Interim Report as of 30 June 2020

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Due to rounding individual figures presented in this interim report may not add up exactly to the totals shown and half-year figures listed may not follow from adding up the individual quarterly figures. Furthermore, the percentage figures presented may not exactly reflect the absolute figures they relate to.

1. INTERIM MANAGEMENT REPORT OF THE GROUP AS OF 30 JUNE 2020

1.1 GROUP FUNDAMENTALS

1.1.1 GENERAL DISCLOSURES

Sixt Leasing SE (the 'Company') is the parent company of the Sixt Leasing Group, which mainly conducts its business under the business names of 'Sixt Leasing', 'Sixt Mobility Consulting', 'Sixt Neuwagen' 'autohaus24' and 'Flottenmeister'. The Company has its registered offices in Zugspitzstrasse 1, 82049 Pullach im Isartal/Germany, and is registered in the Commercial Register of Munich Local Court under docket number HRB 227195.

The Group interim financial report is prepared in accordance with the applicable provisions of section 115 of the Wertpapierhandelsgesetz (WpHG - German Securities Trading Act) as well as in compliance with the International Financial Reporting Standards (IFRS) that are applicable for interim financial reports as published by the IASB and as adopted by the EU. The Group interim financial report should be read together with the Annual Report for the fiscal year 2019. The latter contains a comprehensive presentation of business activities.

As of 30 June 2020, the Company's share capital amounted to EUR 20,611,593 divided in the same number of ordinary no-par-value bearer shares with a notional interest of EUR 1.00 per share. The shares are fully paid up.

As of the 30 June 2020, the largest shareholder was Sixt SE, Pullach, with 41.9% of ordinary shares and voting rights. As of 15 July 2020, Hyundai Capital Bank Europe GmbH (HCBE) acquired the stake in Sixt Leasing SE (41.9% of share capital) from Sixt SE. As of 16 July 2020, shares were acquired from minority shareholders as a result of the public takeover offer. Now both transactions are complete, HCBE holds just above 92% of ordinary shares and voting rights in Sixt Leasing SE.

1.1.2 GROUP ACTIVITIES AND SERVICES PORTFOLIO

The Sixt Leasing Group is organised into two business units (segments), Leasing and Fleet Management.

Leasing business unit
Through its Leasing business unit, the Sixt Leasing Group acts as one of the largest non-bank, vendor-neutral leasing companies in Germany. In addition, the business unit is also represented by its operative subsidiaries in France, Switzerland, Austria and the Netherlands. The Leasing business unit comprises the two business fields Fleet Leasing (corporate customer leasing) and Online Retail (private and commercial customer leasing).

In its Fleet Leasing business field, the Group offers lease financing and associated services (so-called full-service leasing) to corporate customers. Based on Sixt Leasing Group's longstanding and extensive expertise in fleet procurement and fleet management, customers can expect the sustainable optimisation of the total cost of ownership of their fleets. Target customers for this business field are, on the one hand, companies with a fleet size beginning from around 80 vehicles, whose fleets are made up of different manufacturers and have a certain complexity. Thus, Sixt Leasing is able to deploy its competitive strengths in a targeted fashion during independency, consulting and service. On the other hand, smaller corporate customers with a fleet size of around 20-80 vehicles are also served. The approach in this customer segment is to use standardised products and processes to professionalise fleet purchasing and management.

Sixt Leasing SE operates its Online Retail business field via the two online platforms *sixt-neuwagen.de* and *autohaus24.de*. The websites give private and commercial customers (with up to 20 vehicles) the opportunity to configure the latest vehicle models from about 35 different car manufacturers, to request their individual leasing offer and to order online. With the online-based vehicle leasing for private and commercial customers Sixt Leasing addresses an almost undeveloped market in Germany.

Fleet Management business unit
The Sixt Leasing Group operates its Fleet Management business unit via Sixt Mobility Consulting GmbH, which was founded in 2011, and further direct and indirect subsidiaries of Sixt Leasing SE. So, the expertise in managing large-sized customer fleets is also offered to customers, who purchased their vehicles or leased them from other providers. The target group for this service ranges from mid-

sized businesses to international corporations. Sixt Mobility Consulting combines the holistic fleet management with individual brand-independent consulting, aiming to achieve measurable quality and operating cost optimisation for its customers, and thus raising the efficiency of the fleets.

1.2 BUSINESS REPORT

1.2.1 OPERATING PERFORMANCE IN THE FIRST HALF OF 2020

Business activities may be affected by one-off extraordinary events. To get a better understanding of the operating performance, the profit and loss line items for the first half of 2020 prepared in accordance with IFRS and described here were adjusted for these non-operating effects.[1]

As a result, the correspondingly adjusted earnings before taxes (EBT adjusted) in the first half of 2020 were EUR 11.2 million (unadjusted: EUR 2.9 million). Adjusted fleet expenses and cost of lease assets amounted to EUR 233.0 million (unadjusted: EUR 233.1 million). Adjusted personnel expenses amounted to EUR 19.1 million (unadjusted: EUR 21.1 million) and adjusted other operating expenses amounted to EUR 13.3 million (unadjusted: EUR 14.8 million). Adjusted depreciation and amortisation expenses also amounted to EUR 93.6 million (unadjusted: EUR 98.3 million).

In the first half of 2020, personnel expenses and other operating expenses included one-off costs that were already incurred in this period in connection with the acquisition of shares in Sixt Leasing SE by Hyundai Capital Bank Europe GmbH (HCBE). These include bonus payments, expenses for legal advice, for advice from an investment bank and for IT consulting and services, as well as internal personnel expenses attributable to the takeover, which were measured for the purpose of better comparability. In addition, the regular review of the residual values of leased assets included expectations and assumptions, based on external market data, among other things, which were significantly influenced by the effects of the global COVID-19 pandemic. The resulting expenses from the increase in risk provisioning were presented in depreciation of lease assets as well as fleet expenses and cost of lease assets.

1.2.2 GROUP BUSINESS DEVELOPMENT[2]

Overall, during the first half year the Sixt Leasing Group performed in line with the expectations based on the reduced earnings forecast from 20 July 2020.

As of 30 June 2020, the Group's contract portfolio inside and outside Germany (excluding franchise and cooperation partners) totalled 134,800 contracts, 1.0% below the figure as of 31 December 2019 (136,200 contracts).

Consolidated revenue decreased by 13.5% during the first half of 2020 to EUR 370.3 million (H1 2019: EUR 428.0 million) compared to the same period of the previous year. This is mainly attributable to the significant decrease in sales revenue in the Leasing business unit. Operating revenue, which does not include the proceeds from vehicle sales, decreased by 7.9% to EUR 214.1 million (H1 2019: EUR 232.5 million). The "lockdown" caused by the COVID-19 pandemic had a major impact on the decline in operating revenue. Among other things, this led to a significant reduction in vehicle use, which in particular caused a decline in use-related revenues, such as fuel revenues, for example. Sales revenue from leasing returns and marketed customer vehicles in Fleet Management fell by 20.1% to EUR 156.2 million (H1 2019: EUR 195.5 million). This decrease was in particular due to a very strong first quarter of the previous year, with very high sales of leasing returns in the Online Retail business field, as well as restrictions on stationary car sales resulting from the COVID-19 pandemic.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) declined by 7.2% during the first half of 2020 to EUR 106.7 million (H1 2019: EUR 115.0 million). Earnings before taxes (EBT) decreased by 79.7% to EUR 2.9 million (H1 2019: EUR 14.1 million). The operating return on revenue (EBT/operating revenue) consequently came to 1.3% (H1 2019: 6.1%).

[1] Further explanations are provided in section 1.4 "Reconciliation of adjusted items in the consolidated income statement".

[2] The following explanations refer to the IFRS consolidated accounts and are in line with the IFRS. There was no adjustment for one-off and extraordinary costs as in 1.2.1.

