



HALF-YEAR FINANCIAL REPORT

as of 30 June 2018

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Foreword

Dear Shareholders,
Dear Business Partners,
Dear Ladies and Gentlemen,

In the first six months of 2018, the Consus Real Estate Group implemented key strategic steps to further grow the development portfolio and focus exclusively on real estate development. With a fully reorganized business model, Consus has strengthened its group structure and laid the grounds for further operational achievements in 2018 and beyond.

During the first six months of 2018, Consus achieved an overall performance of more than € 242m, with the majority being attributed to the property development segment. Ongoing construction work as well as approval of building permits for our projects in Leipzig (VauVau), Dresden (VauVau & Quarter Hoym) as well as Cologne (VauVau) led to the increase, underlining our strength in the execution of our development pipeline. Due to the change of the business model, it is not relevant to compare the development activities with the previous year. Our letting activities increased to € 15.1m compared to € 1.1m in 2017.

Earnings in the period are significantly impacted by one-off items due to portfolio transactions, transition to IFRS and first time consolidation resulting in other operating expenses of € 33.4m. We expect such costs to be reduced once the business reorganization is completed by the end of 2018. Overall, we achieved a consolidated net income from continued and discontinued operations of € 2.8m in the first six months. Our key reporting metric EBIT pre-PPA increased to € 56m resulting in an EBIT pre-PPA margin of 23%.

Consus has acquired twelve new development projects in 2018 so far that met our acquisition criteria. They had previously been identified as targets in the first quarter of 2018, thereby increasing our aggregate GDV from € 4.55bn as of December 31, 2017 by € 1.7bn to € 6.2bn as of end of September 2018. In the first half of 2018, secured projects resulted in a GDV € 5.3bn. The newly acquired development projects will mainly focus on standardized rental apartments and integrated residential and commercial developments. An addition, 402,500 square meters of residential and commercial net floor area will be developed, leading to a combined total for our portfolio of approx. 1.6 million square meters. In terms of location, the great majority of the newly acquired projects by GDV are located in Cologne, Hamburg and Berlin. These locations have high demand for residential units.

In addition to our portfolio growth, operational success was achieved through the issuance of building permits by the local authorities for two forward sale projects and one condominium project and will both fall in the scope of IFRS 15 in the second quarter of 2018.

Consus has achieved further strong growth in its forward selling model. Forward selling transactions lie at the core of competencies at Consus Group and are a key part of our lower risk development model going forward. At the beginning of the year, Consus received the first cash inflows of around € 131m from the initial purchase price payments from the VauVau forward sale deal dating back to December 2017. This € 670m forward deal was one of the major forward sale real estate transactions in recent years and underlines Consus' forward selling business model. In total, Consus received total prepayments for development projects of € 244m in the first six months of 2018.

With its focus now on the development portfolio and distinct expertise in sourcing, planning and constructing residential properties and city districts, Consus divested its original buy-to-hold commercial portfolio in May 2018 to an institutional investor for € 148m. With the successful disposal, Consus achieved a gross gain versus the fair value at the end of 2017. In addition, in August 2018, Consus announced the sale of its stake in GxP Germany Commercial Properties, resulting in the company no longer having any separately operated buy-to-hold investment properties.

There were significant developments on the Consus Boards in the first half of the year. The Supervisory Board of Consus appointed Andreas Steyer as its new Chief Executive Officer (CEO) on June 1, 2018. The previous CEO, Norbert Kickum, returned to our strategic shareholder Aggregate after he successfully implemented the first strategic steps towards becoming Germany's largest listed development company. In April 2018, Benjamin Lee was appointed as CFO of Consus, following the sudden and very sad passing of Dr Jürgen Büser. Professor Dr Hermann Wagner was appointed to the Supervisory Board by the Annual General Assembly at the end of August 2018 and replaced Dr Karl Kauermann who stepped down from his role.

We would like to thank the members of the Supervisory Board for their continuous constructive support, during the first six months of 2018. Last but not least, we would also like to thank our employees, whose expertise and dedication are crucial to the sustainable success of the Consus Group.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andreas Steyer'.

Andreas Steyer
CEO

A handwritten signature in blue ink, appearing to read 'Benjamin Lee'.

Benjamin Lee
CFO

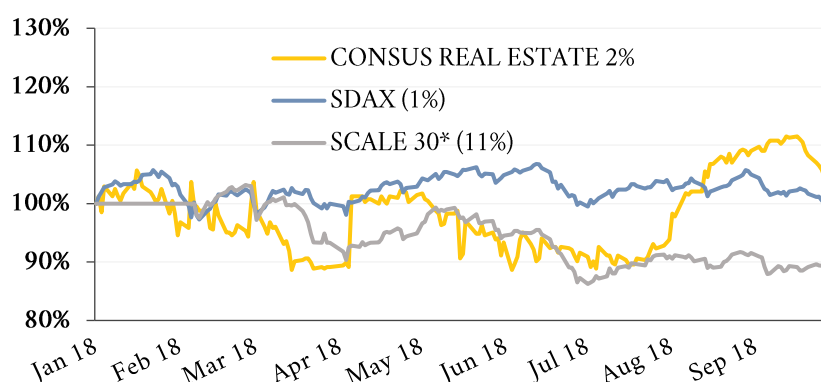
Consus Real Estate AG Shares

The global stock markets did not move materially in the first half of 2018 despite a weak Euro, ECB's low interest rate policy until at least the summer of 2019 and robust economic data from the US and China. Germany's ifo Business Climate Index decreased slightly and weak leading indicators for the Eurozone resulted in a stagnating stock market. The German stock index DAX closed at 12,306.00 points on 29 June 2018 representing a decline of 4.6% compared to its opening price on 2 January 2018.

The SDAX remained unchanged in the first half of the year, increasing by 0.5% in the first six months of 2018. The Scale 30 segment experienced a decrease of 12% with the first six months. Consus's share were accepted into Deutsche Börse's Scale Segment at the end of July 2018 and continue to be listed on Munich's Freiverkehr m:access

German real estate share prices continued to experience a positive growth with the FTSE EPRA/NAREIT Germany Index increasing by 4.0% in the first six months. In contrast, Europe's FTSE EPRA/NAREIT Index declined slightly by 0.9% in the same period.

Relative Share Price performance 2/1/2018 – 28/9/2018



* SCALE 30 Index was first introduced on Feb 7, 2018

The Consus shares reached their high so far in 2018 after the reporting date with € 8.9 on 7 September 2018.

