

allane mobility group

Allane SE

Group Quarterly Statement as of 30 September 2021

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

The **Group's contract portfolio** in Germany and abroad (excluding franchise and cooperation partners) amounted to 128,200 contracts as of 30 September 2021, down 1.3% from 31 December 2020 (129,900 contracts).

Consolidated revenue in the first three quarters of 2021 increased by 0.1% to EUR 565.8 million compared to the same period in the previous year (9M 2020: EUR 565.3 million). **Operating revenue**, which does not include the proceeds from vehicle sales, decreased in the same period by 8.9% to EUR 291.5 million (9M 2020: EUR 319.9 million). A major impact on the decline in operating revenue was attributable to the third "lockdown" due to the ongoing COVID-19 pandemic, which, in contrast to the first "lockdown" in the prior-year period, lasted longer throughout the first half-year. This third "lockdown" resulted, among other things, in significantly reduced vehicle usage, causing in particular a decline in usage-related revenues, such as fuel revenues and revenue from individual service products. Moreover, leasing revenue (finance rate) decreased compared to the first three quarters of 2020 due to the decline in the contract portfolio of the Leasing business unit. In addition to the aforementioned reduction in vehicle usage, the decrease in contracts also contributes to the decline in usage-related other revenue from leasing business. **Sales revenue** from the sale of leasing returns and marketing of customer vehicles in Fleet Management increased in the first three quarters of 2021 by 11.8% to EUR 274.4 million (9M 2020: EUR 245.4 million). This development was mainly caused by an increase in unit price of vehicles sold due to the high demand on used cars.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased in the first three quarters of 2021 by 10.3% to EUR 142.3 million (9M 2020: EUR 158.6 million) compared to the same period in the previous year. **Earnings before taxes (EBT)** saw a decline of 10.3% to EUR 4.6 million in the same period (9M 2020: EUR 5.2 million). The **operating return on revenue** (EBT/operating revenue) consequently amounted to 1.6% (9M 2020: 1.6%).

The EBT falls within the range of expectations. As part of the regular review of the leasing fleet's residual values, an additional risk provisioning requirement was recognized in the mid single-digit million euro range in the previous year's period. During the first three quarters of 2021, a portion of this amount was once again reversed. This is mainly due to an expected recovery in future residual values compared to the previous year's expectation, in addition to the decline in contract volumes. This was overcompensated particularly by a market and business environment, which continued to be strongly negatively impacted by the COVID-19 pandemic as described above, the increased amortization for internally generated software products as well as ongoing transaction-related costs incurred in connection with the acquisition of the Company by Hyundai Capital Bank Europe GmbH (HCBE).

Allane Mobility Group	9M	9M	Change
in EUR million	2021	2020	in %
Consolidated revenue	565.8	565.3	0.1
Operating revenue	291.5	319.9	-8.9
Sales revenue	274.4	245.4	11.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	142.3	158.6	-10.3
Earnings before taxes (EBT)	4.6	5.2	-10.3
Operating return on revenue (%)	1.6	1.6	0.0 points

1.2 LEASING BUSINESS UNIT

In the Leasing business unit, which consists of the business fields Online Retail and Fleet Leasing, the contract portfolio totalled around 70,000 contracts as at the end of the third quarter, down 8.4% from 31 December 2020 (76,400 contracts). At the same time, the contract portfolio in the Online Retail business field declined by 5.0% to 36,700 contracts (31 December 2020: 38,600 contracts). The contract portfolio in the Fleet Leasing business field saw a decline of 11.9% to 33,300 contracts compared with the end of 2020 (31 December 2020: 37,800 contracts). The decline is due to a higher number of contract expiries compared to the number of new contracts won.

Key figures Leasing business unit	9M	9M	Change
in EUR million	2021	2020	in %
Total revenue	479.3	485.3	-1.2
Thereof leasing revenue (finance rate)	152.0	163.2	-6.8
Thereof other revenue from leasing business	99.4	119.5	-16.8
Thereof sales revenue	227.9	202.6	12.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	141.5	156.5	-9.6
Earnings before taxes (EBT)	4.0	3.2	25.5
Operating return on revenue (%)	1.6	1.1	0.5 points

1.3 FLEET MANAGEMENT BUSINESS UNIT

In the Fleet Management business unit, the contract portfolio increased by 8.8% to 58,200 contracts in the first nine months of the current financial year (31 December 2020: 53,500 contracts).

