

Condensed consolidated interim financial statements – 30 September 2020

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Consolidated statement of financial position as at 30 September 2020

Assets			
KEUR	Note	30 Sep. 2020	31 Dec. 2019
Intangible assets		67	43
Property, plant and equipment		53,301	55,069
Investments accounted for using the equity method		5	5
Other financial assets (non-current)		4,422	118,718
Other assets (non-current)		2,122	2,155
Deferred tax assets		596	590
Non-current assets		60,513	176,580
Inventories	9.	132,896	248,115
Trade and other receivables		51,638	46,818
Income tax receivables		519	1,084
Other financial assets (current)		915	816
Other assets (current)		73,476	74,348
Cash and cash equivalents		252,318	57,599
Current assets		511,762	428,780
Total assets		572,275	605,360

Equity and liabilities

KEUR	Note	30 Sep. 2020	31 Dec. 2019
Subscribed capital	10.	3,454	3,421
Capital reserve		587,135	587,135
Other equity reserve		97,059	107,436
Retained earnings		(627,972)	(544,696)
Total equity		59,676	153,296
Borrowings (non-current)	12.	305,715	151,022
Other financial liabilities (non-current)		34,136	36,323
Share-based payment obligation (non-current)	11.	-	108,500
Provisions (non-current)		95	95
Other liabilities (non-current)		1,812	2,083
Income tax liabilities		16	17
Non-current liabilities		341,774	298,040
Borrowings (current)	12.	9	20,374
Trade payables		80,248	52,059
Other financial liabilities (current)		15,730	17,537
Provisions (current)		8,022	3,032
Other liabilities (current)		65,582	60,133
Income tax liabilities		1,234	889
Current liabilities		170,825	154,024
Total liabilities		512,599	452,064
Total equity and liabilities		572,275	605,360

Consolidated statement of profit and loss and other comprehensive income for the period 1 January to 30 September 2020

KEUR	Note	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 - 30 Sep. 2019
Revenue	7.	2,050,518	2,530,958
Cost of materials		(1,847,390)	(2,283,272)
Gross profit		203,128	247,686
Other operating income		9,899	6,092
Personnel expenses		(99,441)	(166,221)
Other operating expenses		(114,091)	(159,177)
Earnings before interest, tax, depreciation and amortization (EBITDA)		(505)	(71,620)
Depreciation and amortization		(24,249)	(13,647)
Earnings before interest and tax (EBIT)		(24,754)	(85,267)
Interest income and other finance income		24	4
Interest expense and other finance costs		(44,897)	(4,442)
Other financial result		(13,089)	-
Earnings before tax		(82,716)	(89,705)
Income tax expense	8.	(560)	(964)
Loss for the period		(83,276)	(90,669)
Thereof attributable to the owners of the Parent Company		(83,276)	(90,669)
Other comprehensive income/loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		210	(193)
Other comprehensive income/loss, net of tax		210	(193)
Total comprehensive income/loss		(83,066)	(90,862)
Thereof attributable to the owners of the Parent Company		(83,066)	(90,862)
Diluted and basic earnings per ordinary share in EUR	15.	(37.48)	(29.87)

Consolidated statement of cash flows for the period 1 January to 30 September 2020

KEUR	1 Jan. 2020 - 30 Sep. 2020	1 Jan. 2019 - 30 Sep. 2019
Net loss for the period	(83,276)	(90,669)
Adjustments for	77,384	44,882
Amortization and depreciation	24,249	13,647
Financial result	57,962	4,438
Income taxes	560	964
Change in provisions and employee benefit obligations	4,990	(874)
Change in receivables from share-based payments	(10,587)	26,900
Other non-cash effects	210	(193)
Changes in operating assets and liabilities	142,203	(29,869)
Change in operating assets	220,432	(85,934)
Change in operating liabilities	(78,229)	56,065
Cash flows used in operating activities	(3,048)	(4,372)
Interest received	-	4
Interest paid	(2,488)	(3,412)
Taxes paid	(560)	(964)
Net cash from (used in) operating activities	133,263	(80,028)
Payments for investment in intangibles assets, property, plant and equipment and financial assets	(1,731)	(2,175)
Proceeds from sale of property, plant and equipment and financial assets	342	258
Net cash used in investing activities	(1,389)	(1,916)
Proceeds from capital increase	33	-
Receipt of convertible bond	255,000	-
Transactions costs on the issue of convertible bonds	(3,007)	-
Receipt of corporate loans	15,000	80,000
Repayments of corporate loans	(186,000)	(45,000)
Payments for lease transactions	(18,181)	(15,122)
Net cash from financing activities	62,845	19,878
Net change in cash and cash equivalents	194,719	(62,066)
Cash and cash equivalents at the beginning of the period	57,599	116,513
Cash and cash equivalents at the end of the period	252,318	54,447