Consus Real Estate AG Share Info	
Ticker symbol:	CC1
ISIN / WKN:	DE000A2DA414 / A2DA41
Number of shares as of 5/10/2018:	107,165,051
Share Capital as of 5/10/2018:	107,165,051
Market segment:	Deutsche Börse Scale Börse München m:access
High on 7/09/2018 (Xetra) in EUR	8.90
Low on 15/3/2018 (Xetra) in EUR	7.12
Closing price on 29/06/2018 (Xetra) in EUR	7.36
Market capitalisation in € m at high*	EUR 904.5m

*Note: Consus shares outstanding of 107,165,051 includes the 8,333,334 shares issued to Christoph Gröner

Analyst Coverage

Consus Real Estate AG has gained traction amongst several analysts of renowned financial institutions averaging a € 12.0 target price.

Bank/Research	Target Price	Date	Rating
Baader Bank	12.5 EUR	12/09/2018	Buy
Deutsche Bank	12.0 EUR	10/09/2018	Buy
Hauck & Aufhäuser	14.3 EUR	02/08/2018	Buy
UBS	9.0 EUR	14/09/2018	Neutral

Consolidated Interim Group Management Report

1.1 BUSINESS REPORT

The Group specialises in the acquisition, development, management and sale of real estate in Germany. Consus has been operating within the real estate sector since November 2016.

During the past six months the Group reorganised its business activities to focus only on real estate development covering the entire development value chain. As part of this transition, the ownership in CG Group, one of Germany's leading residential developers, was increased.

As of 30 June 2018, Consus owned 55% of the outstanding shares of CG Gruppe AG ('CG'), Berlin, which operates through its subsidiaries in project development, construction and refurbishment as well as services around real estate. Consus had the right to increase its holding to 59.1% via a mandatory convertible bond. After the reporting date, Consus entered into an agreement to increase its holding to 75% on a fully diluted basis.

As of June 30, 2018, Consus Real Estate AG held directly 58% of the outstanding shares of GxP German Properties AG ('GxP'), Frankfurt am Main. Through its subsidiaries, GxP is invested in commercial real estate located across Germany, in cities such as Berlin, Dresden, Leipzig, Erfurt and Hanover. After the reporting date, the GxP stake was sold to Summit RE eight GmbH to focus the Group purely on the real estate development segment.

1.1.1 REAL ESTATE PORTFOLIO

Consus owns, through its subsidiary CG Gruppe AG, a real estate development portfolio with a gross development volume (GDV) of € 5.3bn (31/12/2017: € 4.6bn) and with work in progress, inventory and contract assets of c. € 1.2bn as of 30/6/2018 (31/12/2017: € 1.2bn). Consus increased its development portfolio through the signing of thirteen new projects with a projected GDV of € 1.7bn since the beginning of 2018. The total GDV now amounts to € 6.2bn as of September 2018.

The property portfolio of Consus comprised of 15 commercial assets with the majority of the GAV associated to the office segment. In the first six months, Consus successfully divested eight commercial assets.

1.1.2 SIGNIFICANT EVENTS AND TRANSACTIONS AFTER THE REPORTING DATE

Consus raised € 131m of gross proceeds through an equity issue, which completed on July 24, 2018. Around 18.2 million shares were sold at a price of € 7.20, achieving gross proceeds of € 131 million, and increasing the total number of shares to 98,094,784.

In August, 2018 Consus signed an agreement to increase its stake in CG Gruppe AG from 59 Percent to 75 Percent on a fully diluted basis. Key terms of the transaction included (i) the issuance of 8,333,334 new no-par value ordinary bearer shares in Consus under the exclusion of existing shareholders' subscription rights to the founder of CG Gruppe AG, Christoph Gröner, (ii) the subscription to a mandatory convertible bond by Consus in CG Gruppe AG with the amount of € 50m as well as through (iii) the direct acquisition of shares in CG Gruppe AG in the amount of € 67m payable in stages.

On August 3, 2018 Consus announced the divestiture of its majority stake of approx. 58% in GxP German Properties AG (GxP), which has been sold to Summit RE eight GmbH. This was the final step in focussing the Company on the real estate development segment.

There were no other significant events after the balance sheet date.

1.2 POSITION OF THE GROUP

1.2.1 RESULTS OF OPERATIONS

In the first half of 2018, Consus achieved an overall performance of k€ 242,438 compared to k€ 1,052 in the previous year. The increase is mainly due to the development business generated by its subsidiary, CG Gruppe AG. In the previous year no development income was generated by Consus. In the letting segment, rental income increased by k€ 14,010 to k€ 15,062 on a year-to-year basis due to the higher number of commercial assets held by the group.

Other operating and personnel expenses were significantly higher than in the same period in the previous year due to the acquisition of CG Gruppe AG, last year. During the reporting period, significant exceptional consulting and audit fees which are mainly due to portfolio transactions, transition to IFRS, first time consolidation, and other project related work of which some is unique in its nature (k€ 5,019) were incurred.

In the reporting period, financial expenses increased by k€ 44,037 to k€ 44,396 compared to the same period in the previous year. This is primarily due to the financing related to the increased numbers of properties and development projects.

The tax expenses decreased to k€ 597 as the re-evaluation of investment properties was not necessary in the first six months of the 2018 financial year.

Overall, Consus generated a net income for the period of k€ 2,836 and k€ 1,392 for the continued operations as the disposal of the GxP stake after the reporting date led to a reclassification of the investment. In the previous year, the company reported a loss of k€ 4,205. The increase is primarily attributable to the change of business model and increase in development activities as well as rental income generated from assets held.

1.2.2 CASH FLOWS

In the first six months of 2018, the net cash flow from operating activities increased to k€ 53,127 for the Group. The increase was mainly driven by the successful prepayments received for development projects. The cash flow from investment activities resulted in a positive inflow of k€ 40,942, which was mainly driven by the divestment of eight

commercial assets. The cash flow from financing activities amounted to a negative k€ 129,314 and was mainly triggered by repayments of borrowings.

1.2.3 NET ASSETS

The Group's total assets amounted to k€ 2,495,447 as of the balance sheet date. A comparison with the total assets in the previous year is not possible due to the long-term and short-term real estate investments made in 2017. Investment properties have a fair value of k€ 220,735 as of the balance sheet date. This excludes the GxP German Properties AG assets as they have been reclassified as held for sale in combination with other current and non-current balance sheet items.