Key figures Fleet Management business unit	9M	9M	Change
in EUR million	2021	2020	in %
Total revenue	86.5	79.9	8.3
Thereof fleet management revenue	40.1	37.2	7.8
Thereof sales revenue	46.5	42.8	8.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.8	2.1	-63.1
Earnings before taxes (EBT)	0.6	2.0	-68.1
Operating return on revenue (%)	1.6	5.3	-3.7 points

The decline in earnings before taxes (EBT) in the Fleet Management business unit is the result, among other things, of consulting expenses incurred in connection with the application for a permit for payment services under the German Payment Services Supervision Act (Zahlungsdienstenaufsichtsgesetz – ZAG), which is a topic that currently concerns the entire fleet management industry, as well as increased costs for software products, developed from the Allane Mobility Group, that were used in the Fleet Management business unit for the first time in the 2020 financial year.

1.4 FINANCIAL POSITION

Equity

The equity of the Allane Mobility Group amounted to EUR 216.6 million as of 30 September 2021, an increase of EUR 3.8 million compared to 31 December 2020 (EUR 212.9 million). The equity ratio increased by 1.4 percentage points from 16.4% to 17.8%, which resulted from the decrease in total assets and the profit of the period. The decrease in total assets primarily results from the lower level of lease assets.

Liabilities

As of 30 September 2021, non-current liabilities and provisions totalled EUR 389.9 million (31 December 2020: EUR 722.5 million). The decline of EUR 332.5 million was mainly due to non-current financial liabilities decreasing by EUR 329.6 million to EUR 342.1 million (31 December 2020: EUR 671.7 million). This is mainly due to the bond issued in fiscal year 2018, which has to be repayed in

the second quarter of 2022 and therefore as of 30 September 2021 no longer qualifies as non-current. The bond is therefore presented under current financial liabilities. In addition, reduced lease assets decreased the general financing requirement.

Current liabilities and provisions as of 30 September 2021 totalled EUR 611.8 million (31 December 2020: EUR 360.2 million). The increase of EUR 251.6 million was mainly due to current financial liabilities rising by EUR 241.8 million to EUR 506.0 million (31 December 2020: EUR 264.2 million). This is mainly due to the bond issued in fiscal year 2018 described above, which is no longer to be reported under non-current financial liabilities. In addition, accounts payable increased by EUR 3.4 million to EUR 51.2 million (31 December 2020: EUR 47.8 million) and other liabilities increased by EUR 4.4 million to EUR 34.7 million (31 December 2020: EUR 30.2 million).

1.5 INVESTMENTS

The Allane Mobility Group added vehicles with a total value of EUR 245.1 million to its leasing fleet in the first nine months of 2021 (9M 2020: EUR 313.8 million; -21.9%). The decline is partly due to the fact that the prior-year period was positively impacted by high flotations of orders from the end of 2019, and partly to the decline in new contracts.

2. EVENTS SUBSEQUENT TO THE REPORTING DATE

Mr. Björn Waldow left Allane SE at his own request on 30 September 2021. He will be succeeded by Mr. Álvaro Hernández as CFO of Allane SE, who will be appointed as a member of the Managing Board.

No further significant events, that would affect the financial position and financial performance of the Group and the Company, have occurred after the end of the third financial quarter 2021.

3. SPECIFIC EVENTS – COVID-19 PANDEMIC

With regard to the COVID-19 pandemic, we refer to the risk and forecast report in the management report of the Annual Report 2020, as well as the update reported in the Notes of the Interim Report as of 30 June 2021, published on 25 August 2021. It should be noted, however, that at present it is hard to give reliable estimates for the future regarding the actual long-term economic consequences of the COVID-19 pandemic, and that consequently the estimates and discretionary decisions are subject to greater uncertainty.

4. REPORT ON OUTLOOK

Allane confirms the outlook published on 24 March 2021. Accordingly, the Company expects a slight increase in the Group contract portfolio compared to the previous year (2020: 129,900 contracts) and consolidated operating revenue in the range of previous year's figure (2020: EUR 423.3 million). With regard to EBT, Allane expects a higher single-digit million euro amount (2020: EUR 9.1 million). The reason for the cautious forecast for the full year 2021 is, in addition to the operating business development in the first nine months of 2021, primarily the ongoing COVID-19 situation. In this respect, the Company assumes that the market and business environment will continue to be strongly negatively impacted by the COVID-19 pandemic. In addition, consolidated earnings are still burdened in the 2021 financial year by transaction-related costs in connection with the takeover of the Company by HCBE.