Consolidated statement of changes in equity as at 30 September 2020

KEUR	Subscribed capital	Capital reserve	Other reserves		Retained earnings	Total	Total equity
			Other equity reserves	Currency translation reserves			
Note							
Balance as at 1 Jan 2020	3,421	587,135	108,500	(1,064)	(544,696)	153,296	153,296
Loss for the period					(83,276)	(83,276)	(83,276)
Other comprehensive income				210		210	210
Total comprehensive income for the period	-	-	-	210	(83,276)	(83,066)	(83,066)
Issue of shares	33					33	33
Share-based payment			(10,587)			(10,587)	(10,587)
Balance as at 30 Sep. 2020	3,454	587,135	97,913	(854)	(627,972)	59,676	59,676

KEUR	Subscribed capital	Capital reserve	Other reserves		Retained earnings	Total	Total equity
			Other equity reserves	Currency translation reserves			
Balance as at 1 Jan. 2019	3,421	587,135	71,555	(263)	(423,431)	238,417	238,417
Loss for the period					(90,669)	(90,669)	(90,669)
Other comprehensive income				(193)		(193)	(193)
Total comprehensive income for the period	-	-	-	(193)	(90,669)	(90,862)	(90,862)
Share-based payment			26,900			26,900	26,900
Balance as at 30 Sep. 2019	3,421	587,135	98,455	(456)	(514,100)	174,455	174,455

Notes to the condensed consolidated interim financial statements

1. Reporting entity

The AUTO1 Group (hereinafter also referred to as 'AUTO1' or the 'Group'), comprises the parent company AUTO1 Group SE, Munich, Germany (hereinafter also referred to as 'AUTO1 SE' or the 'Company'), and its directly and indirectly controlled subsidiaries. The Company is registered in the commercial register of the Munich District Court under HR number 241031B. The Company's address is Bergmannstrasse 72, 10961 Berlin, Germany.

2. Basis of accounting

The Board of Management of AUTO1 has prepared these interim financial statements for the nine months ended September 30, 2020 and 2019 in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial statements should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Management on 4th December 2020.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements. The issuance of the new convertible loan in 2020 required judgements and estimates regarding the determination of the embedded derivatives and the valuation.

4. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. A number of new standards are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

The Group makes use of the exemption, published by the IASB as an Amendment to IFRS 16 (COVID-19-Related Rent Concessions), from assessing whether a COVID-19-related rent concession is a lease modification. The rent concession recognized in profit and loss for the nine-month period ending 30 September 2020 amounted to KEUR 877 and mainly relates to leases of offices.

5. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

6. Operating segments

a. Description of segments

The Group has the following two strategic divisions: 'Merchant' and 'Retail', which are its reportable segments. These divisions offer products to a different customer base and are managed separately because they require different technology (use of different sales platforms) and sales marketing strategies. No operating segments were aggregated.

Internal management reports are prepared for these segments monthly for management purposes and reviewed by the Group's Board.

'Merchant'

Merchant business primarily concerns the sale of used cars to car dealerships via AUTO1.com. Fees from logistic services and all other fees in connection with providing the vehicles to dealers are included.