The general volume effect described above had a negative impact on results from vehicle sales. In order to respond to the restrictions on stationary motor vehicle sales in the wake of the COVID-19 pandemic, temporary sales support measures (in particular the “Hamster incentive”) were implemented, among other things, which had a negative impact on margins and thus also reduced results. The general future expectations of industry experts on the used car market already take into account negative effects in the future due to the consequences of the COVID-19 pandemic, such as lower new car prices, which in turn could have an impact on used car prices. In this context, Sixt Leasing SE identified a need for additional risk provisioning in the mid single-digit million euro range as part of the regular review of the residual values of its leasing fleet. The half-year result also includes one-off transaction-related costs in the low to mid single-digit million euro range in connection with the completion of the takeover offer by Hyundai Capital Bank Europe GmbH.

Key figures Sixt Leasing Group	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Consolidated revenue	370.3	428.0	-13.5
Thereof Operating revenue	214.1	232.5	-7.9
Thereof Sales revenue	156.2	195.5	-20.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	106.7	115.0	-7.2
Earnings before taxes (EBT)	2.9	14.1	-79.7
Operating return on revenue (%)	1.3	6.1	-4.7 points

1.2.3 BUSINESS DEVELOPMENT BY SEGMENTS

Leasing business unit
In the Leasing business unit, which consists of the business fields Online Retail and Fleet Leasing, the contract portfolio totalled 81,300 contracts as of the end of the first half year, a decrease of 4.0% compared to the figure recorded at the end of 2019 (31 December 2019: 84,700 contracts).

The Online Retail contract portfolio declined by 5.7% to 41,800 contracts (31 December 2019: 44,300 contracts). This was particularly burdened by a reduced number of new orders due to the economic impact of the COVID-19 pandemic and further lease returns from the 1&1 campaign conducted in the 2017 financial year.

The contract portfolio in the Fleet Leasing business field decreased by 2.4% to 39,500 contracts compared to the end of 2019 (31 December 2019: 40,400 contracts).

During the first half of 2020, total revenue of the Leasing business unit decreased over the same period last year by 16.1% to EUR 318.4 million (H1 2019: EUR 379.7 million). Operating revenue decreased by 8.4% to EUR 190.1 million (H1 2019: EUR 207.5 million). Revenue from vehicle sales decreased by 25.5% to EUR 128.3 million (H1 2019: EUR 172.2 million).

During the second quarter of 2020, the business unit recorded a revenue decline of 14.0% over the same quarter last year, to EUR 148.9 million (Q2 2019: EUR 173.1 million). Operating revenue decreased by 13.7% to EUR 89.2 million (Q2 2019: EUR 103.3 million). Sales revenue decreased by 14.5% to EUR 59.7 million (Q2 2019: EUR 69.8 million).

EBITDA for the Leasing business unit decreased by 7.0% during the first half of 2020 to EUR 105.1 million (H1 2019: EUR 113.0 million) compared to the same period last year. EBT fell by 89.0% to EUR 1.3 million (H1 2019: EUR 12.2 million). Accordingly, the operating return on revenue (EBT/operating revenue) came to 0.7%, down by 5.2 percentage points (H1 2019: 5.9%). For the second quarter, it came to -3.9% (Q2 2019: 5.8%).

Key figures Leasing business unit	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Total revenue	318.4	379.7	-16.1
Thereof Leasing revenue (finance rate)	109.5	112.0	-2.3
Thereof Other revenue from leasing business	80.7	95.4	-15.5
Thereof Sales revenue	128.3	172.2	-25.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	105.1	113.0	-7.0
Earnings before taxes (EBT)	1.3	12.2	-89.0
Operating return on revenue (%)	0.7	5.9	-5.2 points

Fleet Management business unit

The contract portfolio of the Fleet Management business unit totalled 53.500 contracts at the end of the first six months of 2020, which was 4.0% above the level as of the end of last year (31 December 2019: 51,500 contracts).

During the first half of 2020, the Fleet Management business unit's total revenue increased by 7.4% compared to the same period last year to EUR 51.8 million (H1 2019: EUR 48.3 million). Fleet management revenue fell slightly by 4.3% to EUR 23.9 million (H1 2019: EUR 25.0 million). Sales revenue increased by 20.0% to EUR 27.9 million (H1 2019: EUR 23.2 million).

Total revenue for Q2 fell by 0.2% compared to the same quarter last year to EUR 22.1 million (Q2 2019: EUR 22.1 million). Fleet management revenue increased by 11.7% to EUR 10.6 million (Q2 2019: EUR 9.5 million). Sales revenue decreased by 9.1% to EUR 11.5 million (Q2 2019: EUR 12.6 million).

EBITDA for the Fleet Management business unit decreased by 18.6% during the first half of 2020 compared to the same period last year to EUR 1.6 million (H1 2019: EUR 2.0 million). EBT declined by 19.6% to EUR 1.5 million (H1 2019: EUR 1.9 million). The operating return on revenue (EBT/operating revenue) for the first six months fell by 1.2 percentage points to 6.4% (H1 2019: 7.6%). For the second quarter, it came to 7.1% (Q2 2019: 11.4%).

Key figures Fleet Management business unit	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Total revenue	51.8	48.3	7.4
Thereof Fleet management revenue	23.9	25.0	-4.3
Thereof Sales revenue	27.9	23.2	20.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1.6	2.0	-18.6
Earnings before taxes (EBT)	1.5	1.9	-19.6
Operating return on revenue (%)	6.4	7.6	-1.2 points

1.2.4 EARNINGS PERFORMANCE

Consolidated revenue decreased by 13.5% during the first half of 2020 to EUR 370.3 million (H1 2019: EUR 428.0 million).

Other operating income for the reporting period increased by 17.5% to EUR 5.4 million (H1 2019: EUR 4.6 million).

Fleet expenses and cost of lease assets decreased by 17.9% to EUR 233.1 million (H1 2019: EUR 284.1 million).

Personnel expenses declined by 1.1% to EUR 21.1 million (H1 2019: EUR 21.3 million).

Other operating expenses increased by 20.7% to EUR 14.8 million (H1 2019: EUR 12.2 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) declined by 7.2% to EUR 106.7 million (H1 2019: EUR 115.0 million). The second quarter of 2020 accounted for EUR 50.4 million of this (Q2 2019: EUR 57.8 million; -12.2%).

Depreciation and amortisation increased period-on-period by 3.6% to EUR 98.3 million (H1 2019: EUR 94.9 million), mainly due to the additional risk provisioning for the residual values of the leasing fleet.

Consolidated earnings before interest and taxes (EBIT) for the first half year came to EUR 8.4 million and thus 58.1% less than the same period last year (H1 2019: EUR 20.0 million). The second quarter of 2020 accounted for EUR -0.0 million of this (Q2 2019: EUR 10.1 million; -100.3%).

The Sixt Leasing Group's net finance costs for the first six months improved significantly by 6.5% to EUR -5.5 million (H1 2019: EUR -5.9 million). Key to this was first and foremost lower interest expenses to credit institutions mainly as a result of more favourable refinancing after renegotiation and extension of the ABS structure in December 2019.

For the first half of 2020, the Sixt Leasing Group reported a reduction in earnings before taxes (EBT) of 79.7% to EUR 2.9 million (H1 2019: EUR 14.1 million). The second quarter of 2020 accounted for EUR -2.7 million of this (Q2 2019: EUR 7.1 million; -138.4%).

Income taxes fell by 69.7% to EUR 1.1 million in the first six months (H1 2019: EUR 3.7 million).

Consolidated profit for the first six months of 2020 decreased by 83.2% to EUR 1.7 million (H1 2019: EUR 10.4 million). The second quarter of 2020 accounted for EUR -2.0 million of this (Q2 2019: EUR 4.8 million; > -100%).

