GRENKE

FAST // FORWARD // FINANCE

Q1 2021 RESULTS

MAY 31, 2021

Highlights Q1 2021

Antje Leminsky
CEO

GRENKE

Q1 2021: Highlights

PROFIT IN LINE WITH GUIDANCE – CONTINUED FOCUS ON HIGH-MARGIN BUSINESS

Group new business of **EUR 536m** (-38.5% vs Q1 2020, which was largely unaffected by COVID-19)

Leasing CM2 margin strongly increased to **19.5%** (+1.3pp vs Q1 2020[1]) through continued focus on profitable small-ticket business

Net Profit at **EUR 14.0m** (-28.8% vs Q1 2020[1])

Stable equity ratio of **16.5%** as of March 31, 2021 (vs 16.3% as of December 31, 2020[1])

Proposed dividend of **EUR 0.26** per share for the financial year 2020

Virtual **Annual General Meeting** 29 July 2021

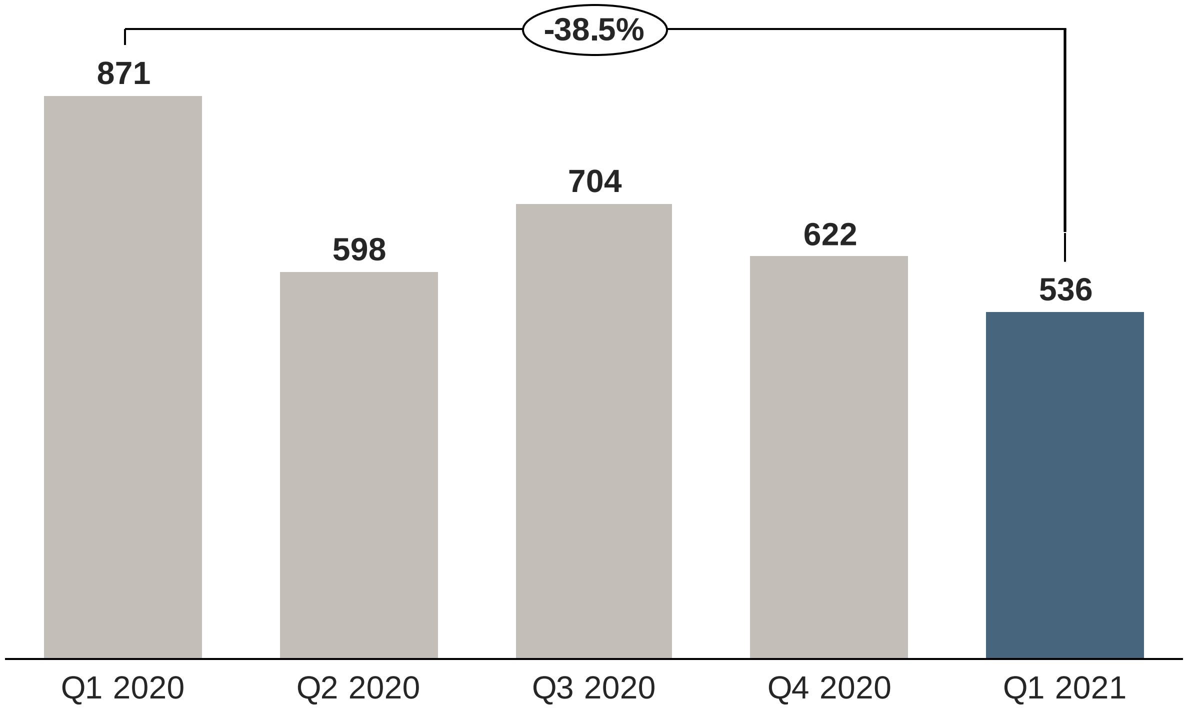
1) Figures have been adjusted in accordance with IAS 8.42 (including the consolidation of the franchise companies).

