

Press release

Goals for 2022 achieved

DEKRA increases revenue and transforms for the future

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- *Global revenue grows by 7.4% to 3.8 billion euros in the fiscal year 2022*
- *Investments rose by around one-third, reaching 143 million euros*
- *Test services for EV batteries and charging infrastructure in high demand*
- *Over 500 service offerings for sustainable business operations*
- *Securing leading positions in Cyber Security and Artificial Intelligence through acquisitions and joint venture*
- *New market entries in vehicle testing services*
- *Optimistic outlook for fiscal year 2023: DEKRA expects mid-to-high single digit revenue growth*

DEKRA has successfully increased its revenue as planned in the fiscal year 2022 and completed key strategic projects. "We had the right answers to the challenges of the past year and are very pleased with a boost in revenue of 7.4%," said CEO Stan Zurkiewicz at the company's annual press conference. "At the same time, we managed to invest heavily in our future business, launch innovative services, and successfully filled two newly created board member positions. This laid the foundations for future profitable growth, Zurkiewicz added."

Revenue rises in Germany, double-digit growth in Americas and Asia-Pacific Regions

Inflation, the pandemic, and the war in Ukraine were key challenges for DEKRA in the past year. Nevertheless, the company was able to rise its global revenue by 7.4% to 3.8 billion euros. The growth in its home market Germany was 9.9% (2.4 billion euros), while the strategic growth regions of Americas and Asia-Pacific saw double-digit sales increase (Americas: +19.9% / 113.5 million euros; Asia-Pacific: +10.5% / 244.3 million euros).

All business segments contributed to the positive revenue trends in 2022. Vehicle inspection remained the key business pillar with revenues of 1.3 billion euros (+7.4%). Costa Rica and Spain were added as new markets, putting the company on track to reach around 30 million vehicle inspections annually by 2025. High growth rates were also achieved in the fields of claims & expertise (+6.5% to

515 million euros) and product testing (+7.3% to 318 million euros). In 2022 the company's adjusted operating profit (EBIT) amounted to 226.4 million euros, slightly higher than the previous year (226.0 million euros). The adjusted EBIT margin was 6.0% (previous year: 6.4%). In the face of rising interest rates and volatile financial markets, DEKRA increased its already strong equity ratio to 41% (previous year: 33.5%). The company also enhanced investments by around one-third compared to the previous year, totalling 143 million euros. "Even in economically challenging times, we never thought about cutting investments in our future. On the contrary. In 2022, investments were at an all-time high because we are keen to grow, both by developing new services and by acquiring companies help us accelerate our transformation," explained Zurkiewicz. The company also expanded its employee base; by the end of 2022, around 48,600 people were working for DEKRA in about 60 countries.

Optimistic outlook for 2023

DEKRA has started well into 2023: in the first quarter, revenue amounted to 990 million euros, 12.8% higher than the previous year. DEKRA CEO Zurkiewicz is optimistic for the full year results: "We believe that we can continue to grow in the range a mid-to-high single digit in 2023 despite geopolitical and macroeconomic risks, thanks to our strong market positions worldwide and a compelling portfolio of new services in our focus areas of future mobility, cyber security, and sustainability."

By 2025, DEKRA aims for clear leading position in new service areas and enhanced profitability

DEKRA presented its Strategy 2025, outlining the company's contribution to what might be the greatest societal transformation of our time. At its core, DEKRA's strategy is focused on safeguarding the countless innovations emerging in the fight against climate change and in the era of digitalization, while eliminating any associated risks. "For almost 100 years, we have been ensuring safe and secure technologies, assets, products, and production processes. Currently, innovations are emerging at an unprecedented pace, which are crucial to fight climate change effectively. Despite this high rate of innovation, people should feel safe to trust the many new developments in the real and digital economy, whether it's electric vehicles, hydrogen infrastructure, or artificial intelligence (AI)," explained the CEO of DEKRA. Therefore, DEKRA's primary task is to use its expertise in national and international committees to swiftly develop appropriate testing and certification standards for these novel products and technologies. DEKRA focus will be on Future Mobility, Cyber Security, and Sustainability. Additionally, the nature of

DEKRA's services will evolve, with increased emphasis on remote services, data analytics and AI-based services.