Earnings per share – basic and diluted – for the first half of 2020 thus came to EUR 0.08 (H1 2019: EUR 0.51).

1.2.5 NET ASSETS POSITION

As of 30 June 2020, the Sixt Leasing Group reports a balance sheet total of EUR 1,423.4 million, which is EUR 94.5 million, or 7.1%, more than on 31 December 2019 (EUR 1,328.9 million).

As of 30 June 2020, lease assets, which are the dominating item in non-current assets, decreased by EUR 16.1 million, or 1.4%, to EUR 1,103.6 million (31 December 2019: EUR 1,119.7 million). All in all, non-current assets declined by EUR 15.4 million to EUR 1,135.4 million, a reduction of 1.3% (31 December 2019: EUR 1,150.8 million).

Compared with the end of last year, current assets increased by EUR 110.0 million, or 61.8%, to EUR 288.0 million (31 December 2019: EUR 178.0 million). The increase in current assets is essentially due to the increase in bank balances, which increased by EUR 116.2 million to EUR 118.8 million (31 December 2019: EUR 2.6 million). The current assets, trade accounts receivable, decreased by 14.4%, or EUR 11.7 million, to EUR 69.3 million (31 December 2019: EUR 81.0 million).

1.2.6 FINANCIAL POSITION

Equity
As of 30 June 2020, Sixt Leasing Group's equity totalled EUR 212.4 million, a decline of EUR 16.9 million or 7.4% over the figure as of 31 December 2019 (EUR 229.2 million). The consolidated profit of EUR 1.7 million generated in the first half of the year was offset by the dividend payment for fiscal year 2019 in the amount of EUR 18.6 million, which was approved by the Annual General Meeting on 23 June 2020. The equity ratio decreased by 2.3 percentage points to 14.9% (31 December 2019: 17.2%), which resulted first and foremost from an increase in total assets, as well as the decrease in equity due to the dividend payment. The increase in total assets primarily results in particular from the increase in bank balances and corresponding increase in financial liabilities for the purpose of preventative liquidity reserve.

Liabilities
As of 30 June 2020, the Group reported non-current liabilities and provisions of EUR 594.6 million (31 December 2019: EUR 782.7 million; -24.0%). Non-current financial liabilities fell by EUR 187.2 million to EUR 545.6 million as of 30 June 2020 (31 December 2019: EUR 732.8 million; -25.5%).

Current liabilities and provisions as of 30 June 2020 totalled EUR 616.4 million (31 December 2019: EUR 316.9 million). The increase of EUR 299.5 million, or 94.5%, is essentially the result of higher current financial liabilities, up by EUR 292.6 million, or 135.8%, to

EUR 508.1 million (31 December 2019: EUR 215.4 million), running counter to the non-current financial liabilities described above. This is essentially due to the bond issued in the financial year 2017, which has to be redeemed in the first quarter of 2021 and therefore must be presented as current financial liabilities and not as non-current financial liabilities. In addition, other liabilities decreased by EUR 2.8 million, or 8.2%, to EUR 31.0 million (31 December 2019: EUR 33.7 million).

1.2.7 LIQUIDITY POSITION

For the first six months of 2020, the Sixt Leasing Group reports a gross cash flow of EUR 97.3 million (H1 2019: EUR 101.4 million; -4.0%). After changes from the disposal of used leasing vehicles and investments in new leasing vehicles, as well as changes in other net assets, the net cash inflow from operating activities amounted to EUR 29.0 million (H1 2019: cash inflow of EUR 71.5 million). This lower cash inflow is particularly effected by substantially lower proceeds from the sale of leasing returns.

Net cash used in investing activities amounted to EUR 3.9 million (2019: cash outflow of EUR 3.3 million), essentially due the payments for investments in intangible assets and equipment.

The net cash inflow from financing activities amounted to EUR 93.0 million for the first six months of 2020 (H1 2019: cash outflow of EUR 73.2 million). The cash inflow is mainly the result of additional financing within the ABS structure and from taking out additional bank loans with the aim of securing a preventive liquidity reserve.

Overall, cash and cash equivalents (net bank balances) as of 30 June 2020 increased by EUR 118.1 million compared to the end of 2019 following minor changes to foreign currency translations and amounted to EUR 118.8 million (31 December 2019: EUR 0.7 million (Bank balances EUR 2.6 million net of bank overdrafts EUR 1.9 million)).

1.2.8 INVESTMENTS

In the first six months of 2020, the Sixt Leasing Group added vehicles with a total value of EUR 207.5 million (H1 2019: EUR 194.9 million; 6.5%) to the leasing fleet. The increase results mainly due to a high order volume in the fourth quarter of 2019. The vehicles were delivered mainly in 2020.

1.3 SPECIFIC EVENTS – COVID-19-PANDEMIC

Regarding the Corona pandemic, please refer also to the Report on events subsequent to the reporting date in the Group Notes as well as the Risk Report in the Management Report of the Annual Report for 2019. For information on current developments and their impact on the Sixt Leasing Group, please see in particular item 1.5 “Report on risks and opportunities” and item 3.8. “Uncertainties resulting from the COVID-19 Pandemic regarding accounting and calculations in the interim consolidated financial statements as of 30 June 2020”

1.4 RECONCILIATION OF ADJUSTED ITEMS IN THE CONSOLIDATED INCOME STATEMENT

This reconciliation serves to reconcile the adjusted income statement items from section 1.2.1 ‘Operative performance in the first half of 2020’ to the IFRS items.

The fleet expenses and cost of lease assets in the IFRS income statement amount to EUR 233.1 million. For the presentation in section 1.2.1 ‘Operating performance in the first half of 2020’, these have been adjusted for special effects of EUR 0.1 million to EUR 233.0 million. Personnel expenses amount to EUR 21.1 million and were adjusted for special effects of EUR 2.0 million to EUR 19.1 million. Other operating expenses amount to EUR 14.8 million and were adjusted for special effects amounting to EUR 1.5 million to EUR 13.3 million. Depreciation and amortization amount to EUR 98.3 million and were adjusted for special effects of EUR 4.7 million to EUR 93.6 million. In total, earnings before taxes (EBT) of EUR 2.9 million were thus adjusted by special effects amounting to EUR 8.3 million to EUR 11.2 million.

1.5 REPORT ON OUTLOOK

Leasing business unit

The online retail market in Germany offers the company attractive growth potential. Sixt Leasing expects that in future customers of new cars will switch more and more to online channels. As a 'first mover' and market leader in the direct online sales of new vehicles, Sixt Leasing is superbly positioned to conquer the as yet largely unchartered German online leasing market for private and commercial customers. In view of these excellent growth perspectives and the ongoing digitalisation, the Online Retail business field continues to be seen as the Group's biggest growth driver.

In the Fleet Leasing business field, Sixt Leasing is operating in a competitive market, dominated in Germany by the large vendor-neutral leasing companies. Given the intense price competition in the segment with large and medium-large corporate customers, Sixt Leasing intends to expand the business with smaller corporate customers that have fleets of anywhere between 20 to 80 vehicles. Based on this, the Managing Board expects that share of customers with smaller fleets will increase within the business field's contract portfolio.

Fleet Management business unit

In the Fleet Management business unit, the Sixt Leasing Group will continue to exploit the trend among larger corporations to outsource their fleet management so as to win over new customers. To this end the coming years will see the expansion of business in Europe, especially by using existing customer relationships.

Financial forecast

For the 2020 financial year, the Managing Board continues to expect a slight increase in the Group's contract portfolio and consolidated operating revenue to be approximately on the previous year's level. However, in accordance with the reduced earnings forecast issued on 20 July 2020, the Managing Board assumes that the earnings forecast published on 20 March 2020 cannot be realised in regard to EBT and that the 2020 annual result will also be burdened by further one-off transaction-related costs in the second half of 2020 to the expected extent. In the first half of 2020, in connection with the settlement of the HCBE takeover offer, one-off transaction-related costs were incurred in the low to mid single-digit million euro range. These are also taken into account in the reduced earnings forecast. The assumptions and uncertainties pertaining to the COVID-19 pandemic described in the next paragraph and in section 1.6 "Report on risks and opportunities". This includes in particular the assumption that business development will recover in the second half of the year.