Q1 2021: Group New Business Development

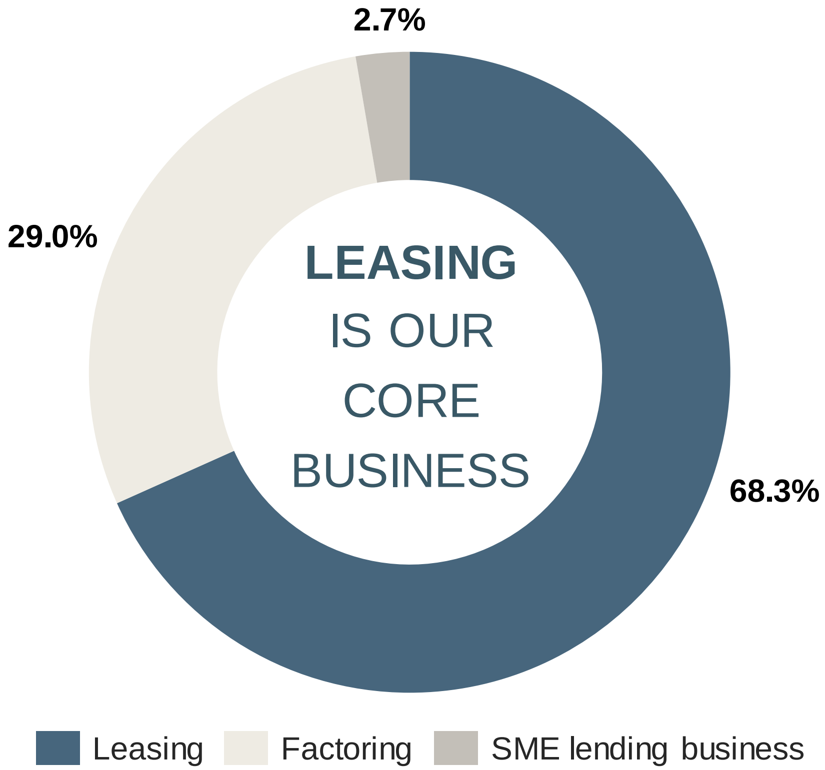
NEW BUSINESS VOLUME PLATEAUING IN LIKELY FINAL STAGES OF COVID-19 PANDEMIC

New Business Development GRENKE Group 2020 – 2021

EUR m



New Business Segment Distribution Q1 2021



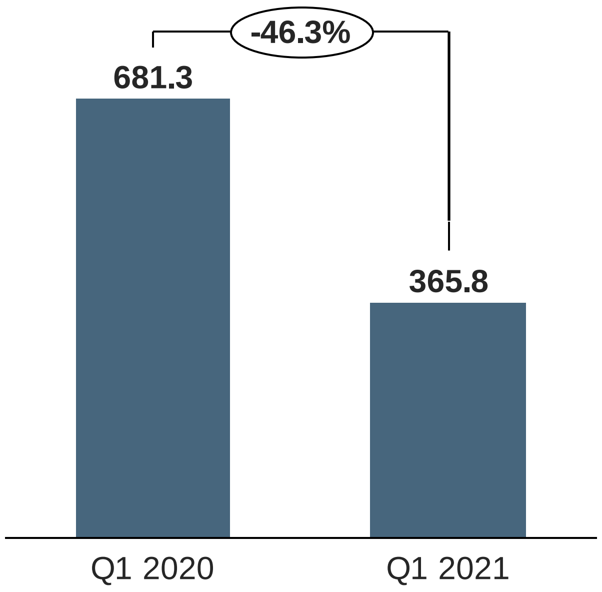
Q1 2021: New Business by Segment

LEASING CONTINUES TO BE MOST IMPORTANT CONTRIBUTOR

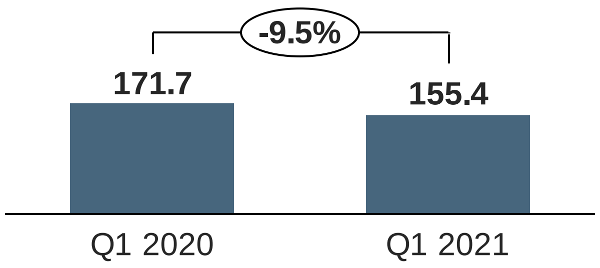
YOY comparison of new business by segment

EUR m

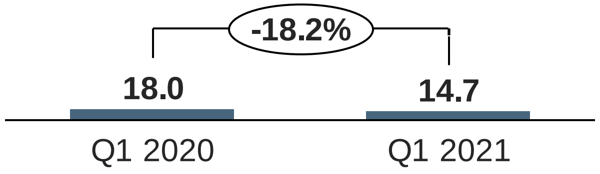
LEASING



FACTORING



GRENKE BANK[1)]



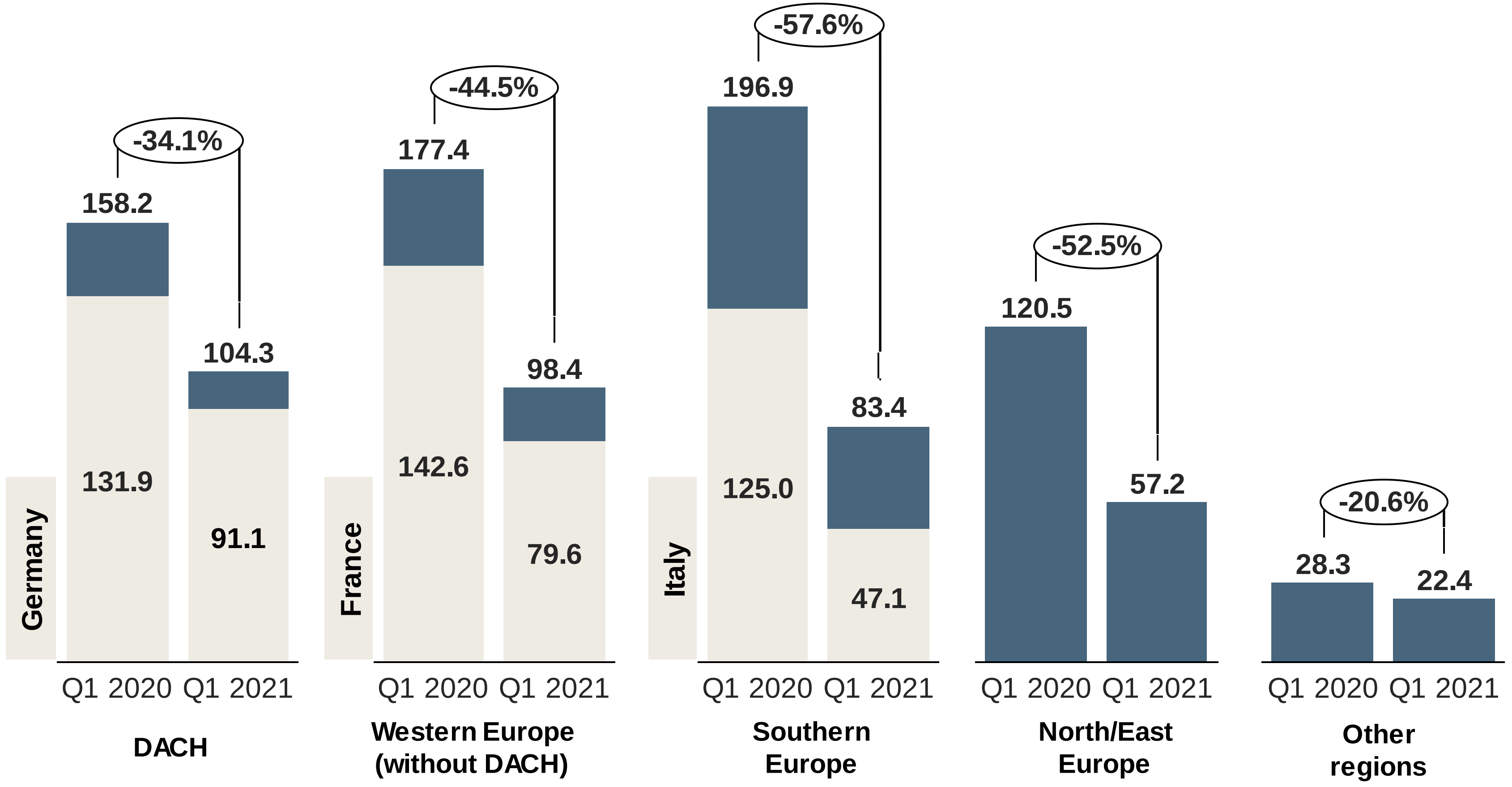
1) GRENKE Bank New Business only includes SME lending business and Microcredit business

