Interim Report as at 30 June 2020

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Due to rounding it is possible that individual figures presented in this Interim Report may not add up exactly to the totals shown and that the 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 REPORT OF THE GROUP

1.1 GENERAL DISCLOSURES

Sixt SE domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is registered in section B of the commercial register at the Munich Local Court, under the docket number 206738. The Company was formed in 1986 as a result of a reorganisation of “Sixt Autovermietung GmbH”, established in 1979, and has traded since then as “Sixt Aktiengesellschaft”, which in 2013 was transferred into “Sixt SE”. The Company floated on the stock market in 1986. It has registered branches in Leipzig and at Munich airport. The Company has been established for an indefinite period.

At the reporting date 30 June 2020, the Company’s subscribed capital amounted to EUR 120,174,996.48. Both ordinary shares and non-voting preference shares have been issued, both categories as no-par value shares with a notional amount of EUR 2.56 per share. All shares have been fully paid up. The largest shareholder is Erich Sixt Vermögensverwaltung GmbH, Pullach, which holds 58.3% of the ordinary shares and voting rights of the subscribed capital as at reporting date. Erich Sixt Vermögensverwaltung GmbH, Pullach, is the parent of Sixt SE, Pullach.

The business activities of the Sixt Group were previously divided into the Mobility Business Unit and the Leasing Business Unit. As announced on 21 February 2020, Sixt SE has sold its 41.9% stake in Sixt Leasing SE to Hyundai Capital Bank Europe GmbH. Following the successful conclusion of the voluntary public takeover bid for all shares in Sixt Leasing SE, the transaction was completed on 15 July 2020 (closing). For this reason since the first quarter of 2020, the previously fully consolidated investment is shown as discontinued operations in line with the regulations of IFRS 5 until the deconsolidation of the investment with effect from the day of the closing.

In the Mobility Business Unit Sixt offers a unique integrated mobility service comprising the product categories SIXT rent, SIXT share, SIXT ride and the car subscription model SIXT+. These distinct products can be booked using one single app, which also integrates the services of renowned mobility partners such as driver services, taxi centres and other mobility service providers. Sixt is represented through its subsidiaries in the core European countries of Germany, France, Spain, the UK, the Netherlands, Austria, Switzerland, Italy, Belgium, Luxembourg, and Monaco (Sixt Corporate countries) and thus covers the largest part of the European market, making it one of the continent’s leading mobility service providers. Sixt also operates a subsidiary on the US-American rental market. In many other European and non-European countries, the Company is additionally represented by franchise and cooperation partners (Sixt Franchise countries).

1.2 BUSINESS REPORT

1.2.1 KEY DEVELOPMENTS DURING THE REPORTING PERIOD

The Sixt Group's business performance during the first half of 2020 was massively affected by the effects of the worldwide COVID-19 pandemic, particularly during the second quarter. When in many countries government measures to contain the pandemic came fully into force, such as travel warnings, border-crossing restrictions, stay-at-home orders and mobility restrictions for citizens, plus the lockdown of multiple economic industries, business travel, above all cross-border travel, at times came to a complete halt. As a result, demand for mobility services collapsed abruptly from mid-March onwards. In the wake governmental of easing measures, a gradual recovery started at the end of May, albeit on a low level. As a consequence, Group revenue for the second quarter was 63.6% lower than last year's level, after revenue in the first quarter had decreased by only 3.4%.

In March, Sixt reacted to these exceptional and unforeseeable global conditions without delay by initiating a comprehensive package of measures that showed a positive effect during the second quarter.

- The rental fleet was reduced significantly to release capacities and liquidity and to adjust the supply of vehicles to the substantially lower demand. During the first half of 2020, the average number of vehicles in the fleets in Germany and abroad came to around 116,600 vehicles, 17.9% below the level over the same period last year. As of reporting date 30 June 2020, the rental fleet comprised around 113,400 vehicles.

- In the second quarter, Sixt also agreed on a syndicated loan facility with renowned banks including the German state-owned "Kreditanstalt für Wiederaufbau" (KfW) with a volume of up to EUR 1.5 billion to increase its financial flexibility so as to finance and secure future fleet expansion.

- The rescheduling of investments and the significant savings achieved in personnel and material costs should reduce the Group's cost basis this year by over EUR 150 million compared to the original budget (excluding the reduction of fleet costs). To this end, Sixt is using the means of short-time working arrangements in a number of European countries.

Even in times of the COVID-19 pandemic, Sixt is consistently pursuing the strategy of internationalising and digitising its business and is exploiting market opportunities. These include the take-over of ten strategically important airport locations in the USA at the beginning of July, the expansion of the mobility platform ONE and the car subscription service SIXT+, as well as the launch of the carsharing service SIXT share in the Netherlands at the beginning of June, allowing Sixt to take optimum account of changing mobility requirements, especially in the current crisis.

- In June, Sixt expanded the services offered on the mobility platform ONE and started another promising product alongside its existing product categories SIXT rent, SIXT share and SIXT ride: SIXT+ This service constitutes a flexible vehicle subscription with monthly termination option at an attractive price-performance ratio. With this offer, Sixt is reacting to changing mobility requirements in the wake of the COVID-19 pandemic: in its urban branches, the company is thus registering continually growing demand from private customers for flexible rental solutions. Carsharing and the classic rental car are being seen more and more as safe alternatives to using public transportation during COVID-19 times.

- At the beginning of June, Sixt started its carsharing service SIXT share in the Netherlands, making it the first foreign market. Customers in the metropolitan areas of Amsterdam, Rotterdam and Den Haag will be offered a fleet exclusively made up of electric vehicles. Unlike its competitors, SIXT share offers an innovative free-floating service that gives its customers significantly more flexibility. Thus, users can not only rent the vehicles in the three cities, but also commute between the metropolitan areas and return the vehicles in any of the three business areas as well as at all Sixt offices in the Netherlands. The SIXT share service received high response in the Netherlands.

1.2.2 REVENUE DEVELOPMENT

Unless mentioned otherwise, the following key figures for the period from 1 January 2020 to 30 June 2020 cover the Mobility Business Unit as well as the other continued activities which are not categorised as part of the Mobility Business Unit. Pursuant to IFRS 5, the assets and liabilities as well as the post-tax earnings of the discontinued Leasing Business Unit are presented separately in the Balance Sheet and Profit and Loss Statement. For purposes of comparison, last year's figures are adjusted accordingly where required.

For the first six months of 2020, the Sixt Group reports total revenue of EUR 717.0 million, a 36.7% decrease from the same period last year (EUR 1.13 billion). Domestic revenue declined by 27.2% to EUR 332.7 million (H1 2019: EUR 456.7 million), while revenue generated abroad came to EUR 384.3 million (H1 2019: EUR 676.2 million; -43.2%). The first two months of the year still recorded consolidated revenue significantly above last year's level, while a massive drop was registered as of March following the travel restrictions and stay-at-home orders. Since May, however, first signs of a trend reversal have been detected due to the various easing measures introduced.

For the second quarter 2020, which was dominated by the COVID-19 pandemic, the Group reports a revenue of EUR 228.5 million, compared to the EUR 627.1 million of the second quarter last year (-63.6%). In Germany revenue dropped by 48.3% to EUR 122.5 million (Q2 2019: EUR 236.6 million). Revenue generated by foreign operations, which in the second quarter are highly dependent on seasonal demand in tourist destinations, fell by 72.8% to EUR 106.1 million (Q2 2019: EUR 390.5 million).