For existing lease contracts, the Managing Board expects that the COVID-19 pandemic will have an impact on the residual value at the end of the lease contract term. Overall, however, the Board believes the car market will recover and in the future it will be possible to take the effects of COVID-19 into account when establishing the residual value at inception of the lease contract. The contract development in the first half of 2020, and particularly the second quarter of 2020, demonstrates the resilience of Sixt Leasing Group. Thus, the Managing Board also expects a slight increase in the Group contract portfolio in the 2020 financial year. For service revenue, the Managing Board expects a recovery as a result of the general easing that has already taken place and is expected to continue, and the gradual return of the economy and society to normal operation, which should also lead to increased vehicle usage. These expectations assume that any forthcoming second wave of infection in autumn 2020 will not lead to another full lockdown and that Sixt Leasing Group will be able to tap into its potential for growth, as set out above and in the report on opportunities, first of all through the acceleration of the overall trend towards digitisation resulting from the COVID-19 pandemic, and, in particular, through the strategic partnership with new major shareholder HCBE. The strategic focus is not impacted at present by the current situation surrounding COVID-19. However, it is important to note that it is currently very difficult to reliably predict the actual long-term future economic effects of the COVID-19 pandemic and increased uncertainty surrounds projections and discretionary decisions as a result.

1.6 REPORT ON RISKS AND OPPORTUNITIES

The risk and opportunity profile of the Sixt Leasing Group did not change significantly in the first half year of 2020 from the information provided in the Annual Report 2019. The report contains a detailed description of the risk and opportunity profile, the risk management system, as well as the internal control and risk management system relating to its accounting procedures.

We described the global outbreak of the coronavirus (SARS-CoV-2) and coronavirus illness (COVID-19) in the Sixt Leasing SE Annual Report dated 31 December 2019. The political measures described therein have been relaxed again substantially since then and the second quarter of 2020 saw a general economic recovery. However, this recovery has varied a great deal from industry to industry and has been partially negative. Infection rates are now rising again in some areas following widespread loosening of lockdown measures. Fundamentally, the Sixt Leasing Group believes it is in a strong position to continue monitoring and steering the business through the current coronavirus crisis, thanks to its control and risk management organisation. However, potential developments are difficult to predict and there is a lack of academic and research studies and findings providing how to deal with such an event. The Managing Board continues its early warning, monitoring and control measures at significantly more intensive and more frequent levels. In order to avoid operational consequences due to the COVID-19 pandemic, the Sixt Leasing Group has implemented comprehensive hygiene measures and makes intensive use of the home office option.

Sixt Leasing SE's Managing Board believes that the strategic partnership with new major shareholder HCBE enables Sixt Leasing to jointly exploit new growth opportunities. The integration of Sixt Leasing into the group of the two international and financially strong groups Santander and Hyundai also offers the opportunity to further optimise the Company's financing structure.

Pullach im Isartal, 12 August 2020

Sixt Leasing SE
The Managing Board

2. INTERIM FINANCIAL STATEMENTS OF THE GROUP AS OF 30 JUNE 2020

2.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement	**H1**	H1	**Q2**	Q2
in EUR thou.	**2020**	2019	**2020**	2019
Revenue	370,266	427,963	170,972	195,273
Other operating income	5,425	4,617	2,444	2,358
Fleet expenses and cost of lease assets	233,110	284,053	104,505	122,938
Personnel expenses	21,074	21,315	10,913	10,709
Other operating expenses	14,777	12,248	7,582	6,182
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**106,729**	**114,964**	**50,415**	**57,802**
Depreciation and amortisation expense	98,332	94,930	50,448	47,679
Earnings before interest and taxes (EBIT)	**8,397**	**20,034**	**-33**	**10,123**
Net finance costs	-5,528	-5,915	-2,692	-3,019
Earnings before taxes (EBT)	**2,869**	**14,118**	**-2,725**	**7,104**
Income tax expense	1,122	3,703	-705	2,345
Consolidated profit	**1,748**	**10,415**	**-2,019**	**4,759**
Of which attributable to minority interests	-	-	-	4
Of which attributable to shareholders of Sixt Leasing SE	1,748	10,415	-2,019	4,754
Earnings per share – basic and diluted (in Euro)	0.08	0.51	-0.10	0.23

Consolidated statement of comprehensive income	**H1**	H1
in EUR thou.	**2020**	2019
Consolidated profit	1,748	10,415
Other comprehensive income (not recognised in the income statement)	-54	-257
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	248	169
Change of derivative financial instruments in hedge relationship	-373	-901
Related deferred taxes	71	475
Sonstige Veränderung		
Total comprehensive income	**1,694**	**10,158**
Of which attributable to minority interests	-302	-426
Of which attributable to shareholders of Sixt Leasing SE	1,996	10,584

2.2 CONSOLIDATED BALANCE SHEET

Assets in EUR thou.	30 Jun. 2020	31 Dec. 2019
Non-current assets		
Goodwill	2,322	2,313
Intangible assets	15,602	12,487
Property and equipment	11,183	13,583
Lease assets	1,103,614	1,119,670
Financial assets	26	26
Other receivables and assets	843	1,147
Deferred tax assets	1,806	1,615
Total non-current assets	**1,135,397**	**1,150,840**
Current assets		
Inventories	47,278	49,999
Trade receivables	69,310	80,981
Receivables from related parties	6,281	3,779
Other receivables and assets	44,376	38,263
Income tax receivables	1,906	2,381
Bank balances	118,846	2,641
Total current assets	**287,996**	**178,045**
Total assets	**1,423,393**	**1,328,885**

Equity and liabilities in EUR thou.	30 Jun. 2020	31 Dec. 2019
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	57,469	74,025
Minority interests	-757	-455
Total equity	**212,369**	**229,226**
Non-current liabilities and provisions		
Provisions for pensions	265	260
Financial liabilities	545,611	732,776
Other liabilities	15,340	16,513
Deferred tax liabilities	33,392	33,177
Total non-current liabilities and provisions	**594,608**	**782,725**
Current liabilities and provisions		
Other provisions	5,449	5,641
Income tax liabilities	1,039	787
Financial liabilities	508,051	215,434
Trade payables	65,593	58,044
Liabilities to affiliated companies	5,295	3,284
Other liabilities	30,989	33,743
Total current liabilities and provisions	**616,417**	**316,934**
Total equity and liabilities	**1,423,393**	**1,328,885**

2.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	H1	H1
in EUR thou.	**2020**	2019
Operating activities		
Consolidated profit	1,748	10,415
Income taxes recognised in income statement	1,029	908
Income taxes received / paid (net)	-301	-749
Financial result recognised in income statement[1]	5,527	5,849
Interest received	186	67
Interest paid	-8,192	-8,456
Depreciation and amortisation	98,332	94,930
Income from disposal of fixed assets	2,003	-1,286
Other (non-)cash expenses and income	-3,051	-318
Gross Cash flow	**97,281**	**101,359**
Proceeds from disposal of lease assets	128,284	172,227
Payments for investments in lease assets	-207,460	-194,856
Change in inventories	2,721	2,555
Change in trade receivables	11,672	618
Change in trade payables	7,549	5,391
Change in other net assets	-11,003	-15,831
Net cash flows from/used in operating activities	**29,043**	**71,464**
Investing activities		
Payments for investments in intangible assets and equipment	-3,946	-3,281
Net cash flows used in investing activities	**-3,946**	**-3,281**
Financing activities		
Dividends paid	-18,550	-9,894
Proceeds from bonds, borrower's note loans and bank loans	176,298	1,868
Payments made for redemption of borrower's note loans and bank loans	-55,719	-50,700
Proceeds from short-term financial liabilities/ Payments made for short-term financial liabilities[2]	-9,000	-14,434
Payments made for redemption of financing from related parties	-	-
Net cash flows used in/from financing activities	**93,028**	**-73,160**
Net change in cash and cash equivalents	**118,125**	**-4,976**
Effect of exchange rate changes on cash and cash equivalents	11	6
Cash and cash equivalents at 1 Jan.[3]	**710**	**6,243**
Cash and cash equivalents at 30 Jun.	118,846	1,272

