly or indirectly holds a majority of voting rights and capital. The conditional capital increase is only to be effected insofar as the conversion or option rights from the aforelisted convertible and/or bonds with warrants are actually exercised or the conversion obligations from such bonds are fulfilled and no other form of settlement is being used. The new shares will be issued at the option and/or conversion price to be determined in accordance with the authorisation of the Annual General Meeting of 24 June 2020. The new shares are entitled to take part in the company's profit as at the beginning of the financial year in which the conversion and/or option rights were exercised or in which the conversion obligations were fulfilled. Instead, the new shares are entitled to take part in the company's profit as at the beginning of the financial year prior to the year of their issue, when at the time of issue of the new shares the resolution of the Annual General Meeting for the appropriation of earnings for this year has not been passed. The Management Board is authorised to determine further details for implementing the conditional capital increase.

As at 31 December 2022 the authorisation has not been exercised.

**Profit participation bonds and rights**

By resolution of the Annual General Meeting of 16 June 2021, the Management Board is authorised to issue, on one or more occasions, in the period up until and including 15 June 2026, with the consent of the Supervisory Board, profit participation bonds and/or rights registered in the name of the holder and/or bearer by up to a maximum of EUR 350,000,000 with a fixed or open-ended term against cash and/or non-cash contributions. The profit participation bonds and rights issued under this authorisation may not provide for conversion or subscription rights to shares of the company. The issue can also be effected by a company in which Sixt SE is directly or indirectly invested with a majority of the votes and capital. In this case, the Management Board is authorised to assume the guarantee for the issuing company on behalf of Sixt SE that the ensuing liabilities will be met. The shareholders of Sixt SE are in principle granted the statutory subscription right. However, with the consent of the Supervisory Board, the Management Board is authorised to exclude the subscription right under certain conditions, which follow fully from the resolution passed by the Annual General Meeting on 16 June 2021.

As at 31 December 2022 the authorisation has not been exercised.

## \4.21\ Capital reserves

| Capital reserves<br>in EUR thousand | 2022 | 2021 |
|---|---|---|
| Balance as at 1 Jan. | 200,538 | 197,280 |
| Increase due to the employee participation programme | 377 | 809 |
| Transfer to the capital reserves | 3,855 | 2,449 |
| **Balance as at 31 Dec.** | **204,771** | **200,538** |

The change in the capital reserves to EUR 204,771 thousand (2021: EUR 200,538 thousand) resulted mainly from allocations to the Matching Stock Programme MSP 2012 and transfers to the capital reserves.

## \4.22\ Retained earnings

| Retained earnings<br>in EUR thousand | 2022 | 2021 |
|---|---|---|
| Balance as at 1 Jan. | 225,633 | 212,439 |
| Changes in the scope of consolidation | - | -248 |
| Purchase of minority interests | - | -120 |
| Transfer to retained earnings | - | 13,562 |
| Transfer from retained earnings | -18,726 | - |
| **Balance as at 31 Dec.** | **206,907** | **225,633** |

The transer from the retained earnings relates to loss compensation at affiliated companies.

## \4.22\ Currency translation reserve

| Currency translation reserve<br>in EUR thousand | 2022 | 2021 |
|---|---|---|
| Balance as at 1 Jan. | 20,869 | -23,808 |
| Differences arising from the translation of the financial statements of foreign subsidiaries | 22,715 | 44,677 |
| **Balance as at 31 Dec.** | **43,584** | **20,869** |

## \4.22\ Other equity

| Other equity in EUR thousand | **2022** | 2021 |
|---|---|---|
| Balance as at 1 Jan. | 1,178,971 | 888,622 |
| Consolidated profit attributable to shareholders of Sixt SE | 385,705 | 313,148 |
| Dividend payment | -174,022 | -829 |
| Other comprehensive income | -1,553 | -6,208 |
| Transfer to retained earnings | - | -13,562 |
| Transfer from retained earnings | 18,726 | - |
| Transfer to the capital reserves | -3,855 | -2,449 |
| Changes in the scope of consolidation | - | 248 |
| **Balance as at 31 Dec.** | **1,403,971** | **1,178,971** |

In 2022 for the financial year 2021 dividends of EUR 3.70 per ordinary share and EUR 3.72 per preference share were distributed to shareholders.

| Dividends in EUR thousand | **2022** | 2021 |
|---|---|---|
| Amounts recognised as distribution to shareholders in the financial year | 174,022 | 829 |
| Dividend for financial year 2021 of EUR 3.70 (2020: no payment) for each ordinary share | 112,358 | - |
| Dividend for financial year 2021 of EUR 3.72 (2020: EUR 0.05) for each preference share | 61,664 | 829 |

## Liabilities and provisions

\4.23\ ***Provisions for pensions and other post-employment benefits*** are broken down as follows:

| Provisions for pensions and other post-employment benefits in EUR thousand | **2022** | 2021 |
|---|---|---|
| Provisions for pensions | 11,911 | 12,754 |
| Other post-employment benefits | 1,972 | 2,237 |
| **Defined benefit obligations** | **13,884** | **14,991** |
| | | |
| **Fair value of plan assets** | **11,204** | **11,940** |
| | | |
| **Group total** | **2,680** | **3,051** |

The valuation of provisions for pensions and other post-employment benefits rely on actuarial reports. The reports are based on the following actuarial assumptions:

| Actuarial assumptions | | |
|---|---|---|
| in % | **2022** | 2021 |
| Discount rate | 1.9 - 7.5 | 0.3 - 6.8 |
| Assumed salary increase | 1.5 - 10.0 | 0.5 - 10.0 |
| Assumed pension increase | - | - |
| Mortality table | BVG 2020 GT / ISTAT 2000 / IALM 2012-14 | BVG 2020 GT / ISTAT 2000 / IALM 2012-14 |

**Provisions for pensions – Switzerland**

Pension schemes in Sixt Group contain mainly defined contribution pension plans under statutory pension insurance. In Switzerland every employer is required by law to provide post-employment benefits schemes against the economic risks of retirement, death and invalidity to the employees entitled to them.

Therefore, Sixt offers its Swiss employees funded defined benefit plans, which are managed by an external pension fund. The pension fund is responsible for the investment policy and asset management, as well as for all changes in the plan conditions and the determination of contributions to finance the benefits. In case of underfunding, the pension fund may raise additional contributions from employers and employees. The following table shows the development of the defined benefit pension plans:

| **Development of defined benefit pension plans** | Defined benefit obligations | | Fair value of plan assets | | Net balance of defined benefit obligations | |
|---|---|---|---|---|---|---|
| in EUR thousand | 2022 | 2021 | 2022 | 2021 | **2022** | 2021 |
| Balance as at 1 Jan. | 12,754 | 14,028 | 11,940 | 12,293 | 814 | 1,735 |
| | | | | | | |
| Current service costs | 877 | 736 | - | - | 877 | 736 |
| Past service costs and plan settlements | -53 | -180 | - | - | -53 | -180 |
| Net interest costs of defined benefit obligations | 38 | 18 | 37 | 16 | 1 | 2 |
| **Expenses recognised in the Consolidated Statement of Income** | **863** | **574** | **37** | **16** | **825** | **558** |
| | | | | | | |
| Gains/losses on plan assets | - | - | -1,505 | 486 | 1,505 | -486 |
| Actuarial gains/losses | | | | | | |
| Experience gains/losses | -255 | 450 | - | - | -255 | 450 |
| Changes in demographic assumptions | 33 | -601 | - | - | 33 | -601 |
| Changes in financial assumptions | -1,395 | -186 | - | - | -1,395 | -186 |
| **Remeasurement for defined benefit obligations recognised in other comprehensive income** | **-1,616** | **-337** | **-1,505** | **486** | **-112** | **-823** |
| | | | | | | |
| Employer contributions | - | - | 858 | 692 | -858 | -692 |
| Plan participants' contributions | 858 | 692 | 858 | 692 | - | - |
| Benefits paid | -1,549 | -2,760 | -1,549 | -2,760 | - | - |
| Foreign currency translation effects | 602 | 557 | 564 | 521 | 38 | 36 |
| Reclassification as held for sale | - | - | - | - | - | - |
| **Other reconciling items** | **-89** | **-1,511** | **731** | **-854** | **-820** | **-657** |
| | | | | | | |
| **Balance as at 31 Dec.** | **11,911** | **12,754** | **11,204** | **11,940** | **708** | **814** |

The weighted average duration of the defined benefit obligations from pensions was around 13 years (2021: 15 years). Employer contributions expected to be paid for defined benefit obligations in the following year amount to EUR 848 thousand (2021: EUR 741 thousand).

The pension scheme is provided through an external pension fund, which manages the plan assets. As at the balance sheet date, the plan assets are attributable to other assets without quoted market prices.

**Other post-employment benefits**

Other post-employment benefits are recognised, if required by law. In India and Italy, every employer is required by law to pay an amount to employees who leave the company. The amount is calculated based on the duration of employment and the taxable income of each employee.

Other post-employment benefits developed as follows:

| **Development of other post-employment benefits** | Defined benefit obligations | |
|---|---|---|
| in EUR thousand | **2022** | 2021 |
| Balance as at 1 Jan. | 2,237 | 1,405 |
| | | |
| Current service costs | 604 | 634 |
| Net interest costs of defined benefit obligations | 31 | 19 |
| **Expenses recognised in the Consolidated Statement of Income** | **634** | **654** |
| | | |
| Actuarial gains/losses | -505 | 344 |
| **Remeasurement for defined benefit obligations recognised in other comprehensive income** | **-505** | **344** |
| | | |
| Benefits paid | -374 | -185 |
| Foreign currency translation effects | -20 | 19 |
| **Other reconciling items** | **-394** | **-166** |
| | | |
| **Balance as at 31 Dec.** | **1,972** | **2,237** |

The weighted average duration of the defined benefit obligations for other post-employment benefits was around 23 years (2021: 23 years).

**Sensitivity analysis**

The sensitivity analysis assumes in each case a parallel shift of half a percentage point. This would result in the changes of values of the reported defined benefit obligation presented in the following table:

| **Sensitivity analysis of defined benefit obligations** | Changes in the defined benefit obligations | | Changes in the defined benefit obligations | |
|---|---|---|---|---|
| in EUR thousand | 2022 | 2022 | 2021 | 2021 |
| | + 0.5 percentage points | -0.5 percentage points | + 0.5 percentage points | -0.5 percentage points |
| Discount rate | -496 | 562 | -665 | 753 |
| Assumed salary increase | 134 | -131 | 166 | -167 |
| Assumed pension increase | 310 | -297 | 419 | -400 |

The decrease / increase of the life expectancy in the assumptions by one year respectively would result in a change of the defined benefit obligations by EUR -146 thousand / EUR 167 thousand (2021: EUR -209 thousand / EUR 240 thousand).

\4.24\ *Other provisions* consist mainly of provisions for staff, taxes and the operating rental business (fleet-related costs). Furthermore, miscellaneous provisions include provisions for legal costs and commitments from rental agreements.

Of the obligations included in other provisions, EUR 158,673 thousand (2021: EUR 142,445 thousand) are expected to be settled within one year and EUR 19,188 thousand (2021: EUR 16,748 thousand) are due in more than one year.

| **Other provisions** in EUR thousand | Rental business (fleet related) | Personnel | Taxes | Miscellaneous | **Total** |
|---|---|---|---|---|---|
| Balance as at 1 Jan. | 69,706 | 55,534 | 10,713 | 23,240 | 159,193 |
| Additions | 42,843 | 66,778 | 8,220 | 3,863 | 121,705 |
| Reversals | -4,561 | -3,464 | -4,310 | -6,742 | -19,077 |
| Utilised | -45,122 | -37,572 | -25 | -852 | -83,571 |
| Foreign exchange differences | -602 | 127 | - | 662 | 187 |
| Reversal of discounting | - | -577 | - | 0 | -577 |
| **Balance as at 31 Dec.** | **62,264** | **80,827** | **14,598** | **20,172** | **177,860** |
| | | | | | |
| Thereof current | 62,264 | 67,208 | 14,598 | 14,603 | 158,673 |
| Thereof non-current | - | 13,619 | - | 5,569 | 19,188 |

\4.25\ *Financial liabilities* comprise liabilities from bonds and issued borrower's note loans, liabilities from commercial papers and bank loans as well as lease liabilities.

| **Financial liabilities** | Residual term of up to 1 year | | Residual term of 1 to 5 years | | Residual term of more than 5 years | |
|---|---|---|---|---|---|---|
| in EUR thousand | **31 Dec. 2022** | 31 Dec. 2021 | **31 Dec. 2022** | 31 Dec. 2021 | **31 Dec. 2022** | 31 Dec. 2021 |
| Bonds | - | 249,510 | 548,808 | 547,922 | - | - |
| Borrower's note loans | 119,968 | - | 603,926 | 717,724 | 44,976 | - |
| Commercial papers | 112,000 | - | - | - | - | - |
| Liabilities to banks | 471,155 | 32,986 | 59,817 | 12,311 | - | 50,529 |
| Lease liabilities | 167,514 | 109,958 | 259,934 | 200,851 | 109,475 | 73,352 |
| Other liabilities | 7,557 | 6,206 | - | - | - | - |
| **Group total** | **878,194** | **398,661** | **1,472,486** | **1,478,807** | **154,452** | **123,881** |

Borrower's note loans were issued in several tranches with a total nominal value of EUR 770 million (2021: EUR 719 million). Thereof EUR 120 million (2021: EUR -) is attributable to current financial liabilities and EUR 650 million to non-current financial liabilities (2021: EUR 719 million). Interest is paid at a variable or fixed rate and the agreed nominal maturities are between three and seven years (2021: between five and seven years). In financial year 2022, new long-term borrower's note loans with maturities of three and six years were issued with a total nominal value of EUR 120 million.