By executing its Strategy 2025, DEKRA aims to remain the undisputed global leader in automotive testing and to become the world's leading provider of tests and certifications for cyber security and sustainability. The company also aims to improve profitability and to deliver an average annual EBIT margin of 8 to 9% by mid-decade. To achieve this, the company is streamlining and digitalizing processes and plans to implement additional measures, such as portfolio adjustments.

Internal changes for profitable growth

In order to best implement its Strategy 2025, DEKRA created two new executive positions in 2022, and the appointees were announced by the supervisory board in April 2023: Petra Finke (55) will become the company's first Chief Digitalization Officer as of July 1, while Peter Laursen (47), who has been working for DEKRA for ten years, and has already assumed the newly created position of Chief Operating Officer in April. "I am convinced that Petra Finke and Peter Laursen will strongly contribute to executing our strategic growth plans and accelerating the digital transformation of DEKRA," commented the CEO on the appointments. Organizational changes, such as the formation of the GSA region (Germany, Austria, Switzerland), which will be led by Germany's EVP Guido Kutschera, are also intended to accelerate DEKRA's transformation.

Future Mobility: Strong demand for electric mobility services in 2022

DEKRA introduced numerous services for safe and sustainable mobility to the market in 2022. One of these services was the patented quick test for electric vehicle (EV) batteries, which was rolled out in Germany, Benelux, and Scandinavia. In only a few minutes, a reliable assessment of the "state of health" of the battery can be carried out. Around 90 vehicle models can already be tested. In 2023, additional models and markets will be added.

In Arnhem, Netherlands, the company opened an open area testing facility for measuring electromagnetic compatibility (EMC). Unlike conventional EMC facilities, vehicles of all sizes, including electric buses and trucks, can be tested there. One of the first customers was the Swedish start-up Volta Trucks.

DEKRA is also actively involved in hydrogen mobility. Since 2022 the experts have been supporting the start-up hylane launching the first commercially operated hydrogen-powered truck rental fleet in Germany.

At the DEKRA Technology Center in Klettwitz, Germany, a new test bench for electric motors and drive axles was put into operation. The powertrain and exhaust gas laboratory is consistently focused on the future market requirements of electromobility. For example, consumption measurements were made on the prototype of the BMW iX5 Hydrogen car. By 2024, DEKRA will expand the location to a new test centre for automotive and stationary battery systems in order to offer performance and environmental tests, as well as abuse tests. DEKRA is investing a total of a high double-digit million amount here.

DEKRA to be one-stop-shop for testing automated and connected driving

DEKRA's testing center at the Lausitzring in Klettwitz is set to play an even larger role in testing automated and connected driving technologies. The company aims to establish the world's most comprehensive independent testing facility for these technologies. In the past year, DEKRA received construction permits for a new test field at the location, which is scheduled to be completed in the summer of 2023. For vehicle manufacturers, suppliers and development service providers, DEKRA experts can test automated driving functions on flexible city course scenarios, whether in narrow streets of small towns or in streets of megacities.

In China, in 2022, DEKRA awarded Black Sesame Technologies, after a year of intensive collaboration, as the world's first provider of automotive-grade computing chips for autonomous driving with the ISO 26262:2018 ASIL D process certificate. This standard covers functional safety requirements throughout the entire product lifecycle.

Clear focus: One third of DEKRA's services is dedicated to sustainability

"In 2022, we were able to offer over 500 sustainability-related services toward the transition to clean energy, ESG goals, and building a circular economy," explained DEKRA's CEO, "this accounts for approximately one third of our entire service portfolio." The strong growth in service offerings underlines DEKRA's focus on sustainability services. For instance, the company validates the carbon footprint of consumer goods for international clients including Logitech and Olymp.

DEKRA also secured forward-looking orders in 2022 in the field of renewable energies. The company tests and certifies wind turbines, hydrogen facilities and pipelines, as well as solar modules. In Shanghai, China, DEKRA opened its largest and most advanced solar laboratory last summer, covering an area of 2,600 square meters for testing. DEKRA covers the entire value chain of clean energies, including testing, inspection, certification, verification and advisory related to energy generation and its technologies.