1 *Excluding income from investments*

2 *Short-term borrowings with a maturity period of up to three months and quick turnover*

3 *Cash and cash equivalents as at 1 January 2020 consist of bank balances (EUR 2,641 thousand) and bank overdrafts (EUR 1,931 thousand). As at 1 January 2019 cash and cash equivalents only include bank balances.*

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity in EUR thou.	Subscribed capital	Capital reserves	Other reserves	Equity attributable to shareholders of Sixt Leasing SE	Minority interests	Total equity
1. Jan. 2020	**20,612**	**135,045**	**74,025**	**229,681**	**-455**	**229,226**
Consolidated profit	-	-	1,748	1,748	-	1,748
Other comprehensive income	-	-	248	248	-303	-54
Dividends paid	-	-	-18,550	-18,550	-	-18,550
30. Jun. 2020	**20,612**	**135,045**	**57,469**	**213,125**	**-757**	**212,369**
1 Jan. 2019	**20,612**	**135,045**	**61,990**	**217,647**	**-893**	**216,753**
Consolidated profit	-	-	10,415	10,415	-	10,415
Other comprehensive income	-	-	169	169	-427	-257
Dividends paid	-	-	-9,894	-9,894	-	-9,894
30 Jun. 2019	**20,612**	**135,045**	**62,680**	**218,337**	**-1,320**	**217,017**

3. CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

3.1 INFORMATION ABOUT THE COMPANY

Sixt Leasing SE, Pullach im Isartal, is a European Stock Corporation (Societas Europea) and the parent company of the Sixt Leasing Group. The Company's registered office is at Zugspitzstrasse 1, 82049 Pullach im Isartal/Germany and it is registered in the Commercial Register of Munich Local Court under docket number HRB 227195. The Company has been established for an indefinite period.

3.2 GENERAL DISCLOSURES

The consolidated financial statements of Sixt Leasing SE as at 31 December 2019 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and effective at that date.

The interim consolidated financial statements as at 30 June 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those used in the preparation of the 2019 consolidated financial statements. The effects of new accounting standards to be applied are explained in more detail in the following chapters.

In accordance with IAS 34 „Interim Financial Reporting" the interim financial report includes a consolidated income statement and statement of comprehensive income, a consolidated balance sheet, a consolidated cash flow statement, a consolidated statement of changes in equity and these condensed notes. The interim financial statements do not disclose all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Annual Report 2019.

The Preparation of interim consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets, liabilities and provisions, as well as of income and expenses. Actual amounts may differ from these estimates. A detailed description of the accounting principles, consolidation methods and accounting policies used is published in the notes to the consolidated financial statements in the Annual Report 2019.

The results presented in the interim financial reports do not necessarily indicate the results of future reporting periods or of the full financial year.

The above paragraphs are particularly important given the background of COVID-19.

The interim consolidated financial statements were prepared and published in euros.

The accompanying interim consolidated financial statements as of 30 June 2020 have not been audited or reviewed.

Due to rounding, it is possible that individual figures presented in the interim financial statements may not add up exactly to the totals shown and half-year figures listed may not follow from adding up the individual quarterly figures. Furthermore, the percentage figures presented may not exactly reflect the absolute figures they relate to.

The development so far does not reveal any implications, that the Sixt Leasing Group underlies seasonal effects with fundamental fluctuations.

New standards and interpretations

The following new or revised accounting standards/interpretations have been issued by the International Accounting Standard Board (IASB). These have not been applied in the interim financial statements as of and for the period ended 30 June 2020, as their application is not yet mandatory or they have not been yet endorsed by the European Commission.

Standard/ Interpretation		Adoption by European Commission	Applicable as at
IFRS 14	Regulatory deferral accounts	No	Exposed
IFRS 17	Insurance Contracts	No	1 Jan. 2023
Amendments to IAS 1	Classification of Liabilities as current or Non-current	No	1 Jan 2022
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	No	Deferred indefinitely
Amendments to IFRS 16	COVID-19-Related Rent Concessions	No	1 Jun. 2020

The new Standards/Interpretations of the IASB, which were applied for the first time in financial year 2020, have no significant effects on the net assets, financial position and results of operations of the Sixt Leasing Group as of 30 June 2020.

3.3 SCOPE OF CONSOLIDATED ENTITIES

Since 31 December 2019, there have been no changes in the scope of consolidation of Sixt Leasing Group.

3.4 SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

Revenue

Revenue of the Leasing business unit comprises lease income from contractually agreed leasing installments and other income from leasing business, such as income from service components such as repairs, fuels, tyres, etc., income from claims settlements and franchise fees. In addition, the Leasing business unit reports sales revenue for used leasing assets under sales revenue generated from the marketing of leased assets.

In the Fleet Management business unit, fleet management revenue materially comprises revenue for service components and contractually agreed service fees. In addition, the Fleet Management business unit reports revenue from the sale of used customer vehicles.

Revenue is broken down as follows:

Revenue in EUR thou.	H1 2020	H1 2019	Change in %	Q2 2020	Q2 2019	Change in %
Leasing business unit						
Leasing revenue (finance rate)	109,480	112,042	-2.3	54,549	55,650	-2.0
Other revenue from leasing business	80,654	95,430	-15.5	34,603	47,659	-27.4
Sales revenue	128,284	172,227	-25.5	59,698	69,803	-14.5
Total	**318,418**	**379,698**	**-16.1**	**148,850**	**173,111**	**-14.0**
Fleet Management business unit						
Fleet management revenue	23,948	25,021	-4.3	10,643	9,529	11.7
Sales revenue	27,900	23,244	20.0	11,479	12,633	-9.1
Total	**51,848**	**48,265**	**7.4**	**22,121**	**22,162**	**-0.2**
Group total	**370,266**	**427,963**	**-13.5**	**170,972**	**195,273**	**-12.4**

Leasing revenue (finance rate), other revenue from leasing business and fleet management revenue are together referred to as "operating revenue". In the reporting period, operating revenue decreased by 7.9% to EUR 214.1 million (H1 2019: EUR 232.5 million).

Fleet expenses and cost of lease assets

Fleet expenses and cost of lease assets are broken down as follows:

Fleet expenses and cost of lease assets	**H1**	H1	Change
in EUR thou.	**2020**	2019	in %
Selling expenses[1]	157,901	193,676	-18.5
Fuel	23,977	34,885	-31.3
Repair, maintenance and reconditioning	31,141	35,512	-12.3
Insurance	4,046	2,587	56.4
External rent expenses	2,418	3,208	-24.6
Vehicle licenses	3,434	2,530	35.7
Transportation	2,493	2,907	-14.2
Taxes and dues	1,495	1,794	-16.6
Radio license fees	793	817	-3.0
Vehicle return expenses	2,047	2,932	-30.2
Other expenses	3,365	3,206	5.0
Group total	**233,110**	**284,053**	**-17.9**

[1] Including impairment losses on leased assets held for sale in the amount of EUR 0.1 million (H1 2019: EUR 0.0 million)

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	**H1**	H1	Change
in EUR thou.	**2020**	2019	in %
Expenses for buildings	528	480	10.1
Other selling and marketing expenses	2,540	2,284	11.2
Expenses from write-downs of receivables	2,566	1,010	>100
Audit, legal, advisory costs, and investor relations expenses	2,494	1,775	40.5
Other personnel services	968	1,907	-49.2
IT expenses	2,524	1,777	42.1
Expenses for foreign currency translation	335	956	-65.0
Miscellaneous expenses	2,821	2,059	37.0
Group total	**14,777**	**12,248**	**20.7**

Expenses for depreciation and amortisation

Depreciation and amortisation expenses are explained in more detail below:

Depreciation and amortisation	**H1**	H1	Change
in EUR thou.	**2020**	2019	in %
Lease assets	96,664	93,221	3.7
Property and equipment	1,098	1,117	-1.6
Intangible assets	570	592	-3.8
Group total	**98,332**	**94,930**	**3.6**

Depreciation and amortisation includes amortisation of right-of-use assets to the amount of EUR 0.9 million (H1 2019: EUR 0.9 million) in property and equipment as well as EUR 0.4 million (H1 2019: EUR 0.8 million) in lease assets.