Of the borrower's note loans reported under non-current financial liabilities in the previous year, borrower's note loans with a nominal value of EUR 69 million were repaid early in 2022.

The bonds include a EUR 250 million bond issued on the capital market in 2018 with a nominal interest rate of 1.50% p.a. and a maturity of six years until 21 February 2024 and a EUR 300 million bond issued on the capital market in 2020 with a nominal interest rate of 1.75% p.a. and a maturity of four years until 9 December 2024, each issued by Sixt SE. There are instrument-specific conditional call options for the issuer and put options for the bond holders. A bond with a nominal value of EUR 250 million issued on the capital market in 2016 and originally due on

2 November 2022 was repaid early on 4 August 2022 in accordance with the bond terms.

Current liabilities to banks include short-term borrowings in the amount of EUR 468 million taken out by utilising credit lines available to the Group. Other liabilities consist mainly of deferred interest.

Liabilities to banks also include two long-term investment loans in the amount of EUR 63.1 million (2021: EUR 65.8 million). These loans have been secured by mortgages.

Lease liabilities include liabilities resulting from leases recognised in accordance with IFRS 16.

The development of current and non-current financial liabilities is presented below:

**Changes in financial liabilities**

| in EUR thousand | **31 Dec. 2022** | 31 Dec. 2021 |
|---|---|---|
| Balance as at 1 Jan. | 2,001,349 | 2,378,192 |
| Cash flows | 191,572 | -488,311 |
| Other non-cash changes | | |
| Changes in the scope of consolidation | 64,938 | - |
| Leases | 235,193 | 92,989 |
| Currency translation | 9,222 | 17,921 |
| Other | 2,859 | 557 |
| **Balance as at 31 Dec.** | **2,505,131** | **2,001,349** |

\4.26\ *Other liabilities* are broken down as follows:

| **Other liabilities**<br>in EUR thousand | **31 Dec. 2022** | 31 Dec. 2021 |
|---|---|---|
| Financial other liabilities | | |
| Liabilities to affiliated companies and other investees | 496 | 390 |
| Payroll liabilities | 8,554 | 7,114 |
| Miscellaneous liabilities | 31,549 | 37,871 |
| Non-financial other liabilities | | |
| Deferred income | 1,159 | 1,307 |
| Tax liabilities | 32,164 | 54,801 |
| Contract liabilities | 49,648 | 41,426 |
| **Group total** | **123,571** | **142,910** |
| | | |
| Thereof current | 120,394 | 142,910 |
| Thereof non-current | 3,177 | - |

Miscellaneous other liabilities include liabilities from customer deposits and the reported derivative financial instruments.

Contract liabilities relate to prepayments received from customers for the rental of vehicles. The underlying performance obligation is expected to be fulfilled within the next twelve months.

\4.27\ *Trade payables* in the amount of EUR 636,938 thousand (2021: EUR 401,729 thousand) comprise current liabilities arising from deliveries to the Group, particularly of vehicles for the rental fleet, and other purchases in the course of operating activities.

## 4.3 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments. The fair value of financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value according to IFRS 13.

| **Financial instruments** | IFRS 9 measurement | Measurement basis for fair value | | Carrying amount | | Fair value |
|---|---|---|---|---|---|---|
| in EUR thousand | category[1] | | **31 Dec. 2022** | 31 Dec. 2021 | **31 Dec. 2022** | 31 Dec. 2021 |
| **Non-current assets** | | | | | | |
| Financial assets | FVTPL | Level 3 | 1,176 | 1,513 | 1,176 | 1,513 |
| Financial assets | FVTOCI | Level 1 | 218 | 1,398 | 218 | 1,398 |
| Total return swaps | Hedge Accounting | Level 2 | - | 1,063 | - | 1,063 |
| Other receivables | AC | | 7,968 | 6,551 | | |
| **Total** | | | **9,361** | **10,525** | **1,393** | **3,974** |
| | | | | | | |
| **Current assets** | | | | | | |
| Currency derivatives | FVTPL | Level 2 | 15,819 | 207 | 15,819 | 207 |
| Trade receivables | AC | | 535,852 | 514,778 | | |
| Deposits | AC | | 23 | 50,024 | | |
| Other receivables | AC | | 140,159 | 77,511 | | |
| **Total** | | | **691,852** | **642,520** | **15,819** | **207** |
| | | | | | | |
| **Non-current liabilities** | | | | | | |
| Bonds | AC | Level 1 | 548,808 | 547,922 | 532,944 | 564,208 |
| Borrower's note loans | AC | Level 2 | 648,903 | 717,724 | 631,479 | 714,502 |
| Liabilities to banks | AC | Level 2 | 59,817 | 62,840 | 53,002 | 60,110 |
| Lease liabilities | IFRS 16 | | 369,409 | 274,203 | | |
| Total return swaps | Hedge Accounting | Level 2 | 3,177 | - | 3,177 | - |
| **Total** | | | **1,630,115** | **1,602,688** | **1,220,602** | **1,338,820** |
| | | | | | | |
| **Current liabilities** | | | | | | |
| Bonds | AC | Level 1 | - | 249,510 | - | 251,700 |
| Borrower's note loans | AC | Level 2 | 119,968 | - | 119,108 | - |
| Commercial papers | AC | Level 2 | 112,000 | - | 111,821 | |
| Liabilities to banks | AC | Level 2 | 471,155 | 32,986 | 471,857 | 33,759 |
| Lease liabilities | IFRS 16 | | 167,514 | 109,958 | | |
| Other financial liabilities | AC | | 7,557 | 6,206 | | |
| Trade payables | AC | | 636,938 | 401,729 | | |
| Currency derivatives | FVTPL | Level 2 | 15 | 7,425 | 15 | 7,425 |
| Total return swaps | Hedge Accounting | Level 2 | 550 | - | 550 | - |
| Financial other liabilities | AC | | 36,857 | 37,951 | | |
| **Total** | | | **1,552,554** | **845,765** | **703,351** | **292,884** |

[1] *FVTPL - Fair value through profit or loss, FVTOCI - Fair value through OCI, AC - At amortised cost*

The financial instruments in the table above are classified into three levels depending on the measurement basis. Level 1 measurements are based on prices quoted in active markets. Level 2 measurements are based on parameters other than quoted prices that are observable either directly as prices or are indirectly derived from prices. Level 3 measurements are based on models that use parameters that are not based on observable market data, but rather on assumptions.

Due to factors that change over the course of time, the reported fair values can only be regarded as indicative of the values actually realisable on the market. The fair values of the financial instruments were calculated on the basis of market data available at the balance sheet date and the methods and assumptions described below.

For non-current and current financial instruments, it was assumed that the fair values correspond to the carrying amount (amortised cost) unless otherwise specified in the table. The fair values of borrower's note loans, commercial papers and liabilities to banks reported as non-current and current liabilities were calculated as the present values of the future expected cash flows. Standard market interest rates of between 3.8% p.a. and 4.4% p.a. (2021: between 0.0% p.a. and 2.5% p.a.) based on the respective maturities were used for discounting. The fair values of the bonds reported as non-current and current liabilities are based on the quoted market prices of the bonds.

The fair values determined on the basis of unobservable market date relate to equity investments which are measured on the basis of their net asset value. The change in reported carrying amounts and fair values derives from results recognised in profit or loss in amount of EUR -338 thousand (2021: EUR 78 thousand). The change in the prior year also included additions of equity instruments in amount of EUR 85 thousand and changes in the scope of consolidation in amount of EUR -42 thousand.

Net gains from financial assets in the AC measurement category (measured at amortised cost) amounted to EUR 7,839 thousand (2021: EUR 2,211 thousand) and relate to income from payments received on receivables previously written off.

As in the previous year, there were no net gains or losses in the financial year on financial liabilities in the AC measurement category (measured at amortised cost).

Total interest income from financial assets not measured at fair value through profit or loss amounted to EUR 1,416 thousand (2021: EUR 766 thousand). The total interest expense on financial liabilities not measured at fair value through profit or loss amounted to EUR 40,110 thousand (2021: EUR 37,849 thousand).

The subsequent measurement of derivatives is made at fair value (level 2 measurement).

As at the balance sheet date, assets from currency derivatives amounted to EUR 15,819 thousand (2021: EUR 207 thousand). The financial liabilities from currency derivatives amounted to EUR 15 thousand (2021: EUR 7,425 thousand). An amount of EUR 636 million (2021: EUR 473 million) is hedged against currency derivatives, denominated in US-Dollar, British pound, Canadian dollar and Swiss Franc, with a maximum remaining term of up to three months (2021: one month). As in the previous year, the currency derivatives are not designated in a hedge relationship for accounting purposes. The net result from the measurement of currency derivatives as at the reporting date came to EUR 15,804 thousand (2021: EUR -7,217 thousand).

Liabilities from total return swaps on Sixt ordinary shares in the amount of EUR 3,727 thousand (2021: assets in the amount of EUR 1,063 thousand) were taken out to hedge future cash flows from share-based payment programmes for employees. Based on the expected employee fluctuation in the specific share-based employee participation programmes, between 82% and 30% of the total return swaps are designated to a hedge relationship. The valuation is based on standard methods considering the share price of Sixt ordinary shares, the base interest rate and the expected dividend yield. Sources of ineffectiveness are expected from diverging characteristics of the underlying and the hedging transaction, e.g. dividend payments, the interest component of the total return swaps and the changing number of shares entitled to subscribe to the employee participation programme as well as possible initial fair values of the hedging transaction. According to IFRS 9 hedging will be rebalanced in the future in case of significant ineffectiveness. As at the balance sheet date, an amount of EUR 12.3 million (2021: EUR 3.0 million) is hedged against total return swaps with a remaining term of up to four years. The amounts recognised for designated hedging instruments in a cash flow hedge relationship are shown below:

| **Designated hedging instruments – Total return swap** | | |
|---|---|---|
| in EUR thousand | **2022** | 2021 |
| Financial other assets | - | 1,063 |
| Financial other liabilities | 3,727 | - |
| **Fair value hedging instrument** | **3,727** | **1,063** |
| Change in the fair value of the hedging instrument – designated risk | 2,341 | 793 |
| Fair value underlying transaction | 2,259 | 441 |
| Change in the fair value of the underlying transaction – designated risk | 1,586 | 672 |
| Ineffectiveness recognised in the Consolidated Statement of Income (other operating income) | 156 | 121 |
| Ineffectiveness recognised in the Consolidated Statement of Income (other operating expense) | 370 | - |
| Ineffective part recognised in the Consolidated Statement of Income (other operating income) | 205 | 251 |
| Ineffective part recognised in the Consolidated Statement of Income (other operating expense) | 2,943 | - |
| Recycling from other comprehensive income to the income statement (personnel expense) | 413 | -100 |

### Sensitivity analysis

Based on the parallel shift in the yield curves of +100 / -100 basis points, the interest expense for variable-rate financial liabilities would increase by EUR 8,874 thousand, respectively decrease by EUR 8,874 thousand (2021: EUR 1,973 thousand increase or decrease by EUR 300 thousand), not taking into account possible economic compensation from new financing transactions. The sensitivity on the downward shift in the yield curves is partially limited by contractual agreements on minimum base interest rates.

The sensitivity analysis for the reported total return swaps assumes a parallel shift in the yield curves of +100 / -100 basis points. The reported fair values as at 31 December 2022 (other non-current assets) would then change by EUR 559 thousand / EUR -543 thousand (2021: EUR 136 thousand / EUR -132 thousand).

Considering the aforelisted changes to valuations from interest rate risks, not taking into account any tax effects, this would result in a change in equity of EUR -8,315 thousand / EUR 8,331 thousand (2021: EUR -1,837 thousand / EUR 168 thousand) and a change in the consolidated profit/loss of EUR -8,315 thousand / EUR 8,331 thousand (2021: EUR -1,837 thousand / EUR 168 thousand).

Besides the parallel shift of the yield curves, a change in the share price of +10 / -10 percentage points was assumed for the reported total return equity swaps. This would result in an increase by EUR 723 thousand, respectively decrease by EUR 872 thousand in the reported fair values (2021: EUR 422 thousand increase or decrease by EUR 422 thousand). Considering the aforelisted changes to valuations from share price risks, not taking into account any tax effects, this would result in a change in equity of EUR 723 thousand / EUR -872 thousand (2021: EUR 422 thousand / EUR -422 thousand) and a change in the consolidated profit/loss of EUR 412 thousand / EUR -497 thousand (2021: EUR 244 thousand / EUR -244 thousand) as well as a change in other comprehensive income of EUR 311 thousand / EUR -375 thousand (2021: EUR 178 thousand / EUR -178 thousand).