Goodwill of k€ 724,634 mainly relates to the acquisition of the CG Group. The value of property, plant and equipment amounts to k€ 4,751. Other intangible assets such as brand names, software or licenses had a value of k€ 2,700. The value of the non-current financial assets was k€ 6,370.

Current assets include current real estate development projects with a fair value of k€ 1,124,363. These are project developments for residential real estate of the CG Group primarily in the nine largest cities in Germany.

Current and non-current liabilities amounted to k€ 1,548,613 as of the balance sheet date, while trade payables totalled k€ 51,236.

1.3 MACROECONOMIC REPORT

1.3.1 OVERALL ECONOMIC ENVIRONMENT

Germany's gross domestic product (GDP) is expected to grow by 1.9% in 2018 and 1.7% in 2019, according to the German Institute for Economic Research (DIW). This will mark seven years of continuous growth in Germany.

In Europe, growing concerns in regards to Italy's policy makers and a risk of an escalating trade war between the USA and other parts of the world resulted in stagnating economic output and affected investment activities of companies all over the world. However, Germany's overall economy remains in good condition. The summer forecast confirmed Germany's economic output to continue to grow at a more moderate pace with private consumption, however, remaining as an important cornerstone of the economic development.

1.3.2 GERMAN PROPERTY MARKET

Residential Property Market

The market for residential real estate has developed strongly over recent years and is expected to continue to grow at a moderate pace. The top metropolitan areas in Germany have experienced a significant increase in population since 2011. Along with the positive economic development, the top metropolitan areas in particular have gained attractiveness in terms of employment and variety. Over the past five years, the population of the seven largest cities increased by an average of 114,000 people per year

in total. This corresponds to an annual increase of 1.2%. Even higher purchase prices and rents for apartments and houses did not visibly slow this development in 2017. Around 60,000 new apartments per year are required for housing needs resulting from people moving to cities.

The Government estimated the need of 400,000 residential units per year but targets have not been reached with c. 317,000 residential construction permits in 2016 and c. 301,000 in 2017. Thus, the annual number of completed apartments and houses remains well behind the estimated demand, DG Hyp has analysed. As a result, the gap in demand on the housing market is constantly widening. The most important German metropolises lack a significant number of apartments. The gap in demand also leads to rising sales prices so that they are significantly higher than the costs of construction per square metre.

Commercial Property Market (Office)

According to Jones Lang LaSalle (JLL), the demand for office properties in Germany remained strong in the first half of 2018. The total office transaction volume reached more than € 11.4bn or c. + 12% compared to 2017. For 2018, the large investment and broker firms in Germany expect the transaction volume to be at 2017 numbers as investment opportunities are scarce. Typically, the percentage of foreign buyers remains stable at 42%, thus indicating a continuous high interest by global capital to invest into Germany. Overall investments are focused on Germany's seven A-rated cities with a share of 62% of the total volume of transactions.

1.4 OPPORTUNITIES AND RISK REPORT

The Consus Group faces a variety of different risks and opportunities in the course of its business activities. In order to ensure the implementation of the Group strategy and the achievement of the set goals, it is necessary to recognize and evaluate risks and opportunities in good time and to draw the resulting conclusions in order to be able to take timely and efficient countermeasures on a case-by case basis.

1.4.1 RISK REPORT

The risk management at Consus comprises firstly of the assessment of opportunities and risks for the existing portfolio of real estate through analysis and evaluation. Secondly, there are discussions with the executive boards of the associated companies identifying risk, defining mitigating actions and reviewing status changes on a regular basis.

In the first half of 2018, the risks associated with letting activities have been reduced such as easements in favour of tenants or renewal of lease contracts. Furthermore, for three projects, building permits have been granted thus reducing the development risks. Besides these factors, no significant changes in the risk situation have been noted since 31 December 2017.

The existence of the company is not considered to be at risk.

1.4.2 OPPORTUNITY REPORT

For three projects, building permits have been granted thus reducing the development risks and increasing the opportunity of completion.

No significant changes to the opportunities of Consus were identified in the first half of 2018. Therefore, please refer to the disclosures in the opportunity report in the consolidated financial statements of 31 December 2017.

1.5 FORECAST REPORT

In the annual report 2017, the Group advised that revenue of €32m was expected from rental activities although it was indicated in the annual report that divestments will be considered and completed if an offer is appropriate. Due to the disposal of the commercial portfolio in the first half of the year and the GxP stake shortly after, the income from letting activities will be significantly lower at year end. We continue to expect a very significant increase in revenue and net income from real estate development since the CG takeover will be fully recognized and the stake has been increased to 75% on a diluted basis.

Consus does not expect any changes to the key performance indicators as stated in the annual report 2017.