Net finance costs

Net finance costs are broken down as follows:

Net finance costs	**H1**	H1
in EUR thou.	**2020**	2019
Other interest and similar income	152	128
Other interest and similar income from related parties	20	6
Interest and similar expenses	-5,465	-5,885
Interest and similar expenses for related parties	-0	-0
Other net financial result	-235	-164
Group total	**-5,528**	**-5,915**

Interest and similar expenses includes interest expenditure from lease liabilities of the Sixt Leasing SE Group as a lessee to the amount of EUR 0.1 million (H1 2019: EUR 0.1 million).

Income tax expense

The income tax expense comprises current income taxes amounting to EUR 1.0 million (H1 2019: EUR 0.9 million) as well as deferred taxes of EUR 0.1 million (H1 2019: EUR 2.8 million). Based on the Group's earnings before taxes (EBT), the Group's tax rate in the reporting period is 39% (H1 2019: 26%).

Earnings per share

Earnings per share are broken down as follows:

Earnings per share		**H1**	H1
		2020	2019
Consolidated profit	in EUR thou.	1,748	10,415
Profit attributable to shareholders of Sixt Leasing SE	in EUR thou.	1,748	10,415
Weighted average number of shares		20,611,593	20,611,593
Earnings per share – basic and diluted	in EUR	0.08	0.51

The weighted average number of shares is calculated based on the proportional number of shares per month, eventually adjusted by the respective number of treasury shares. Earnings per share are calculated by dividing the profit attributable to shareholders of Sixt Leasing SE through the weighted average number of ordinary shares outstanding. Financial instruments, that could lead to a dilutive effect, do not exist at the reporting date.

3.5 SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

Lease assets

Lease assets decreased by EUR 16.1 million to EUR 1,103.6 million as at the reporting date (31 December 2019: EUR 1,119.7 million). As part of the regular review of residual values, additional risk provisioning was identified to the amount of EUR 4.7 million and recognised in profit and loss as a change of estimates. Basis for the review of residual values is an external industry expertise regarding the prediction of used car prices, which already considers the effects of the COVID-19 pandemic, such as lower prices for new cars that potentially will lead to lower used car prices in the future.

Right-of-use assets

Right-of-use assets can be broken down as follows:

Line item in balance sheet of right-of-use assets in EUR thou.	**30 Jun. 2020**	**31 Dec. 2019**
Property and equipment	9,483	11,956
Lease assets	5,171	10,578

A leasing agreement for office spaces in Pullach im Isartal was amended on 21 February 2020. The change reduced the basic term of the lease. In the first half of 2020, this led to a reduction in right-of-use assets and lease liabilities of around EUR 1.5 million.

Other receivables and assets

Other receivables and assets can be broken down as follows:

Other receivables and assets in EUR thou.	**30 Jun. 2020**	31 Dec. 2019
Financial other receivables and assets		
Finance lease receivables	6,214	2,017
Miscellaneous assets	14,799	13,337
Non-financial other receivables and assets		
Other tax receivables	1,702	2,098
Insurance claims	9,188	12,971
Deferred expense	5,112	5,115
Claims for vehicle deliveries	8,203	3,872
Group total	**45,219**	**39,410**
thereof current	44,376	38,263
thereof non-current	843	1,147

Equity

The subscribed capital of Sixt Leasing SE as at 30 June 2020 remained unchanged at EUR 20,611,593, divided up into 20,611,593 ordinary bearer shares (31 December 2019: EUR 20,611,593). The shares are no-par value shares with a nominal value of EUR 1.00 per share.

Authorised capital

By resolution of the Annual General Meeting of 1 June 2016, the Managing Board was authorised, as specified in the proposed resolution, to increase the share capital on one or more occasions in the period up to and including 31 May 2021, with the consent of the Supervisory Board, by a total of EUR 6,183,477 by issuing new no-par value bearer shares in exchange for cash and/or non-cash contributions, whereby the shareholders' pre-emptive rights may be excluded under certain conditions (Authorised Capital 2016).

Conditional capital
By resolution of the Annual General Meeting of 1 June 2016, the Managing Board is authorised, on one or more occasions in the period up to and including 31 May 2021 and with the consent of the Supervisory Board, to issue convertible and/or bonds with warrants registered in the name of the holder and/or bearer of up to a maximum of EUR 200,000,000 with a fixed or open-ended term and grant conversion or option rights to the holders and/or creditors of convertible bonds to acquire a total of up to 4,122,318 new ordinary bearer shares in Sixt Leasing SE.

By resolution of the Annual General Meeting of 1 June 2016, the company's share capital is conditionally increased by up to EUR 4,122,318 (Conditional Capital 2016). The conditional capital increase serves to grant shares to holders or creditors of convertible bonds and holders of options rights from bonds with warrants, as long as the conversion or option rights from the aforementioned bonds are actually exercised or the conversion obligations from such bonds are fulfilled and no other forms of settlement are used.

By resolution of the Annual General Meeting of 29 June 2017, the Managing Board was authorised, as specified in the proposed resolution, to issue until the 28 June 2020 up to 1,000,000 subscription rights for up to a maximum of 1,000,000 no-par value bearer shares, in one or multiple tranches, to members of the Managing Board and executives underneath the Managing Board level as well as members of the governing boards of dependent companies. In so far as this affects Managing Board members, only the Supervisory Board was authorized accordingly.

In this context, the Company's share capital was conditionally increased by up to EUR 1,000,000 through issuance of up to 1,000,000 new no-par value bearer shares (Conditional Capital 2017). The conditional capital increase served to service the stock option programme 2017 and only in so far, as subscription rights are issued under the stock option programme 2017 and the owners of the subscription rights use their exercise right. Until the end of the resolution term, no subscription rights were exercised.

Treasury shares
By resolution of the Annual General Meeting of 8 April 2015, the Managing Board, with the consent of the Supervisory Board, was authorised, as specified in the proposed resolution, to purchase the Company's own shares through 7 April 2020, up to a total of 10% of the Company's share capital at the time of the adoption or, if the respective amount is lower, of the utilisation of this authorisation. This authorisation has not been exercised.

Financial liabilities
The financial liabilities are broken down as follows:

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 thou.	**30 Jun. 2020**	31 Dec. 2019	**30 Jun. 2020**	31 Dec. 2019	**30 Jun. 2020**	31 Dec. 2019
Borrower's note loans	-	29,977	-	-	-	-
Bonds	249,514	-	248,436	497,131	-	-
Liabilities to banks	250,595	170,438	288,204	220,350	-	-
Lease liabilities	6,016	9,537	6,912	10,987	2,058	4,309
Other liabilities	1,926	5,482	-	-	-	-
Group total	**508,051**	**215,434**	**543,553**	**728,468**	**2,058**	**4,309**

Other liabilities

Other liabilities are broken down as follows:

Other liabilities in EUR thou.	**30 Jun. 2020**	31 Dec. 2019
Financial other liabilities		
Interest rate swap	1,400	801
Payroll liabilities	148	83
Miscellaneous liabilities	11,880	12,549
Non-financial other liabilities		
Deferred income	32,156	34,624
Tax liabilities	746	2,198
Group total	**46,329**	**50,255**
thereof current	30,989	33,743
thereof non-current	15,340	16,513

Additional disclosure 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 values of financial assets and liabilities that are not regularly measured at fair value but for which the fair value is to be disclosed are assigned to the measurement levels of the fair value hierarchy according to IFRS 13 in the following table.