The sensitivity analysis for the reported currency derivatives assumes a change in the EUR exchange rates of +10 / -10 percentage points. The reported fair values as at 31 December 2022 (other current assets / other current liabilities) would then change by EUR 35,098 thousand / EUR -10,097 thousand (2021: EUR 38,443 thousand / EUR -46,986 thousand). Considering the aforelisted changes to valuations from currency exchange risks, not taking into account any tax effects, this would result in a change in equity of EUR 35,098 thousand / EUR -10,097 thousand (2021: EUR 38,443 thousand / EUR -46,986 thousand) and a change in the consolidated profit/loss of EUR 35,098 thousand / EUR -10,097 thousand (2021: EUR 38,443 thousand / EUR -46,986 thousand).

### Financial risk management and hedging

Sixt Group is exposed to the following financial risks, which are addressed by the risk management system that has been implemented:

### Interest rate and market price risk

Besides medium- and long-term financial instruments bearing a fixed rate of interest, Sixt Group also uses variable-rate financial instruments to finance investments mainly in the rental fleet and is therefore exposed to interest rate risk. Derivative financial instruments such as interest rate caps and interest rate swaps may in principle be used to limit interest rate risk as part of risk management. In this context, internal Group guidelines stipulate the main duties, competencies, responsibilities, reporting requirements and control tools. By entering into hedging transactions as part of risk management, the Group may deliberately convert existing variable-rate liabilities into synthetic fixed-rate refinancing. In contrast, considering the appropriate expectations on the future development of short- and long-term interest rates, derivative instruments may also be used to achieve a defined level of variable-rate liabilities. As at the reporting date, as in the previous year, the Group does not report any derivative financial instruments.

There were no significant market price risks relating to financial instruments.

### Counterparty default risk

Creditworthiness checks are performed in accordance with internal guidelines prior to entering into an agreement in order to minimise counterparty default risk. Customers' creditworthiness is also checked at regular intervals during the term of the agreement. A valuation allowance is recognised for expected default risks. When there are no realistic prospects of recovering the amount, the respective receivable is derecognised. In addition, there is a general risk that suppliers will not be able to meet their obligations under buy-back agreements. In such cases, Sixt bears the remarketing risk relating to the vehicles. For this reason as well, Sixt performs regular credit checks.

Deposits with banks consist only of short-term maturity deposits. The ratings of the banks are monitored on an ongoing basis. The default risk is estimated to be negligible on the basis of the external ratings awarded.

### Analysis of trade receivables

Trade receivables are classified by default risk as follows:

| **Trade receivables by risk class**<br>in EUR thousand | Gross receivables | Impairments | Net receivables |
|---|---|---|---|
| Very low | 406,081 | 2,616 | 403,465 |
| Low | 119,331 | 16,532 | 102,800 |
| Increased | 37,976 | 17,207 | 20,769 |
| Highly increased | 79,195 | 70,378 | 8,817 |
| **Group total as at 31 Dec. 2022** | **642,584** | **106,732** | **535,852** |

| **Trade receivables by risk class**<br>in EUR thousand | Gross receivables | Impairments | Net receivables |
|---|---|---|---|
| Very low | 395,921 | 3,376 | 392,545 |
| Low | 110,266 | 9,273 | 100,993 |
| Increased | 27,770 | 15,895 | 11,875 |
| Highly increased | 77,115 | 67,750 | 9,365 |
| Group total as at 31 Dec. 2021 | **611,072** | **96,295** | **514,778** |

Trade receivables predominantly comprise receivables from the rental business with Sixt Group end-customers and receivables from suppliers relating to the sale of used vehicles as part of buy-back commitments, or commercial and private buyers as part of the sale on the open market. At the reporting date, trade receivables include risk concentrations resulting from vehicle sales to manufacturers and dealers.

The Group applies the simplified approach for impairment described in IFRS 9, whereby an impairment allowance in the amount of expected credit losses over the lifetime of the receivable is recognised for all instruments irrespective of their credit quality. To measure the expected credit losses, parameters such as customer group, credit quality and transaction type are used. For individual combinations of the aforementioned parameters, different rates in accordance with the management expectations are applied to determine the allowances. With regard to the rising inflation the credit losses are intensively monitored and the rates for allowances are adjusted if necessary. Due to the use of the simplified approach, the change in the allowance account is solely displayed as the net amount. In the event of concrete indications of default, the insolvency of the debtor, for example, the relevant receivables are fully derecognised regardless of any valuation allowances, that may have been made.

The maximum default amount is the reported carrying amount of the net receivable. No credit derivatives or similar hedging instruments were used to cover credit risk in the period under review.

In the financial year, the allowance account for trade receivables developed as follows:

| **Change in the allowance account** | Balance as at | Changes in the scope of consolidation | Change | Balance as at |
|---|---|---|---|---|
| in EUR thousand | 1 Jan. 2022 | | | **31 Dec. 2022** |
| Impairments for trade receivables | 96,295 | 174 | 10,263 | 106,732 |

| **Change in the allowance account** | Balance as at | Change | Balance as at |
|---|---|---|---|
| in EUR thousand | 1 Jan. 2021 | | 31 Dec. 2021 |
| Impairments for trade receivables | 95,851 | 444 | 96,295 |

## Analysis of receivables from insurances in other assets

| **Receivables from insurances by risk class** | Gross receivables | Impairments | Net receivables |
|---|---|---|---|
| in EUR thousand | | | |
| Increased | 33,327 | 15,921 | 17,406 |
| Highly increased | 8,252 | 7,521 | 731 |
| **Group total as at 31 Dec. 2022** | **41,578** | **23,442** | **18,137** |

| **Receivables from insurances by risk class** | Gross receivables | Impairments | Net receivables |
|---|---|---|---|
| in EUR thousand | | | |
| Increased | 25,518 | 10,855 | 14,662 |
| Highly increased | 11,646 | 9,328 | 2,318 |
| Group total as at 31 Dec. 2021 | **37,163** | **20,183** | **16,980** |

All of the receivables are impaired. The maximum default amount is the reported carrying amount of the net receivable.

In the financial year, the allowance account for other assets developed as follows:

| **Change in the allowance account** | Balance as at | Change | Balance as at |
|---|---|---|---|
| in EUR thousand | 1 Jan. 2022 | | **31 Dec. 2022** |
| Impairments for other assets | 20,183 | 3,258 | 23,442 |

| **Change in the allowance account** | Balance as at | Change | Balance as at |
|---|---|---|---|
| in EUR thousand | 1 Jan. 2021 | | 31 Dec. 2021 |
| Impairments for other assets | 22,143 | -1,960 | 20,183 |

In the year under review, the expenses for derecognised trade receivables and receivables from insurances amounted to EUR 58,246 thousand (2021: EUR 88,727 thousand). The expense for derecognition refers to the recognised receivables without taking into account any valuation allowances, that may have already been made.

The total of expense for impairments and income from reversal of impairments amounted to EUR 13,076 thousand (2021: EUR -3,454 thousand).

The proceeds from payments received on previously derecognised receivables amounted to EUR 7,839 thousand (2021: EUR 2,211 thousand).

**Liquidity risk**
Liquidity risk is managed via financial planning performed in accordance with internal guidelines. Based on its own assessment, Sixt has sufficient cash and cash equivalents, opportunities for refinancing on the capital markets and credit lines not used.

**Analysis of the repayment amounts of financial liabilities**
The following table shows the repayment amounts (including assumed future payable interest) at their respective maturities:

| **Repayment amounts by maturity** in EUR thousand | Commercial papers | Borrower's note loans | Bonds | Liabilities to banks | Lease liabilities | Total |
|---|---|---|---|---|---|---|
| 2023 | 112,000 | 136,637 | 9,000 | 472,661 | 178,547 | 908,845 |
| 2024 | - | 275,370 | 559,000 | 3,760 | 130,752 | 968,882 |
| 2025 | - | 165,624 | - | 3,760 | 69,207 | 238,591 |
| 2026 | - | 198,902 | - | 3,760 | 43,296 | 245,958 |
| 2027 | - | 1,739 | - | 50,580 | 36,604 | 88,923 |
| 2028 | - | 46,742 | - | - | 25,773 | 72,515 |
| 2029 and later | - | - | - | - | 104,574 | 104,574 |
| **31 Dec. 2022** | **112,000** | **825,014** | **568,000** | **534,521** | **588,753** | **2,628,288** |

| **Repayment amounts by maturity** in EUR thousand | Borrower's note loans | Bonds | Liabilities to banks | Lease liabilities | Total |
|---|---|---|---|---|---|
| 2022 | 6,568 | 261,813 | 33,759 | 114,509 | 416,648 |
| 2023 | 166,068 | 9,000 | 3,760 | 81,261 | 260,089 |
| 2024 | 291,610 | 559,000 | 3,760 | 59,554 | 913,924 |
| 2025 | 83,127 | - | 3,760 | 41,891 | 128,778 |
| 2026 | 194,980 | - | 3,760 | 25,244 | 223,984 |
| 2027 | - | - | 50,580 | 21,654 | 72,234 |
| 2028 and later | - | - | - | 56,145 | 56,145 |
| **31 Dec. 2021** | **742,351** | **829,813** | **99,379** | **400,258** | **2,071,801** |

The financial liabilities maturing in 2023 will be repaid using the financing mix available to the Group, among other sources from new lending of funds on the capital markets, and bank credit lines and commercial papers.

**Share price risk**
With the share-based employee payment programmes (SPP2021 and SPP2022), Sixt Group is exposed to a share price risk. The amount of the payment obligation depends on the development of the share price of the Sixt ordinary share during the term of the programme. In order to hedge against share price risk, Sixt SE has entered into hedging transactions with a bank in the form of total return swaps. The total return swaps are designated and accounted for as cash flow hedges. As at the balance sheet date derivative financial instruments amounting to a nominal value of EUR 12.3 million (2021: EUR 3.0 million) were held to hedge against share price risk. The fair value of the transaction was EUR -3.7 million in total (2021: EUR 1.1 million).

**Analysis of the repayment amounts of currency derivatives and total return swaps**
The following table shows the repayment amounts at their respective maturities:

| **Repayment amounts by maturity**<br>in EUR thousand | Currency derivatives | Total return swaps | Total |
|---|---|---|---|
| 2023 | 14,992 | -318 | 14,674 |
| 2024 | - | -380 | -380 |
| 2025 | - | -1,386 | -1,386 |
| 2026 and later | - | -1,812 | -1,812 |
| **31 Dec. 2022** | **14,992** | **-3,896** | **11,096** |

| **Repayment amounts by maturity**<br>in EUR thousand | Currency derivatives | Total return swaps | Total |
|---|---|---|---|
| 2022 | -7,567 | 47 | -7,520 |
| 2023 | - | 43 | 43 |
| 2024 | - | 44 | 44 |
| 2025 and later | - | 924 | 924 |
| 31 Dec. 2021 | **-7,567** | **1,058** | **-6,509** |

### Exchange rate and country risk

The vast majority of receivables and payables are due in local currency in the country in which the respective Group company is based. As a result, Sixt Group is able to neutralise exchange rate risk in part by using natural hedges. However, the Group's external financing is mainly in euros, so that exchange rate risks arise primarily from receivables and liabilities for the financing of subsidiaries in non-euro countries. Currency swaps or other currency derivatives are used in particular to limit these exchange rate risks within the Group.

### Capital management

Sixt Group manages the Group's capital with the goal of creating a financial profile that supports the Group's growth targets, while providing the necessary financial flexibility and diversification. The key long-term objective is a Group equity ratio (equity ÷ total assets) of at least 20%. This would ensure that all Group companies are able to operate on the basis of the going concern assumption.

The equity of the parent company is the basis of the Group's financial profile. As at the balance sheet date, the Group's equity ratio was 35.7% (2021: 38.6%). Other key elements of the Group's financial profile include the financial instruments reported in current and non-current financial liabilities. The share of current and non-current financial liabilities to total assets amounted to 45.1% at the reporting date (2021: 44.3%). In addition to the reported financial liabilities, the Group has entered into operating lease agreements to refinance its fleet.