Consolidated Interim Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in k€	Notes	1/4/2018 – 30/06/2018	1/4/2017 – 30/06/2017	1/1/2018 – 30/06/2018	1/1/2017 – 30/06/2017
Income from letting activities	2.9.1	7,007	1,052	15,062	1,052
Income from real estate inventory disposed of		11,054	-	11,054	-
Change in project related inventory		27,371	-	19,302	-
Income from property development		106,115	-	197,020	-
Overall performance	2.10.2	151,548	1,052	242,438	1,052
Expenses from letting activities	2.9.1	- 3,795	-1,543	- 6,724	- 1,557
Cost of materials		- 113,463	-	- 151,083	-
Net income from the remeasurement of investment properties		-	10,421	-	10,421
Other operating income		3,685	7	4,639	7
Personnel expenses		- 7,695	-106	- 14,383	- 106
Other operating expenses	2.9.2	- 21,760	966	- 33,431	- 3,458
EBITDA (Earnings before interest, taxes, depreciation & amortisation)		8,520	10,797	41,456	6,359
Depreciation and amortization		- 444	-6,564	- 853	- 6,564
EBIT (Earnings before interest & taxes)		8,076	4,233	40,603	- 205
Financial income	2.9.3	- 140	-	5,781	-
Financial expenses	2.9.3	- 21,866	- 359	- 44,396	- 359
EBT (Earnings before taxes)		- 13,929	3,874	1,989	- 564
Income tax expenses	2.9.4	2,214	- 3,634	- 597	- 3,640
Net income (Earnings after taxes) from continued operations		- 11,716	239	1,392	- 4,205
Net income (Earnings after taxes) from discontinued operations		864	-	1,444	-
Net Income (Earnings after taxes)		- 10,852	239	2,836	- 4,205
Other comprehensive income		-	-	-	-
thereof non-recycling		-	-	-	-
thereof will be reclassified to profit or loss		-	-	-	-
Total comprehensive income		- 10,852	239	2,836	- 4,205
Of the net income from continuing operations for the period, following is attributable to:					
Non-controlling interests		2,107	-	9,499	-
Shareholders of the parent company		- 13,822	239	- 8,107	- 4,205
Of the total comprehensive income from continuing operations for the period, following is attributable to:					
Non-controlling interests		2,107	-	9,499	-
Shareholders of the parent company		- 13,822	239	- 8,107	- 4,205
Total comprehensive income for the period attributable to shareholders of the parent company arises from:					
Continuing operations		- 13,770	239	- 8,107	- 4,205
Discontinued operations		269	-	796	-
Total comprehensive income for the period attributable to non-controlling arises from:					
Continuing operations		2,107	-	9,499	-
Discontinued operations		595	-	648	-
Earnings per share (basic) in EUR		- 0.17	0.01	- 0.10	- 0.19
Earnings per share (diluted) in EUR		- 0.17	0.01	- 0.10	- 0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in k€	Notes	30/06/2018	31/12/2017
Non-current assets			
Investment property	2.8.6	220,735	527,350
Advance payments on investment property	2.9.6	-	10,532
Property, plant and equipment		4,751	4,940
Goodwill	2.7.3	724,634	700,076
Other intangible assets		2,700	2,886
Financial assets	2.9.11	6,370	5,000
Other assets		7,557	-
Contract assets	2.6; 2.9.7	79,851	-
Total non-current assets		1,046,598	1,250,784
Current assets			
Work-in-progress incl. Acquired land and buildings	2.9.8	1,124,363	1,211,827
Trade and other receivables	2.9.11	16,457	56,017
Receivables from related parties	0	40,301	27,840
Tax receivables		4,555	275
Financial assets	2.9.11	7,161	2,584
Other assets	2.9.9	16,823	5,375
Contract assets	2.6; 2.9.7	29,576	-
Cash and cash equivalents		31,199	71,340
Total current assets		1,270,435	1,375,258
Assets incl. in disposal group classified as held for sale	2.8	176,220	-
Total assets		2,493,253	2,626,042
Equity			
Subscribed capital		79,850	79,850
Capital reserves	2.9.11	575,180	574,714
Other reserves		- 9,626	- 8,456
Non-controlling interest		184,918	169,901
Total equity		830,322	816,009
Non-current liabilities			
Financing liabilities	2.9.11	976,268	1,013,617
Other liabilities		9,775	8,386
Contract liabilities	2.6; 2.9.7	32,214	-
Deferred tax liabilities		80,587	103,723
Total non-current liabilities		1,098,844	1,125,726
Current liabilities			
Financing liabilities	2.9.11	307,026	575,929
Provisions	2.9.10	610	3,370
Trade payables	2.9.11	51,236	46,244
Liabilities to related parties	0	-	5,953
Tax payables		27,640	17,441
Received prepayments		-	311
Other liabilities		63,257	35,058
Total current liabilities		449,769	684,306
Liabilities incl. in disposal group classified held for sale	2.8	114,318	-
Total equity & liabilities		2,493,253	2,626,042

CONSOLIDATED CASH FLOW STATEMENT

in k€	Notes	1/1/2018 – 30/06/2018	1/1/2017 – 30/06/2017
<i>Operating activities</i>			
Net profit from continuing operations		1,392	-4,205
Tax expense	2.9.4	597	3,640
Profit (loss) before tax		1,989	-564
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and impairment of property, plant and equipment		853	6,564
Valuation gains on investment property			-10,421
Financial income	2.9.3	- 5,781	-
Financial expenses	2.8.3	44,396	359
Transition Adjustments IFRS 15	2.6	11,746	-
Other non-cash adjustments		3,017	-
		56,220	-4,062
<i>Working capital adjustments</i>			
Decrease/ (increase) in rent and other receivables		37,886	-317
Decrease / (increase) prepayments, accrued income and other assets		- 17,390	350
Decrease/ (increase) in inventories and contractual assets		- 306,388	-
(Decrease) / increase in prepayments on development projects		244,020	-
(Decrease) / increase in trade, other payables and accruals, contractual liabilities and other liabilities		42,962	4,552
Income tax paid		- 4,182	-24
Net cash flow from operating activities		53,127	498
Investing activities			
Purchase of investment property	2.9.6	-	-120,847
Purchase of loans granted to subsidiaries		-10,681	-
Capital expenditure on investment property		-2,532	
Proceeds from the sale of PPE & intangibles		18	
Expenditure on other fixed assets		-748	-14
Sale of subsidiary, net of cash		59,936	-
Net cash flow from investing activities		40,942	-120,862
Financing activities			
Proceeds from borrowings		306,905	90,381
Repayment of borrowings		-410,732	-
Proceeds from issue of share capital		-	32,998
Interest paid		-25,486	-359
Net cash flow from financing activities		-129,314	123,019
Cash effective change in cash and cash equivalents from discontinuing operations		- 4,896	-
Net increase / (decrease) in cash and cash equivalents		- 35,244	2,656
Cash and cash equivalents at the beginning of the period		71,340	17,632
Cash and cash equivalents at the end of the period		31,199	20,288

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in k€	Subscribed capital	Capital reserves	Retained earnings	Other reserves	Total	NCI	Equity Total
01/01/2017	22,000	-	56	-	22,056	-	22,056
Profit for the period	-	-	-4,205	-	-4,205	-	-4,205
Total comprehensive income for the period	-	-	-4,205	-	-4,205	-	-4,205
Transactions with owners in their capacity as owners:							
Issue of share capital	2,200	30,798			32,998		32,998
30/06/2017	24,200	30,798	-4,148	-	50,849	-	50,849
01/01/2018	79,850	574,714	-8,456	-	646,108	169,901	816,009
Profit for the period	-	-	-7,311	-	-7,311	10,147	2,836
Total comprehensive income for the period	-	-	-7,311	-	-7,311	10,147	2,836
Adjustment on initial application of IFRS 15 (net of tax)				6,141	6,141	4,870	11,011
Adjusted balance at 1 January 2018	79,850	574,714	-8,456	6,141	652,249	174,771	827,020
Transactions with owners in their capacity as owners:							
Conversion Notice Convertible Loan	-	466	-	-	466		466
30/06/2018	79,850	575,180	-15,767	6,141	645,405	184,918	830,322

Condensed notes to the interim consolidated financial statements for the first half of 2017

2.1 INFORMATION ON THE COMPANY

Consus Real Estate AG ('the Company', 'Consus' or 'the Parent Company', together with its subsidiaries 'the Group') is a public limited company incorporated under the laws of the Federal Republic of Germany.