Carrying amounts and fair values by measurement category in accordance with IFRS 9:

Financial instruments	IFRS 9 measurement	Measurement basis for fair value		Carrying amount		Fair value
in EUR thou.	category[1]		**30 Jun. 2020**	31 Dec. 2019	**30 Jun. 2020**	31 Dec. 2019
Non-current assets						
Financial assets	FVTPL	Level 3	26	26	26	26
Finance lease receivables	IFRS 16		730	1,027	747	1,064
Interest rate derivatives	FVTPL	Level 2	45	53	45	53
Other receivables	AC		69	66		
Total			**869**	**1,173**	**818**	**1,143**
Current assets						
Finance lease receivables	IFRS 16		5,484	990	5,624	1,032
Currency derivatives	FVTPL	Level 2	45	-	45	-
Trade receivables	AC		69,310	80,981		
Receivables from related parties	AC		6,281	3,779		
Other receivables	AC		14,641	13,218		
Total			**95,760**	**98,968**	**5,669**	**1,032**
Non-current liabilities						
Bonds	AC	Level 2	248,436	497,131	250,702	513,076
Liabilities to banks	AC	Level 2	285,482	220,350	280,805	217,315
Lease liabilities	IFRS 16		8,971	13,421		
Interest rate derivatives	Hedge Accounting	Level 2	1,400	801	1,400	801
Other financial liabilities	AC		2,722	1,875	2,708	1,876
Financial other liabilities	AC		117	130		
Total			**547,128**	**733,708**	**535,614**	**733,068**
Current liabilities						
Borrower's note loans	AC	Level 2	-	29,977	-	
Bonds	AC	Level 2	249,514	-	251,115	
Liabilities to banks	AC	Level 2	249,405	170,438	249,760	170,966
Lease liabilities	IFRS 16		6,016	9,363		
Liabilities to related parties	AC	Level 2	5,295	3,284	5,295	
Currency derivatives	FVTPL	Level 2	-	54	-	54
Other financial liabilities	AC		3,115	5,656	3,113	
Trade payables	AC		65,593	58,044		
Financial other liabilities	AC		11,911	12,449		
Total			**590,850**	**289,265**	**509,283**	**171,020**

1 *FVTPL - Fair value through profit or loss, AC - At amortised cost*

In the table above, financial instruments 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. This applies in particular to the accounting treatment of financial assets that are not actively traded. These assets are measured on the basis of the financial information available on the balance sheet date.

Due to factors that change in 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 based on the market data available at the balance sheet date and methods and assumptions described below.

For all current financial instruments, it was assumed that the carrying amount (amortised cost) is a reasonable approximation of fair value, unless not specified otherwise in the table. The fair values of the finance lease receivables reported as non-current assets and the borrower's note loans, bonds and liabilities to banks were calculated as the present values of the future expected cash flows. Standard market interest rates between 1.1% p.a. and 1.5% p.a. (2019: between 0.1% p.a. and 0.7% p.a.) were used for discounting based on the respective maturities.

Finance lease receivables and lease liabilities are measured in accordance with IFRS 16. Financial assets whose cash flows comprise repayments and interest are allocated to the AC category and are measured at amortised cost.

The fair value of interest rate derivatives is determined by discounting the expected future cash flow over the remaining term of the contract using the current yield curves. The fair value of currency derivatives is determined on the basis of valuations of current market parameters of external financial service providers.

The change in the carrying amounts and fair values of Level 3 valuations of financial assets results from valuation effects in the period. Financial assets consist of investments and are valued on the basis of the net asset value. The result recognized in profit or loss resulted from the fair value measurement amounts to EUR 0 thousand (2019: EUR 100 thousand).

Regrouping within the levels of the evaluation hierarchies did not take place in the reporting period.

Bonds include special termination rights 120 days after a change of control of Sixt Leasing SE, if further conditions are not met. Settlement of the voluntary takeover offer from Hyundai Capital Bank Europe GmbH (HCBE) on 16 July 2020 resulted in such a change of control. The Company is currently negotiating with the new majority shareholder respectively associated company to secure a requirement for replacement financing which may result. In the public offer document dated 24 March 2020 HCBE declared, it intends to procure an adequate internal or external replacement financing to the extent required. At present, the Managing Board does not see any increased risks in the existing financing, compared to 31 December 2019, due to the COVID-19 pandemic. This is also reflected in the fact that financing from the ABS structure and from taking out additional bank loans was expanded in the first half of 2020 as a preventive liquidity reserve. The relevant financing agreement provisions are constantly monitored to identify any need for action.

Trade receivables consist of lease installments due immediately or in the short term (operate lease) and receivables due immediately or in the short term from full service, fleet management and vehicle sales. Furthermore, to a significant lower extent, finance lease receivables exist, which are substantially current receivables as well. The Sixt Leasing Group expects that any payment difficulties and defaults due to the COVID-19 pandemic in the national economies will not be felt until 2021, if at all. Due to the short-term nature of our receivables portfolio, the Sixt Leasing Group does not weight this scenario when calculating the expected credit loss. As part of our early warning, monitoring and control measures, we have not yet identified any significant direct impact of the COVID-19 pandemic on our receivables portfolio. The receivables of our partners are being continuously monitored and, if necessary, we are taking short-term measures to keep our risk position low. An appropriate credit assessment process is in place for new business in the future.

Contingent liabilities
As of the end of the reporting period, claims had been asserted vis-à-vis Sixt Leasing SE based on alleged improper cancellation information. The Sixt Leasing SE rejects these claims and shall defend itself against complaints of this nature. No provision was made for these claims as a result, as Sixt Leasing SE believes, on the basis of external legal advice, that a liability is unlikely to be incurred.

3.6 GROUP SEGMENT REPORTING

The Sixt Leasing Group is active in the two main business units Leasing and Fleet Management. When combined, the revenue from these activities – excluding vehicle sales revenue – is also described as “operating revenue”.

The segment information for the first six months of 2020 (compared with the first six months of 2019) is as follows:

By business unit		Leasing		Fleet Management		Consolidation		Group
in EUR million	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
External revenue	318.4	379.7	51.8	48.3	-	-	370.3	428.0
Internal revenue	-0.0	-0.0	0.2	0.0	-0.2	-0.0	-	-
Total revenue	318.4	379.7	52.0	48.3	-0.2	-0.0	370.3	428.0
Fleet expenses and cost of lease assets	187.2	240.9	45.9	43.1	-0.0	-0.0	233.1	284.1
EBITDA[1]	105.1	113.0	1.6	2.0	-	-	106.7	115.0
Depreciation and amortisation expense	98.3	94.9	0.0	0.0	-	-	98.3	94.9
EBIT[2]	6.8	18.0	1.6	2.0	-	-	8.4	20.0
Net finance costs	-5.4	-5.8	-0.1	-0.1	-	-	-5.5	-5.9
EBT[3]	1.3	12.2	1.5	1.9	-	-	2.9	14.1
Investments	211.3	198.1	0.0	0.1	-	-	211.3	198.1
Assets	1,399.7	1,323.4	22.5	23.4	-2.5	-7.8	1,419.7	1,339.0
Liabilities	1,159.2	1,084.0	19.7	20.1	-2.3	-7.6	1,176.6	1,096.5