## 5. OTHER DISCLOSURES

### 5.1 SEGMENT REPORTING

| Segment Report | | Germany | | Europe | | North America | | Other | | Reconciliation | | Group |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in EUR million | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 |
| External revenue | 869.8 | 739.6 | 1,278.0 | 945.6 | 908.2 | 584.6 | 10.2 | 12.6 | - | - | 3,066.2 | 2,282.4 |
| Internal revenue | 66.9 | 36.7 | 14.8 | 8.9 | 18.5 | 6.3 | 31.9 | 20.2 | -132.1 | -72.1 | - | - |
| Total revenue | 936.7 | 776.3 | 1,292.8 | 954.5 | 926.7 | 590.9 | 42.1 | 32.8 | -132.1 | -72.1 | 3,066.2 | 2,282.4 |
| Leasing expenses for rental vehicles | 35.3 | 43.8 | 10.4 | 10.5 | 1.8 | - | - | - | -0.0 | -0.2 | 47.4 | 54.0 |
| Depreciation of rental vehicles[1] | 131.2 | 57.2 | 172.7 | 131.3 | 103.8 | 53.2 | - | - | - | - | 407.7 | 241.7 |
| Interest income | 34.9 | 28.6 | 8.4 | 4.9 | 0.7 | 0.5 | - | - | -42.6 | -33.3 | 1.4 | 0.8 |
| Interest expense | -37.6 | -34.3 | -20.9 | -21.5 | -23.3 | -14.4 | - | - | 44.0 | 34.6 | -37.7 | -35.6 |
| Corporate EBITDA | 162.6 | 176.2 | 351.6 | 231.5 | 185.8 | 163.6 | -0.6 | 1.4 | - | - | 699.4 | 572.6 |
| Other depreciation and amortisation | | | | | | | 4.8 | 4.5 | - | - | 147.0 | 128.3 |
| Reclassification net interest expense | | | | | | | - | - | - | - | 36.3 | 34.9 |
| EBIT[2] | | | | | | | -5.4 | -3.1 | - | - | 588.8 | 479.2 |
| Financial result | | | | | | | -2.4 | -2.2 | - | - | -38.6 | -37.0 |
| EBT[3] | | | | | | | -7.8 | -5.4 | - | - | 550.2 | 442.2 |
| Investments[4] | 233.4 | 67.3 | 122.8 | 39.9 | 104.9 | 60.2 | 228.1 | 34.4 | -398.2 | -58.6 | 291.0 | 143.3 |
| Segment assets | 3,665.7 | 3,227.7 | 2,177.6 | 2,061.8 | 1,475.9 | 1,027.8 | 1,270.9 | 1,042.8 | -3,076.4 | -2,904.8 | 5,513.7 | 4,455.2 |
| Segment liabilities | 2,743.6 | 2,293.1 | 1,153.9 | 1,204.1 | 711.4 | 628.7 | 161.4 | 132.2 | -1,324.1 | -1,549.9 | 3,446.2 | 2,708.2 |
| Employees[5] | 3,023 | 2,704 | 2,768 | 2,421 | 1,308 | 955 | 410 | 319 | - | - | 7,509 | 6,399 |

1 *Since financial year 2022 depreciation of rental vehicles contains the depreciation of right of use assets for rental vehicles financed by lease contracts, that was reported under depreciation of property and equipment in the previous year. The prior year comparative figures have been adjusted accordingly.*
2 *Corresponds to earnings before interest and taxes (EBIT)*
3 *Corresponds to earnings before taxes (EBT)*
4 *Investments in non-current assets including right of use assets, excluding rental vehicles*
5 *Annual average*

The main business activity of Sixt Group is vehicle rental including other related services and brokerage of transfer services. These activities are also summarised under Mobility. Activities that cannot be allocated to the main business activities and segments, such as holding company activities and real estate leasing, are combined in the Other segment. The Management Board manages Group activities based on reporting structured according to regional aspects. Resources are allocated and the performance is assessed by the Management Board at the level of the individual countries.

The Groups main activity is similar in all countries. Based on similar economic conditions and business characteristics the countries are grouped into the reportable segments Germany, Europe (excluding Germany) and North America. The key parameter for the assessment of the performance by the Management Board is Corporate EBITDA. Corporate EBITDA is defined as earnings before depreciation, amortisation, net finance costs and taxes (EBITDA), but with additional consideration of fleet-related expenses, such as depreciation of rental vehicles and attributable net interest expense.

Segment reporting is generally based on the accounting policies in the Consolidated Financial Statements. Receivables, liabilities, income and expenses between the segments are eliminated in the reconciliation to the Group figures. Group assets and liabilities do not recognise any tax positions.

The following geographic information analyses the Group's consolidated revenue and the Group's assets (excluding tax positions) by the Group company's country of domicile.

| By region | Consolidated revenue | | Assets | |
|---|---|---|---|---|
| in EUR million | **2022** | 2021 | **2022** | 2021 |
| Germany | 878.1 | 749.6 | 2,166.4 | 1,671.2 |
| Europe/Other | 1,279.9 | 948.3 | 1,893.1 | 1,761.3 |
| Thereof France | 387.7 | 293.4 | 571.5 | 604.1 |
| North America | 908.2 | 584.6 | 1,454.2 | 1,022.7 |
| Thereof USA | 907.2 | 584.6 | 1,446.1 | 1,022.7 |
| **Group total** | **3,066.2** | **2,282.4** | **5,513.7** | **4,455.2** |

## 5.2 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

### Contingent liabilities

At the end of the financial year there were contingencies from guarantees or similar obligations in the amount of EUR 111.4 million (2021: EUR 89.9 million).

### Other financial obligations

In addition to provisions and liabilities, the Group has other financial obligations that result mainly from short-term leases entered into to refinance the rental fleet and from obligations under lease agreements on buildings for which no right of use assets and lease liabilities have been recognised.

| Other financial obligations | | |
|---|---|---|
| in EUR million | **31 Dec. 2022** | 31 Dec. 2021 |
| Due within one year | 38.2 | 48.6 |
| Due in one to five years | 0.3 | 2.1 |
| **Group total** | **38.5** | **50.7** |

Purchase commitments under agreements concluded as at the balance sheet date in respect of vehicle deliveries for the rental fleet in the coming year amounted to around EUR 2,088.3 million (2021: EUR 1,486.3 million).

## 5.3 SHARE-BASED PAYMENTS

The Group had two share-based payment programmes in the year under review: the employee participation programme (Matching Stock Programme – MSP) that was initiated in 2012 and is recognised in the category equity-settled share-based payment programme as well as the employee participation programme (Stock Performance Programme – SPP) which is recognised in the category cash-settled share-based payment programme. The programmes are described in detail as follows.

### Cash-settled share-based payment for employees

In 2021, the Management Board and Supervisory Board of Sixt SE resolved to implement a Stock Performance Programme (SPP) for a selected group of employees, senior executives and members of the Management Board of Sixt SE at the company and its affiliated companies. The goal of the SPP is to convince and encourage the participants to participate in the sustainable success of Sixt SE.

The Management Board of Sixt SE or the Supervisory Board, if the Management Board itself is concerned, sets the maximum participation volume for each individual beneficiary. The maximum participation volume for all employees and senior executives, with the exception of members of the Management Board, is limited to EUR 10 million per year of allocation.

Under the terms and conditions of the 2021 Scheme (SPP 2021), a participant's full entitlement to payment arises four years after the grant date (calculation date), provided that the participant still has a contract of employment with a company of Sixt Group that has not been terminated or is a member of the Management Board of Sixt SE or is a member of the management of a company of Sixt Group. If this is not the case the calculation date, i.e. the participant has left, the phantom stocks are forfeited in full or paid out on a pro rata basis, depending on the agreement with the participant and the reason for his or her departure.

In the course of a change in the programme conditions in 2022 (SPP 2022), a participant's entitlement to payment shall, in deviation from this, arise already after one, two, three and four years from the grant date (calculation date). The other programme conditions of the SPP 2022 are the same as those of the SPP 2021. The amended programme conditions do not apply to members of the Management Board.

The SPP gain is determined at the calculation date and calculated by multiplying the number of phantom stocks that have been granted and have not been forfeited due to the participant's departure by the volume-weighted average price of the Sixt ordinary share in Xetra trading on the Frankfurt Stock Exchange during the last ten trading days before the calculation date. For members of the Management Board, there is a contractually agreed cap on the SPP gain. Any taxes, contributions and other levies due on the SPP gain are to be borne by the participant. The net amount remaining thereafter will be paid to the participant in cash.

The allocation of phantom stocks does not entitle the participants to receive dividends during the term of the SPP.

If, during the term of the SPP, a dilutive measure or other measure affecting Sixt ordinary shares occurs that has an economic effect on the value of the phantom stocks (e.g. share split, consolidation of shares), Sixt SE will adjust the number of phantom stocks accordingly.

The number of phantoms stocks under the SPP 2021 changed as follows:

| **Number of phantom stocks SPP 2021** | 2022 allocation | 2021 allocation | Total **2022** | 2021 allocation **2021** |
|---|---|---|---|---|
| Outstanding at the beginning of the financial year | - | 30,105 | 30,105 | - |
| Granted during the financial year | 27,051 | - | 27,051 | 30,298 |
| Forfeited during the financial year | - | -1,912 | -1,912 | -193 |
| Outstanding at the end of the financial year | 27,051 | 28,193 | 55,244 | 30,105 |

The Number of phantom stocks from the SPP 2022 developed as follows:

| **Number of phantom stocks SPP 2022** | 2022 allocation **2022** |
|---|---|
| Outstanding at the beginning of the financial year | - |
| Granted during the financial year | 60,439 |
| Forfeited during the financial year | -1,141 |
| Outstanding at the end of the financial year | 59,298 |

The valuation of the phantom stocks from the SPP without a payout cap for employees and executives was carried out using a Black-Scholes simulation model. The valuation of the phantom stocks with a payout cap for members of the Management Board was carried out using a Monte Carlo simulation. The following parameters were included in the simulation:

| **Simulation model parameters** | SPP 2022 2022 allocation | SPP 2021 2022 allocation | SPP 2021 2021 allocation |
|---|---|---|---|
| Weighted average fair values at the measurement date in euros | 81.53 | 68.72 | 80.03 |
| Expected dividend yield in % | 2.21 | 2.95 | 2.95 |
| Expected volatility in % | 34.94 | 40.55 | 34.01 |
| Expected term until exercise in years | 1.92 | 3.41 | 2.42 |
| Risk-free interest rate in % | 1.99 | 1.99 | 2.00 |
| Weighted average share price in euros | 85.95 | 85.95 | 85.95 |
| Weighted average strike price in euros | 0.00 | 0.00 | 0.00 |

The Group recognised expenses in the amount of EUR 1,904 thousand (2021: EUR 441 thousand) in connection with cash-settled share-based payments as personnel expenses in 2022. Taking into account currency effects, a corresponding addition was made to the non-current and current provisions. The corresponding provisions amount to EUR 2,362 thousand (2021: EUR 441 thousand) as at the reporting date. The Group entered into a derivative hedge transaction to hedge against share price risk.

**Equity-settled share-based payment for employees**

In September 2012, the Management Board and Supervisory Board of Sixt SE resolved to implement a Matching Stock Programme for a selected group of employees, senior executives and members of the Management Board of Sixt SE at the company and its affiliated companies (MSP 2012). The programme enables employee participation in the form of shares while avoiding any dilutions for current shareholders of Sixt SE, i.e. new shares are not issued for settlement, but rather purchased on the market.

To participate in the MSP, each participant had to make a personal investment by acquiring a bond issued by Sixt SE. The bonds acquired for the MSP 2012 carried a coupon of 4.5% p.a. The total volume invested by all participants was limited to a maximum of EUR 7 million. The bond was repaid in accordance with the contractual terms in December 2020.

The Management Board of Sixt SE – with the approval of the Supervisory Board, if the Management Board itself is concerned – set the maximum participation volume for each individual beneficiary. Participants in the MSP had to have a contract of employment with Sixt SE or one of its subsidiaries that had not been terminated at the time of subscribing for the MSP.

Every EUR 1,000 of paid-up subscription amount entitles to subscribe to 500 stock options per annual tranche in accordance with the MSP terms and conditions.

According to the conditions one tranche of stock options has been allocated (a total of seven tranches) on 1 December of every year from 2012 (first time) to 2018 (last time). This means each participant is entitled to subscribe to up to a total of 3,500 stock options for every EUR 1,000 of paid-up subscription amount (7 tranches with 500 stock options each).

As in the previous year, no further tranche of stock options was allocated to participants of the MSP 2012 in 2022.

The stock options allocated can only be exercised after a lock-up period of four years, starting from the allocation of the respective tranche. The stock options can only be exercised if the exercise price since the allocation of the respective tranche is 20% higher than the initial price of said tranche (exercise threshold). The initial price of the stock options corresponds to the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange over the last 60 trading days before the respective stock options of the tranche concerned are allocated. The exercise price is the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange over the last 60 trading days before the stock options of a tranche are exercised. Stock options allocated as part of a tranche are deemed to have been exercised on the first trading day following the end of the four-year lock-up period, if the exercise threshold has been reached. If the exercise threshold is not reached, the stock options expire without compensation.

The exercise gain (before taxes) for a tranche, calculated if the stock options are exercised, may not exceed 5% of the regular earnings before taxes (EBT) as reported in the prior to each exercise most recent approved Consolidated Financial Statements of Sixt SE. If it does, the amount must be reduced proportionately for all participants. In addition, the exercise gain (before taxes) of each tranche is limited for every participant to twice his paid-up investment volume. An amount less the taxes and contributions on the exercise gain payable by the participant, is credited to each participant in preference shares of Sixt SE which Sixt SE acquires for the participant. These shares are subsequently transferred to a blocked custody account in the participant's favour. The participant is free to draw on the shares after another year.