The revenue from the 'Merchant' business is distinguished by the sourcing of the cars. All cars, which are purchased via the Group's branch network, are classified as 'C2B' cars. In comparison to the sourcing via the branch network, all cars purchased from professional dealers are categorized as 'Remarketing' cars. There are no business activities from which independent sales revenues in operating segments result, therefore C2B and Remarketing are only different supply channels. Sales are made to the same customer base via the same sales channel.

'Retail'

Retail business primarily concerns the sale of used cars to private customers via Autohero.com.

b. Segment information

All revenues are generated by external customers. The segments' measure of profit or loss is gross profit, defined as revenue less cost of materials.

Information about reportable segments

	Merchant		Retail		AUTO1 Group	
KEUR	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019
Revenue	1,970,566	2,481,224	79,952	49,734	2,050,518	2,530,958
thereof:						
C2B	1,739,067	2,280,000				
Remarketing	231,499	201,224				
Cost of materials	(1,769,118)	(2,234,319)	(78,272)	(48,953)	(1,847,390)	(2,283,272)
Gross Profit	201,448	246,905	1,680	782	203,128	247,687
KEUR	30 Sep. 2020	30 Sep. 2019	30 Sep. 2020	30 Sep. 2019	30 Sep. 2020	30 Sep. 2019
Inventories	84,317	181,994	48,579	42,653	132,896	224,646

Reconciliation of reportable segment profit or loss

There are transactions between the reportable segments, which relate to transfers of used cars and shared distribution services. The amounts reported to the CODM relate to the amounts after consolidation. The measures reported for the segments represent measures in accordance with IFRS. The difference between the reportable segments' measure of profit and loss (gross profit) to the loss before tax in the consolidated statement of profit and loss and other comprehensive income therefore relates to all material line items below gross profit.

7. Revenue

The information about revenue provided in the segment information in section 6 meets the requirements of paragraph 114 of IFRS 15 and those revenue disclosures are based on the recognition and measurement requirements in IFRS 15. Therefore, no further disaggregated revenue disclosures are provided.

Due to the COVID-19 crisis, the revenue decrease by 19% in comparison to the previous year for the nine-month period.

8. Income tax expense

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements. The Group's consolidated effective tax rate for the nine months ended 30 September 2020 was 26,25%.

9. Inventories

Inventories were successively reduced in Q2 2020 to limit corona risks.

10. Subscribed capital

Auto1 Group SE was founded on 14th May 2018.

	Common Shares	Series A Shares	Series A1 Shares	Series B Shares	Series C Shares	Series D Shares	Series E Shares	Series 1 Shares	Series 1a Shares
As at 14 May 2018	-	-	-	-	-	-	-	-	-
Issued for cash	120,000	-	-	-	-	-	-	-	-
Issued for cash with premium in kind	1,153,857	65,331	309,825	342,618	440,793	358,467	605,526	24,348	-
As at 31 Dec 2018	1,273,857	65,331	309,825	342,618	440,793	358,467	605,526	24,348	-
As at 31 Dec 2019	1,273,857	65,331	309,825	342,618	440,793	358,467	605,526	24,348	-
Issued for cash	-	-	-	-	-	-	-	-	33,004
As at 30 Sep 2020	1,273,857	65,331	309,825	342,618	440,793	358,467	605,526	24,348	33,004

Common shares and Series A through Series E Shares are non-par value shares and are fully paid since 2018. All common shares and Series A through Series E Shares rank equally with regard to the Company's residual assets within their respective share class. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. In general, disposal of shares requires the Company's approval.

Series 1 shares are non-par value shares and are fully paid since 2018. The Series 1 shares are part of an equity settled share-based payment arrangement and subject to a certain vesting period. The vesting period was completed during 2020. All Series 1 shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to one vote per share at general meetings of the Company irrespective of their vesting. Series 1 shares participate in dividends, also from liquidity events, only after dividends distributed to other share classes cumulatively amount to EUR 358.41 per share. Disposal of vested shares is possible but requires, in general, the Company's approval. In the event of an IPO the shares are subject to a conversion into common shares of the company.