The registered address of the Company is Kurfürstendamm 188 - 189, 10707 Berlin. The Company is registered under the commercial register number HRB 191887 in the commercial register of the district court of Berlin-Charlottenburg.

The condensed interim consolidated financial statements as at and for the six months ended June 30, 2018, comprise of the Company and its subsidiaries.

2.2 BUSINESS ACTIVITIES

The Company specializes in the acquisition, development, management, use and sale of real estate and land rights in Germany through a number of shareholdings.

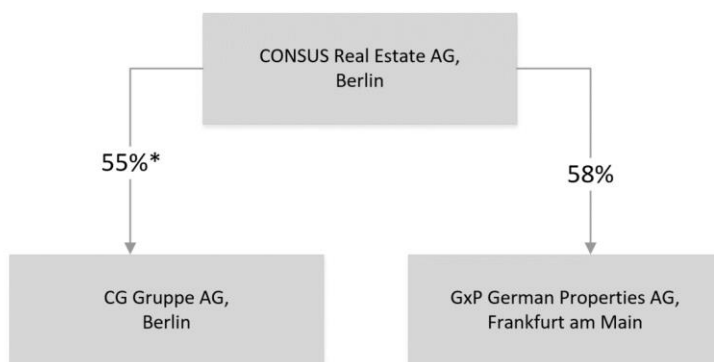
The Group focuses its business activities on the function of real estate development and real estate portfolio holder, in which it covers the entire value chain together with experienced partners.

The Company has been operating within the real estate sector since November 2016.

As of June 30, 2018, Consus Real Estate AG indirectly holds 55% of the outstanding shares of CG Gruppe AG ("CG"), Berlin which operates through its subsidiaries in project development, construction and refurbishment as well as services around real estate. It has the right to increase its holding to 59.1% via the mandatory convertible bond it holds in CG.

Additionally, the Company has been holding directly 58% of the outstanding shares of GxP German Properties AG ("GxP"), Frankfurt am Main. Through its subsidiaries, GxP is invested in commercial real estate located across Germany, in cities such as Berlin, Dresden, Leipzig, Erfurt and Hanover.

The Group's principal subsidiaries at 30 June 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.



*Additionally, the Company possesses convertible notes of CG that will be converted to shares of CG reflecting about 4.09% additional of the total shares in CG on a fully diluted basis. As communicated on August 2, 2018 the Company's Management and Supervisory Board resolved on increasing its stake in CG to 75% on a fully diluted basis after the reporting date.

After the balance sheet date, on August 3, 2018, Consus announced the divestment of its 58% stake in GxP.

2.3 GENERAL INFORMATION ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements of Consus Real Estate AG were prepared in accordance with IAS 34 Interim Financial Reporting and comply with the International Financial Reporting Standards (IFRS) adopted and issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended December 31, 2017. Selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December, 31 2017.

2.4 ACCOUNTING POLICIES

2.4.1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENT

The Condensed Interim Consolidated Financial Statements have been prepared in thousands of Euros (EUR/€). Rounding differences may occur in respect of individual amounts or percentages. The Condensed Interim Consolidated Financial Statements are comprised of the Condensed Interim Consolidated Statements of Comprehensive Income, the Condensed Interim Consolidated Statements of Financial Position, the Condensed Interim Consolidated Statements of Changes in Equity and the Condensed Interim Consolidated Statements of Cash Flows as at and for the six months period ended June 30, 2018.

The statement of Condensed Interim Consolidated Statement of Comprehensive Income is prepared according to the nature of expense method. The presentation of the Condensed Interim Consolidated Statement of Financial Position distinguishes between current and non-current assets and current and non-current liabilities. Assets and liabilities falling due within one year are classified as current.

The Company's condensed interim consolidated financial statements and those of its subsidiaries are prepared according to uniform accounting policies. In the process, the principles are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2017, except for the adoption of new standards, interpretations and amendments adopted with effect from January 1, 2018. Further details regarding the implementation of IFRS 15 and IFRS 9 can be found in chapter 5.

Furthermore during the first half-year of 2018 the purchase price allocation of CG as well as GxP was finalized - further information can be found in chapter 6.3.

2.5 FAIR VALUE MEASUREMENTS

The application of some of the Group's accounting policies and accompanying notes requires determination of the fair value of financial assets and financial liabilities as well as non-financial assets and liabilities.

The fair value hierarchy categorizes the inputs used in valuation techniques into three levels, based on their proximity to the market:

Level 1: The (unadjusted) quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. the price) or indirectly (i.e. derived from the price)

Level 3: Measurement parameters based on unobservable inputs for the asset or liability

In case the inputs used to measure fair value are categorized into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

For information on the measurement of investment property, financing liabilities and derivatives please refer to the Group's consolidated financial statements for the year ended December 31, 2017, chapter 3.3 as well as 9.1 and 9.12.

The fair value hierarchy can be summarized as follows:

Fair value hierarchy	Level I	Level II	Level III
Purchase price allocation in the context of business combinations			X
Investment properties			X
Financing liabilities		X	
Derivatives			X

2.6 CHANGES IN ACCOUNTING POLICIES

The following new and amended standards have been used for the first time in the reporting period:

2.6.1 IFRS 9 'FINANCIAL INSTRUMENTS' (EFFECTIVE AS OF JANUARY 1, 2018)

In July 2014, the final version of IFRS 9 'Financial Instruments' has been publicized by the IASB, replacing IAS 39. IFRS 9 contains revised requirements for the classification and measurement of financial assets and a new loss allowance model, also taking expected losses in the calculation of loss allowances into account. It contains the new hedge accounting regulations published in November 2013. The standard replaces all prior published versions of IFRS 9 and is effective for the first time for reporting periods beginning on or after January 1, 2018. It was endorsed by the EU in November 2016.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

in k€	Notes	Measurement category (IAS 39)	Measurement category (IFRS 9)	Carrying amount under IAS 39	Carrying amount under IFRS 9
Other non-current financial assets (investments)	a)	AfS	FVOCI - equity instrument	1,153	1,153
Other non-current financial assets	b)	LaR	Amortised cost	3,883	3,883
Trade receivables	b)	LaR	Amortised cost	56,017	56,017
Other current financial assets	b)	LaR	Amortised cost	2,584	2,584
Receivables from related entities	b)	LaR	Amortised cost	27,840	27,840
Cash and cash equivalents		LaR	Amortised cost	71,340	71,340
Total financial assets				162,816	162,816

a) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

b) Financial assets that were classified as loans and receivables under IAS 39 are now classified at amortised cost. These financial assets do not include contractual asset that were recognised at 1 January 2018 on the adoption of IFRS 15 (see below, section 'IFRS 15 'Revenue from Contracts with Customers'), for which an immaterial additional impairment amount was recognised.