1.2.3 EARNINGS DEVELOPMENT

From January to June 2020 other operating income came to EUR 94.2 million, thus significantly above the previous year’s level (EUR 81.7 million). This is mainly due to the increased gains from foreign currency translation. Those gains are offset by a corresponding increase in expenses from currency translation recorded in other operating expenses.

Fleet expenses decreased by 21.9% to EUR 220.8 million (H1 2019: EUR 282.9 million). Almost all included positions declined along with the COVID-19-related fleet reduction.

As a result of the measures introduced in March in the wake of the COVID-19 pandemic, personnel expenses could already be reduced significantly by 17.7% in the first half of the year through the use of short-time working and similar instruments and came to EUR 182.9 million (H1 2019: EUR 222.4 million).

Depreciation and amortisation expense rose slightly by 2.7% to EUR 238.9 million in the first six months (H1 2019: EUR 232.5 million). The increase was particularly driven by higher amortisation expense on intangible assets resulting from an impairment of goodwill as well as increased depreciation of property and equipment due to additions to right of use assets from rental contracts for rental stations. On the other hand, depreciation on rental assets decreased by 8.4% to EUR 167.4 million in the reporting period along with the fleet reduction (H1 2019: EUR 182.6 million).

Other operating expenses registered a decline of 22.1% to EUR 272.7 million after EUR 350.0 million in the first half of 2019. On the one hand, especially leasing expenses, provisions, other personnel expenses as well as other expenses for selling and marketing fell because of the implemented cost cutting measures. On the other hand, increased impairments on receivables and expenses for currency translation had a compensatory effect.

Sixt Group thus recorded earnings before net finance costs and taxes (EBIT) of EUR -104.1 million (H1 2019: EUR 126.8 million). The EBIT came to EUR -108.3 million in the second quarter (Q2 2019: 80.1 Mio. Euro).

Net finance costs for the first six months increased by 40% compared to the previous year from EUR -13.4 million to EUR -18.8 million.

Earnings before taxes (EBT), the key earnings indicator of Sixt Group, stood at EUR -122.9 million in the first six months after EUR 113.4 million in the first half of the previous year. The negative result reflects the considerable shortfall in revenue and earnings due to the COVID-19 pandemic, which was only partially offset by the fleet reduction and the decrease in material and personnel costs.

EBT for the second quarter was EUR -117.7 million after a positive result in the amount of EUR 73.3 million in the same quarter in 2019.

Consolidated profit after taxes from continued operations came to EUR -114.6 million in the first six months (H1 2019: EUR 76.7 million) and EUR -105.0 million in the second quarter (Q2 2019: EUR 49.0 million). For the first half of the year, Sixt shows a consolidated profit after taxes from discontinued operations of EUR 59.3 million (H1 2019: EUR 10.4 million), whereby the second quarter accounted for EUR 33.5 million (Q2 2019: EUR 4.7 million). This figure reflects the quarterly result of the previous Leasing Business Unit, subject to the special requirements under IFRS 5.

The consolidated profit after taxes and before minority interests registered EUR -55.3 million (H1 2019: EUR 87.1 million). For the second quarter 2020 the Group reports a result of EUR -71.5 million (Q2 2019: EUR 53.8 million).

After allowing for earnings attributable to minority interests – which are almost exclusively the free float shareholders of Sixt Leasing SE – the consolidated profit after taxes came to EUR -90.5 million (H1 2019: EUR 81.1 million).

On the basis of 46.94 million outstanding shares (weighted average for the first six months for ordinary and preference shares taking due account of treasury shares; previous year 46.94 million shares outstanding) earnings per share (basic) for the first six months amounted to EUR -1.93, after EUR 1.73 in the prior-year period. The potential dilutive effect of stock options issued as part of the employee participation programme (Matching Stock Programme MSP 2012) is insignificant, so that no adjustment is made.

1.2.4 NET ASSETS

As at reporting date on 30 June 2020, the Group's total assets, at EUR 6.38 billion, were EUR 0.13 billion above the figure as at 31 December 2019 (EUR 6.25 billion).

Overall, non-current assets decreased by EUR 1.16 billion to EUR 0.69 billion (31 December 2019: EUR 1.84 billion). The decline is mainly due to the reclassification of assets of the Sixt Leasing Group, particularly of lease assets, into assets held for sale.

Current assets rose from EUR 4.41 billion in December 2019 by EUR 1.29 billion to EUR 5.69 billion as per end of June 2020. Rental assets continued to decrease following the fleet reduction implemented in March and pursued in the second quarter and came to EUR 2.46 billion (31 December 2019: EUR 3.03 billion), whereas cash and bank balances increased significantly and reached EUR 814.4 million at the reporting date (31 December 2019: EUR 170.5 million). In addition, the increase is due to the assets attributable to the Leasing Business Unit, which are recognised as assets held for sale and totalled EUR 1.50 billion.

1.2.5 FINANCIAL POSITION

Equity

The equity of the Sixt Group reached EUR 1.52 billion as at reporting date, thus with EUR 70.3 million slightly below the level of the year-end 2019 figure (EUR 1.59 billion). The equity ratio also decreased slightly to 23.9% (31 December 2019: 25.5%), but remains above the specified minimum level (20%) and on a level far above the average rental and leasing industry.

Liabilities

Non-current liabilities and provisions declined by EUR 805.8 million to EUR 1.91 billion as per 30 June 2020 (31 December 2019: EUR 2.72 billion). The reduction was mainly driven by the reclassification of the non-current liabilities of the Sixt Leasing Group into liabilities directly associated with assets held for sale.

Current liabilities and provisions reached a total of EUR 2.95 billion as per 30 June 2020, thus EUR 1.01 billion higher compared to the year-end 2019 figure (EUR 1.94 billion). Major reason for the increase was the recognition of current and non-current liabilities of the Sixt Leasing Group as liabilities directly associated with assets held for sale, amounting to EUR 1.22 million as per end of June 2020. This was offset by the timely repayment of the 2014/2020 bond issued by Sixt SE with a nominal value of EUR 250 million.

1.2.6 LIQUIDITY POSITION

Sixt Group reports a gross cash flow of EUR 116.5 million as of end of the first half of the year 2020 (H1 2019: EUR 298.7 million). Adjusted for changes in working capital this results in a cash inflow from operating activities of EUR 669.0 million for the first six months (H1 2019: cash outflow of EUR 831.3 million), which is mainly because of the reduction of the rental fleet. Thereof, EUR 28.0 million related to discontinued operations (H1 2019: EUR 71.4 million).

Investing activities resulted in a cash outflow of EUR 17.1 million (H1 2019: cash outflow of 17.9 million), which is due to investments in intangible assets and property and equipment. Discontinued operations were included in the first half of 2020 with cash outflows of EUR 3.7 million (H1 2019: cash outflow of EUR 3.2 million).

Financing activities led to a cash inflow of EUR 115.3 million in total (H1 2019: cash inflow of 765.0 million). While inflows and outflows from financing activities of the continuing operations were almost balanced (H1 2019: cash inflow of EUR 841.3 million), the cash inflow for the Sixt Group was mainly driven by the financing activities of discontinued operations in the amount of EUR 99.2 million (H1 2019: cash outflow of 76.4 million).

After changes relating to exchange rates and in consideration of cash and cash equivalents of discontinued operations, total cash flows resulted in an increase in cash and cash equivalents as at 30 June 2020 of EUR 643.9 million compared to the year-end 2019 figure (H1 2019: increase of 84.4 million).