Series 1a shares are non-par value shares and are fully paid. The Series 1a shares are part of an equity settled share-based payment arrangement and subject to a certain vesting period. All Series 1a shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to one vote per share at general meetings of the Company irrespective of their vesting. Series 1a shares participate in dividends, also from liquidity events, only after dividends distributed to other share classes cumulatively amount to EUR 587.00 per share. Disposal of vested shares is possible but requires, in general, the Company's approval. In the event of an IPO the shares are subject to a conversion into common shares of the company.

Dividend entitlement of share classes in Liquidity Event

If proceeds obtained by the Company in a Liquidity Event are distributed to the shareholders by way of dividend or in case of a liquidation of the Company, the holders of the Series A through E shares as well as the common shares receive a dividend and liquidation preference in comparison to the Series 1 and 1a shares respectively. Additionally, each share class has an individual liquidation preference. Liquidity Events are thereby a sale of 50% or more of the interest in Auto1 Group AG to a single party, the transfer of (substantially) all assets of the group and the liquidation of the Company or Auto1 Group AG. The distribution of proceeds from these cases for each shareholder would be determined according to a multi-stage distribution mechanism. In each stage the respective amount to be distributed to a certain share class and its allocation among the holders of the respective shares of that class is determined by the payments made by the holders of the respective share class in the past into the share capital and the capital reserves or the purchase price paid by the holders of the respective share class ("Total Investment"). If the (remaining) proceeds to be distributed in the respective stages are not sufficient to cover the entire total investment, the remaining proceeds are distributed pro rata between the holders of the eligible share classes. The Stages are as follows:

Stage	Eligible Share Class
1	Series E, Series D, Series C
2	Series B, Series A1, Series A, Common Shares
3	Series A1
4	Series A
5	Common Shares
6	Series D, Series C, Series B, Series A1, Series A, Common Shares, Series 1, Series 1a

The distribution of the proceeds to shareholders are subject to a share class individual cap. Alternatively, if the holders of Series E Shares would individually receive, in a pro rata distribution of the Proceeds among all shareholders, at least an amount equalling their respective individual Total Investment plus any declared and unpaid dividends, then

the preferential rights from the multi-stage distribution mechanism set out before do not apply, and the Proceeds from the Liquidity Event shall be distributed pro-rata among all Shareholders.

In the event of any type of distribution made with respect to shares in the Company not being a distribution of Proceeds from a Liquidity Event, such distribution shall reduce the amount of Proceeds distributed in Stages 1 to 5 in a subsequent Liquidity Event accordingly.

11. Share-based payments

The share-based payment obligation as of 30th September 2020 amounting to KEUR 131,527 was derecognized, whereas the new value based on the grant dates for the respective share-based payment arrangements was recognized in equity (KEUR 97,913). The difference was recorded in profit and loss under personnel expenses.

a. Virtual share incentive program

Through the issuance of Side Letters in 2019 the definition of a Liquidity Event was extended to cover an IPO of the shares in AUTO1 SE at an internationally recognized stock exchange. In case of an IPO AUTO1 SE is entitled to settle any payment claims – in whole or in part – in shares in AUTO1 SE. In case AUTO1 SE chooses the settlement in shares the beneficiary shall receive a number of shares in AUTO1 SE representative of the respective portion of the net cash entitlement applying the value of a Common Share of AUTO1 SE set as an offer price for the IPO. The vesting of granted virtual shares remains unchanged after the IPO pursuant to the defined vesting schedule.

In September 2020 the establishment of all the preparatory measures necessary to lead to a successful initial public offering (IPO) of the shares in AUTO1 SE triggered a scenario change from sale exit to IPO. The IPO has become the more likely scenario than the other event. This impacts the accounting assessment of the share-based payment arrangements. As a result, the scenario change in 2020 with the background of the modification in 2019 lead to a reclassification of the cash-settled plan to an equity-settled plan in September 2020, so a charge for an equity-settled award is recognized. Consequently, there was a reversal of the cash-settled charge, because this settlement option is now deemed not probable. Also, from 30th September 2020 onwards the program shall be classified as equity-settled. In this respect AUTO1 recognises a positive effect on personnel expenses in the amount of KEUR 16,261 in Q3 2020. For the period until 30 September 2020 the positive effect relating to share-based payments was KEUR 10,587.