If, during the term of the MSP, adjustments are made to the share capital of Sixt SE or restructuring measures are implemented that have a direct impact on the share capital of Sixt SE and this causes the value of the stock options to change by 10% or more, the initial price is adjusted to the extent necessary to compensate for the change in value of the stock options caused by the capital measure.

If Sixt SE distributes dividends or other assets to shareholders in the period between allocation and exercise of a tranche of stock options, the initial price of this tranche must be adjusted by deducting the amount of the dividend or distribution attributable to one preference share from the initial price.

If the bond acquired by the participant as a personal investment is redeemed early or if the participant's employment contract is terminated, the stock options already allocated but not yet exercised and the entitlements to unallocated stock options are generally forfeited.

The number of stock options under the MSP 2012 changed as follows:

| Number of stock options | | | | | 2018 allocation |
|---|---|---|---|---|---|
| | **2022** | 2021 | 2020 | 2019 | 2018 |
| Outstanding at the beginning of the financial year | 1,997,500 | 2,276,000 | 2,543,500 | 2,693,500 | - |
| Granted during the financial year | - | - | - | - | 2,703,500 |
| Returned during the financial year | -71,500 | -278,500 | -267,500 | -150,000 | -10,000 |
| Expired according to the terms and conditions | -1,926,000 | - | - | - | - |
| Outstanding at the end of the financial year | - | 1,997,500 | 2,276,000 | 2,543,500 | 2,693,500 |
| Existing contractual obligation for future grant | - | - | - | - | - |

As at the balance sheet date, no tranches granted under the MSP 2012 were outstanding.

The stock options under the MSP 2012 were measured by means of a Monte Carlo simulation model. Assuming that the price of the stock option granted can be calculated as the discounted future expected value (with regard to the risk-neutral probability), the price development of the underlying (Sixt preference share) is simulated a large number of times and the expected value is determined by calculating the arithmetic mean of the results of the individual simulations.

The method used is based on the random walk of the price performance of Sixt preference shares with a log-normal distribution of the relative price changes. Other assumptions used by the model are that the MSP participants pursue a strategy that is aimed from their perspective at maximising profit, constant dividend yields, drift and volatility, the cap of 5% of earnings before taxes (MSP 2012) is not achieved, no change in the share capital of Sixt SE during the term of the MSP, no change in the current MSP terms and conditions.

The average price over a 60-day period is determined for each path comprising a simulated share price performance for each tranche after the lock-up period expires and is compared with the exercise threshold. If the figure is above the exercise threshold, the related gain on the stock option is discounted from the exercise date to the reporting date in accordance with the yield curve observed.

The expected volatility was estimated on the basis of the historical volatility of the share price. The expected term used in the model was adjusted to reflect the Management Board's best estimate of the impact of non-transferability, exercise restrictions and behaviour such as staff fluctuation.

The parameters used in the simulation at the time of granting were:

| Simulation model parameters | 2018 allocation |
|---|---|
| Risk-free interest rate in % | -0.01 |
| Expected volatility in % | 27 |
| Expected term until exercise from issue in years | 4.0 |
| Price of preference shares on the issue date in EUR | 60.20 |

In accordance with IFRS 2, personnel expenses were calculated on the basis of the market conditions at the grant date, and not on the basis of the market conditions at the balance sheet date. In 2022, the Group recognised personnel expenses of EUR 375 thousand (2021: EUR 825 thousand) in connection with equity-settled share-based payments; these are fully attributable to the "2018 allocation".

In consideration of currency translation differences, additions to the capital reserves have been made accordingly.

## 5.4 RELATED PARTY DISCLOSURE

Sixt Group has receivables from and liabilities to various unconsolidated Group companies for the purposes of intercompany settlements and financing. The resulting balances are presented in the items other receivables and other liabilities. The transactions are conducted on arm's length terms. The following provides an overview of significant transactions and account balances arising from such relationships:

| Related parties | Services rendered | | Services used | | Receivables from related companies | | Liabilities to related companies | |
|---|---|---|---|---|---|---|---|---|
| in EUR million | **2022** | **2021** | **2022** | 2021 | **31 Dec. 2022** | 31 Dec. 2021 | **31 Dec. 2022** | 31 Dec. 2021 |
| CV Main 2000 UA | - | - | 0.2 | 0.3 | - | - | [1] | - |
| Sixt Immobilien Beteiligungen GmbH | [1] | [1] | [1] | [1] | [1] | [1] | 0.2 | 0.2 |
| Sixt Verwaltungs B.V. | [1] | [1] | - | - | 0.1 | 0.1 | - | - |
| TÜV SÜD Car Registration & Services GmbH | 0.1 | 0.1 | 1.3 | 1.8 | [1] | [1] | [1] | - |

[1] *Amount less than EUR 0.1 million*

The Supervisory Board member Dr. Daniel Terberger holds a stake in a company, with whom the Group maintains a business relationship covering the delivery of working clothes at arm's length conditions. In the year under review, transactions with this company amounted to EUR 0.5 million (2021: less than EUR 0.1 million). Furthermore, the Group rented two properties belonging to the Sixt family for its operations in the financial year. The rental expenses amounted to EUR 0.2 million (2021: EUR 0.2 million). Further business relationships to related parties, mainly from the rental of vehicles at market conditions, exist to a limited extent. Mr. Erich Sixt, Mr. Alexander Sixt and Mr. Konstantin Sixt received remuneration for their services as members of the Management Board, respectively Supervisory Board. Further members of the Sixt family received remuneration amounting to EUR 0.6 million (2021: EUR 0.6 million) for their activities on behalf of the Group.

### The Supervisory Board and Management Board of Sixt SE

| Supervisory Board | Exercised profession | Membership of supervisory boards and other comparable bodies of business enterprises |
|---|---|---|
| Erich Sixt (since 16 June 2021)<br>Chairman<br>Grünwald | Chairman of the Supervisory Boad of Sixt SE | Chairman of the Supervisory Board of trans-o-flex Express GmbH & Co. KGaA |
| Dr. Daniel Terberger (since 2012)<br>Bielefeld | Chairman of the Management Board of KATAG AG | Chairman of the Supervisory Board of Textilhäuser F. Klingenthal GmbH<br>Member of the Supervisory Board of Gebr. Weiss Holding AG, Austria<br>Member of the Supervisory Board of Fussl Modestraße Mayr GmbH, Austria<br>Member of the Advisory Board of ECE Group GmbH & Co. KG<br>Member of the Advisory Board of Eterna Mode Holding GmbH<br>Member of the Advisory Board of Loden-Frey Verkaufshaus GmbH & Co.KG<br>Member of the Advisory Board of William Prym Holding GmbH |
| Anna Magdalena Kamenetzky-Wetzel<br>(since 2 June 2022)<br>Miami Beach | Self-employed entrepreneur | Member of the Administrative Board of Kitu Super Brands, Inc., Austin, Texas/United States of America<br>Member of the Administrative Board of Paws Holdings Limited, London/United Kingdom<br>Member of the Administrative Board of Fuzzy Pet Health, Inc., San Francisco, California/United States of America<br>Member of the Administrative Board of Project Pollo, Inc., San Antonio, Texas/United States of America (until November 2022) |
| Dr. Julian zu Putlitz (since 16 June 2021)<br>Pullach | CFO of IFCO Systems Group | Member of the Supervisory Board of Allane SE<br>(until 29 June 2022, listed) |

| Management Board | Role | Residence |
|---|---|---|
| Alexander Sixt | Co-Chief Executive Officer | Grünwald |
| Konstantin Sixt | Co-Chief Executive Officer | Grünwald |
| James Adams | Chief Commercial Officer (since 1 October 2022) | Grünwald |
| Prof. Dr. Kai Andrejewski | Chief Financial Officer | Pullach |
| Nico Gabriel | Chief Operating Officer | Neuried |
| Vinzenz Pflanz | Chief Business Officer (since 1 October 2022) | München |

The members of the Management Board did not hold any further memberships on supervisory boards or other comparable bodies of business enterprises during their service as members of the Management Board of Sixt SE in 2022. Prof. Dr. Kai Andrejewski is member on the Supervisory Board of Deutsche Beteiligungs AG since January 2023.

### Total remuneration of the Supervisory Board and Management Board of Sixt SE

| Total remuneration<br>in EUR thousand | 2022 | 2021 |
|---|---|---|
| Supervisory Board remuneration | 380 | 218 |
| Management Board remuneration | 13,536 | 13,144 |
| Thereof variable remuneration | 8,482 | 6,724 |

Variable remuneration includes remuneration components to be paid in subsequent years. Remunerations in the amount of EUR 4,250 thousand is conditional upon the achievement of a minimum EBT in financial year 2023.

As in the previous year, no stock options were granted to the members of the Management Board in financial year 2022. As at the balance sheet date all of the stock options of MSP 2012 had been issued, therefore there are no further entitlements. The employee participation programme MSP 2012 expired in financial year 2022, no stock options were exercised. At the end of the previous year members of the Supervisory Board were allocated none and members of the Management Board were allocated 300,000 stock options under the employee participation programme MSP 2012, and on the basis of their personal investments. In addition, in the last year former members of the Management Board were allocated 100,000 stock options on the basis of their personal investments. In financial year 2022 the members of the Management Board were granted 27,051 phantom stocks under the employee participation programme SPP. The equivalent amount as the base for calculating the number of phantom stocks on the allocation date was EUR 3,025 thousand. Under the employee participation programme SPP no phantom stocks were allocated to members of the Supervisory Board and 27,051 phantom stocks (2021: -) were allocated in total to the Management Board as at balance sheet date.

The Group has no pension obligations towards members of the Supervisory Board or the Management Board.

**Shareholdings**

As at 31 December 2022, Erich Sixt Vermögensverwaltung GmbH, Pullach, all shares of which are held directly and indirectly by the Sixt family, held 17,701,822 of the ordinary shares of Sixt SE (2021: 17,701,822 ordinary shares). In addition to this, Mr. Erich Sixt continued to hold two registered ordinary shares of Sixt SE.

In accordance with article 19 of the European Market Abuse Directive, persons performing executive functions and persons closely related to them are legally required to disclose their own transactions with shares or bonds of Sixt SE and their related financial derivatives or other related financial instruments. The reporting requirement applies to all transactions, that are conducted after the total amount of EUR 20,000 within the calendar year was achieved.

The transaction notifications received by Sixt SE during financial year 2022 were duly published and can be accessed on the website of Sixt SE at *ir.sixt.eu* under the tab “Investor Relations – Corporate Governance – Managers’ Transactions”.

## 5.5 PROPOSAL FOR ALLOCATION OF UNAPPROPRIATED PROFIT

Sixt SE reported unappropriated profit for financial year 2022 in accordance with German commercial law of EUR 390,475 thousand (2021: EUR 453,818 thousand). Subject to approval by the Supervisory Board, the Management Board proposes utilising this unappropriated profit as follows:

| Proposal for allocation of unappropriated profit<br>in EUR thousand | 2022 | 2021 |
|---|---|---|
| Payment of a dividend of EUR 4.11 (2021: EUR 3.70) and a special dividend of EUR 2.00 (2021: EUR -) per ordinary share entitled to a dividend | 185,543 | 112,358 |
| Payment of a dividend of EUR 4.13 (2021: EUR 3.72) and a special dividend of EUR 2.00 (2021: EUR -) per preference share entitled to a dividend | 101,612 | 61,664 |
| Carryforward to new account | 103,320 | 279,796 |

As at 31 December 2022, 30,367,112 ordinary shares entitled to a dividend and 16,576,246 preference shares entitled to a dividend were issued. The proposed dividend payout of EUR 6.11 per ordinary share and EUR 6.13 per preference share (each including special dividend) would result in in a total distribution of EUR 287,155 thousand. This takes due account of the positive development of both the business and earnings in 2022.

The proposal by the Management Board and the Supervisory Board on the appropriation of the unappropriated profit for financial year 2021 was resolved unchanged by the Annual General Meeting on 25 May 2022.

## 5.6 EVENTS SUBSEQUENT TO THE REPORTING DATE

At the end of February 2023 Sixt SE issued borrower's note loans in amount of EUR 450 million. The loans have terms of three, five and seven years with a nominal value of EUR 45 million, EUR 305 million and EUR 100 million respectively.

No further reportable events of special significance for the asset, financial and earnings position of the Group occurred after the end of financial year 2022.

## 5.7 DECLARATION OF CONFORMITY IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The declaration by the Management Board and the Supervisory Board required by Section 161 of the German Stock Corporation Act (AktG – Aktiengesetz) stating that the recommendations of the Government Commission on the German Corporate Governance Code have been complied with and which recommendations have not been applied was issued in the financial year and made permanently accessible to shareholders on the Sixt SE website under *ir.sixt.eu* in the section "Corporate Governance".

## 5.8 AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IAS 10.17

These Consolidated Financial Statements are authorised by the Management Board for submission to the Supervisory Board on 27 March 2023.