GRENKE

Q1 2021: Leasing New Business by Regions

REGIONAL PERFORMANCE SHAPED BY VARYING IMPACT OF PANDEMIC

Leasing New Business Core Markets, *in EUR m*



Total Leasing New Business: -46.3%

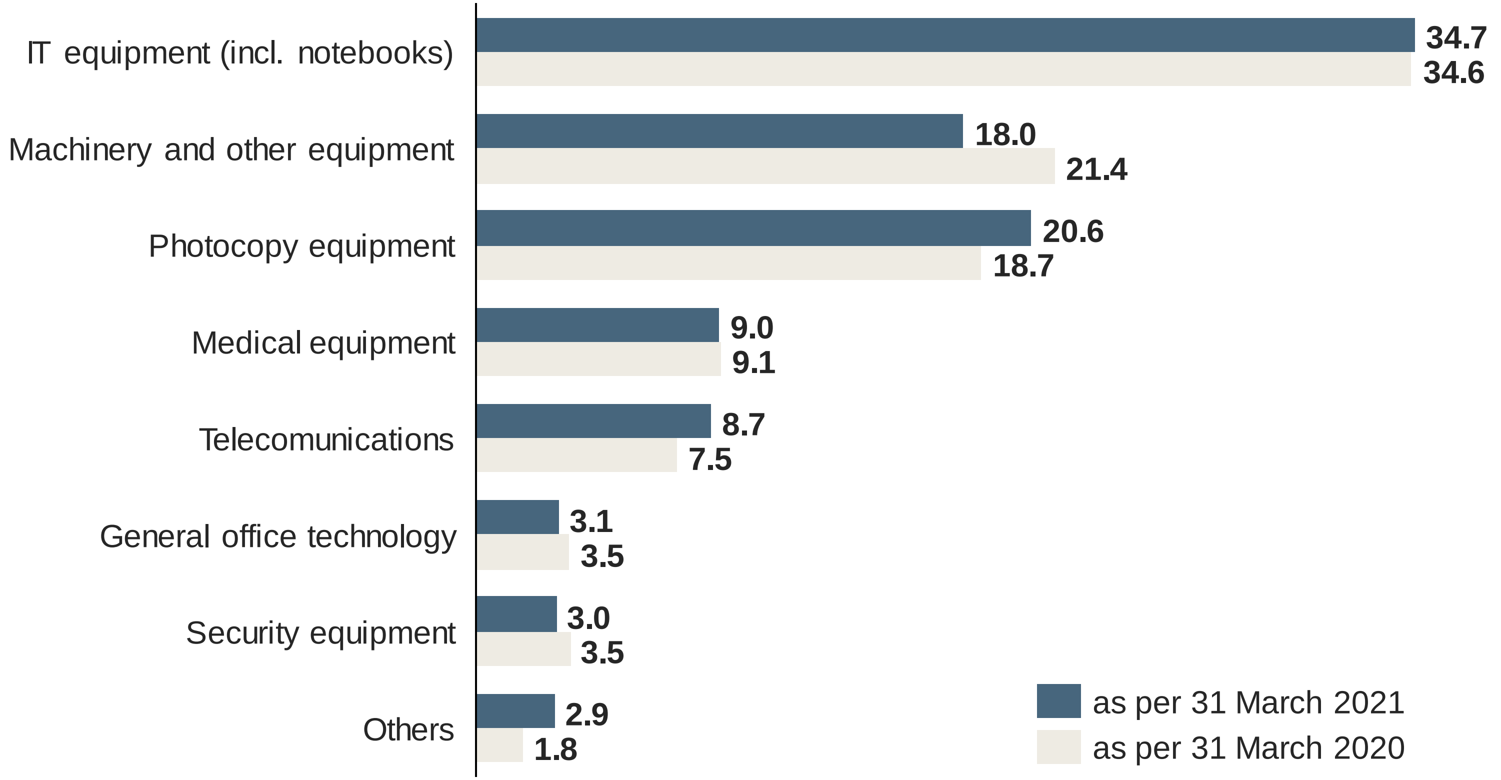
Thereof:

- Germany: -30.9%
- France: -44.2%
- Italy: -62.3%

Q1 2021: Leasing Object Categories

PHOTOCOPY EQUIPMENT STRONGER – SHARE OF MACHINERY SOFTER

Object Portfolio in % of NAV



KEY FIGURES

Current contracts:

- 990,652 (vs 970,003 in Q1 2020)

Average duration:

- 48 months (vs 49 months in Q1 2020)

Average ticket size:

- 7,434 EUR (vs EUR 9,005 in Q1 2020)

Financials

Sebastian Hirsch
CFO

02

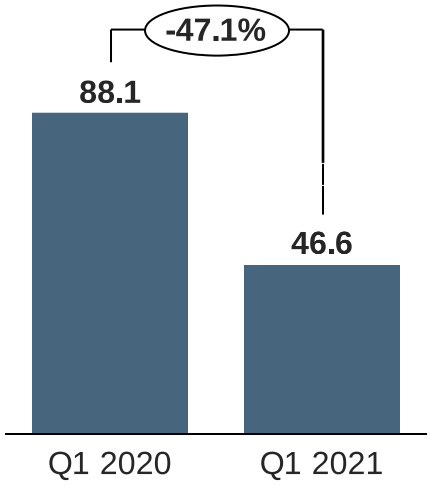
Development of Profitability

GRENKE GROUP LEASING

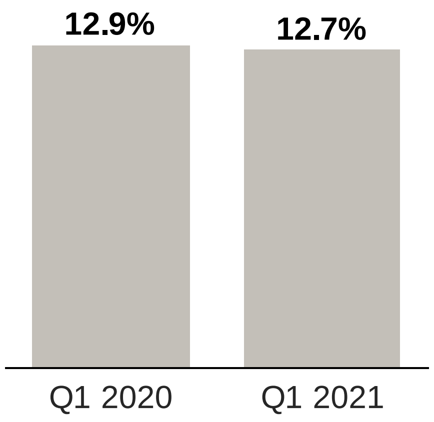
CM1 / CM1 Margin

CM1 is calculated as the present value of the interest margin net of commissions paid to third parties

CM1 in EUR m



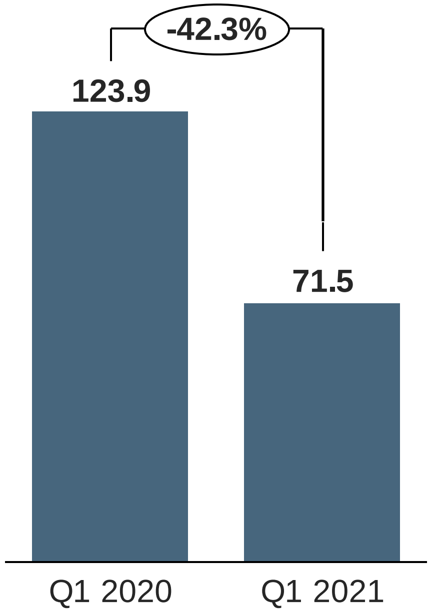
CM1 Margin



CM2 / CM2 Margin

CM2 is made up of the present value of operating income of a lease contract less risk and individual contract costs