5. FINANCIAL FIGURES FOR ALLANE MOBILITY GROUP AS AT 30 SEPTEMBER 2021

5.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement in EUR thou.	9M	9M	Q3	Q3
	2021	2020	2021	2020
Revenue	565,814	565,264	198,559	194,998
Other operating income	7,149	7,668	1,783	2,243
Fleet expenses and cost of lease assets	366,773	359,396	132,199	126,286
Personnel expenses	36,659	31,638	11,931	10,563
Other operating expenses	27,240	23,259	9,668	8,482
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	142,291	158,639	46,545	51,910
Depreciation and amortisation expense	132,471	145,095	42,857	46,763
Earnings before interest and taxes (EBIT)	9,820	13,544	3,687	5,147
Net finance costs	-5,189	-8,378	-1,687	-2,851
Earnings before taxes (EBT)	4,631	5,165	2,000	2,296
Income tax expense	1,216	1,737	456	615
Consolidated profit	3,415	3,428	1,544	1,681
Of which attributable to shareholders of Allane SE	3,415	3,428	1,544	1,681
Earnings per share – basic and diluted (in Euro)	0.17	0.17	0.07	0.08

Consolidated statement of comprehensive income in EUR thou.	9M	9M
	2021	2020
Consolidated profit	3,415	3,428
Other comprehensive income (not recognised in the income statement)	755	-105
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	-33	65
Change in derivative financial instruments designated as hedge accounting	1,018	-203
Related deferred taxes	-230	32
Total comprehensive income	4,169	3,323
Of which attributable to minority interests	788	-171
Of which attributable to shareholders of Allane SE	3,382	3,494

5.2 CONSOLIDATED BALANCE SHEET

Assets		
in EUR thou.	30.09.2021	31.12.2020
Non-current assets		
Goodwill	4,293	4,293
Intangible assets	21,108	18,709
Property and equipment	25,916	14,374
Lease assets	1,013,233	1,093,294
Financial assets	25	27
Other receivables and assets	1,059	888
Deferred tax assets	771	797
Total non-current assets	1,066,404	1,132,382
Current assets		
Inventories	35,016	52,527
Trade receivables	70,206	69,173
Receivables from related parties	2,305	1,461
Other receivables and assets	28,998	36,739
Income tax receivables	879	897
Bank balances	14,586	2,374
Total current assets	151,990	163,171
Total assets	1,218,394	1,295,553
Equity and liabilities		
in EUR thou.	30.09.2021	31.12.2020
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	60,721	57,750
Minority interests	232	-556
Total equity	216,609	212,851
Non-current liabilities and provisions		
Provisions for pensions	232	232
Other provisions	226	226
Financial liabilities	342,128	671,693
Other liabilities	10,700	13,962
Deferred tax liabilities	36,663	36,383
Total non-current liabilities and provisions	389,948	722,496
Current liabilities and provisions		
Other provisions	4,134	2,855
Income tax liabilities	1,060	1,077
Financial liabilities	505,981	264,201
Trade payables	51,209	47,850
Liabilities to related parties	226	21
Contract Liabilities	14,550	13,977
Other liabilities	34,675	30,226
Total current liabilities and provisions	611,837	360,206
Total equity and liabilities	1,218,394	1,295,553

5.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	9M	9M
in EUR thou.	2021	2020
Operating activities		
Consolidated profit	3,415	3,428
Income taxes recognised in income statement	1,140	1,685
Income taxes paid / received (net)	-1,138	-753
Financial result recognised in income statement ¹	5,188	8,378
Interest received	160	280
Interest paid	-5,662	-8,940
Depreciation and amortisation	132,471	145,095
Income from disposal of fixed assets	-13,018	-22
Other (non-)cash expenses and income	-18,311	-3,025
Gross Cash flow	104,245	146,128
Proceeds from disposal of lease assets	227,879	202,634
Payments for investments in lease assets	-245,057	-313,827
Change in inventories	17,511	3,398
Change in trade receivables	-1,033	6,065
Change in trade payables	3,360	3,029
Change in other net assets	11,046	-16,694
Net cash flows from operating activities	117,951	30,734
Investing activities		
Payments for investments in intangible assets and equipment	-8,250	-7,121
Net cash flows used in investing activities	-8,250	-7,121
Financing activities		
Dividends paid	-412	-18,550
Proceeds from bank loans (incl. ABS-transaction)	7,360	180,846
Payments made for redemption of bank loans (incl. ABS-transaction)	-91,992	-136,869
Proceeds from Financing from affiliated companies	10,000	-
Payments made for redemption of Financing from affiliated companies	-20,000	-
Net cash flows used in/from financing activities	-95,044	25,427
Net change in cash and cash equivalents	14,657	49,040
Effect of exchange rate changes on cash and cash equivalents	1	1
Cash and cash equivalents at 1 Jan. ²	-70	710
Cash and cash equivalents at 30 Sep.	14,586	49,751

¹ Excluding income from investments

² Cash and cash equivalents as at 1 January 2021 consist of bank balances (EUR 2,374 thousand) and bank overdrafts (EUR -2,444 thousand). As at 1 January 2020, cash and cash equivalents consist of bank balances (EUR 2,641 thousand) and bank overdrafts (EUR -1,931 thousand).