The expense for the remainder of the vesting period is therefore to be based on the award's fair value, measured at the original grant date. The original grant date for the equity settled award in the case of the VSIP Program relates to the effective modification date of the respective Side Letter (from 2019), as the settlement choice was legally introduced thereby.

The reimbursement right against the shareholders does not apply in the case of an IPO provided that the Company receives own proceeds as a result of the IPO, i.e. through the issuance of new shares. In consequence of the modification, the financial asset resulting from the shareholder reimbursement was fully derecognized in the same way it was recognized, directly in equity. Other equity reserves with regard to share-based payments developed as follows:

	KEUR
Share-based payment as of 1 January 2020	108,500
+ Revaluation of shareholder receivables	23,027
- Derecognition of shareholder receivables	(131,527)
+ Recognition of equity-settled share-based payment	97,913
Share-based payment as of 30 September 2020	97,913

b. Restricted stock units and other shares - member of the management board

As a result of the scenario change, also the restricted stock units granted to members of the management board are reclassified as equity-settled share-based payments as of 30th September 2020 using the same methodology as described above. Here, the respective grant date fair values in 2017 are used to calculate the impact of the equity settled alternative.

In February 2020 a member of the management board was granted a further participation as an additional incentive in connection with future functions as a member of the management board within the Group. The incentive was implemented through the issuance of 33,004 new registered non-par value shares having a nominal amount of EUR 1.00 each. In case of a dividend or exit payment the Series 1a Shares will be subject to a dividend/exit proceeds only in case the agreed negative liquidity preference is exceeded. Unvested shares must be returned to the company. The Shares have a vesting period of 48 months starting from 22 February 2020. The incentives provided relate to a settlement in equity instruments. Consequently, the incentives are classified as equity-settled share-based payment transactions. The recognition of expense is based on the respective vesting periods and recognized in equity. See 14.c for details.

12. Borrowings

AUTO1 Group SE issued a subordinated convertible loan for KEUR 255,000 on 13 February 2020. The loan is convertible into ordinary shares of AUTO1 Group SE at the discretion of the lender, upon the occurrence of certain events, or repayable on date 13 February 2025. The convertible loan contains several embedded derivatives in form of a conversion right, a cash settlement option as well as further prepayment options. The several embedded derivatives are presented as a single instrument due to their interdependence and are separated from the host contract. The final exercise price of the conversion right depends on the outcome of certain events and is connected to the IPO placement price. Therefore, the conversion price is variable at the balance sheet date.

The fair value of the embedded derivative is deducted from the issuance proceeds of the loan and treated as a financial liability at initial recognition. The difference between the fair value of the entire instrument and the fair value of the embedded derivative is the fair value of the host contract of the loan (without conversion right). Transaction costs are deducted from the fair value of the host contract. Transactions costs amount to KEUR 3,007. The host contract of the loan is subsequently measured at amortized cost until extinguished on conversion or maturity of the loan. The embedded derivative is recognized as a derivative financial liability and subsequently measured at fair value through profit or loss.

The convertible loan in total is therefore presented in the balance sheet as follows:

KEUR	30 Sep. 2020
Face value of loan issues	255,000
Initial value of loan	217,865
Initial value of derivative	34,127
Amortization effects by applying the effective interest method	29,362
Valuation effect derivative	13,089
Carrying amount derivative financial liability	47,215
Carrying amount financial liability	247,228

The secured facility loan due in 2022 recognized as of 31 December 2019 was fully repaid until 30 September 2020. The credit line for the secured facility loan can be drawn up to an amount of KEUR 235,000.

13. Financial instruments and fair value measurements

a. Fair value measurements

The Group assesses the inputs used to measure fair value using the three-tier hierarchy. The hierarchy indicates the extent to which inputs used in measuring fair value are observable in the market. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Level 1 Inputs include unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices from identical or similar assets or liabilities in inactive markets and observable inputs for the asset or liability.