CM2 in EUR m



CM2 Margin

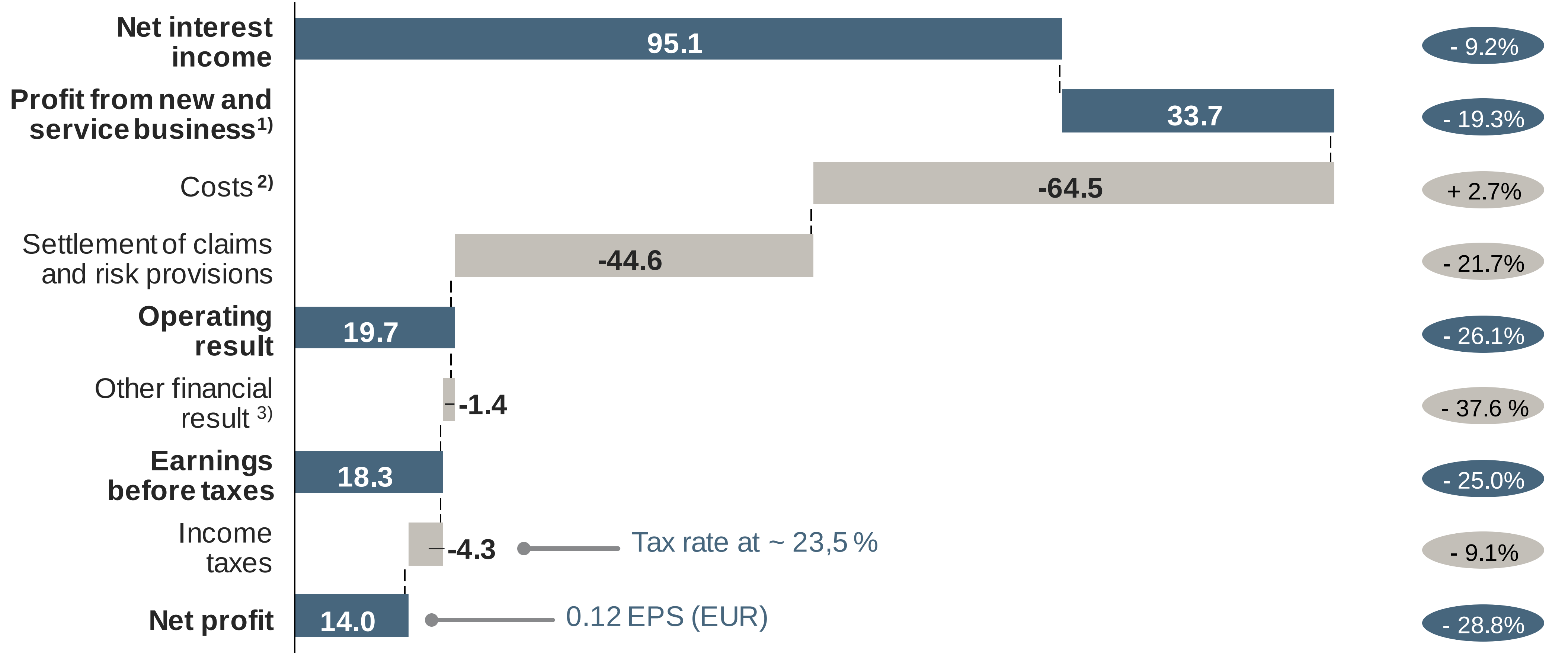
Figures have been adjusted in accordance with IAS 8.42 (including the consolidation of the franchise companies).

Key P&L Figures Q1 2021

COST-INCOME-RATIO 51.2% – 46.0% EXCL. EXTRA COSTS 6.7 EUR M

EUR m (except per share)

Δ Q1 2020[4)]



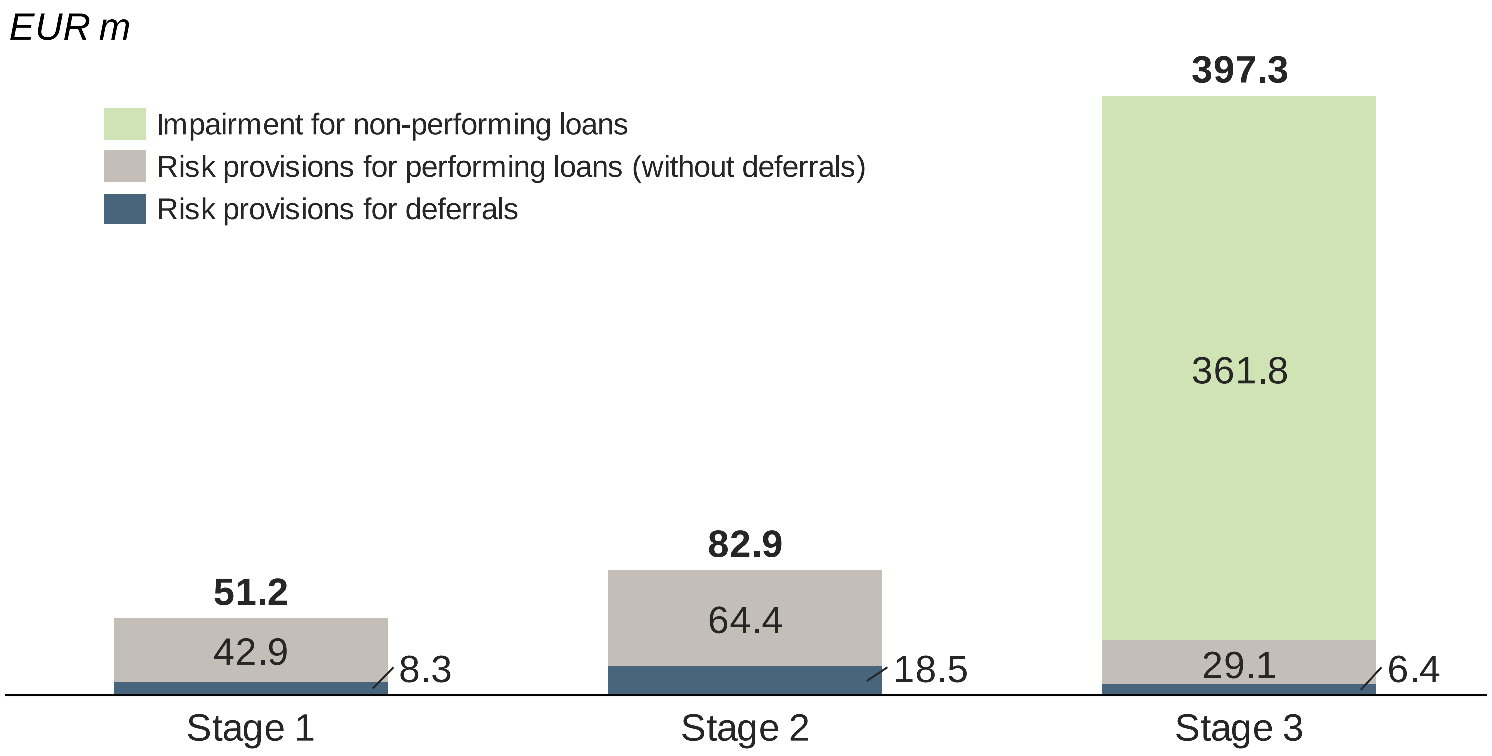
1) Incl. gains(+)/losses(-) from disposals
2) Incl. other operating income
3) Incl. income/expenses from fair value measurement
4) Figures have been adjusted according to IAS 8.42