Pullach, 27 March 2023

**Sixt SE**

**The Management Board**

| ALEXANDER SIXT | KONSTANTIN SIXT | JAMES ADAMS | PROF. DR. KAI ANDREJEWSKI | NICO GABRIEL | VINZENZ PFLANZ |
|---|---|---|---|---|---|

# FURTHER INFORMATION

# D \\ FURTHER INFORMATION

## D.1 \\ RESPONSIBILITY STATEMENT

by Sixt SE, Pullach, for financial year 2022

**in accordance with Sections 297 (2) sentence 4 and 315 (1) sentence 5 of the HGB (German Commercial Code)**
To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings position of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Pullach, 27 March 2023

**Sixt SE**

**The Management Board**

| ALEXANDER SIXT | KONSTANTIN SIXT | JAMES ADAMS | PROF. DR. KAI ANDREJEWSKI | NICO GABRIEL | VINZENZ PFLANZ |
| --- | --- | --- | --- | --- | --- |

The following independent auditors' report ("Bestätigungsvermerk") was issued in accordance with Section 322 of the German Commercial Code (HGB) on the IFRS Financial Statements 2022, which were prepared in German language. The translation of the independent auditor's report ("Bestätigungsvermerk") is as follows:

# D.2 \\ INDEPENDENT AUDITORS' REPORT

To Sixt SE, Pullach/Germany

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT**

**Audit Opinions**

We have audited the consolidated financial statements of Sixt SE, Pullach/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group of Sixt SE, Pullach/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the summarised consolidated non-financial declaration included in the chapter "Summarised non-financial declaration of the Group pursuant to sections 315b and c in conjunction with sections 289b to e of the HGB" of the combined management report nor the content of the corporate governance statement included in the chapter "Corporate governance declaration in accordance with sections 289f and 315d of the HGB" of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the summarised consolidated non-financial declaration referred to above nor the content of the corporate governance statement referred to above.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

**Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

**Key Audit Matters in the Audit of the Consolidated Financial Statements**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the subsequent measurement of rental vehicles, which we have determined to be a key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) Description (including reference to corresponding information in the consolidated financial statements)
b) Auditor's response

**Subsequent measurement of rental vehicles**

a) In the consolidated financial statements of Sixt SE, rental vehicles totalling EUR 3,833 million are reported; this corresponds to around 69.1% of total assets.

Rental vehicles are carried at cost less depreciation and write-downs taking into account their calculated residual values. For vehicles for which buy-back agreements have been concluded, their residual values are determined by the agreed residual values. If no buy-back values have been agreed, the vehicles' residual values are adapted to the expected market value at the planned disposal date. Write-downs are made if the assets are required to be recognised at a lower value.

We classified the measurement of this quantitatively significant balance sheet item as a key audit matter since the valuation of rental vehicles is based on discretionary estimates and assumptions made by the executive directors with regard to their write-downs to the expected residual value.

The disclosures of the executive directors of the Parent on the measurement of rental vehicles are contained in sections 3 "Reporting and valuation methods" and 4.15 of the notes to the consolidated financial statements.

b) In auditing the appropriateness of the valuation technique, we examined the corresponding organisational and operational structure with regard to appropriateness and effectiveness of the key controls implemented. This relates in particular to the process of taking into account contractually agreed buy-back values or expected residual values for determining depreciation. Furthermore, with regard to recognising write-downs, we reproduced the procedure for determining any such impairment need.

As part of our substantive procedures regarding write-downs, we reproduced the assumptions regarding residual value and disposal risk underlying the determination of write-downs and examined the impairment need calculated on this basis. In so doing, we also compared the executive directors' expectations regarding the market price development with the actual market prices and examined them for plausibility. In addition, we performed an analytical examination of depreciation.

**Other Information**

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the summarised consolidated non-financial declaration included in the chapter "Summarised non-financial declaration of the Group pursuant to sections 315b and c in conjunction with sections 289b to e of the HGB" of the combined management report,
- the corporate governance statement included in the chapter "Corporate governance declaration in accordance with sections 289f and 315d of the HGB" of the combined management report,
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to section 297 (2) sentence 4 and section 315 (1) sentence 5 HGB, and
- the report on gender equality and equal pay pursuant to Section 21 Transparency in Wage Structures Act (EntgTranspG), which is attached as an appendix to the combined management report,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG), and
- all other parts of the annual report,

- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the declaration according to section 161 AktG, which is part of the corporate governance declaration included in the combined management report, and for the remuneration report pursuant to Section 162 AktG. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined 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 the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the ISA will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than 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 controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to 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 combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

**Audit Opinion**

We have performed an audit in accordance with section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value a41f590790abbf55e5dd17127cd81d0e1688dbb0fba1dfa308a6 6ed4fc23b571, meet, in all material respects, the requirements for the electronic reporting format pursuant to section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions and on any other information contained in the file identified above.

**Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of the Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents". Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

**Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

**Group Auditor's Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the balance sheet date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

**Further information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 25 May 2022. We were engaged by the supervisory board on 14 December 2022. We have been the group auditor of Sixt SE, Pullach/Germany, without interruption since the financial year 2005.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to article 11 of the EU Audit Regulation (long-form audit report).

## OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

## GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Klaus Löffler.

Munich/Germany, 27 March 2023

**Deloitte GmbH** Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| KLAUS LÖFFLER<br>German Public Auditor | FLORIAN KORTE<br>German Public Auditor |

# D.3 \\ STATEMENT OF FINANCIAL POSITION OF SIXT SE (HGB)

as at 31 December 2022

| Assets<br>in EUR thousand | | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|---|
| **A. Fixed assets** | | | |
| **I. Intangible Assets** | | | |
| 1. Paid concessions, industrial property rights and similar rights | 49 | | 148 |
| **II. Equipment** | | | |
| 1. Other fixtures, operating and office equipment | 3,925 | | 1,076 |
| 2. Advance payments and assets under construction | - | | 1,089 |
| **III. Financial assets** | | | |
| 1. Shares in affiliated companies | 1,079,931 | | 875,218 |
| | | **1,083,905** | **877,530** |
| **B. Current assets** | | | |
| **I. Inventories** | | | |
| 1. Raw materials, consumables and supplies | 180 | | |
| **II. Receivables and other assets** | | | |
| 1. Trade receivables | 2,951 | | 2,266 |
| 2. Receivables from affiliated companies | 2,046,282 | | 1,752,418 |
| 3. Receivables from other investees | 31 | | 12 |
| 4. Other assets | 12,008 | | 11,640 |
| **III. Cash and bank balances** | 9 | | 191,545 |
| | | **2,061,462** | **1,957,882** |
| | | | |
| **C. Prepaid expenses** | | **2,758** | **2,884** |
| | | **3,148,125** | **2,838,296** |

| Equity and liabilities<br>in EUR thousand | | 31 Dec. 2022 | 31 Dec. 2021 |
|---|---|---|---|
| **A. Equity** | | | |
| **I. Subscribed capital** (Conditional Capital: EUR 15,360 thousand; 2021: EUR 15,360 thousand) | 120,175 | | 120,175 |
| **II. Capital reserves** | 203,173 | | 203,173 |
| **III. Retained earnings** | | | |
| Other retained earnings | 113,538 | | 113,538 |
| **IV. Unappropriated profit** | 390,475 | | 453,818 |
| Thereof retained profits brought forward EUR 279,796 thousand (2021: EUR 377,674 thousand) | | **827,362** | **890,704** |
| | | | |
| **B. Provisions** | | | |
| 1. Provisions for taxes | 24,033 | | 21,507 |
| 2. Other provisions | 40,265 | | 22,597 |
| | | **64,298** | **44,105** |
| **C. Liabilities** | | | |
| 1. Bonds | 550,000 | | 800,000 |
| 2. Liabilities to banks | 1,339,731 | | 748,500 |
| 3. Trade payables | 16,058 | | 3,885 |
| 4. Liabilities to affiliated companies | 337,669 | | 342,366 |
| 5. Other liabilities | 13,006 | | 8,736 |
| | | **2,256,465** | **1,903,486** |
| | | **3,148,125** | **2,838,296** |

***Off-balance sheet items***

*Liabilities from guarantees EUR 707,493 thousand (2021: EUR 552,655 thousand)*

# D.4 \\ STATEMENT OF INCOME OF SIXT SE (HGB)

for the year ended 31 December 2022

| in EUR thousand | | **2022** | 2021 |
|---|---|---|---|
| | | | |
| 1. Revenue | | 108,947 | 95,496 |
| 2. Other operating income | | 351,539 | 151,773 |
| 3. Fleet expenses | | 2,386 | 6,203 |
| 4. Personnel expenses | | | |
| a) Wages and salaries | 114,951 | | 87,736 |
| b) Social security contributions | 14,034 | | 11,146 |
| | | 128,985 | 98,882 |
| 5. Amortisation of intangible assets and depreciation of equipment | | 1,129 | 1,119 |
| 6. Other operating expenses | | 389,454 | 141,147 |
| 7. Income from investments | | 190,879 | 95,416 |
| 8. Income from profit transfer agreements | | 7 | 5,446 |
| 9. Other interest and similar income | | 45,105 | 41,384 |
| 10. Depreciation of financial assets | | - | 18,630 |
| 11. Cost of loss absorption | | 325 | 17 |
| 12. Interest and similar expenses | | 35,922 | 30,555 |
| 13. Taxes on income | | 27,597 | 16,818 |
| **14. Result after taxes = Net income** | | **110,679** | **76,144** |
| 15. Retained profits brought forward | | 279,796 | 377,674 |
| **16. Unappropriated profit** | | **390,475** | **453,818** |

# D.5 \\ REMUNERATION REPORT

## 1. FOREWORD BY THE SUPERVISORY BOARD

Dear Shareholders,

The Supervisory Board of Sixt SE ("the company") is pleased to present the Remuneration Report 2022 to you. The Remuneration Report provides information on the remuneration granted and owed to each individual current or former member of the Management Board and Supervisory Board of the company in financial year 2022. The Report complies with the requirements of Section 162 of the German Stock Corporation Act ("AktG") and the relevant accounting standards.

The Annual General Meeting of Sixt SE on 25 May 2022 approved the Remuneration Report prepared for financial year 2021 under agenda item 6 by a majority of 81.16% of the votes cast. While it received broad support, the approval rate was also significantly lower than the approval rate for the other agenda items. This prompted the Supervisory Board to form a Remuneration Committee. As a first step, it considered the constructive criticism and suggestions for improvement received from our shareholders before, during and after the 2022 Annual General Meeting.

The feedback on the Remuneration Report 2021 related mainly to the structure laid out in the company's remuneration system and to a lesser extent to the actual content of the report. In view of this, among other aspects, the Supervisory Board decided to further develop and revise the current remuneration system. The Supervisory Board will therefore submit a revised, new remuneration system to the Annual General Meeting for approval in 2023. The new remuneration system takes the further increased expectations of the capital market with regard to the structure of remuneration systems into account. In addition, the Supervisory Board would also like to anchor the sustainability strategy (ESG strategy) of Sixt Group in the remuneration of the Management Board. The current sustainability strategy was approved in September 2022.

In addition, we have supplemented the Remuneration Report for 2022 with further information compared to the previous year in order to meet another request from our shareholders.

We would like to take this opportunity to thank our shareholders for their feedback and look forward to continuing the communication.

The Supervisory Board of Sixt SE

## 2. THE REMUNERATION SYSTEMS FOR THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The remuneration system for the members of the Management Board was resolved by the company's Supervisory Board on 23 April 2021 and approved by the Annual General Meeting on 16 June 2021 by way of a resolution on agenda item 7 (Section 120a (1) AktG). The service contracts of all current Management Board members are in line with the approved remuneration system.

The Supervisory Board members were remunerated in accordance with Section 113 (3) AktG by the Annual General Meeting of Sixt SE on 16 June 2021 on agenda item 8 and by the Annual General Meeting of Sixt SE on 25 May 2022 on agenda item 9. By resolution of 25 May 2022 under agenda item 9, the previous remuneration was adjusted by increasing the fixed remuneration and introducing additional remuneration to pay tribute to the increased workload of the members and the Chairman of the Audit Committee, as well as the increased requirements and increased time commitment of all Supervisory Board members in recent years. In all other respects, the remuneration structure for the members of the Supervisory Board remained unchanged.

Detailed information on the remuneration systems of the Management Board and Supervisory Board can be found on the company's website at *ir.sixt.eu* under "Corporate Governance/Resolutions on the remuneration system."

Due to commercial rounding, some of the figures in this report might not add up exactly to the totals shown.

## 3. REMUNERATION OF THE MANAGEMENT BOARD IN FINANCIAL YEAR 2022

The company pursues the goal of intensifying the growth course of Sixt Group, further advancing its focus on integrated and digitally based mobility services and expanding its positioning as a leading international provider of mobility services. In order to achieve these goals, the remuneration of the Management Board of Sixt SE is based on the following principles:

- Transparent and comprehensible remuneration based on the economic success of the entire Group contributes to the Management Board's overall ability to take action strategically and to the sustainable growth of Sixt Group.
- The range of responsibilities and the performance of each Management Board member are key factors in determining his or her total remuneration.
- Multi-year assessment bases and caps for variable remuneration components that take effect every financial year promote long-term growth and avoid incentives to take disproportionate risks.
- One component of the variable performance-based remuneration elements is long-term share-based and thus aimed at having a strong share culture as well as an alignment of the interests of shareholders, management and other stakeholders.