Level 3 Inputs that are significant to the measurement that are not observable in the market and include management's judgements about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

In connection with management judgement about the fair value measurement, the Group consults with an independent external valuation expert, who uses appropriate valuation techniques, and determines the fair value of assets and liabilities.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No transfers between levels of the fair value hierarchy have occurred.

The following paragraph shows the valuation technique used in measuring Level 3 fair values at 30 September 2020 (31 December 2019: n/a) for financial instruments measured at fair value in the statement of financial position (derivative financial liability for conversion right, see Note 12) as well as the significant unobservable inputs used:

- Valuation technique: The valuation of the embedded derivative is performed by using an option price model. More specifically the valuation was performed using binomial trees for Auto1's share price and refinancing rate to come up to a fair value of the conversion right.
- Significant unobservable inputs: The option price model uses different inputs. The most significant unobservable input is the refinancing rate of Auto 1. Further inputs for the valuation model are the company value and the volatility of equity. Both inputs have a lower impact on the fair value of the entire embedded derivative.

The following table shows a reconciliation for Level 3 fair values for the nine months period ended 30 September 2020 (2019: n/a).

KEUR	Embedded Derivative
Opening balance Jan 1, 2020	-
Acquisitions	34,127
Losses recognized in finance costs	13,089
Closing balance Sep 30, 2020	47,216

Based on a refinancing rate of 14.8 %, reasonably possible changes to the refinancing rate as of 30 September 2020, holding other inputs constant, would have the following effects on the fair value of the embedded derivative:

KEUR	Potentially positive earnings effect	Potentially negative earnings effect
Relative change in the input factor	-1%	+1%
Refinancing rate	4,693	-4,458

b. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The carrying amounts of cash and cash equivalents, trade and other receivable as well as trade payables is approximately their fair value due to their short-term maturities. For all other financial assets and liabilities, no changes have occurred that would have had a material effect on the fair value of these instruments since their initial recognition. An exception in this regard is the convertible bond. There are only financial assets measured at amortized cost.

30 Sep. 2020

KEUR	Measurement category	Carrying amount	Fair value	Fair value hierarchy
Financial assets				
Other non-current financial assets	<i>Measured at amortized cost</i>	4,422	4,422	
Trade and other receivables	<i>Measured at amortized cost</i>	51,638		
Other current financial assets	<i>Measured at amortized cost</i>	915		
Cash and cash equivalents	<i>Measured at amortized cost</i>	252,318		
Financial liabilities				
Non-current financial liabilities		339,850		
<i>of which financial liabilities to banks and investors (Convertible loan)</i>	<i>Measured at amortized cost</i>	258,499	262,991	3
<i>of which lease liabilities</i>	<i>No measurement category according to IFRS 9</i>	34,114	n/a	n/a
<i>of which derivative financial liability</i>	<i>Measured at fair value</i>	47,216	47,216	3
<i>of which other financial liabilities</i>	<i>Measured at amortized cost</i>	21	21	
Trade and other payables	<i>Measured at amortized cost</i>	80,248		
Other current financial liabilities		15,739		
<i>of which financial liabilities to banks and investors</i>	<i>Measured at amortized cost</i>	9		
<i>of which lease liabilities</i>	<i>No measurement category according to IFRS 9</i>	15,730	n/a	n/a