2.6.2 IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS' (EFFECTIVE AS OF JANUARY 1, 2018)

In May 2014, the IASB issued the new standard IFRS 15 'Revenue from Contracts with Customers'. The new standard IFRS 15 replaces IAS 18, Revenue, and IAS 11, Construction contracts and related interpretations, including IFRIC 15, Agreements for the construction of real estate. The goal of the new standard on revenue recognition is to compile currently existing guidance and interpretations into a uniform model of revenue recognition. IFRS 15 disclosures will include qualitative and quantitative information about the Group's contracts with customers, significant judgements made, changes in those judgements, and contract cost. The Group has applied IFRS 15 with a date of initial application of January 1, 2018.

The Group has applied IFRS 15 using the cumulative effect approach which means that the cumulative impact of the adoption will be recognized in retained earnings as of 1 January 2018 and that comparatives will not be restated and continue to be reported as presented in the previous financial year. The details of the significant changes and quantitative impact of the changes are set out below.

The Group mainly generates income from the sale of property development and construction contracts and recognizes income from letting activities of real estate space.

Revenue regarding the sale of property development and construction contracts by the Group subsidiary CG was previously recognized when the risks and rewards of the

developed and constructed property have been transferred and the group does not retain either continuing managerial involvement to the degree usually associated with ownership, or effective control over the property sold. This was generally the point in time when the property in its entirety is accepted by the customer.

Under IFRS 15 the Group distinguishes between:

- a) For property development and construction contracts for which the criteria of IFRS 15.35 (b) and/or (c) are fulfilled revenue and costs are recognized over time in proportion to the stage of completion of the project using the stage of completion method. The stage of completion is determined on the basis of the costs incurred compared with the expected total costs. When the outcome of these contracts cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that is likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
- b) For all other property development and construction contracts which do not fulfil the criteria of IFRS 15.35 revenue is recognized in accordance with the point in time method.

The accounting of letting activities of real estate space is based on IAS 17 or, in the future, on IFRS 16 and is not subject to the requirements of IFRS 15.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarizes the impact, net of tax, of transition to IFRS 15 on retained earnings and non-controlling interest at January 1, 2018.

in k€	Impact of adopting IFRS 15 at 1 January 2018
<i>Other reserves</i>	
Development projects: Forward sales	6,671
Development projects: Freehold flat	-530
Impact at 1 January 2018	6,141
<i>Non-controlling interests</i>	
Development projects: Forward sales	5,367
Development projects: Freehold flat	-497
Impact at 1 January 2018	4,870

Impacts from the first time application of IFRS 15 on the Group's equity resulted from two different types of development project for which the criteria of IFRS 15.35 (b) and/or (c) are fulfilled. Instead of capitalization of expenses incurred in relation to the

projects beginning from January 1, 2018 revenue and expenses are recognized over time in proportion to the stage of completion of the project using the stage of completion method. Those two groups of development projects are:

- a) Forward Sales: An integral element of Consus' business and financial strategy with high quality institutional investors purchasing primarily rental apartment blocks from Consus as long-term counterparties and repeat clients. Advance payments are contractually agreed upon.
- b) Freehold flats (Eigentumswohnungen): Housing units (condominiums) sold to individual buyers.

The impact on retained earnings reflects the difference between the book value of the inventory related to the projects before application of IFRS 15 and the progress of the project that is recognized in accordance with IFRS 15 in equity on the transition date. Progress of the project is measured using the relation of total expenses incurred as of balance sheet date compared to total projected expenses according to the most recent business plan, considering and including interest expenses. The consideration of capitalized interest within the percentage-of-completion calculation method will improve the accurate presentation of the economic reality and strengthen the reliability of relevant information on incurred expenses for the capitalization in accordance with IFRS 15.

This adjustment effects the project progress which is measured by using the relation of expenses incurred as of balance sheet date compared to total projected expenses according to the most recent business plan, now including interest expenses.

The change in non-controlling interest relates to the above described changes in net assets from the transition to IFRS 15 of the joint-stock company invested in the project that now falls under the scope of IFRS 15.

The following table presents a comprehensive overview of the transition adjustments related to IFRS 15 as of January 1, 2018. Line items not presented were not affected by the transition to IFRS 15.

in k€	31/12/2017	Transition adjustments	01/01/2018
A. Non-current assets			
VIII. Contract assets	-	89,094	89,094
B. Current assets			
I. Work-in-progress including acquired land and buildings	1,211,827	-120,145	1,091,681
VI. Other assets	4,989	166	5,155
VII. Contract assets	-	42,631	42,631
Total Assets	2,626,042	11,746	2,637,788
A. Equity			
III. Other reserves	-8,456	6,141	-2,315
IV. Non-controlling interests	169,901	4,870	174,771
C. Current liabilities			
VI. Other liabilities	31,687	735	32,422
Total Equity and Total Liabilities	2,626,042	11,746	2,637,788

As of January 1, 2018 inventory of projects that now fall under the scope of IFRS 15 are derecognized and reclassified as contract assets. As such they are recognized according to the project progress and presented net of prepayments received. The step-up resulting from the purchase price allocation of CG Gruppe AG last year, which related to future project progress, was derecognized as part of the inventories and recognized under other assets and is amortized over the development period in accordance with the project progress. The decrease in other liabilities, a result of the reduction of net assets, is explained in the table above. Since the group treats participatory interests in business partnerships (Kommanditgesellschaften) as financial liabilities, the reduction of net assets as a result from the transition to IFRS 15 results in a decreased liability towards these minority shareholders.