1.2.7 INVESTMENTS

In the period from January to June 2020 Sixt added around 84,400 vehicles to the rental fleet (H1 2019: approx. 148,800 vehicles) with a total value of EUR 2.59 billion (H1 2019: EUR 4.26 billion). This corresponds to a decrease of around 43.3% in the number and 39.1% in the volume of investments.

1.2.8 SEGMENT INFORMATION

Mobility Business Unit

Key figures for the Mobility Business Unit			Change
in EUR million	**H1 2020**	H1 2019	in %
Operating revenue	711.3	1,130.1	-37.1
Thereof rental revenue	626.5	1,020.0	-38.6
Thereof other revenue from rental business	84.8	110.1	-23.0
Thereof abroad	382.6	675.7	-43.4
Earnings before net finance costs and taxes (EBIT)	-105.8	125.5	>-100
Earnings before taxes (EBT)	-122.6	113.2	>-100
Operating return on revenue (EBT/operating revenue) in %	-17.2	10.0	-27.2 points

Business development in the Mobility Business Unit in the first six months of 2020, particularly in the second quarter, was characterised by the negative effects of the global COVID-19 pandemic.

Operating revenue came to EUR 711.3 million in the first half of the year, a decline by 37.1% (H1 2019: EUR 1,130.1 million). Rental revenue dropped significantly by 38.6% to EUR 626.5 million (H1 2019: EUR 1,020.0 million), whereby the decline turned out to be stronger abroad (-44.3%) than in Germany (-29.5%). This was mainly attributable to the temporary complete halt in international air travel and the tourism business, which plays an important role in Sixt countries such as Spain, France, or Italy due to seasonal factors.

Other revenue from rental business registered a decline of 23.0% to EUR 84.8 million (H1 2019: EUR 110.1 million).

The Business Unit's half-year EBT amounted to EUR -122.6 million due to the significantly lower volume of business after a positive result of EUR 113.2 million in the prior-year period.

Rental revenue in the second quarter dropped by 65.3% to EUR 197.5 million (Q2 2019: EUR 569.5 million). Including other revenue from rental business, total revenue for the quarter stood at EUR 225.8 million, 63.9% less than in the second quarter 2019 (EUR 625.7 million).

Second quarter EBT came to EUR -117.9 million after a EBT of EUR 72.9 million in the second quarter of 2019.

As at 30 June 2020 the number of Sixt rental stations worldwide (corporate and franchise stations) totalled at 2,157 (31 December 2019: 2,111 stations). In Germany the number of stations came to 518 after 531 as of end of last year.

The average number of vehicles in Germany and abroad (excluding franchisees) stood at 116,600 in the first half of the year 2020, 17.9% less than in the same period last year (approx. 142,000 vehicles). As at the reporting date 30 June 2020 the rental fleet comprised approx. 113,400 vehicles. The decline reflects the targeted reduction of the rental fleet initiated in March due to the COVID-19 restrictions.

Leasing Business Unit

The previous Leasing Business Unit will be reported as a discontinued operation until deconsolidation.

1.3 REPORT ON RISKS AND OPPORTUNITIES

The Group Management Report in the Annual Report 2019 contains extensive details of the risks the Sixt Group faces, its risk management system, and its internal control and risk management system relating to its accounting procedures. The risk and opportunity profile of the Sixt Group in the first six months of 2020 has not changed significantly compared with the information provided in the Annual Report 2019, except for risks exacerbated by the COVID-19 pandemic.

The further development of the COVID-19 pandemic is subject to increased uncertainties both in its duration and its effects. If the virus continues to spread and measures to contain the virus need to be intensified or prolonged, the risks, particularly the economic risks, could increase. This could result in further decline in demand for the Sixt Group's mobility products and could further deteriorate Sixt Group's net assets, financial position and results of operation. In addition, the COVID-19 pandemic could lead to supply bottlenecks or delays in vehicle deliveries, so that an upturn in demand for mobility products could only be met to a limited extent in the short-term. However, Sixt is able to react flexibly to such situations. Furthermore, the market price risk on the used car markets could increase as a result of over-supply due to the severe economic impact of COVID-19. Even if currently not observable, such significant market changes could adversely affect the terms and conditions on which the Sixt Group can sell used rental vehicles to manufacturers/dealers or on the open market. Additionally, the risk that counterparties of buy-back agreements may not be able to meet their commitments or become insolvent forcing the Sixt Group to sell the affected vehicles on the used car markets could significantly increase. Overall, one can assume increasing bankruptcy rates in the second half of 2020 due to the crisis. As this could also affect the recognised receivables, Sixt continues to monitor respective risks intensively. The current macroeconomic situation in all regions of the world in light of the COVID-19 crisis may also have a fundamental impact on the willingness or ability of banks and capital market participants to provide funding at attractive conditions and/or in sufficient amounts. However, the Sixt Group has a strong capital base and sufficient financial resources as well as long-standing stable business relationships with its financing partners.

The Sixt Group continues to monitor the development of the COVID-19 pandemic very closely and has introduced comprehensive measures at an early stage, including protective measures, fleet reduction, savings in personnel and material costs, the postponement of planned investments and other measures to strengthen liquidity and financial flexibility, in order to respond to the considerable impact on the global tourism and mobility sector caused by the spread of COVID-19.

1.4 REPORT ON OUTLOOK

Due to the current market conditions prevailing in the travel sector and in air travel in particular, which are strongly influenced by the COVID-19 pandemic, the Managing Board of Sixt SE announced on 4 August 2020 that it is impossible to make a reliable estimate of the Sixt Group’s revenues and earnings development for the upcoming months. Therefore, the forecast for 2020 and the outlook for 2021 can no longer be maintained.

Both the Group’s operating revenue as well as the EBT achieved in the first half of 2020 are in line with previous expectations. Nevertheless, the development of revenues in July 2020 and the reservations received so far for the current quarter indicate that the recovery in demand at airports assumed for the crucial third quarter of 2020 will be weaker than Sixt SE had previously expected.

As it is currently impossible to foresee over what period and to what extent the Company can expect further adverse effects from the COVID-19 pandemic and the resulting uncertainties continue to increase significantly, the Company will not issue a new forecast for the financial year for the time being.

2. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 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[1]	**2020**	2019[1]
Revenue	717,002	1,132,871	228,523	627,133
Other operating income	94,242	81,673	39,390	42,863
Fleet expenses	220,838	282,869	79,355	157,579
Personnel expenses	182,911	222,365	68,279	114,761
Depreciation and amortisation expense	238,869	232,508	121,436	129,659
Other operating expenses	272,736	349,991	107,108	187,899
Earnings before interest and taxes (EBIT)	**-104,110**	**126,811**	**-108,265**	**80,097**
Net finance costs	-18,770	-13,405	-9,482	-6,793
Earnings before taxes (EBT)	**-122,880**	**113,406**	**-117,747**	**73,304**
Income tax expense	-8,269	36,699	-12,773	24,264
Result from continuing operations	**-114,611**	**76,707**	**-104,974**	**49,039**
Result from discontinued operations, net of taxes	59,282	10,361	33,486	4,726
Consolidated profit/loss	**-55,329**	**87,068**	**-71,488**	**53,766**
Of which attributable to minority interests	35,211	6,018	19,515	2,747
Of which attributable to shareholders of Sixt SE	**-90,540**	**81,051**	**-91,004**	**51,018**
Earnings per share - basic (in EUR)	-1.93	1.73	-1.94	1.09
Earnings per share - diluted (in EUR)	-1.93	1.73	-1.94	1.09
Earnings per share - basic (in EUR) continuing operations	-2.44	1.63	-2.65	1.04
Earnings per share - diluted (in EUR) continuing operations	-2.44	1.63	-2.65	1.04