5.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue is broken down as follows:

Revenue	9M	9M	Change	Q3	Q3	Change
in EUR thou.	2021	2020	in %	2021	2020	in %
Leasing business unit						
Thereof leasing revenue (finance rate)	151,990	163,156	-6.8	49,433	53,677	-7.9
Thereof other revenue from leasing business	99,402	119,530	-16.8	34,140	38,876	-12.2
Thereof sales revenue	227,879	202,634	12.5	82,030	74,350	10.3
Total	479,271	485,320	-1.2	165,602	166,902	-0.8
Fleet Management business unit						
Thereof fleet management revenue	40,071	37,165	7.8	13,703	13,217	3.7
Thereof sales revenue	46,472	42,779	8.6	19,254	14,879	29.4
Total	86,543	79,944	8.3	32,957	28,096	17.3
Group total	565,814	565,264	0.1	198,559	194,998	1.8

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	9M	9M	Change
in EUR thou.	2021	2020	in %
Selling expenses ¹	260,950	245,220	6.4
Fuel	30,781	35,545	-13.4
Repair, maintenance and reconditioning	45,844	48,532	-5.5
Insurance	6,983	6,071	15.0
External rent expenses	3,871	3,753	3.1
Vehicle licenses and deregistration	3,337	5,347	-37.6
Transportation	3,242	3,840	-15.6
Taxes and dues	2,393	2,223	7.7
Radio license fees	1,124	1,188	-5.3
Vehicle return expenses	2,544	3,043	-16.4
Other expenses	5,705	4,634	23.1
Group total	366,773	359,396	2.1

¹ Includes expenses from write-downs on lease assets intended for sale

Depreciation and amortisation

Depreciation and amortisation are split up as follows:

Depreciation and amortisation	9M	9M	Change
in EUR thou.	2021	2020	in %
Lease assets	126,314	142,305	-11.2
Property and equipment	2,905	1,726	68.3
Intangible assets	3,252	1,064	>100
Group total	132,471	145,095	-8.7

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	9M	9M	Change
in EUR thou.	2021	2020	in %
Expenses for buildings	1,395	823	69.4
Other selling and marketing expenses	3,750	4,086	-8.2
Expenses from write-downs of receivables	2,714	4,069	-33.3
Audit, legal, advisory costs, and investor relations expenses	6,717	3,884	72.9
Other personnel services	2,444	1,336	82.9
IT expenses	6,802	4,252	60.0
Expenses for foreign currency translation	1,037	882	17.5
Miscellaneous expenses	2,382	3,928	-39.4
Group total	27,240	23,259	17.1

Net finance costs

Net finance costs are broken down as follows:

Net finance costs	9M	9M
in EUR thou.	2021	2020
Other interest and similar income	188	234
Other interest and similar income from related parties	43	28
Interest and similar expenses	-5,519	-8,407
Other net financial income/loss	99	-234
Group total	-5,189	-8,378

Group segment reporting

The segment information for the first nine months of 2021 (compared with the first nine months of 2020) is as follows:

By business unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020
External revenue	479.3	485.3	86.5	79.9	-	-	565.8	565.3
Internal revenue	0.1	-0.0	0.0	0.2	-0.1	-0.2	-	-
Total revenue	479.4	485.3	86.6	80.1	-0.1	-0.2	565.8	565.3
Fleet expenses and cost of lease assets	289.4	288.7	77.4	70.8	-0.1	-0.0	366.8	359.4
EBITDA ¹	141.5	156.5	0.8	2.1	-	-	142.3	158.6
Depreciation and amortisation expense	132.4	145.1	0.0	0.0	-	-	132.5	145.1
EBIT ²	9.1	11.4	0.7	2.1	-	-	9.8	13.5
Net finance costs	-5.1	-8.3	-0.1	-0.1	-	0.0	-5.2	-8.4
EBT ³	4.0	3.2	0.6	2.0	-	-	4.6	5.2

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)

Due to rounding, it is possible that individual figures presented in the Group Quarterly Statement may not add up exactly to the totals shown and the nine months figures 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.

Pullach, 17 November 2021

Allane SE
The Managing Board

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