2022 was another record year for SIXT, despite the uncertain general conditions. Group revenue increased by 34.3% from EUR 2.28 billion to EUR 3.07 billion. Consolidated earnings before taxes (EBT) reached a record level of EUR 550.2 million, an increase of 24.4% over the previous year (EUR 442.2 million). We have thus succeeded in continuing our growth course. The Supervisory Board would like to express its sincere thanks to the Management Board and all employees for this achievement.

The Supervisory Board reviews the appropriateness of the remuneration components at regular intervals to ensure a customary and competitive system. To assess the appropriateness of remuneration of the members of the Management Board, the Supervisory Board conducts both a horizontal and a vertical comparison. To assess the horizontal commonality, companies are considered that are comparable to the company with regard to relevant criteria, such as industry and size (measured in terms of revenue, profitability, employees and market capitalisation). The majority of the comparable companies are based in Germany. Companies domiciled abroad may also be taken into account. Furthermore, the Supervisory Board compares the level of remuneration of the members of the Management Board in relation to the remuneration structure in the Sixt Group. As part of this vertical comparison, the Supervisory Board takes the remuneration structure and level of remuneration of the company's senior executives and managers below the Management Board level, as well as the members of management of Sixt Group companies (in particular the national operating subsidiaries) and the workforce as a whole into account.

In the context of the expansion of the Management Board in 2022, the Supervisory Board focused on publicly listed German companies that are included in the SDAX, MDAX or DAX and are comparable to Sixt in terms of revenue, number of employees and market capitalisation. MDAX and SDAX companies were used for the most part. In connection with the determination of the maximum remuneration and the structure of the new remuneration system, the Supervisory Board used all companies listed in the MDAX as a guide. The companies listed in the MDAX are particularly well suited as a decisive comparison group in terms of size and country. The relative positioning of the company in terms of revenue, number of employees and market capitalisation was also taken into account. In addition, individual companies in comparable industries with their registered offices abroad were also considered as an additional indicator in the development of the new remuneration system.

The following table shows the total remuneration granted and owed to the respective members of the Management Board in financial year 2022 in accordance with Section 162 (1) Sentence 1 of the German Stock Corporation Act (AktG). The table thus contains all amounts that accrued to the individual members of the Management Board in financial year 2022 (granted remuneration) and all remuneration that is legally due but has not yet accrued (remuneration owed). The bonus for 2022 is considered granted remuneration, since the relevant performance was rendered by 31 December 2022 and the remuneration was thus earned in principle.

The bonus for 2022 is thus stated as part of the total remuneration, although the payment is only made after the end of the financial year in two tranches (see further explanations on the bonus below). This ensures that a connection is formed between the performance rendered and the remuneration in the reporting period and increases transparency. For reasons of clarity, the bonus for 2021 for current and former members of the Management Board that was paid in financial year 2022 is not reported again. Please refer to the Remuneration Report for 2021 for more information on this and the remaining figures for the previous year.

| **Members of the Management Board** | Alexander Sixt | Konstantin Sixt | Prof. Dr. Kai Andrejewski | Nico Gabriel | Vinzenz Pflanz | James Adams |
|---|---|---|---|---|---|---|
| | Co-Chairman of the Board | Co-Chairman of the Board | CFO | COO | CBO since 1 Oct. 2022 | CCO since 1 Oct.2022 |
| in EUR thousand | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| Basic remuneration | 1,700 | 1,700 | 685 | 500 | 175 | 175 |
| Fringe benefits[1] | 39 | 29 | 17 | 22 | 8 | 4 |
| **Total fixed remuneration components** | **1,739** | **1,729** | **702** | **522** | **183** | **179** |
| Relative share of fixed remuneration components in % of the total remuneration | 40% | 40% | 33% | 27% | 46% | 45% |
| Bonus for 2022 (payment to be distributed in 2023 and 2024) | 2,600 | 2,600 | 1,425 | 1,425 | 216 | 216 |
| Relative share of the bonus for 2022 in % of the total remuneration | 60% | 60% | 67% | 73% | 54% | 55% |
| Multi-year variable remuneration[2] | - | - | - | - | - | - |
| **Total remuneration** | **4,339** | **4,329** | **2,127** | **1,947** | **399** | **395** |

1 *The fringe benefits included are shown in the section "Non-performance-related remuneration." Contributions to D&O insurance are not included.*

2 *No payment from the Share Performance Programme resolved in financial year 2021 was made in 2022 because the four-year waiting period has not yet elapsed. The details of the Share Performance Programme, in particular the respective allocation amount for each member of the Management Board are presented below. In total, Mr. Alexander Sixt, Mr. Konstantin Sixt, Prof. Dr Kai Andrejewski and Mr. Nico Gabriel received 27,051 virtual shares (allocation amount: EUR 3.2 million). Only if the member of the Management Board remains in office four years after the allotment will he or she receive a cash payment from the SPP, the amount of which depends on the development of the share price. No allocation or payment was made in 2022 from long-term remuneration components granted to individual members of the Management Board in previous years (see the general comments on the Matching Stock Programme 2012 for members of the Management Board and executives in the Notes to the Consolidated Financial Statements).*

**Non-performance-related remuneration**

The basic remuneration shown here was paid out in twelve equal monthly instalments. The amount of the basic remuneration is based on the range of tasks, departmental responsibilities and experience of the respective Management Board member. The base salaries of the Co-Chairmen of the Management Board and the other members of the Management Board already serving in 2021 have remained unchanged compared to 2021.

The fringe benefits granted include the provision of a maximum of two company cars for business and private use, the possibility to use a driver service, the use of a company mobile phone also for private purposes and – if the respective conditions are met – the granting of personal protection. Furthermore, the members of the Management Board receive subsidies for health insurance and nursing care insurance contributions (limited to half of the general and uniform contribution rate of the statutory health insurance fund). Furthermore, an accident insurance policy and a legal expense insurance policy exist for the benefit of the members of the Management Board.

Furthermore, the company maintains a financial loss liability Group insurance policy for members of the executive bodies and certain employees of Sixt Group. This insurance is taken out or renewed annually. The insurance covers the personal liability risk in the event that a claim is made against these individuals for financial losses in the course of their work. The policy for financial year 2022 includes a deductible for the members of the Management Board that complies with the requirements of the German Stock Corporation Act.

**Performance-related remuneration**

In addition to their non-performance-related basic remuneration and contractual fringe benefits, the members of the Management Board also receive performance-related remuneration. The performance-related remuneration is comprised of two components, a bonus (STI) and a share-based Share Performance Programme (LTI).

**Bonus (STI)**

The origin and amount of the bonus entitlement of the members of the Management Board for 2022 are dependent on the earnings from ordinary business activities before taxes (EBT) as a performance indicator reported in the Consolidated Financial Statements of the company for financial year 2022. This remuneration component contributes to the sustainable earnings-oriented growth of Sixt Group and to strategic and operational management decisions oriented towards the success of the Group as a whole due to the clarity and transparency of its calculation and the fact that it is fundamentally earnings-related and oriented towards the Group as a whole. The degree to which targets have been achieved can be seen transparently on the basis of the actual key figures determined each year and listed in the Consolidated Financial Statements of Sixt SE for the financial year in question.

For each financial year of the contractual term of a Management Board service agreement ("base year"), it is determined whether and, if so, in what amount an entitlement to a bonus has arisen. If the contract term begins or ends during the year, the bonus for the respective base year is granted pro rata temporis. The accrual of the bonus entitlement is dependent on EBT reaching a certain minimum target in the respective base year. If the agreed minimum target is not reached, the Management Board member concerned is not entitled to a bonus for the respective base year. If the minimum target is exceeded, the amount of the bonus claim is generally dependent on the extent to which the EBT value actually achieved in the respective base year exceeded the bonus-relevant minimum target. What minimum target exceedance leads to what bonus amount is stipulated in the respective Management Board employment contracts for their entire term. The respective Management Board member receives an individually determined payment amount for each full million euros of EBT above the agreed minimum target. If EBT exceeds a certain additional level (EBT additional threshold), the payment value agreed for each full million euros of EBT increases. The amount of the bonus entitlement is limited in absolute terms to a fixed maximum amount (cap) per base year.

The EBT minimum target, the EBT additional threshold and the achievable maximum amount (cap) were agreed individually for each of the members of the Management Board and can be taken from the following table. The overview also shows the EBT relevant for the calculation. In 2022, the best financial year in the company's history to date, this EBT figure amounted to EUR 550 million, therefore the respective agreed EBT minimum values, the EBT additional threshold and, in the case of the Co-Chairmen of the Management Board, Mr. Alexander and Mr. Konstantin Sixt, the maximum amount were all achieved.

| Members of the Management Board | Alexander Sixt | | Konstantin Sixt | | Prof. Dr. Kai Andrejewski | | Nico Gabriel | | Vinzenz Pflanz | | James Adams | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Co-Chairman of the Board | | Co-Chairman of the Board | | CFO | | COO | | CBO since 1 Oct. 2022 | | CCO since 1 Oct.2022 | |
| | 2022 | 2021[1] | 2022 | 2021[1] | 2022 | 2021[1] | 2022 | 2021[1] | 2022 | 2021[1] | 2022 | 2021[1] |
| EBT minimum (in EUR million) | 100 | 100 | 100 | 100 | 200 | 200 | 200 | 200 | 200 | n/a | 200 | n/a |
| EBT additional threshold (in EUR million) | 400 | 400 | 400 | 400 | 300 | 300 | 300 | 300 | 300 | n/a | 300 | n/a |
| EBT reported by Sixt Group (in EUR million) | 550 | 442 | 550 | 442 | 550 | 442 | 550 | 442 | 550 | 442 | 550 | 442 |
| Maximum amount for the bonus per year (cap) (in EUR thousand) | 2.600 | 2.600 | 2.600 | 2.600 | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 | n/a | 2.000 | n/a |
| **Total bonus (payment distributed over two years)** | **2.600** | **1.890** | **2.600** | **1.890** | **1.425** | **547** | **1.425** | **895** | **216** | **n/a** | **216** | **n/a** |

*[1] In addition to the 24.4% increase in EBT, the different totals result from the fact that Mr. Nico Gabriel and Prof. Dr. Kai Andrejewski took up their positions during the year and that Mr. Alexander and Mr. Konstantin Sixt have only held the position of Co-Chairmen of the Management Board since 17 June 2021.*

In accordance with the requirements of the remuneration system, the bonus entitlement for 2022 is divided into two tranches. The first tranche, amounting to 49.9% of the bonus entitlement, is due for payment at the end of the 2023 Annual General Meeting. The second tranche, amounting to 50.1% of the bonus entitlement, is dependent on EBT being greater than EUR 0 in the financial year following the base year. If this is achieved, the respective second tranche of the bonus entitlement becomes due at the end of the Annual General Meeting that resolves on the appropriation of profits for the financial year following the base year. If this is not achieved, the entitlement to the second tranche lapses without compensation. Thus, the bonus entitlement for the base year is reduced to 49.9% of the original, i.e., initially accrued, bonus entitlement.

For transparency reasons, the entire bonus figure was reported as part of total remuneration for 2022.

Thus, the following amounts from the bonus for financial year 2022 will be due for payment in financial years 2023 and 2024, whereby the payment in the year 2024 for the current members of the Management Board depends on the achievement of the EBT minimum target applicable for financial year 2023:

| Bonus for 2022 after the due date | Alexander Sixt | Konstantin Sixt | Prof. Dr. Kai Andrejewski | Nico Gabriel | Vinzenz Pflanz | James Adams |
|---|---|---|---|---|---|---|
| in EUR thousand | | | | | | |
| 2023 | 1,297 | 1,297 | 711 | 711 | 108 | 108 |
| 2024 | 1,303 | 1,303 | 714 | 714 | 108 | 108 |
| **Total** | **2,600** | **2,600** | **1,425** | **1,425** | **216** | **216** |

**Share-based Virtual Share Performance Programme**
In financial year 2022, the Group had an employee participation programme (Matching Stock Programme – MSP) that was initiated in 2012 (MSP 2012) and has since been terminated. No new tranches of share options were allotted to members of the Management Board and employees and no preference shares were issued in financial year 2022, as the payment requirements were not met.

The current members of the Management Board are participants in the Share Performance Programme (SPP) that was introduced in 2021. The SPP has a long-term orientation and is share-based. The achievement of a certain EBT as a performance indicator is authoritative. The number of virtual ordinary shares allocated currently results from a certain fraction of the EBT of the last completed financial year, but not exceeding an agreed cap, divided by the weighted closing price of the ordinary share in Xetra trading on the Frankfurt Stock Exchange during the last ten trading days before the date of allotment of the virtual shares. The allocation date is 1 June of each calendar year or, if this is a Saturday, Sunday or public holiday, the following working day.

Only if the member of the Management Board remains in office four years after the allotment will he receive a cash payment from the SPP. Payment for the allocation made in 2022 will therefore be made in 2026 if the respective member of the Management Board is still in office. The amount of the cash payment is equal to the product of the number of virtual ordinary shares allotted for the relevant tranche and the weighted closing price of the ordinary shares for a specified period prior to the date of payment, subject to a maximum of an agreed payout cap. In the event of extraordinary upward or downward developments (such as significant changes in ac-counting regulations), the Supervisory Board may, at its rea-sonable discretion, change the formula for calculating the allotment of virtual shares. A recommendation of the German Corporate Governance Code is thus also implemented.

