Dr Martin Paal

Chief Financial Officer

grenke AG

Annual General Meeting 2026

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differ from this version. The spoken word takes precedence.

Dear shareholders, ladies and gentlemen, dear guests,

I too would like to extend a warm welcome to this year's Annual General Meeting of grenke AG. Following the presentation by my colleague Dr Sebastian Hirsch, I would now like to explain in a little more detail the financial performance of our company over the past year.

Ladies and gentlemen, following on from 2024, the 2025 financial year was once again not an easy one for grenke. The greatest challenge for us, and particularly for our customers, was the general economic climate. You read about it in the newspapers every day: the major global uncertainties facing the markets and how volatile the markets are reacting to them. This is affecting many companies, including small and medium-sized enterprises, which is why we continue to see rising insolvency figures and defaults among our customers in 2025.

We have therefore taken measures in recent quarters to ensure we still achieve our targeted earnings growth for 2025 – I will come to that in a moment.

First of all, however, I would like to emphasise that 2025 has once again demonstrated that our business model works in both good and difficult times and that we can achieve steady growth. Accordingly, by the end of the financial year, we were able to increase our leasing volume by over EUR 1.3 billion to EUR 11 billion, thereby further strengthening the foundation for future earnings.

Despite the ongoing uncertainties in the market, demand for our financing solutions and services remained consistently high. This is reflected in nearly 1.2 million active leasing contracts with over 715,000 customers. A large proportion of these customers come from our strong network of around 34,500 specialist reseller partners, through whom we make leasing available to businesses in 31 countries worldwide.

I would now like to briefly look back with you on our new business over the past year. In 2025, we concluded new leasing business worth EUR 3.3 billion. This represents solid growth of just under 8% compared with the previous year, particularly when considering the current market situation.

We achieved a large part of our growth in 2025 in our three major core markets: Germany, France and Italy. In my view, this is a strong signal, as the leasing market was in decline in both Germany and France. We have therefore grown faster than the market, improved our position and gained market share from the competition. In our third-largest market, Italy, we have defended our leading position and grown in line with the market.

As already mentioned, the growth in our new business in 2025 was largely attributable to our strong growth of 13.7% in the DACH region, with our home market of Germany accounting for the lion's share. However, we also achieved solid growth of 8.5% and 8.9% respectively in Western and Southern Europe, despite a continuing challenging environment. In Northern/Eastern Europe, however, new business was around 5% below the previous year. There were two main reasons for this:

- Firstly, our performance in this region has returned to something closer to normal after we achieved very strong growth here last year.
- And secondly, the unforeseeable withdrawal of subsidies for eBike leasing in Finland in particular led to slightly weaker new business.

Our future core markets in the "Other Regions", on the other hand, continue to grow rapidly as expected, increasing by 21.2% or EUR 41 million. I would particularly like to highlight the US and Australia as individual markets, which are performing very well and, as planned, are contributing increasingly to our new business.

Following this overview of our new business, I would now like to turn our attention to our operational business.

In view of the increased insolvency figures in our markets and a higher cost-income ratio at the end of 2024 – that is, the ratio of expenses to income – we had set ourselves the goal of improving our cost efficiency for 2025.

Accordingly, we have implemented strict cost-discipline measures and kept a close eye on our expenditure. At the same time, we have continued to make necessary investments in our future in order to continuously improve our cost efficiency. At the end of 2025, we can report that our measures are taking effect – and are having a significant impact.

In 2025, we increased our operating income by almost 15%. This is attributable in equal measure to higher net interest income from our existing leasing contracts and to increased profits from new and service business. In other words: the growing new business of recent years is increasingly translating into solid operating income, supported by the new business concluded in 2025.

By contrast, when we look at our cost development over the past year, the effect of our efficiency measures becomes clear: our cost base rose by just 7%, mainly due to higher staff costs, and thus significantly less than our growth in operating income. Accordingly, our operating result before settlement of claims and risk provision improved by 26% compared with the previous year, which is also reflected in our cost-income ratio – namely, an improvement of 4 percentage points to 55.2%.

We are proud to have achieved such a significant increase in operating result before settlement of claims and risk provision, and that our cost efficiency has improved markedly: we will continue along this path in 2026 with the aim of further increasing grenke's profitability.

Ladies and gentlemen, let us now take a look at the full income statement for the past year.