GRENKE

Settlement of Claims and Risk Provisions for Lease Receivables

LOSS RATE OF 2.0% IN LINE WITH EXPECTATION

Risk Provisions on Balance Sheet by Stage of Impairment as of March 31, 2020



Ratio covered risk provisions through gross receivables		
1.1%	15.4%	62.1%

Consolidation of franchise companies leads to EUR 21.9m increase in risk provisions (thereof stage 1: EUR 2.0m, stage 2: 1.2m, stage 3: 18.7m)

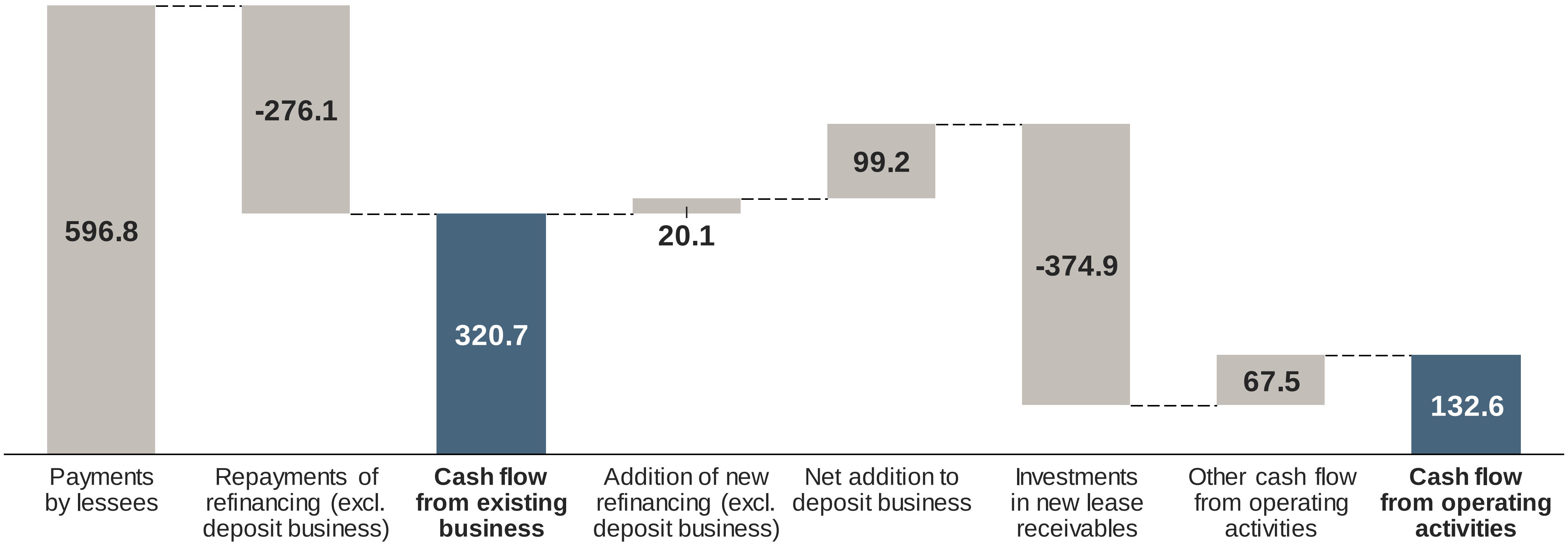
Germany: Gross Lease Receivables in Germany at 95 % in the first stage of impairment, about 5 % in stages 2 and 3