The share-based long-term performance-related remuneration component also has a high degree of calculation clarity and transparency. As it is linked to the long-term development of the share price, it reflects the interests of the shareholders on the one hand and is intended to ensure a sustainable company strategy on the other.

On 1 June 2022, the members appointed to the Executive Board at that time were allocated virtual ordinary shares in accordance with the table below. The table also shows the minimum EBT, the maximum grant amount (cap) and the payout cap (in the case of a payout after four years). Mr. Pflanz and Mr. Adams were not yet members of the Executive Board at the time of the allocation. Both were participants in the SPP set up for employees as executives in 2022 and were allocated virtual shares in this capacity.

| **Members of the Management Board** | Alexander Sixt | Konstantin Sixt | Prof. Dr. Kai Andrejewski | Nico Gabriel |
|---|---|---|---|---|
| | Co-Chairman of the Management Board | Co-Chairman of the Management Board | CFO | COO |
| in EUR thousand | 2022 | 2022 | 2022 | 2022 |
| EBT minimum amount (in EUR million) | 100 | 100 | 100 | 100 |
| Maximum allotment amount (CAP) (in EUR thousand) | 1,500 | 1,500 | 500 | 800 |
| Payout cap | 1,500 | 1,500 | 500 | 800 |
| Allocated amount (1 June 2022) (in EUR thousand) | 1,105 | 1,105 | 332 | 663 |
| Share price at the time of allocation in EUR[1] | 118,50 | 118,50 | 118,50 | 118,50 |
| Number of virtual shares allocated | 9,328 | 9,328 | 2,798 | 5,597 |

[1] *The allocation price is determined from the volume-weighted average price of the Sixt SE ordinary share in Xetra trading on the Frankfurt Stock Exchange during the last ten trading days prior to the respective allocation date.*

**Total remuneration and maximum remuneration**
The total remuneration of the members of the company's Management Board for financial year 2022 amounted to a total of EUR 13.5 million. As part of the remuneration system, maximum remuneration for the entire Management Board was set at EUR 23 million. In order to compare the maximum remuneration with the total remuneration, the remuneration system requires that any inflows from share-based remuneration components be allocated to the financial year in which the tranche was allocated. As stated above, Mr. Alexander Sixt, Mr. Konstantin Sixt, Prof. Dr. Kai Andrejewski and Mr. Nico Gabriel received 27,051 virtual shares in 2022. Since a payment from this tranche will not be made until 2026, the actual payout from the LTI cannot be determined yet. However, due to the agreed payment caps for the LTI (see table above), it is already clear that the maximum remuneration will be complied with. The result of the final review of compliance with the maximum remuneration for financial year 2022 will be reported in the Remuneration Report for financial year 2026.

**Clawback of variable remuneration components / third party benefits / miscellaneous**
No variable remuneration components were reclaimed from members of the Management Board in financial year 2022. No member of the Management Board was promised benefits by a third party with regard to his or her activity as a member of the Management Board or was granted such in the financial year. No loans were granted or promised by the company to any member of the Management Board.

There are no pension entitlements of current or former members of the Management Board.

**Benefits in connection with the departure of members of the Management Board**

No members of the Management Board stepped down from the board in financial year 2022.

## 4. REMUNERATION OF THE SUPERVISORY BOARD IN FINANCIAL YEAR 2022

The remuneration of the members of the Supervisory Board is, in accordance with the predominant market practice at listed companies in Germany, structured as purely fixed remuneration without any variable components. The Management Board and Supervisory Board are of the opinion that purely fixed remuneration of the Supervisory Board members is best suited to strengthen the independence of the Supervisory Board and to take its advisory and supervisory function into account, which is to be fulfilled independently of the company's success.

Based on the resolution adopted by the Annual General Meeting of Sixt SE on 25 May 2022 under agenda item 9, the members of the Supervisory Board are to receive fixed remuneration of EUR 75,000 for each full financial year of membership of the Supervisory Board. The Chairman receives twice this amount (EUR 150,000). For membership in the Audit Committee, the relevant members of the Supervisory Board receive fixed remuneration of EUR 20,000 for each full financial year of their membership in the Audit Committee, in addition to the remuneration in accordance with the above rates; for the Chairman of the Audit Committee, this additional remuneration amounts to EUR 25,000. For financial year 2022, this shall apply pro rata temporis from the beginning of 26 May 2022. The previous regulation applies up to and including 25 May 2022, – pro rata temporis – according to which members of the Supervisory Board receive fixed remuneration of EUR 50,000 for each full financial year of their membership of the Supervisory Board and the Chairman receives twice this amount (EUR 100,000). Remuneration for membership of the Audit Committee was not provided for until 25 May 2022.

If the office is not occupied for a full financial year, the remuneration specified above is to be granted pro rata temporis according to the duration of the membership in the Supervisory Board. The remuneration is due for payment at the end of each financial year. The company also provides the Chairman of the Supervisory Board with a luxury class company car that may also be used privately. Furthermore, a pecuniary damage liability insurance policy (D&O) exists for the members of the Supervisory Board. No deductible has been agreed.

Based on the remuneration system presented here, the total remuneration granted and owed to the former and active members of the Supervisory Board in financial year 2022 is shown in the table below. The table thus includes all amounts actually received by the individual members of the Supervisory Board in financial year 2022 (granted remuneration) and all remuneration legally due but not yet received (remuneration owed). The fixed remuneration for 2022 is regarded as remuneration granted, as the relevant service was rendered by 31 December 2022 and the remuneration was thus earned in principle. The actual payment was made at the beginning of financial year 2023. The fixed remuneration for financial year 2021 was paid at the beginning of financial year 2022. This has already been reported on in the 2021 Remuneration Report to which reference is made here.

| Members of the Supervisory Board<br>in EUR thousand | Fixed remuneration in 2022 | Remuneration for work on the Audit Committee in 2022 | Fringe benefits in 2022 | Total remuneration in 2022 |
|---|---|---|---|---|
| Erich Sixt (Chairman of the Supervisory Board) | 130 | - | 43[1] | 173 |
| Dr. Daniel Terberger[2] | 65 | 12 | - | 77 |
| Anna Magdalena Kamenetzky-Wetzel (member of the Supervisory Board since 2 June 2022) [2] | 44 | 6 | - | 50 |
| Dr. Julian zu Putlitz (Chairman of the Audit Committee) [2] | 65 | 15 | - | 80 |

1 *The Chairman of the Supervisory Board receives a company car that is also for private use.*

2 *Dr. Julian zu Putlitz, Dr. Daniel Terberger and Mrs. Anna Magdalena Kamenetzky-Wetzel are members of the Audit Committee. Dr. Julian zu Putlitz is its Chairman. Mrs. Anna Magdalena Kamenetzky has been a member of the Audit Committee since 13 September 2022*

## 5. COMPARATIVE PRESENTATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

Pursuant to Section 162 (1) sentence 2 no. 2 AktG, the following table shows the development of Sixt's earnings, the annual change in the remuneration of the members of the Management Board and the Supervisory Board, and the development of the average remuneration of the employees on a full-time equivalent basis. The presentation makes use of the transitional provision of Section 26j (2) of the Introductory Act to the German Stock Corporation Act and is based on a comparison of financial year 2020 with financial year 2021 for the first time. For the members of the Management Board and the Supervisory Board, the comparison is based on the remuneration granted and owed in the respective financial year within the meaning of Section 162 (1) sentence 1 AktG. If a member joined the Management Board or Supervisory Board during the previous year, the figures are extrapolated to a full year for better comparability. The change in the Management Board members compared to 2021 shown is due in particular to the increase in variable remuneration as a result of the very good business development in financial year 2022. In the case of Mr. Alexander and Mr. Konstantin Sixt, it should also be taken into account that they were not appointed Co-Chairmen of the Management Board until 2021. For the Supervisory Board members, there is an increase in remuneration due to the resolution adopted by the Annual General Meeting of Sixt SE on 25 May 2022 under agenda item 9. As a result of this resolution, the previous remuneration has been adjusted by increasing the fixed remuneration and introducing additional remuneration to pay tribute to the higher workload for the members and the Chairman of the Audit Committee, as well as the increased requirements and the increased time commitment of all members of the Supervisory Board in recent years.

The workforce of Sixt SE and the companies affiliated with Sixt SE that have their registered office in Germany is taken as a basis for presenting the change in the average remuneration of the employees. Payments for wages and salaries, as well as fringe benefits, employer contributions to social security and the short-term variable remuneration components attributable to the respective financial year were taken into account.

| Comparison of Management Board and Supervisory Board remuneration with regard to the total remuneration | Change in % from 2020 to 2021[1] | Change in % from 2021 to 2022 |
|---|---|---|
| **Current members of the Management Board** | | |
| Alexander Sixt | 294% | 31% |
| Konstantin Sixt | 294% | 31% |
| Prof. Dr. Kai Andrejewski | - | 32% |
| Nico Gabriel | - | 40% |
| Vinzenz Pflanz (since 1 October 2022) | - | - |
| James Adams (since 1 October 2022) | - | - |
| **Former members of the Management Board** | | |
| Daniel Marasch (CVTO until 31 December 2021) | - | - |
| Erich Sixt (CEO until 16 June 2021) | 391% | - |
| Jörg Bremer (CFO until 30 June 2021) | 96% | - |
| Detlev Pätsch (COO until 31 March 2021) | 26% | - |
| **Current members of the Supervisory Board** | | |
| Erich Sixt | - | 30% |
| Dr. Julian zu Putlitz | - | 60% |
| Dr. Daniel Terberger | 0% | 54% |
| Anna Magdalena Kamenetzky-Wetzel (Member of the Supervisory Board since 2 June 2022) | - | - |
| **Former members of the Supervisory Board** | | |
| Friedrich Joussen (Chairman of the Supervisory Board until 16 June 2021) | 0% | - |
| Ralf Teckentrup (Member of the Supervisory Board until 16 June 2021) | 0% | - |
| Earnings development of the company | | |
| Net income of Sixt SE pursuant to Sections 275 (3) No. 16 HGB | -29%[2] | 47% |
| Result from ordinary activities of Sixt Group (EBT) according to IFRS | n/a %[3] | 24% |
| Result of Sixt Group according to IFRS | 15,828%[4] | 24% |
| Average remuneration of employees[5] | 11% (in 2021: EUR 73,332) | 12% (in 2022: EUR 81,768) |

[1] *The change from 2020 to 2021 is due in particular to the effects of the coronavirus pandemic on financial year 2020, the waiver of bonus and salary payments in financial year 2020, and the changes in responsibilities on the Management Board.*

[2] *Net profit for the year 2020 based on statuary accounts included a one-off effect from the sale of Sixt Leasing in the amount of EUR 129,430 thousand*

[3] *The Group's EBT according to IFRS was negative (EUR -81,546 thousand) in 2020 due to the effects of the coronavirus pandemic and amounted to EUR 442,169 thousand in 2021. Because of the negative result in 2020, it makes no sense to report the change as a percentage.*

[4] *The result of Sixt Group according to IFRS was EUR 1,966 thousand in 2020 and EUR 313,150 thousand in 2021.*

[5] *The average remuneration of employees is based on the workforce of Sixt SE and the companies affiliated with Sixt SE that are based in Germany. Consideration was given to payments for wages and salaries as well as fringe benefits, employer contributions to social security as well as the short-term variable remuneration components attributable to the respective financial year.*

Pullach, 28 March 2023

**The Management Board** **The Supervisory Board**

# D.6 \\ REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 (3) AKTG

To Sixt SE, Pullach/Germany

**Audit Opinion**
We conducted a formal audit of the remuneration report of Sixt SE, Pullach/Germany, for the financial year from 1 January to 31 December 2022, to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

**Basis for the Audit Opinion**
We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021)). Our responsibilities under those requirements and this standard are further described in the “Auditor’s Responsibilities” section of our auditor’s report. Our audit firm has applied the requirements of the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1). We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

**Responsibilities of the Executive Board and the Supervisory Board**
The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibilities**
Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report.

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

Munich/Germany, 28 March 2023

**Deloitte GmbH**
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| KLAUS LÖFFLER<br>German Public Auditor | FLORIAN KORTE<br>German Public Auditor |

# D.7 \\ FINANCIAL CALENDAR

| Financial calendar of Sixt SE | |
|---|---|
| Annual press conference for financial year 2022 | 2 March 2023 |
| Publication of Annual Report 2022 | 30 March 2023 |
| Analyst conference in Frankfurt am Main | 18 April 2023 |
| Publication of quarterly statement as at 31 March 2023 | 11 May 2023 |
| Annual General Meeting for financial year 2022 (Virtual Annual General Meeting) | 23 May 2023 |
| Publication of the half-year financial report as at 30 June 2023 | 8 August 2023 |
| Publication of quarterly statement as at 30 September 2023 | 8 November 2023 |

*Dates and event locations subject to change*

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