As already mentioned, 2025 was characterised by continued high insolvency figures and an increased level of defaults. Accordingly, the item 'Settlement of claims and risk provision' stood at EUR 196 million, around EUR 65 million higher than the previous year. This had a significant impact on our consolidated result.

In absolute terms, settlement of claims and risk provision have risen. However, this is also due to the fact that our portfolio continues to grow, meaning that a natural increase in risk provisions is inevitable.

Currently, the risk profile is higher than our long-term average, as Dr Hirsch has already explained. We will continue to monitor this issue very closely in the future and take corrective action where necessary.

Group earnings after other items and tax, at around EUR 72 million, was in line with our forecast – albeit at the lower end.

I would nevertheless like to emphasise that, despite high settlement of claims and risk provision, our operational efficiency enables us to offset this. This is a significant achievement, which in particular demonstrates that our measures are taking effect and that we can safeguard our profitability in such a volatile and uncertain market environment.

Our return on equity remained stable at 5.2% last year. This figure, ladies and gentlemen, is not satisfactory for either you or us. Accordingly, we have set ourselves the goal of sustainably and continuously increasing our return on equity again and reaching a figure of 10% by 2030. We have taken the necessary measures to achieve this, and I am convinced that we are well on the way to reaching this target.

Moving on from our income statement, I would now like to take a brief look at our debt side. After all, as a lessor, we do nothing other than make our access to the capital market available to our customers. In other words: We raise large sums on the capital market, for example through our bonds, convert these into many small units of around EUR 10,000 each, and thus enable small and medium-sized enterprises to invest in their own future on attractive terms. In 2025, we continued our proven strategy of a diversified financing mix, building on our four debt capital pillars.

Particularly noteworthy here are the successful bond issues in the past financial year. We have already established ourselves in the 'Champions League' of the so-called benchmark bonds, with a volume of at least EUR 500 million. In May and September 2025, following 2024, we were able to issue our next two benchmark bonds, each worth EUR 500 million. This is a success because:

- firstly, it demonstrates our investors' confidence in grenke bonds,
- secondly, our own risk premium on the interest payable has fallen significantly in recent years, and
- thirdly, and most importantly, we are raising sufficient capital for our ambitious growth targets.

Furthermore, a key milestone last year was the successful issuance in August of our first bond with a volume of 125 million Australian dollars. This underpins our strategic ambitions in Australia as a future core market.

But it is not only our bonds that secure our continued growth. We continue to rely on our tried-and-tested four pillars of refinancing. We deploy these depending on market conditions to enable the financing of further growth. In addition to bonds, these pillars include the deposit business of our in-house grenke Bank, ABCP programmes secured by leasing receivables, and external bank funding through revolving credit facilities, such as those with Intesa Sanpaolo as part of our cooperation. This also includes the collaboration with KfW highlighted by Dr Hirsch.

As part of our refinancing strategy, we regularly utilise this broad spectrum of financing options to be able to react to changing market conditions at any time and to ensure the financing of our growth.

Let us now turn to our capital allocation.

What we can clearly see here on this chart is that our equity is growing! And it is also very important for me to emphasise here that we have sufficient scope for further growth in the coming years. We therefore do not require additional capital through a capital increase in the medium term. With an equity ratio of 15.6%, we have further improved the utilisation of our existing capital and are striving for a more efficient allocation of capital.

We will also continue our policy of distributing around 25% as dividends and retaining 75% of our earnings. In doing so, we are further strengthening our equity base as a foundation for future growth.

Given our growth targets and our clear focus on results, our current structure offers sufficient scope for the coming years.

To conclude my presentation, I would like to briefly read out a technical point before we move on to the general debate. Under agenda item 10 of today's Annual General Meeting, the Board of Directors and Supervisory Board have submitted a proposal to renew the authorisation to repurchase and use shares. The proposed authorisation is limited until 23 April 2031 and authorises us to acquire up to 5% of the share capital. The treasury shares acquired under this authorisation, together with other treasury shares of the company that the company has already acquired and still holds or that are attributable to it, may at no time exceed 10% of the respective share capital of grenke AG. The proposed authorisation allows for the use of shares already repurchased for all legally permitted purposes, including employee share schemes and long-term management incentives, as well as the cancellation of the repurchased own shares.

For you, dear shareholders, the repurchase and holding of own shares means that the number of shares carrying voting and dividend rights will be reduced. Consequently, the 25% of group earnings that we regularly recommend for distribution will be spread across fewer shares.

Ladies and gentlemen, thank you for your attention, and I now look forward to discussing matters with you.

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