Italy: Major driver within impairment stages 2 and 3

Cash Flow Q1 2021

FULLY REFINANCED LEASING PORTFOLIO CASH-FLOW POSITIVE

EUR m

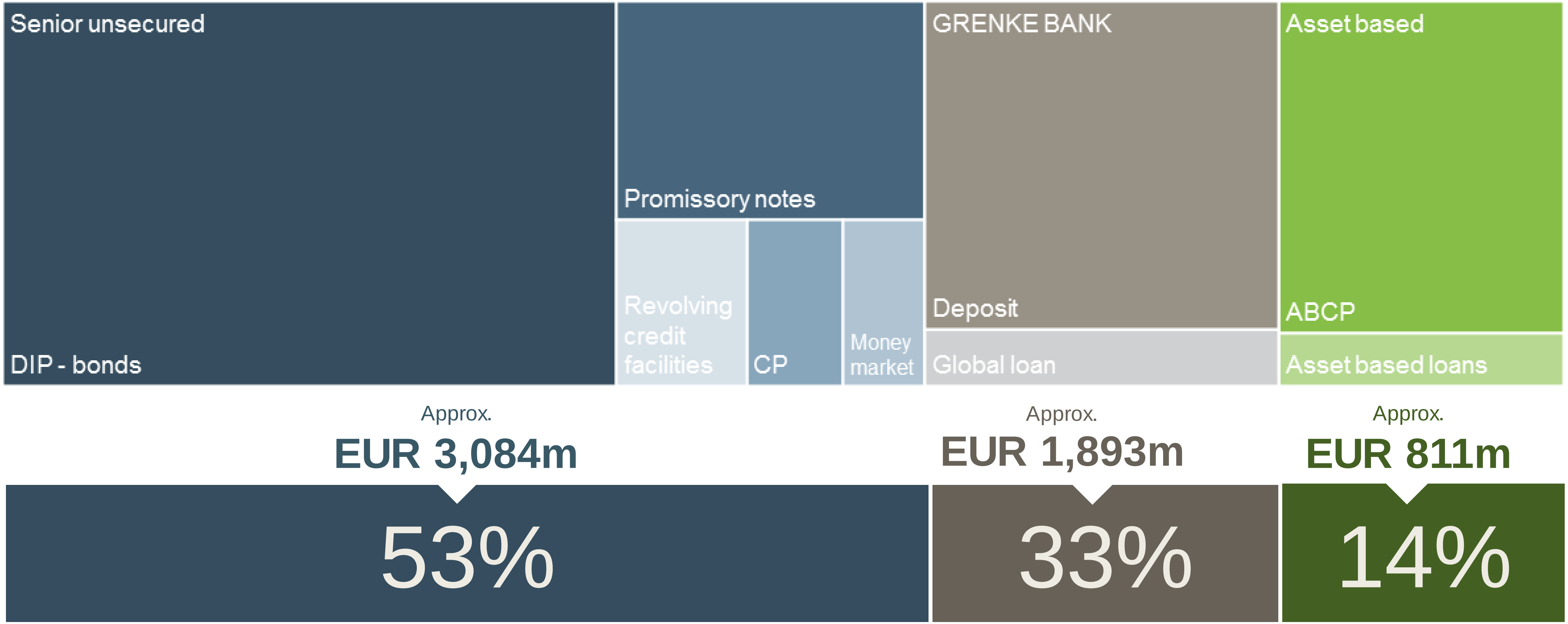


Q1 2020[1)]	577.8	-449.0	128.8	504.6	92.3	-696.5	105.5	134.7

1) Figures have been adjusted in accordance with IAS 8.42 (including the consolidation of the franchise companies)

Funding Mix as of 31 March 2021

STRONG DIVERSIFICATION – S&P RATING: BBB+/NEGATIVE/A-2/ APRIL 2020



Outlook

Antje Leminsky
CEO

03

Next Steps

KEY MILESTONES REACHED – IMPLEMENTATION OF STRATEGIC ACTION PLAN ON TRACK

- ✓ **Receipt of KPMG audit opinion**
- ✓ **Endorsement of the consolidated financial statements**
- ✓ **Publication of Annual Report 2020**

- ✓ **Conclusion of BaFin special audit**
- **Implementation of “Taking Action“ measures**

- **Shifting gears towards business growth**
- **Announcement of updated mid-term targets**

GRENKE

Status of the ongoing audit activities

NEARING COMPLETION OF LAST AUDITS

WKGT1)

Concluded

24 September 2020:
GRENKE commissions Warth & Klein Grant Thornton to review i.a. the advantageousness & market conformity of the franchise acquisitions

16 December 2020:
GRENKE reports on expert opinion

KPMG

Concluded

21 September 2020:
GRENKE commissions a separate audit from KPMG in the context of the regular audit of the annual financial statement

16 December 2020:
GRENKE informs about the current status of knowledge from the audit

17 May 2021:
GRENKE informs about the unqualified audit opinion for the annual and consolidated financial statements as of 31 Dec. 2020

Mazars / BaFin

28 September 2020:
Start of the special audit by Mazars, commissioned by BaFin (§44 KWG)

26 February 2021:
GRENKE informs about the interim status of the special audit

20 May 2021:
GRENKE receives all final audit reports related to the special audit

Status quo:
- Reconciliation with the BaFin on final audit opinion
- Timely conclusion of "Enforcement Review"2)

1) In addition, WKGT has been commissioned independently from the audits to determine the valuation of the franchise companies to be acquired.
2) Ongoing, independent from the special audit and comprising GRENKE's annual report as of Dec' 31, 2019 and the consolidated group management report and the management report for the 2019 financial year.

Guidance 2021 Confirmed

2021 IS EXPECTED TO BE A TRANSITION YEAR

In EUR (unless stated otherwise)

	Results 2019[1)]	**Results 2020**	**Guidance 2021[2)]**
New business leasing volume	2.8bn	2.0bn	1.7-2.0bn
Net Profit	135.9m	79.9m	50-70m
Equity ratio	16.2%	16.3%	> 16%

1) FY 2019 figures have been adjusted according to IAS 8.42
2) Assuming no further severe lockdowns in our major markets // reflecting only currently expected COVID-19 effects

Financial Calendar 2021

- **July 02, 2021**
  New business figures Q2 2021
- **July 29, 2021**
  Virtual Annual General Meeting
- **August 2021**
  Financial report 2nd quarter and first half-year of 2021
- **October 05, 2021**
  New business figures Q3 2021

Q & A Session

Contact

INVESTOR RELATIONS TEAM

Phone: +49 7221 5007-204

Fax: +49 7221 5007-4218

Email: investor@grenke.de

Internet: www.grenke.com

GRENKE AG
Neuer Markt 2
76532 Baden-Baden
Germany

Reports are available at:

www.grenke.com/investor-relations/reports-downloads

Disclaimer

This presentation contains forward-looking statements. Forward-looking statements are statements that are neither facts nor a description of past events; they comprise statements relating to our assumptions and expectations. Each statement made in this presentation that reflects our intentions, assumptions, expectations or forecasts as well as the underlying presumptions is a forward-looking statement. These statements are based on planning figures, estimates and forecasts currently available to the Board of Directors of GRENKE AG. Accordingly, forward-looking statements refer exclusively to planning data, estimates and forecasts at the time at which they are made. We assume no responsibility to further develop or modify such statements in the event of fresh information being available or future events occurring. By their very nature, forward-looking statements imply risks and uncertainty factors. A large number of key factors can contribute towards actual events varying quite substantially from forward-looking statements. Such factors include the condition of the financial markets and the regional focal points of our investment activities.

This document is not for publication or distribution, directly or indirectly, in or into the United States. This document does not constitute or form part of an offer of securities or subscription rights for sale or solicitation of an offer to purchase securities or subscription rights in the United States, Canada, Australia, Japan or in any other jurisdiction where such offer may be restricted. The securities and subscription rights referred to in this document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States or to or for the account or benefit of US persons (as such term is defined in Regulation S under the Securities Act), except on the basis of an applicable exemption from registration or in a transaction not subject to the registration requirements of the Securities Act. There will be no public offering of securities and subscription rights in the United States or anywhere else, except for Germany.