31 Dec. 2019

KEUR	Measurement category	Carrying amount	Fair value	Fair value hierarchy
Financial assets				
Other non-current financial assets		118,718		
<i>of which due from shareholders</i>	<i>No measurement category according to IFRS 9</i>	108,500	<i>n/a</i>	<i>n/a</i>
<i>of which other non-current financial assets</i>	<i>Measured at amortized cost</i>	10,218	10,218	
Trade and other receivables	<i>Measured at amortized cost</i>	46,818		
Other current financial assets	<i>Measured at amortized cost</i>	816		
Cash and cash equivalents	<i>Measured at amortized cost</i>	57,599		
Financial liabilities				
Non-current financial liabilities		187,345		
<i>of which financial liabilities to banks</i>	<i>Measured at amortized cost</i>	151,022	151,022	
<i>of which lease liabilities</i>	<i>No measurement category according to IFRS 9</i>	36,323	<i>n/a</i>	<i>n/a</i>
Trade and other payables	<i>Measured at amortized cost</i>	52,059		
Other current financial liabilities		37,911		
<i>of which financial liabilities to banks</i>	<i>Measured at amortized cost</i>	20,374		
<i>of which lease liabilities</i>	<i>No measurement category according to IFRS 9</i>	14,938	<i>n/a</i>	<i>n/a</i>
<i>of which other current financial liabilities</i>	<i>Measured at amortized cost</i>	2,599		

The other non-current financial assets due from shareholders reflect cash reimbursements and are therefore financial assets. They are not in the scope of IFRS 9 and therefore are not accounted for as a financial instrument. Instead the receivables are accounted for with the same value as the share-based payment obligation. During 2020 a scenario change with the background of the modification in 2019 lead to a reclassification of the cash-settled plan. See 11a. for details.

14. Related parties

a. Shareholder reimbursement for share-based payments

The receivable from its shareholders in respect of the virtual share incentive programmes was derecognized as of September 30, 2020 (December 31, 2019: KEUR 108,500), see 11.a for details.

b. Receivables from investments in associates

The Group has receivables from investments in associates as of 31st December 2019. These receivables relate to a non-current loan provided by the Group for trade-in vehicles and the provision of vehicle-related services as part of sales under the Merchant segment. An impairment of KEUR 5,682 was recognized in the current reporting period in relation to these receivables.

Due to a capital increase by the associate in March 2020 the Group has no significant influence anymore. Therefore, the numbers below only represent the time until the loss of significant influence. The following table shows income from transactions with the associated company as related party:

KEUR	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019
Sale of goods and services to related parties	1,511	910
Purchase of goods and services from related parties	(1,511)	(910)
Total	-	-

c. Relationships with members of the management board and the supervisory board

Until September 30, 2020 and 2019, the members of the Management Board and the Supervisory Board received the following compensation.

KEUR	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019
Short-term employee benefits	966	1,016
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	162	3,914
Total	1,128	4,930

The low value in share-based payment expenses compared to the prior year is due to the accounting modification of the arrangements.

As of September 30, 2020, AUTO1 Group had not made any pension commitments to members of the Management Board or the Supervisory Board.

15. Earnings per share

Basic earnings per share were calculated based on the net loss attributable to ordinary shareholders and the weighted average number of ordinary shares.

	2020	2019
Earnings per share (basic and diluted)	(37.48)	(29.87)

For the comparative period Series 1 shares were determined to be the sole class of ordinary shares as they were subordinate to all other existing classes of equity instruments through their negative preference in dividend entitlement. The issuance of the new share class "Series 1a" resulted in a change in classification of ordinary shares in 2020. Therefore, Series 1a shares are determined to be the sole class of ordinary shares as they are subordinate to all other classes of equity instruments through their negative preference in dividend entitlement which leads to a dividend entitlement even after Series 1 shares.

The class of common shares of the Company as well as shares of the Series A through E (for 2020 also the Series 1 shares) are therefore determined to be participating equity instruments that do not form a class of ordinary shares according to IAS 33.

	1 Jan. 2020 – 30 Sep. 2020	1 Jan. 2019 – 30 Sep. 2019
Consolidated loss for the period in KEUR	(83,276)	(90,669)
Net loss attributable to common shares and Series A through E shares	(82,584)	(90,104)
Net loss attributable to Series 1 shares	(592)	-
Net loss attributable to ordinary shares (for basic and diluted earnings per share)	(100)	(565)

Weighted average number of Series 1 shares (ordinary shares in 2019) (basic and diluted):