"Why can people trust DEKRA? Because our experts are completely impartial. We operate independently of shareholders, industrial conglomerates, or politicians. We are guided by our association statutes only, which dictate that our priority is ensuring technical safety and security and sustainability of our plants. That is our sole mission," Zurkiewicz added.

DEKRA's commitment to sustainability, both in its business model and in internal practices, has once again been recognized by independent entities. EcoVadis, the global leader in sustainability assessments for global value chains, has awarded DEKRA with another Platinum medal in 2023. "We are proud to be among the top 1% of sustainable companies in the ranking," said CFO Wolfgang Linsenmaier, who is also responsible for sustainability in DEKRA's executive board.

Securing a leading position in Cyber Security and Artificial Intelligence through acquisitions and joint ventures

Today, safety means protecting physical integrity, but also protection against data breaches and cyber-attacks. This is especially critical in sectors such as automotive and medical industries, critical infrastructures like power grids, consumer Internet of Things (IoT), as well as the information and communication sector. Accordingly, DEKRA focuses on developing standards and testing procedures for these industries. and is the first global provider to offer a specialized cyber security test seal for electric vehicle charging stations. "Our offer supports manufacturers of charging equipment to better protect their products against the most common threats posed by cyber criminals," said the DEKRA CEO. DEKRA is also well-positioned in the area of mobile app security. Since last year, DEKRA has been one of only five companies worldwide authorised by the ADA (App Defense Alliance) that provide security assessments for Google Play Store apps. This allows Google partners and app developers to quickly and reliably assess whether their software complies with industry standards such as Mobile Application Security As-

assessment (MASA). DEKRA's recent acquisition of Onward Security in Taiwan further strengthens its presence in the Asia-Pacific region, offering established solutions in key segments.

"Cyber security is expected to reach a global market volume of around 250 billion euros by 2035," said Stan Zurkiewicz, DEKRA's CEO. "We aim to make significant impact on that market."

With experts projecting a total volume of \$150 billion by 2028, DEKRA also recognizes the significant growth potential in the field of Artificial Intelligence (AI). Ensuring secure and safe AI applications is time-critical given the current dynamics in a not yet regulated market. DEKRA supports clients in their effort to guarantee that their AI technology is reliable, secure, and safe through our testing and advisory services. To this end, DEKRA plans to establish the joint venture CertifAI in collaboration with PwC, the leading audit and consulting firm and City of Hamburg's Innovation Fund. CertifAI aims to certify AI applications their trustworthiness. Building and strengthening trust in the capabilities of Artificial Intelligence requires certifying AI applications in a trustworthy manner, according to the partners.

DEKRA Annual Report 2022/23

<https://qb2023.dekra-online.de/en>

Caption

DEKRA Management at the annual press conference 2023 (f.l.): **Wolfgang Linsenmaier**, Member of the Management Board DEKRA e.V. and DEKRA SE (CFO), **Stan Zurkiewicz**, Chairman of the Management Board DEKRA e.V. and DEKRA SE (CEO), **Peter Laursen**, Member of the Management Board DEKRA SE (COO). Photo: DEKRA

About DEKRA

DEKRA has been active in the field of safety for almost 100 years. Founded in 1925 in Berlin as Deutscher Kraftfahrzeug-Überwachungs-Verein e.V., it is today one of the world's leading expert organizations. DEKRA SE is a subsidiary of DEKRA e.V. and manages the Group's operating business. In 2022, DEKRA generated sales totaling nearly EUR 3.8 billion. The company currently employs almost 49,000 people in approximately 60 countries on five continents. With qualified and independent expert services, they provide safety on the road, at work and at home. These services range from vehicle inspection and expert appraisals to claims services, industrial and building inspections, advisory and training services, testing and certification of products and systems, also in the digital world, as well as temporary work. The vision for the company's 100th birthday in 2025 is that DEKRA will be the global partner for a safe, secure, and sustainable world. With a

platinum rating from EcoVadis, DEKRA is now ranking in the top one percent of sustainable businesses.