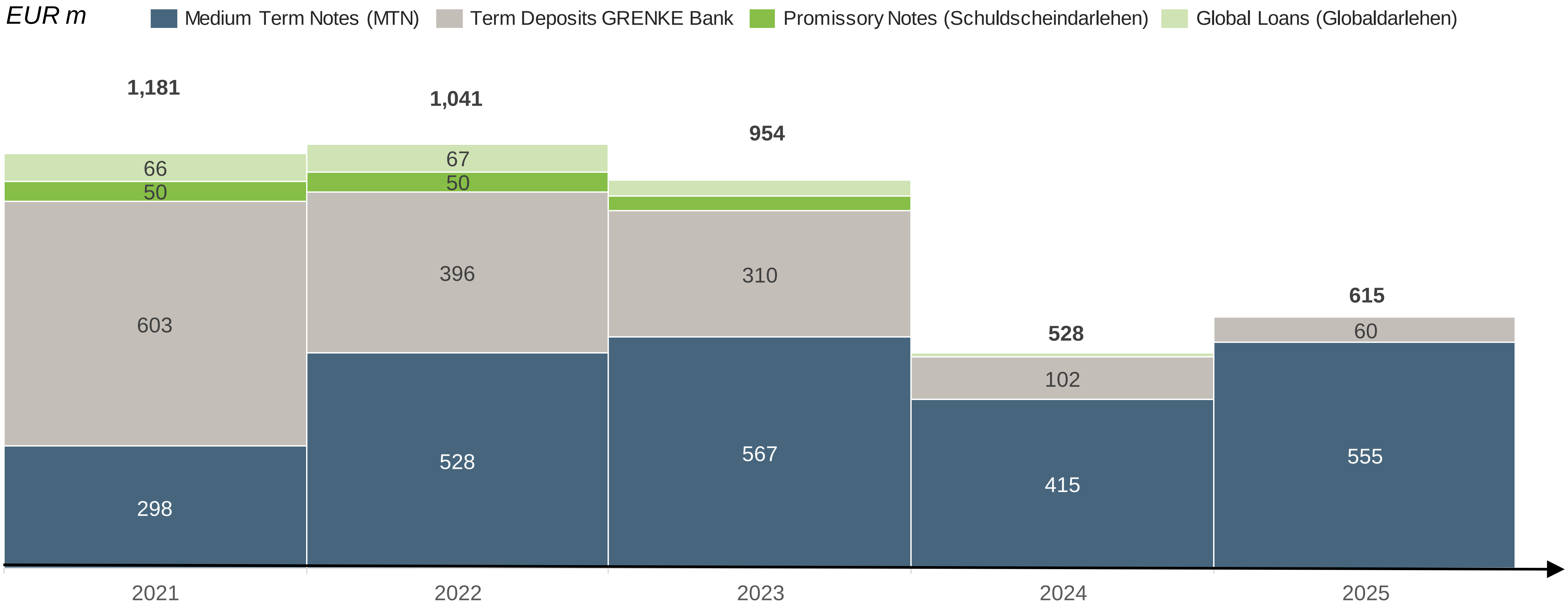
Capability
Scalability
SME focus
Growth
Diversification
Awareness
Digitalisation

GRENKE
FAST // FORWARD // FINANCE

GRENKE Group Uses Matched Funding

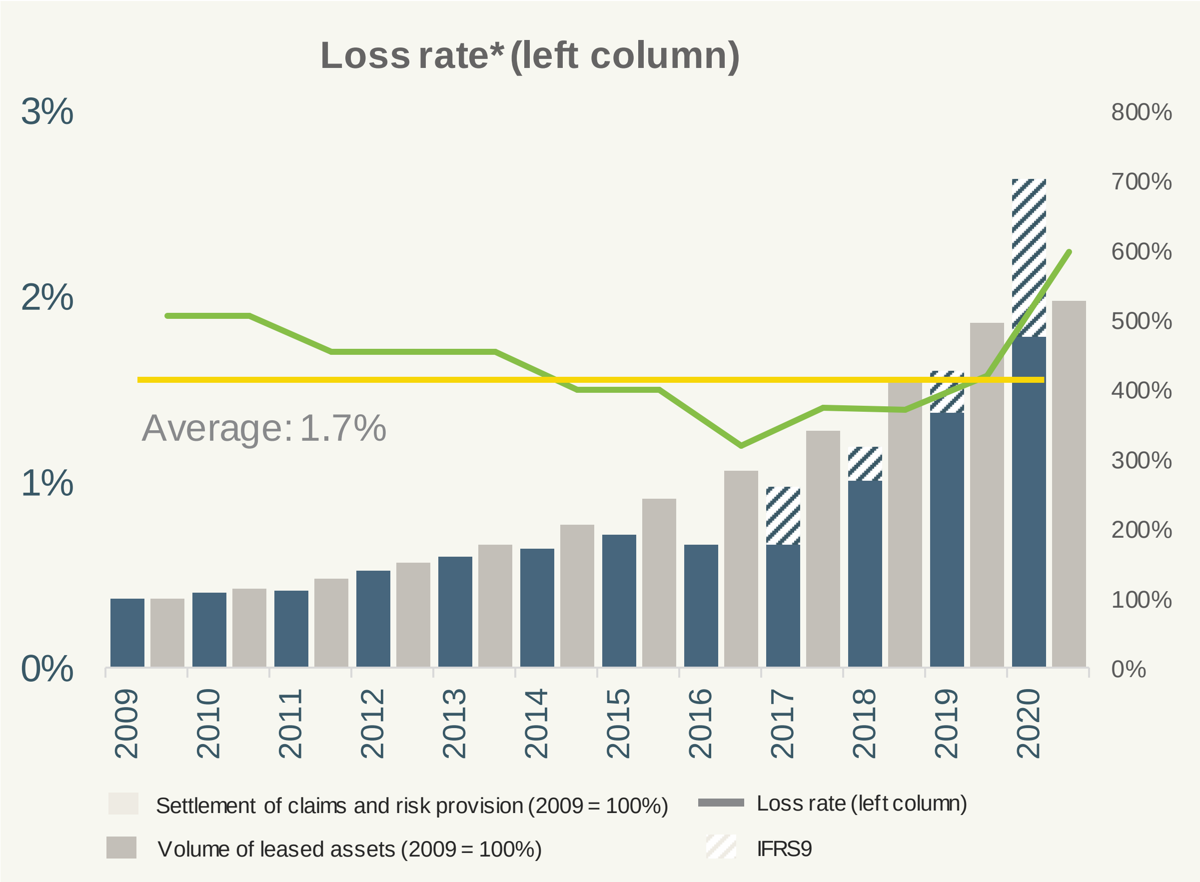
TREASURY IS STRONGLY FOCUSED ON FINANCING THE CORE BUSINESS

MATURITY BY FUNDING TYPE AS OF March 31, 2021



GRENKE

GRENKE'S EXPERIENCE ENABLES IT TO CALCULATE AND FORECAST CREDIT LOSSES MORE PRECISELY



* Losses p.a. (of historical asset values, factored in)