Consolidated statement of comprehensive income	**H1**	H1
in EUR thou.	**2020**	2019[1]
Consolidated profit/loss	-55,329	87,068
Other comprehensive income (not recognised in the income statement)	-3,933	1,351
Components that could be recognised in the income statement in future		
Currency translation gains/losses	-3,631	1,777
Changes in the fair value of derivative financial instruments in hedge relationship	-373	-901
Related deferred taxes	71	475
Total comprehensive income	**-59,262**	**88,419**
Of which attributable to minority interests	35,048	5,689
Of which attributable to shareholders of Sixt SE	-94,310	82,730
From continuing operations	-118,483	78,314
From discontinued operations	24,174	4,416

[1] *The prior-year comparative figures have been adjusted accordingly to account for the reporting of discontinued operations*

2.2 CONSOLIDATED BALANCE SHEET

Assets in EUR thou.	30 Jun. 2020	31 Dec. 2019
Non-current assets		
Goodwill	19,649	28,911
Intangible assets	21,227	32,555
Property and equipment	580,206	606,345
Lease assets	-	1,119,670
Financial assets	1,382	2,352
Other receivables and assets	4,475	5,409
Deferred tax assets	60,699	47,521
Total non-current assets	**687,639**	**1,842,763**
Current assets		
Rental vehicles	2,462,433	3,033,364
Inventories	60,306	101,734
Trade receivables	560,448	765,038
Other receivables and assets	274,273	298,314
Income tax receivables	24,553	37,715
Cash and bank balances	814,448	170,519
Assets held for sale	1,495,395	-
Total current assets	**5,691,855**	**4,406,683**
Total assets	**6,379,494**	**6,249,446**

Equity and liabilities in EUR thou.	30 Jun. 2020	31 Dec. 2019
Equity		
Subscribed capital	120,175	120,175
Capital reserves	241,211	240,659
Other reserves	1,003,477	1,098,619
Minority interests	156,986	132,701
Total equity	**1,521,850**	**1,592,154**
Non-current liabilities and provisions		
Provisions for pensions and other post-employment benefits	3,345	3,306
Other provisions	1,023	913
Financial liabilities	1,898,532	2,652,691
Other liabilities	-	16,513
Deferred tax liabilities	8,047	43,336
Total non-current liabilities and provisions	**1,910,946**	**2,716,758**
Current liabilities and provisions		
Other provisions	97,731	121,110
Income tax liabilities	27,128	36,417
Financial liabilities	652,078	784,518
Trade payables	839,089	832,920
Other liabilities	107,512	165,569
Liabilities directly associated with assets held for sale	1,223,160	-
Total current liabilities and provisions	**2,946,698**	**1,940,534**
Total equity and liabilities	**6,379,494**	**6,249,446**

2.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	H1	H1
in EUR thou.	2020	2019[1]
Operating activities		
Consolidated profit/loss	-55,329	87,068
Result from discontinued operations, net of taxes	-59,282	-10,361
Income taxes recognised in income statement	9,898	34,457
Income taxes paid	-7,618	-50,685
Financial result recognised in income statement[2]	17,827	13,541
Interest received	1,077	281
Interest paid	-17,841	-14,724
Depreciation and amortisation	238,869	232,508
Income from disposal of fixed assets	42	42
Other (non-)cash expenses and income	-11,103	6,555
Gross cash flow	**116,538**	**298,683**
Change in rental vehicles, net	403,569	-1,277,449
Change in inventories	-8,571	-3,946
Change in trade receivables	123,609	-69,421
Change in trade payables	64,213	317,283
Change in other net assets	-58,390	-167,897
Net cash flows from/used in operating activities of continuing operations	**640,968**	**-902,747**
Net cash flows from operating activities of discontinued operations	28,012	71,434
Net cash flows from/used in operating activities	**668,980**	**-831,313**
Investing activities		
Proceeds from disposal of intangible assets, property and equipment	-	49
Payments for investments in intangible assets, property and equipment	-13,411	-14,730
Payments for investments in financial assets	-	-35
Net cash flows used in investing activities of continuing operations	**-13,411**	**-14,716**
Net cash flows used in investing activities of discontinued operations	-3,716	-3,192
Net cash flows used in investing activities	**-17,127**	**-17,907**
Financing activities		
Payments made due to the purchase of treasury shares	-2,772	-2,712
Dividends paid	-829	-101,260
Payments received from taken out borrower's note loans, bonds and bank loans	378,000	467,000
Payments made for redemption of borrower's note loans, bonds, bank loans and lease liabilities	-371,627	-81,472
Payments made for redemption of/payments received from taken out short-term financial liabilities[3]	13,350	559,782
Net cash flows from financing activities of continuing operations	**16,121**	**841,338**
Net cash flows from/used in financing activities of discontinued operations	99,183	-76,361
Net cash flows from financing activities	**115,304**	**764,978**
Net change in cash and cash equivalents	**767,157**	**-84,243**
Effect of exchange rate changes on cash and cash equivalents	-4,382	27
Changes in the scope of consolidation	-	1,134
Cash and cash equivalents at 1 Jan.	**170,519**	**145,936**
Less cash and cash equivalents of discontinued operations	118,846	1,272
Cash and cash equivalents at 30 Jun.	**814,448**	**61,581**

1 *The prior-year comparative figures have been adjusted accordingly to account for the reporting of discontinued operations*
2 *Excluding income from investments*
3 *Short-term borrowings with terms of up to three months and quick turnover*

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity in EUR thou.	Subscribed capital	Capital reserves	Other reserves[1]	Treasury shares	Equity attributable to shareholders of Sixt SE	Minority interests	Total equity
1 Jan. 2020	**120,175**	**240,659**	**1,098,619**	**-**	**1,459,454**	**132,701**	**1,592,154**
Consolidated profit/loss	-	-	-90,540	-	-90,540	35,211	-55,329
Dividend payments 2019	-	-	-829	-	-829	-10,770	-11,599
Other comprehensive income	-	-	-3,770	-	-3,770	-163	-3,933
Purchase of treasury shares	-	-	-	-2,772	-2,772	-	-2,772
Re-issuance of treasury shares	-	-	-	2,772	2,772	-	2,772
Increase due to the employee participation programme	-	552	-	-	552	11	563
Other changes	-	-	-3	-	-3	-3	-6
30 Jun. 2020	**120,175**	**241,211**	**1,003,477**	**-**	**1,364,864**	**156,986**	**1,521,850**
1 Jan. 2019	**120,175**	**241,412**	**955,055**	**-**	**1,316,642**	**125,381**	**1,442,023**
Consolidated profit/loss	-	-	81,051	-	81,051	6,018	87,068
Dividend payments 2018	-	-	-101,260	-	-101,260	-5,744	-107,004
Other comprehensive income	-	-	1,680	-	1,680	-329	1,351
Purchase of treasury shares	-	-	-	-2,712	-2,712	-	-2,712
Re-issuance of treasury shares	-	-	-	2,712	2,712	-	2,712
Increase due to the employee participation programme	-	674	-	-	674	11	685
Other changes	-	15	21	-	36	-2	34
30 Jun. 2019	**120,175**	**242,102**	**936,546**	**-**	**1,298,823**	**125,334**	**1,424,157**

[1] *Including retained earnings*

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

3.1 GENERAL DISCLOSURES

Fundamentals of the interim consolidated financial statements / Accounting and valuation methods
The consolidated financial statements of Sixt SE as at 31 December 2019 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and effective at the closing date.