The following table demonstrates the impact of the adoption of IFRS 15 on the net income of the Group for the second quarter of 2018:

in k€	30/06/2018 incl. IFRS 15	IFRS 15 adjustments	30/06/2018 excl. IFRS 15
Income from letting activities	15,062		15,062
Income from real estate inventory disposed of	11,054		11,054
Change in project related inventory	19,302	173,534	192,835
Income from property development	197,020	-197,020	-
Overall performance	242,438	-23,487	218,951
Expenses from letting activities	-6,724		-6,724
Cost of materials	-151,083		-151,083
Other operating income	4,639		4,639
Personnel expenses	-14,383		-14,383
Other operating expenses	-33,431		-33,431
EBITDA (Earnings before interest, taxes, depreciation and amortisation)	41,456	-23,487	17,970
Depreciation and amortisation	-853	31	-822
EBIT (Earnings before interest and taxes)	40,603	-23,456	17,148
Financial income	5,781		5,781
Financial expenses	-44,396		-44,396
EBT (Earnings before taxes)	1,989	-23,456	-21,467
Income tax expenses	-597		-597
<i>Net income (Earnings after taxes) from continued operations</i>	<i>1,392</i>	<i>-23,456</i>	<i>-22,064</i>
<i>Net income (Earnings after taxes) from discontinued operations</i>	<i>1,444</i>		<i>1,444</i>
Consolidated net income	2,836	-23,456	-20,619

Revenue under IFRS 15 is recognized over-time based on the project progress of the development. During the first half of 2018 building permits were granted for the following four development projects: Artists Living Leipzig GmbH & Co. KG, Artists Living Dresden PP GmbH & Co. KG, Artists Living Köln StG GmbH & Co. KG and Innenstadt Residenz Dresden GmbH & Co. KG. This resulted in the recognition of revenue based on the project progress when receiving the building permit and with the

planned development margin. Expenses incurred in relation with the development of the project are recognized when occurred during the period.

Contrary to the presentation of one specific development project in the Condensed Interim Consolidated Financial Statements as of March 31, 2018, a building permit was not yet granted in the financial year 2017 but during the first quarter of 2018. Thus, neither effects in revenue recognition or contract assets nor equity impacts from first-time adoption of IFRS 15 are presented in the opening balance as at January 1, 2018. As at January 1, 2018 the project is classified as an asset in accordance with IAS 2. The respective switch from IAS 2 to revenue from project developments progress (with granted building permit) must be shown in 2018. Because of further clarification on the date of building permit granted, equity effects from the first-time adoption of IFRS 15 of k€ 5,646, capitalized contract assets of k€ 17,107 and changes of work –in-progress as part of inventories of k€ 11,100 are not shown within the opening balance.

Under consideration of updated purchase price adjustment values (section 6.3 ‘Business combinations’) and accounting policy clarifications (see above) for the half-year 2018 the revenue switch affects total revenues by k€ 17,107 and changes in projects related inventories by k€ 11,100. There is no effect on capitalized assets or equity.

Further non-cash expenses result from the amortization of the future part of the step-up resulting from the CG purchase price allocation.

Furthermore the following IFRSs and IFRICs were applicable as of January 1, 2018 and did not lead to significant changes:

- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40: Transfers of Investment Property
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- Annual Improvements to IFRS Standards 2014- 2016 Cycle

The IASB has published the following IFRSs and IFRICs that were endorsed by the EU but are not yet effective, and that will be relevant for the Group:

2.6.3 IFRS 16 ‘LEASES’ (EFFECTIVE AS OF JANUARY 1, 2018)

IFRS 16 ‘Leases’ was published in January 2016 which applies in principle to all leases and involves recognizing a right of use asset and an associated leasing liability on the lessee’s balance sheet as well as extensive disclosures in the notes. The impact on the Group’s financial statements is currently examined. The Group expects the first-time application of IFRS 16 to slightly extend the balance sheet as well as to marginally change EBIT. The standard will affect primarily the accounting for the group’s operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of k€ 8,219. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group’s profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

We expect no material changes for lease agreements in which the Group acts as the lessor.

At this stage, the group does not intend to adopt the standard before its effective date.

The IASB has also revised, amended or issued further standards and interpretations that must be applied in future periods. However, these will either have no material effect on the Group's consolidated financial statements or the assessment of potential impacts is still on-going.

2.7 SCOPE OF CONSOLIDATION

The following changes in the scope of consolidation occurred in the reporting for the six months period ended as of June 30, 2018:

2.7.1 ADDITIONS TO SCOPE OF CONSOLIDATION

Through its subsidiary CG Gruppe AG the Company acquired four property companies in transactions structured as share deals. The acquired companies do not constitute a business operation within the meaning of IFRS 3 and have been presented as a direct real estate acquisition. The costs of acquiring the properties have been allocated to the individual identifiable assets and liabilities based on their fair values. There could be a small further payment from a variable component. Currently the Company assumes, that there will be no material effect and therefore did not recognize any variable purchase price.

Inventory of € 70m were acquired via these property companies.

2.7.2 DISPOSALS IN SCOPE OF CONSOLIDATION

On May 15, 2018 the Company divested its shareholding of ten companies that held a total of eight commercial assets and two purchase obligations and were previously reported under the Consus segment. The commercial assets were included in separate legal entities and the transaction was structured as a share deal and closed in June 2018.

The deconsolidation of the entities resulted in a gain of k€ 2,581 reported under other operating income. This gain includes a total of k€ 5,051 receivables. The purchaser is entitled to audit the closing financial statements. Subsequently the outstanding payment might be subject to change. The Company expects that the outstanding amount will be paid by the end of the financial year.

2.7.3 BUSINESS COMBINATIONS

On August 22, 2017 the Company signed a contract to acquire all share capital of Pebble Investment GmbH (Pebble), Berlin a holding company whose shareholding at that time was corresponding with a 50% stake in CG Gruppe AG, Berlin (CG). The Group gained control over CG as defined by IFRS 10 no earlier than on December 21, 2017. For accounting purposes December 31, 2017 was used for initial consolidation of CG as subsidiary.

On account of the complexity of acquisitions, the Group retained the option of making a retroactive adjustment. Open key issues included reviewing how the fair values of investment properties, of property development projects, of the financing liabilities, of the consideration, non-controlling interest and resulting deferred taxes were measured. Therefore, the disclosures with regard to the purchase price allocation in the consolidated financial statements for the fiscal year ending December 31, 2017 were provisional in terms of IFRS 3.45.

The purchase price allocation was finalized within the second quarter of the financial year 2018. After the final valuation report the total fair value of work-in-progress decreased by k€ 40,848. Thereof arising material reductions in deferred tax liabilities of k€ 12,254 and in liabilities of k€ 2,194. Non-controlling interests changed by k€ 256. Please refer to the following table for detailed information on fair values after the final purchase price allocation:

in k€	Fair Value after final PPA
Intangible assets, property, plant and equipment	7,552
Investment property, including prepayments	213,680
Other financial assets	3,954
Work-in-progress	1,170,979
Trade and other receivables	81,715
Other assets	4,255
Cash and cash equivalents	33,032
Financing liabilities	1,007,706
Provisions and other non-financial liabilities	52,065
Trade payables and other payables	83,539
Deferred tax liability	80,449
Net assets	291,407
Consideration transferred	872,609
<i>thereof cash consideration</i>	<i>12,500</i>
<i>thereof equity interest</i>	<i>860,109</i>
Non-controlling interests	143,432
Goodwill	724,634

An impairment test of CG will be conducted in the second half of 2018; no impairment indicators surfaced during the first half of 2018.