Thousands of shares	2019
Vested Series 1 shares at 1 Jan.	17
Effect of Series 1 shares vested in February 2019	1
Effect of Series 1 shares vested in May 2019	0
Effect of Series 1 shares vested in August 2019	0
Weighted average number of Series 1 shares at 30 Sep.	19

The following equity instruments were not taken into account in determining the diluted earnings per share for 2019 because their effect would have been anti-dilutive:

Thousands of shares	2019
Unvested Series 1 shares	3
Total number of potential ordinary shares	3

Weighted average number of Series 1a shares (ordinary shares in 2020) (basic and diluted):

Thousands of shares	2020
Vested Series 1a shares at 1 Jan.	-
Effect of Series 1a shares vested in May 2020	2,7
Effect of Series 1a shares vested in August 2020	0
Weighted average number of Series 1a shares at 30 Sep.	2,7

The following equity instruments were not taken into account in determining the diluted earnings per share for 2020 because their effect would have been anti-dilutive.

Thousands of shares	2020
Unvested Series 1a shares	29
Total number of potential ordinary shares	29

Potential ordinary shares do not result from the convertible loan and from the share-based payment program as these instruments are only convertible into, resp. would be settled in, common shares.

16. Subsequent events

Hakan Koc becomes a member of the supervisory board from 1st December 2020 (replacing Jonathan Browning), whereas Christian Bertermann and Markus Boser now representing the management board by two.

Appendix I - Quarterly results

KEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Revenue	808,388	797,373	925,198	945,004	877,389	403,757	769,372
Cost of materials	(723,696)	(722,319)	(837,257)	(850,157)	(788,330)	(376,350)	(682,710)
Gross profit	84,692	75,054	87,941	94,847	89,059	27,407	86,662
Other operating income	1,439	2,172	2,481	5,483	6,644	1,536	1,719
Personnel expenses	(45,699)	(62,319)	(58,202)	(62,625)	(52,382)	(26,029)	(21,030)
Other operating expenses	(49,027)	(55,307)	(54,844)	(58,895)	(57,403)	(20,450)	(36,238)
Earnings before interest, tax, depreciation and amortization (EBITDA)	(8,595)	(40,399)	(22,624)	(21,189)	(14,082)	(17,537)	31,113
Depreciation and amortization	(4,248)	(4,651)	(4,748)	(6,974)	(7,227)	(10,922)	(6,099)
Earnings before interest and tax (EBIT)	(12,843)	(45,050)	(27,372)	(28,163)	(21,309)	(28,459)	25,014
Interest income and other finance income	3	7	-	646	-	24	-
Interest expense and other finance costs	(2,171)	(989)	(1,287)	(1,918)	(3,307)	(9,326)	(32,263)
Other financial result	-	-	-	-	(537)	(203)	(12,349)
Earnings before tax	(15,012)	(46,033)	(28,659)	(29,436)	(25,154)	(37,964)	(19,598)
Income tax expense	(456)	(125)	(384)	(1,161)	(332)	54	(282)
Loss for the period	(15,467)	(46,157)	(29,043)	(30,596)	(25,486)	(37,910)	(19,880)

Thereof attributable to the owners of the Parent Company	(15,467)	(46,157)	(29,043)	(30,596)	(25,486)	(37,910)	(19,880)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss							
Foreign currency translation differences	(456)	151	112	(608)	(30)	35	206
Other comprehensive income, net of tax	(456)	151	112	(608)	(30)	35	206
Total comprehensive income	(15,923)	(46,006)	(28,931)	(31,204)	(25,516)	(37,875)	(19,674)
Thereof attributable to the owners of the Parent Company	(15,923)	(46,006)	(28,931)	(31,204)	(25,516)	(37,875)	(19,674)

Appendix II – Quarterly revenue by segments

KEUR	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Merchant							
Revenue	797,752	782,824	900,648	913,326	843,793	388,561	738,212
C2B	737,647	718,164	824,190	825,789	766,806	342,561	629,700
Remarketing	60,105	64,660	76,458	87,537	76,987	46,000	108,512
Retail							
Revenue	10,636	14,549	24,550	31,678	33,596	15,196	31,160