The same accounting policies as in the 2019 consolidated financial statements are principally applied in the interim consolidated financial statements as at 30 June 2020, which were prepared on the basis of International Accounting Standard IAS 34 (Interim financial reporting). 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. Changes are presented in the section "Reporting and valuation methods applied for the first time in the current financial year".

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. Following the massive global restrictions and the exceptional and unforeseeable current consequences of COVID-19 pandemic, the accounting estimates and assumptions are subject to increased uncertainty. For this reason, Sixt SE has updated its assumptions and estimates to include the expected economic development. Actual amounts may differ from these estimates. The results presented in the interim financial statements are not necessarily indicative of the results of future reporting periods or of the full financial year.

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

The accompanying interim consolidated financial statements as at 30 June 2020 have not been audited or reviewed by the Company's and Group's auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich.

Reporting and valuation methods applied for the first time in the current financial year
On 21 February 2020 Sixt SE announced that it had entered into an agreement to sell its entire stake in Sixt Leasing SE. As a result, the Leasing Business Unit was accounted for using the below described reporting and valuation methods for non-current assets and disposal groups held for sale.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and the sale is considered highly probable. In accordance with the measurement requirements of IFRS 5 (Non-current assets held for sale and discontinued operations) such non-current assets and disposal groups are measured at the lower of their carrying amount or fair value less cost to sell. Once classified as held for sale, non-current assets or non-current assets within a disposal group are no longer amortised or depreciated. An impairment is recognised if the fair value less cost to sell is less than the carrying amount. The impairment loss is allocated first to goodwill and then on a pro rata basis to the non-current assets that are no longer amortised or depreciated.

Non-current assets classified as held for sale, as well as the assets and the corresponding liabilities of a disposal group are presented in the items "Assets held for sale", respectively "Liabilities directly associated with assets held for sale". Income and expenses of discontinued operations, as well as gains or losses arising from the measurement to fair value and gains or losses resulting from disposal are presented separately in the item "Result from discontinued operations, net of taxes". The cash flows resulting from discontinued operations are presented separately in an aggregated form in the cash flow statement. The prior-year comparative figures of the income statement as well as of the cash flow statement are adjusted accordingly.

In the first half of 2020, following the COVID-19 pandemic Sixt received government grants for the use of short-time workings and similar instruments, that meet the requirements of IAS 20 (Accounting for government grants and disclosure of government assistance). Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant. Grants relating to profit or loss are offset against the corresponding expenses.

Furthermore the following new standards and interpretations have been applied for the first time in 2020.

Standard / Interpretation		Applicable as at
Amendments to IFRS 3	Business combinations	1 Jan. 2020
Amendments to IAS 1 and IAS 8	Definition of material	1 Jan. 2020
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform	1 Jan. 2020
Amendments to IFRS 16	COVID-19-related rent concessions	1 Jun. 2020
	Amendments to References to the Conceptual Framework in IFRS Standards	1 Jan. 2020

Standards and interpretations not yet mandatory for application

The following new and/or amended standards and interpretations have been ratified by the IASB but are not yet mandatory. The Company has not applied these regulations prematurely.

Standard / Interpretation		Adoption by European Commission	Applicable as at
IFRS 14	Regulatory deferral accounts	No	1 Jan. 2016
IFRS 17	Insurance contracts	No	1 Jan. 2023
Amendments to IFRS 3	Business combinations – Reference to the conceptual framework	No	1 Jan. 2022
Amendments to IAS 16	Property, plant and equipment – Proceeds before intended use	No	1 Jan. 2022
Amendments to IAS 37	Onerous contracts – Cost of fulfilling a contract	No	1 Jan. 2022
Amendments to IFRS 4	Extension of the temporary exemption from applying IFRS 9	No	1 Jan. 2021
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 IAS 1	Classification of liabilities as current or non-current	No	1 Jan. 2022
	Annual improvement project 2018-2020	No	1 Jan. 2022

Key events in the period under review

Following the travel restrictions and stay-at-home orders caused by the COVID-19 pandemic, demand for mobility services collapsed abruptly and massively affected the financial and earnings position of the Sixt Group in the first half of 2020. Total consolidated revenue in the first half of 2020 was 37.1% below the previous year, even though first signs of a trend reversal are seen in May due to the first easing measures. Already in March Sixt has adopted a comprehensive package of cost saving measures as reaction to the COVID-19 pandemic. Thus the vehicle fleet was reduced significantly, which also resulted in reductions in fleet expenses. In addition, planned investments were postponed and savings in personnel and material costs, among others through the use of short-time workings, were realised.

Moreover assets were tested for impairment as at 30 June 2020. The Sixt Group currently assumes the pandemic to be a temporary event, that will not have a lasting negative impact on the Group's economic performance. Therefore the last-year impairment tests have been reviewed and adjusted to the current situation. The review of the carrying amounts of goodwill as at reporting date 30 June 2020 resulted in an impairment loss of EUR 7.0 million. Accounting estimates and management judgements for the review of other assets, in particular rental vehicles and receivables have also taken due account of the economic implications of the COVID-19 pandemic.

3.2 SCOPE OF CONSOLIDATION

Sixt SE, domiciled in Zugspitzstrasse 1, 82049 Pullach, Germany, is entered in section B of the commercial register at the Munich Local Court, under docket number 206738.

Compared to reporting date as at 31 December 2019 the following companies, which were founded by the Group, have been consolidated for the first time: Sixt Car Sales, LLC, Wilmington, USA, and SIL CAP, LLC, South Burlington, USA.

3.3 EXPLANATIONS OF SELECTED ITEMS OF THE CONSOLIDATED INCOME STATEMENT

Revenue

Revenue is broken down as follows:

Revenue		Germany		Abroad		Total	Change
in EUR million	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	in %
Mobility Business Unit							
Rental revenue	277.8	394.3	348.7	625.8	626.5	1,020.0	-38.6
Other revenue from rental business	50.9	60.2	33.9	49.9	84.8	110.1	-23.0
Total	**328.7**	**454.5**	**382.6**	**675.7**	**711.3**	**1,130.1**	**-37.1**
Other revenue	4.0	2.2	1.8	0.5	5.7	2.7	>100
Group total	**332.7**	**456.7**	**384.3**	**676.2**	**717.0**	**1,132.9**	**-36.7**

Revenue		Germany		Abroad		Total	Change
in EUR million	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019	in %
Mobility Business Unit							
Rental revenue	103.9	205.7	93.6	363.8	197.5	569.5	-65.3
Other revenue from rental business	16.7	29.9	11.6	26.3	28.3	56.2	-49.7
Total	**120.6**	**235.6**	**105.2**	**390.1**	**225.8**	**625.7**	**-63.9**
Other revenue	1.8	1.0	0.9	0.4	2.7	1.4	94.8
Group total	**122.5**	**236.6**	**106.1**	**390.5**	**228.5**	**627.1**	**-63.6**

Other operating income

In the first half of 2020 other operating income increased to EUR 94.2 million (H1 2019: EUR 81.7 million), in particular due to higher gains from foreign currency translation. A corresponding increase of expenses from currency translation is also recorded in other operating expenses.