1 *Corresponds to earnings before interest, taxes, depreciation and amortisation (EBITDA)*
2 *Corresponds to earnings before interest and taxes (EBIT)*
3 *Corresponds to earnings before taxes (EBT)*

By region		Germany		International		Consolidation		Group
in EUR million	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Total revenue	338.6	390.0	31.7	38.0	-	-	370.3	428.0
Investments	195.9	180.3	15.4	17.8	-	-	211.3	198.1
Assets	1,475.3	1,355.0	660.0	548.9	-715.6	-565.0	1,419.7	1,339.0

3.7 RELATED PARTY DISCLOSURES

As part of the acquisition of Sixt Leasing SE by Hyundai Capital Bank Europe GmbH (HCBE), the following contracts were concluded with Sixt SE and other direct and indirect subsidiaries of Sixt SE. With the settlement of the voluntary takeover offer by Hyundai Capital Bank Europe (HCBE) on 15 and 16 July 2020 respectively, these contracts entered into force. A Transitional Services and Separation Support Agreement IT was agreed which essentially guarantees continued provision of the previous IT services for a transitional period and governs the separation of IT infrastructure and IT applications at the same time. The agreement has been concluded in arm’s length and provides for remuneration based on usage as well as remuneration payable upon successful completion. In the first six month of 2020 services were charged in the amount of EUR 0.3 million to the Sixt Leasing SE under this agreement. The acquisition of essential parts of the business operations of SL Car Sales GmbH, Garching, as well as assets attributable to these business operations, and specific contracts was agreed in a sales and transfer agreement. The at arm’s length price is EUR 2.1 million and is based on an external valuation. A licence agreement concerning the use of trademarks, company symbols and business equipment including corporate design and Internet domain for a period of 5 years was also concluded. The at arm’s length remuneration is based on specific net revenues, equal the previous agreement. For more information, please refer to Sixt Leasing SE’s consolidated accounts as of 31 December 2019 in the Annual Report 2019 (see notes to the consolidated financial statements ‘5.4 Related party disclosure’).

As of 30 June 2020, the nature and amount of other transactions between the Sixt Leasing Group and related parties had not changed significantly in comparison to the situation as of 31 December 2019. For more information, please refer to Sixt Leasing SE’s consolidated accounts as of 31 December 2019 in the Annual Report 2019 (see notes to the consolidated financial statements ‘5.4 Related party disclosure’).

3.8 UNCERTAINTIES RESULTING FROM THE COVID-19 PANDEMIC REGARDING ACCOUNTING AND MEASUREMENT IN THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2020

We described the global outbreak of the coronavirus (SARS-CoV-2) and coronavirus illness (COVID-19) in the Sixt Leasing SE Annual Report dated 31 December 2019. The political measures described therein have been relaxed again substantially since then and the second quarter of 2020 saw a general economic recovery. However, this recovery has varied a great deal from industry to industry and has been partially negative. Infection rates are now rising again in some areas following widespread loosening of lockdown measures. Fundamentally, the Sixt Leasing Group believes it is in a strong position to continue monitoring and steering the business through the current coronavirus crisis, thanks to its control and risk management organisation. However, potential developments are difficult to predict and there is a lack of academic and research studies and findings providing how to deal with such an event. The Managing Board continues its early warning, monitoring and control measures at significantly more intensive and more frequent levels. In order to avoid operational consequences due to the COVID-19 pandemic, the Sixt Leasing Group has implemented comprehensive hygiene measures and makes intensive use of the home office option.

The regularly reviewed and recognised risk provisioning for lease assets essentially represents provision for future marketing at the end of the individual lease term of the existing leasing contract portfolio as of the relevant reporting date and has therefore not yet been realised as of the relevant reporting date. However, due to the unprecedented nature of the COVID-19 pandemic and uncertainty on how it will develop, trends in used car prices are currently hard to predict. As mentioned above, the Managing Board uses external industry expertise to predict future developments.

Impairment test of assets such as goodwill, intangible assets under construction and deferred taxes is based on budgeting and business planning as of a specific point in time. Especially as a result of the global COVID-19 pandemic increased uncertainty surrounds this budgeting and business planning. The Group's strategic focus is not impacted at present by the current situation surrounding COVID-19. As a result of a potential second wave of infection in autumn 2020 and any resulting overall "lockdown" measures, the current economic recovery may however be interrupted or may not emerge for an unforeseeable period of time. These developments must then be taken into consideration accordingly in the review of budgeting and (partial) business planning, which could lead to subsequent adjustments of the carrying amount of these assets. However, the Managing Board currently estimates this scenario to be unlikely. These assumptions and predictions are based on the expectation that any forthcoming second wave of infection in autumn 2020 will not lead to another full lockdown and that Sixt Leasing Group will be able to tap into its potential for growth, as set out above and in the report on opportunities, first of all through the acceleration of the overall trend towards digitisation resulting from the COVID-19 pandemic, and, in particular, through the strategic partnership with new major shareholder HCBE. However, it is important to note that it is currently very difficult to reliably predict the actual long-term future economic effects of the COVID-19 pandemic and increased uncertainty surrounds projections and discretionary decisions as a result.

3.9 EVENTS SUBSEQUENT TO THE REPORTING DATE

After the end of the second quarter of the 2020 financial year, the following events of significant affection in regard to the assets, finances and earnings of the Group and company occurred:

On 15 July 2020, Sixt SE's stake in Sixt Leasing SE (41.9% of share capital) was acquired by Hyundai Capital Bank Europe GmbH (HCBE). On 16 July 2020, shares were acquired by HCBE from minority shareholders as a result of the public takeover offer. After completion of these two substeps, HCBE holds just over 92% of ordinary shares and voting rights in Sixt Leasing SE, making it the largest shareholder. With the acquisition of SIXT Leasing SE, HCBE intends to expand its position in the vehicle financing sector by adding innovative mobility services to its product portfolio and expanding fleet operations at the point of sale and online.

In connection with the acquisition of Sixt Leasing SE by HCBE, the Chair of Sixt Leasing SE's Supervisory Board, Mr Erich Sixt, stepped down from his position with effect from the end of 15 July 2020. The Deputy Chair of the Supervisory Board, Prof. Dr Marcus Englert, also stepped down from his position with effect from the end of 31 July 2020. Dr Julian zu Putlitz will continue in his position as a member of Sixt Leasing SE's Supervisory Board. The Managing Board wishes to express its deepest thanks to the departing Supervisory Board members for their efforts on behalf of the company.

Sixt Leasing SE intends to fill the vacancies on the company's Supervisory Board with new members by judicial appointment.

On 20 July 2020, Sixt Leasing SE reduced its earnings forecast for the current financial year in regard to the expected EBT. Immediately prior to the announcement, as part of the regular review of the residual values of the leasing fleet, a need for additional risk provision in the mid single-digit million euro range had been identified.

On completion of the takeover on 15 and 16 July 2020 respectively, the receivables from (EUR 4.3 million as of 30 June 2020) and liabilities toward (EUR 5.3 million as of 30 June 2020) Sixt SE group companies are no longer receivables from or liabilities against affiliated companies.

With effect from 15 July 2020, Sixt Leasing SE acquired essential parts of the business operations of SL Car Sales GmbH, Garching, and assets and specific contracts attributable to these business operations in exchange for a cash payment of EUR 2.1 million. The provisionally determined relative fair value of the net assets is currently in progress. The acquisition was not yet reflected in the interim financial statements. The operating results, assets and liabilities of the acquired business operations are recorded from 15 July 2020.

4. RESPONSIBILITY STATEMENT

Responsibility statement in accordance with section 115 (2) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with section 264 (2) and section 289 (1) of the Handelsgesetzbuch (HGB – German Commercial Code)

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group 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 for the remaining months of the financial year."

Pullach im Isartal, 12 August 2020

Sixt Leasing SE
The Managing Board

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