** Present value of operating income of a lease contract less risk and individual contract costs
*** New calculation of CM2 margin

Accounting Changes

FIRST-TIME CONSOLIDATION OF ALL FRANCHISE COMPANIES IN REASSESSMENT OF ACCOUNTING TREATMENT

Impact of first-time consolidation of all franchise companies

- Single-digit EUR million reduction of net profit
- EUR 67.4m equity offset due to previously recorded goodwill and intangible assets for franchise companies previously acquired
- First-time consolidation effects of EUR 20.5m for franchise companies not yet acquired
- Regulatory capital ratio virtually unaffected, as it was always adjusted for intangible assets such as goodwill

Additional effects on equity

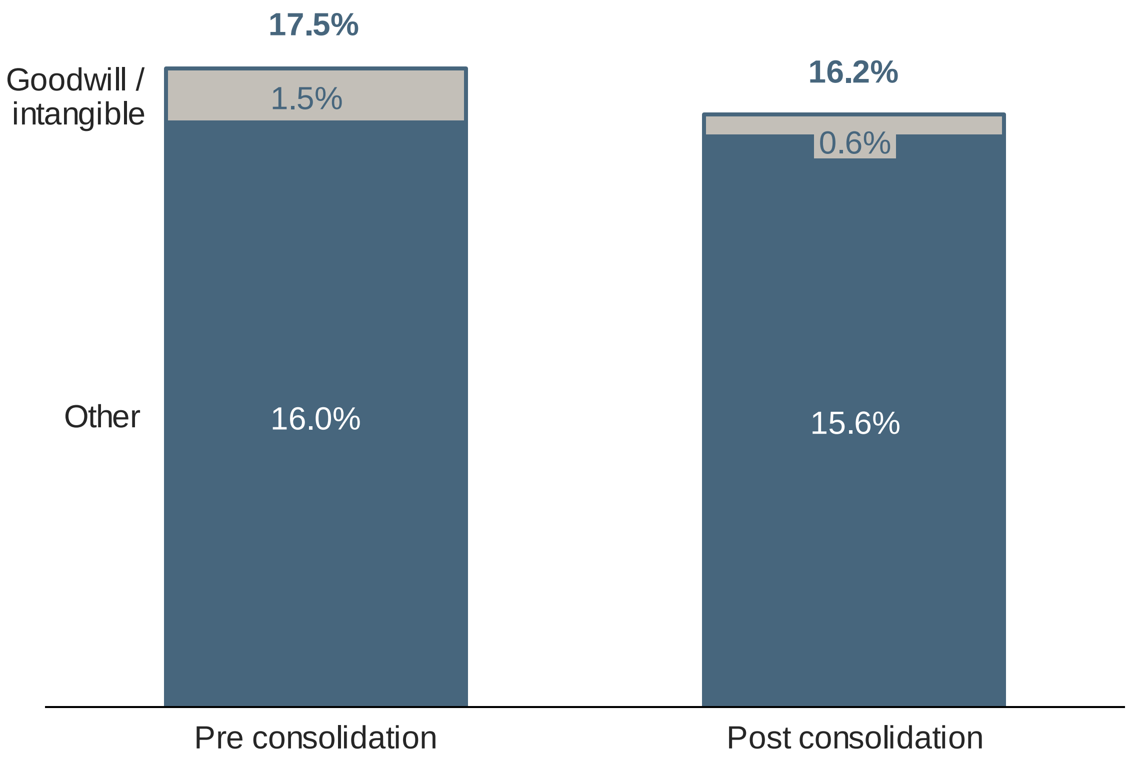
- Retroactive increase in allowances for lease receivables (EUR 4.1m)
- Goodwill impairment on the business in Poland (EUR 4.2m)
- Goodwill correction of the Portugal business (EUR 2.0m)

Retroactive Consolidation – Effect on Capital Ratio

CUSHION TO REGULATORY MINIMUM REQUIREMENTS LARGELY UNCHANGED DESPITE LOWER BALANCE SHEET EQUITY RATIO

Balance sheet equity ratio as of December 31, 2019[1)]

as a % of total assets (risk-weighted assets)



- Accounting changes reduce balance sheet equity ratio due to aggregate EUR 87.9m equity offset, of which EUR 67.4m attributable to goodwill and intangible assets
- Regulatory and rating capital ratios only marginally impacted as goodwill requires 100% equity backing and is effectively offset from equity

[1)] FY 2019 figures adjusted according to IAS 8.42

Taking Action

KEY MILESTONES REACHED – IMPLEMENTATION OF ADDITIONAL SUPPORTING MEASURES IN PROGRESS

Compliance

Focus

- Professionalising the compliance function through hiring dedicated personnel as well as through upgrading and introducing new tools and processes

Exemplary measure

- Chief Risk Officer and new Head of Corporate Compliance installed

Money Laundering Prevention

Focus

- Improving existing systems, consolidating KYC-tools, implementing new tools and further extending control and assessment processes to prevent money laundering

Exemplary measure

- Additional internal Coordinator installed and capacity of external service provider increased

Internal Audit

Focus

- Professionalizing the internal audit function through increased staffing and comprehensive process enhancements

Exemplary measure

- Responsibility for Group Audit appointed to CEO Antje Leminsky, and new Head of Group Audit recruited

Lending Business (Bank)

Focus

- Strengthening the loan department both in terms of headcount and processes

Exemplary measure

- SME large lending business (>25 TEUR) discontinued, and work instructions reviewed

Franchise Businesses

Focus

- Discontinuing the former franchise model and integration of all existing franchise companies into the Group

Exemplary measure

- Acquisition process for franchise companies kicked off

Others

Focus

- Additional measures to professionalize the company

Exemplary measure

- Annual special review of top resellers per branch piloted in UK