Fleet expenses

Fleet expenses split up as follows:

Fleet expenses	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Repairs, maintenance and reconditioning	99.4	137.7	-27.8
Fuel	16.4	25.6	-35.9
Insurance	44.4	44.3	0.1
Transportation	22.2	25.1	-11.6
Taxes and charges	11.2	13.4	-16.9
Other	27.3	36.8	-25.7
Group total	**220.8**	**282.9**	**-21.9**

Personnel expenses

With the initiated adjustment measures to save costs personnel expenses could be reduced from EUR 222.4 million to EUR 182.9 million. The use of short-time workings and similar instruments resulted in grants received from the government, which were offset against the respective personnel expenses.

Depreciation and amortisation expense

Expenses for depreciation and amortisation are explained in more detail below:

Depreciation and amortisation expense	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Rental vehicles	167.4	182.6	-8.4
Property and equipment	61.0	46.0	32.6
Intangible assets	10.5	3.9	>100
Group total	**238.9**	**232.5**	**2.7**

Amortisation on intangible assets in the year 2020 include the impairment loss on goodwill.

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	**H1**	H1	Change
in EUR million	**2020**	2019	in %
Leasing expenses	27.2	37.0	-26.5
Commissions	38.1	97.1	-60.8
Expenses for buildings	21.3	25.1	-15.0
Other selling and marketing expenses	27.7	40.0	-30.8
Expenses from write-downs of receivables	23.7	12.5	89.5
Audit, legal, advisory costs, and investor relations expenses	12.1	9.9	23.3
Other personnel services	24.9	39.8	-37.5
Expenses for IT and communication services	8.7	10.2	-14.9
Currency translation/consolidation	58.6	49.5	18.4
Miscellaneous expenses	30.3	28.8	5.4
Group total	**272.7**	**350.0**	**-22.1**

Net finance costs

Net finance costs of EUR -18.8 million (H1 2019: EUR -13.4 million) contain net interest expense of EUR -17.8 million (H1 2019: EUR -13.5 million). In addition, net finance costs include the result from fair value measurement of financial assets in the amount of EUR -0.9 million (H1 2019: EUR 0.1 million).

Income tax expense

Income tax expense is composed of current income tax of EUR 9.9 million (H1 2019: EUR 34.5 million), as well as deferred taxes of EUR -18.2 million (H1 2019: EUR 2.2 million).

Result from discontinued operations, net of taxes / Assets and liabilities held for sale

On 21 February 2020 Sixt SE announced that it had entered into an agreement to sell its entire stake in Sixt Leasing SE. As a result, the Leasing Business Unit is reported as a discontinued operation. In the first half of 2020, the result from discontinued operations, net of taxes, amounted to EUR 59.3 million (H1 2019: EUR 10.4 million). The increase against the prior year is mainly due to measurement requirements of IFRS 5 (Non-current assets held for sale and discontinued operations), whereby non-current assets are no longer amortised or depreciated. During the first half of 2020 there have been recorded no impairment losses on assets and liabilities held for sale.

Intra-group receivables, liabilities, income and expenses between continuing and discontinued operations have been fully eliminated. The elimination of intra-group income and expenses has been allocated to the continuing and discontinued operations in a way that reflects the continuance of these transactions subsequent to disposal. For this purpose, consolidation effects from income and expenses are attributed in full to the discontinued operations.

The result from discontinued operations, net of taxes is broken down as follows:

Result from discontinued operations, net of taxes	**H1**	H1
in EUR million	**2020**	2019
Revenue	363.5	418.5
Other operating income and expenses	-275.4	-398.6
Net finance costs	-5.5	-5.9
Earnings before taxes (EBT)	**82.7**	**14.0**
Income tax expense	-23.4	-3.7
Result from discontinued operations, net of taxes	**59.3**	**10.4**

The following table presents the major classes of assets and liabilities from discontinued operations:

Assets held for sale and liabilities from discontinued operations	
in EUR million	**30 Jun. 2020**
Intangible assets incl. goodwill	17.9
Property and equipment	8.7
Lease assets	1,179.8
Income tax receivables and deferred tax assets	3.7
Inventories	49.9
Trade receivables	69.3
Other receivables and assets	47.3
Cash and bank balances	118.8
Assets held for sale	**1,495.4**
Provisions	5.6
Income tax liabilities and deferred tax liabilities	55.2
Financial liabilities	1,050.4
Trade payables	65.6
Other liabilities	46.4
Liabilities directly associated with assets held for sale	**1,223.2**

As of 30 June 2020, other comprehensive income recognised in equity in the amount of EUR -0.1 million (H1 2019: EUR -0.3 million) is attributable to discontinued operations.

Earnings per share

Earnings per share - basic		**H1 2020**	H1 2019[1]
Consolidated profit for the period after minority interests	in EUR thou.	-90,540	81,051
Profit attributable to ordinary shares	in EUR thou.	-59,105	51,902
Profit attributable to preference shares	in EUR thou.	-31,435	29,149
Weighted average number of ordinary shares		30,367,112	30,367,112
Weighted average number of preference shares		16,576,246	16,569,466
Earnings per ordinary share	in EUR	-1.95	1.71
From continuing operations	in EUR	-2.46	1.62
From discontinued operations	in EUR	0.51	0.09
Earnings per preference share	in EUR	-1.90	1.76
From continuing operations	in EUR	-2.41	1.67
From discontinued operations	in EUR	0.52	0.09

[1] *The prior-year comparative figures have been adjusted to consider the minimum dividend of EUR 0.05 per preference share in accordance with the Articles of Association*

The profit/loss attributable to preference shares considers the minimum dividend of EUR 0.05 per preference share payable in accordance with the Articles of Association for preference shares carrying dividend rights in the financial year. The weighted average number of shares is calculated on the basis of the proportionate number of shares per month for each category of shares, taking due account of the respective number of treasury shares. Earnings per share are calculated by dividing the profit or loss attributable to each class of shares by the weighted average number of shares per class of shares. The potential dilutive effect of stock options issued as part of the Matching Stock Programme MSP 2012 is insignificant, so that no adjustment is made.

Dividend

The proposal to suspend the dividend payment for ordinary shares and to pay out the minimum dividend of EUR 0.05 per preference share was resolved unchanged by the Annual General Meeting on 24 June 2020. This corresponds to a total distribution of EUR 829 thousand.

3.4 EXPLANATIONS OF SELECTED ITEMS OF THE CONSOLIDATED BALANCE SHEET

Rental vehicles

As a result of the countermeasures adopted to cut the cost basis following the COVID-19 pandemic, the rental vehicles item decreased by EUR 570.9 million to EUR 2.46 billion as at reporting date (31 December 2019: EUR 3.03 billion).

Other receivables and assets

Other receivables and assets can be broken down as follows:

Other receivables and assets in EUR million	**30 Jun. 2020**	31 Dec. 2019
Financial other receivables and assets		
Finance lease receivables	-	2.0
Receivables from affiliated companies and from other investees	0.1	1.1
Miscellaneous assets	89.9	98.4
Non-financial other receivables and assets		
Other recoverable taxes	33.2	22.0
Insurance claims	26.1	46.9
Deferred expense	16.9	23.5
Delivery claims for vehicles of the rental fleet	112.6	109.7
Group total	**278.7**	**303.7**
Thereof current	274.3	298.3
Thereof non-current	4.5	5.4

Equity

The share capital of Sixt SE as at 30 June 2020 amounts unchanged to EUR 120,174,996 (31 December 2019: EUR 120,174,996).

The share capital is composed of:

Composition of the share capital	No-par value shares	Nominal value in EUR **30 Jun. 2020**	No-par value shares	Nominal value in EUR 31 Dec. 2019
Ordinary shares	30,367,112	77,739,807	30,367,112	77,739,807
Non-voting preference shares	16,576,246	42,435,190	16,576,246	42,435,190
Total	**46,943,358**	**120,174,996**	**46,943,358**	**120,174,996**

Treasury shares

By resolution of the Annual General Meeting of 2 June 2016 the Managing Board, with consent of the Supervisory Board, was authorised, as specified in the proposed resolution, to acquire in the period up to and including 1 June 2021 ordinary bearer shares and/or preference bearer shares of the Company in the amount of up to 10% of the Company's share capital at the time of the authorisation or, if lower, at the time of the exercise – including with the use of derivatives in the amount of up to 5% of the share capital. The authorisation could be exercised wholly or partially, on one or more occasions for any purpose permitted by law. Acquisitions for the purpose of trading in treasury shares were excluded. On the basis of the aforementioned authorisation the Managing Board decided in March 2020, with the consent of the Supervisory Board, for a share buyback programme, which served to meet the Company's obligations to grant preference shares to employees and members of the Company's administrative and management bodies and their affiliated companies under the Matching Stock Programme (MSP 2012). The share buyback programme was completed on 11 March 2020. At that time, Sixt SE repurchased in total 57,890 preference shares with a total value of EUR 2.8 million (excluding incidental purchase expenses).

By resolution of the Annual General Meeting of 24 June 2020 the above mentioned authorisation has been repealed and replaced by a new authorisation, that can be exercised, with the consent of the Supervisory Board, in the period up to and including 23 June 2025. The conditions follow from the resolution taken by the Annual General Meeting on 24 June 2020. As at reporting date the authorisation has not been exercised.

Minority interests

Minority interests are related entirely to the Leasing Business Unit. As at reporting date 30 June 2020, Sixt SE has held an interest of 41.9% in Sixt Leasing SE and its subsidiaries.

Authorised capital

By resolution of the Annual General Meeting of 24 June 2020 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 23 June 2025, with the consent of the Supervisory Board, by up to a maximum of EUR 32,640,000 by issuing new no-par value bearer shares against cash and/or non-cash contributions, whereby the shareholders' pre-emptive rights may be excluded under certain conditions (Authorised capital 2020).

Conditional capital

By resolution of the Annual General Meeting of 24 June 2020 the Managing Board, with the consent of the Supervisory Board, was authorised, as specified in the proposed resolution, to issue on one or more occasions in the period up to and including 23 June 2025 convertible and/or bonds with warrants registered in the name of the holder and/or bearer of up to a maximum of EUR 350,000,000 with a fixed or open-ended term and to grant conversion or option rights to the holder and/or creditor of convertible bonds to acquire a total of up to 6,000,000 new ordinary bearer shares in Sixt SE and/or to provide corresponding conversion rights for the Company.

In this context the company's share capital has been conditionally increased strength of the resolution taken by the Annual General Meeting on 24 June 2020 by up to EUR 15,360,000 (Conditional capital 2020). The conditional capital increase serves to grant shares to the holders or creditors of convertible bonds and holders of option rights from bonds with warrants, insofar as the conversion or option rights from the aforementioned bonds are actually exercised or the conversion obligations from such bonds are fulfilled and provided that no other form of settlement is being used.

Profit participation bonds and rights

By resolution of the Annual General Meeting of 30 June 2017 the Managing Board, with the consent of the Supervisory Board, is authorised, to issue on one or more occasions in the period up to and including 29 June 2022 profit participation bonds and/or rights registered in the name of the holder and/or bearer by up to a maximum of EUR 350,000,000 with a fixed or open-ended term against cash and/or non-cash contributions. The profit participation bonds and/or rights issued under this authorisation may not provide for conversion or subscription rights to shares of the Company.

Financial liabilities

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 million	**30 Jun. 2020**	31 Dec. 2019	**30 Jun. 2020**	31 Dec. 2019	**30 Jun. 2020**	31 Dec. 2019
Borrower's note loans	-	30.0	883.5	883.1	172.7	172.7
Bonds	5.2	255.0	496.4	993.0	-	-
Commercial papers	263.0	70.0	-	-	-	-
Liabilities to banks	277.9	320.0	12.1	232.4	55.2	56.8
Lease liabilities	95.7	94.4	211.8	231.0	66.8	83.8
Other liabilities	10.3	15.2	-	-	-	-
Group total	**652.1**	**784.5**	**1,603.8**	**2,339.4**	**294.8**	**313.3**

Borrower’s note loans were issued in several tranches, with nominal terms between two and seven years.

The bonds relate mainly to the 2016/2022 bond issued in 2016 and the 2018/2024 bond issued in 2018, both issued by Sixt SE. The bond with a nominal value of EUR 250 million, reported in the previous year under current financial liabilities, was repaid in accordance with the contractual terms. Due to the presentation of the Leasing Business Unit as discontinued operation, the 2017/2021 and 2018/2022 bonds issued by Sixt Leasing SE have been reclassified to the item liabilities directly associated with assets held for sale.

The liabilities to banks result mainly from a long-term real estate loan and short-term borrowings at variable rates of interest taken out by utilising the credit lines available to the Group. The liabilities from the ABS programme of Sixt Leasing SE were reclassified in the current reporting period to the item liabilities directly associated with assets held for sale.

At the beginning of May 2020, Sixt SE concluded a syndicated credit line with a consortium of banks with the participation of the German state-owned “Kreditanstalt für Wiederaufbau” (KfW). The revolving credit line had an initial volume of up to EUR 1.5 billion and was concluded at market conditions with a term of up to two years. In the reporting period this credit line has not been utilised.

Other provisions

As was the case at year-end 2019, other provisions primarily comprise provisions for taxes, legal costs and the operating rental business (fleet related costs) as well as employee-related provisions.

Other liabilities

Other liabilities can be broken down as follows:

Other liabilities in EUR million	**30 Jun. 2020**	31 Dec. 2019
Financial other liabilities		
Liabilities to affiliated companies	0.2	0.2
Liabilities to other investees	0.0	0.2
Payroll liabilities	11.0	7.0
Miscellaneous liabilities	24.9	39.7
Non-financial other liabilities		
Deferred income	0.7	35.8
Tax liabilities	37.8	65.0
Contract liabilities	32.9	34.1
Group total	**107.5**	**182.1**
Thereof current	107.5	165.6
Thereof non-current	-	16.5

Contract liabilities relate to payments received from customers in advance for future vehicle rentals.

Additional disclosures on financial instruments

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each category of financial instruments. The fair value of financial assets and liabilities that are not regularly measured at fair value, but for which the fair value is to be specified, are assigned in the following table to the measurement levels of the fair value according to IFRS 13.

Financial instruments in EUR thou.	IFRS 9 measurement category[1]	Measurement basis for fair value	Carrying amount **30 Jun. 2020**	Carrying amount 31 Dec. 2019	Fair value **30 Jun. 2020**	Fair value 31 Dec. 2019
Non-current assets						
Financial assets	FVTPL	Level 3	1,382	2,352	1,382	2,352
Finance lease receivables	IFRS 16		-	1,027	-	1,064
Interest rate derivatives	FVTPL	Level 2	-	53	-	53
Other receivables	AC		4,475	4,329		
Total			**5,858**	**7,761**	**1,382**	**3,469**
Current assets						
Finance lease receivables	IFRS 16		-	990	-	1,032
Currency derivatives	FVTPL	Level 2	6,629	4,598	6,629	4,598
Trade receivables	AC		560,448	765,038		
Other receivables	AC		78,916	90,554		
Total			**645,993**	**861,181**	**6,629**	**5,631**
Non-current liabilities						
Bonds	AC	Level 2	496,439	992,999	509,477	1,035,604
Borrower's note loans	AC	Level 2	1,056,202	1,055,774	1,066,957	1,082,031
Liabilities to banks	AC	Level 2	67,306	289,127	66,783	288,008
Financial other liabilities	AC		-	130		
Lease liabilities	IFRS 16		278,585	314,791		
Interest rate derivatives	Hedge Accounting	Level 2	-	801	-	801
Total			**1,898,532**	**2,653,622**	**1,643,217**	**2,406,444**
Current liabilities						
Bonds	AC	Level 2	5,158	254,954	5,381	260,459
Borrower's note loans	AC	Level 2	-	29,977	-	30,283
Commercial papers	AC	Level 2	263,000	70,000	262,784	70,007
Liabilities to banks	AC	Level 2	277,933	320,004	280,156	321,378
Lease liabilities	IFRS 16		95,717	94,398		
Trade payables	AC		839,089	832,920		
Other financial liabilities	AC		10,269	15,185		
Currency derivatives	FVTPL	Level 2	24	3,408	24	3,408
Financial other liabilities	AC		36,036	42,826		
Total			**1,527,227**	**1,663,672**	**548,345**	**685,534**

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

The financial instruments in above table 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. There have been no transfers between the individual measurement levels at the reporting 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 on the basis of market data available at the balance sheet date and the methods and assumptions described below.

For current financial instruments it was assumed that the fair values correspond to the carrying amounts (amortised cost) unless specified otherwise in the table.

The fair value of bonds, borrower's note loans and liabilities to banks reported as non-current and current liabilities were calculated as the present value of the future expected cash flows. Standard market interest rates of between 0.5% p.a. and 1.4% p.a. for financial instruments that will be settled in Euro (2019: between 0.0% p.a. and 2.0% p.a.) as well as of between 1.0% p.a. and 1.8% p.a. for financial instruments that will be settled in US-Dollars (2019: between 2.0% p.a. and 2.6% p.a.) based on the respective maturities were used for discounting.

The fair value for financial assets determined on the basis of unobservable market data relate to equity instruments. The equity instruments are valued on the basis of their net assets value. The change in the reported carrying amounts and fair value has resulted from results recognised in profit or loss in the amount of EUR -943 thousand (31 December 2019: EUR -298 thousand) and reclassification to the item assets held for sale in the amount of EUR -26 thousand (31 December 2019: EUR - thousand). The value posted as at 31 December 2019 includes also additions of equity instruments in the amount of EUR 1,137 thousand and change in the scope of consolidation in the amount of EUR -2,529 thousand.

3.5 GROUP SEGMENT REPORTING

So far, the Sixt Group was active in the two main business segments of Mobility and Leasing. As at 30 June 2020 the Leasing Business Unit is shown as discontinued operation. The definition of the business segments corresponds with the internal management and reporting, these were not changed following the disclosure of the Leasing Business Unit as discontinued operation. Activities that cannot be allocated to these segments, such as holding company activities and real estate leasing are combined in the Other section.

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

By Business Unit	Mobility		Leasing		Other		Reconciliation		Group	
in EUR million	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019
External revenue	709.5	1,127.7	-	-	3.6	1.9	-	-	713.0	1,129.6
Internal revenue	1.8	2.4	-	-	10.9	11.9	-8.8	-11.0	4.0	3.3
Total revenue	711.3	1,130.1	-	-	14.5	13.8	-8.8	-11.0	717.0	1,132.9
Depreciation and amortisation expense	236.4	230.2	-	-	2.4	2.3	-	-	238.9	232.5
EBIT[1]	-105.8	125.5	-	-	1.7	1.3	-	-	-104.1	126.8
Net finance costs	-16.8	-12.3	-	-	-2.0	-1.1	-	-	-18.8	-13.4
EBT[2]	-122.6	113.2	-	-	-0.3	0.2	-	-	-122.9	113.4
Investments[3]	50.1	34.4	211.2	198.0	0.3	98.3	-	-91.7	261.5	239.1
Segment assets	4,725.8	5,278.1	1,499.7	1,333.5	960.9	950.0	-892.2	-880.1	6,294.2	6,681.5
Segment liabilities	3,537.5	4,072.2	1,228.4	1,091.0	140.5	140.6	-83.9	-76.9	4,822.5	5,226.8

By Region	Germany		North America		Europe/Other		Reconciliation		Group	
in EUR million	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019
Total revenue	345.5	479.9	145.8	238.8	251.4	454.8	-25.7	-40.7	717.0	1,132.9
Investments[3]	220.3	276.8	14.6	3.7	26.6	47.6	-	-89.1	261.5	239.1
Segment assets	5,048.9	5,372.0	1,049.8	1,199.8	2,816.2	3,159.9	-2,620.6	-3,050.1	6,294.2	6,681.5

[1] *Corresponds to earnings before interest and taxes (EBIT)*
[2] *Corresponds to earnings before taxes (EBT)*
[3] *Excluding rental assets*

Investments, segment assets and segment liabilities contain the continuing as well as the discontinued operations. The information shown for revenue and result, as reported in the consolidated income statement, includes only the continuing operations. Internal revenue comprises revenues of the continuing operations with continuing as well as discontinued operations. Consolidation effects from revenues with discontinued operations are attributed in full to discontinued operations.

3.6 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities resulting from guarantees or similar obligations as against the 2019 consolidated financial statements.

3.7 RELATED PARTY DISCLOSURE

There have been no material changes in the nature and amount of Sixt Group's transactions with related parties as of 30 June 2020 compared to those reported as of 31 December 2019. For further details please refer to the consolidated financial statements of Sixt SE as of 31 December 2019 in the Annual Report 2019 (Notes to the consolidated financial statements "5.4 Related party disclosures").

The notifications received by Sixt SE during the reporting period concerning transactions pursuant to article 19 of the European Market Abuse Directive were duly published and can be retrieved on the website of Sixt SE at ir.sixt.eu under the tab "Investor Relations – Corporate Governance – Managers' Transactions".

3.8 EVENTS SUBSEQUENT TO REPORTING DATE

At the beginning of July Sixt SE announced that it is taking over ten strategically important airport locations in the US from the insolvent company Advantage Rent a Car. The transaction was approved on 1st of July by the responsible Bankruptcy Court in Delaware. By leveraging this market opportunity Sixt is now represented at nearly every important airport in the US.

On 15 July 2020 Sixt SE announced the successful completion of the sale of its stake in Sixt Leasing SE, that was already communicated in February. The selling price amounts to around EUR 155.6 million or EUR 18.00 for each share sold.

No further events of special significance for the net assets, financial position and result of operations of the Sixt Group occurred after the reporting date as of 30 June 2020.

4. RESPONSIBILITY STATEMENT

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, 13 August 2020

Sixt SE

The Managing Board

Contact
Sixt SE
Zugspitzstraße 1
82049 Pullach, Germany

InvestorRelations@sixt.com
Phone +49 (0) 89/ 7 44 44 - 5104
Fax +49 (0) 89/ 7 44 44 - 85104

Investor Relations website ir.sixt.eu
Further sites sixt.com
about.sixt.com

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Sixt SE
Zugspitzstraße 1
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