The purchase price allocation for the second business combination in 2017 (GxP) was finalized in the second quarter 2018, as well. It did not result in any material change to the financial statements.

2.8 DISCONTINUED OPERATION

The Group announced on August 3, 2018 that it had signed a contract to divest its non-core stake in GxP German Properties AG. This divestment is in line with the Company's

communicated strategy to exit the holding of non-core commercial properties. Until the sale, GxP continued to be operated independently by Consus. As a result, assets and liabilities of GxP were recognized as held for sale as of June 30, 2018.

GxP represents a material operating segment within the group and has been reported as a separate reportable segment. The intended sale therefore falls under the definition of a discontinued operation according to IFRS 5.32. In accordance with IFRS 5.15, the discontinued operation was measured at carrying amount as this is lower than the fair value less cost of disposal. The gains and losses arising from the discontinued operation are reported separately on the face of the condensed interim consolidated statement of comprehensive income under net profit or loss for the period from discontinued operations. The prior-year statement of comprehensive income is adjusted accordingly.

Due to the change of control at GxP in the third quarter of 2018, the values for the second half of 2018 presented herein are based on preliminary management accounts.

The profit or loss from discontinued operations are as follows:

<i>in k€</i>	01/01/ - 30/06/2018
Income from letting activities	6,543
Other operating income	288
Operating Expenses	-4,558
EBITDA	2,274
Depreciation and amortisation	-25
EBIT	2,249
Net interest result	-355
EBT	1,894
Taxes	-449
EAT (discontinued operations)	1,444
Other comprehensive income	-
Total comprehensive income	1,444

Earnings/(loss) of discontinued operations per share in €	01/01/ - 30/06/2018
Basic, profit/(loss) for the year from discontinued operations	0.02
Diluted, profit/(loss) for the year from discontinued operations	0.02

Cash flows from discontinued operations are as follows:

<i>in k€</i>	01/01/ - 30/06/2018
Cash flow from operating activities	1,395
Cash flow from investing activities	-1,561
Cash flow from financing activities	-2,920
Cash flow from discontinued operations	-3,086

The assets and liabilities of the disposal group are as follows:

<i>in k€</i>	30/06/2018
Investment property	166,852
Property, plant and equipment	73
Goodwill	1,586
Other intangible assets	194
Financial assets	3,605
Trade and other receivables	1,359
Tax receivables	195
Other assets	545
Cash and cash equivalents	1,810
Assets held for sale	176,220
Financing liabilities	97,668
Deferred tax liabilities	6,096
Financing liabilities	5,352
Trade payables	1,722
Tax payables	131
Received prepayments	339
Other liabilities	3,010
Liabilities held for sale	114,318

2.9 SELECTED EXPLANATORY NOTES

2.9.1 RESULT FROM LETTING ACTIVITIES

The following breaks down the result from letting activities for the six months ended June 30, 2018.

<i>in k€</i>	01/01/ - 30/06/2018	01/01/ - 30/06/2017
Rental income	14,354	947
Income from recharged operating costs	690	105
Income from other goods and services	18	-
Income from letting activities	15,062	1,052
Expenses from operating costs	-5,572	-79
Maintenance expenses	-432	-25
Other services	-719	-1,452
Expenses related to letting activities	-6,724	-1,557
Net operating income from letting activities	8,338	-505

2.9.2 OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

in k€	01/01/ - 30/06/2018	01/01/ - 30/06/2017
Write-offs and allowances on receivables	-198	-
Consulting and audit fees	-13,573	-38
Admin expenses	-11,434	-644
Utility expenses for office space	-753	-
Marketing expenses	-2,001	-
Car and travel expenses	-2,875	-10
Other taxes	-966	-15
Other expenses	-1,630	-2,750
Total	-33,431	-3,458

Other operating expenses during the reporting period 2018 include significant consulting and audit fees which are mainly due to portfolio transactions, transition to IFRS, first time consolidation, and other project related work of which some is unique in its nature (k€ 5,019).

During the reporting period 2017, other operating expenses mainly related to the preparation of the initial public offering of Consus (at that time: Consus Commercial Property AG, Leipzig) which took place on March 30, 2017.

2.9.3 FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial result can be broken down as follows:

in k€	01/01/ - 30/06/2018	01/01/ - 30/06/2017
Income from fair value changes of derivatives	4,453	-
Interest income from loans	282	-
Other financial income	1,046	-
Total financial income	5,781	-
Interest expense from loans	-44,396	-359
Total financial expenses	-44,396	-359
Financial result	-38,615	-359

The income from fair value changes during the reporting period 2018 results from the derivative financial instrument embedded in the € 200m bond issued in 2017 and was mainly driven by the development of the Consus Real Estate AG share price.

The financial expenses during the reporting period 2017 are related to property financing.

Borrowing costs capitalised during the reporting period amount to k€ 17,048. Accordingly the Group's EBITDA recorded a positive impact from capitalization of borrowing cost in the same amount.

2.9.4 INCOME TAXES

Income tax expense and income is broken down by origin as follows:

<i>in k€</i>	01/01/ - 30/06/2018	01/01/ - 30/06/2017
Current income taxes for the period	-597	-576
Deferred taxes	-	-3,065
Tax result	-597	-3,640

The current tax expenses in the first half of 2018 mainly result from the tax assessment for the period.

2.9.5 EARNINGS PER SHARE

Basic earnings per share from continuing operations is calculated by dividing the income/loss from continuing operations attributable to the shareholders of the parent company by the weighted average number of undiluted shares in the respective financial year. Basic earnings per share from continuing and discontinued operations is calculated by dividing the consolidated income/loss for the period attributable to shareholders of the parent company by the undiluted weighted average number of shares in the respective financial year. The weighted average number of ordinary shares is calculated from the number of shares in circulation at the beginning of the period adjusted by the number of shares issued during the period and multiplied by a time-weighting factor. The time-weighting factor reflects the ratio of the number of days on which shares were issued and the total number of days in the period.

<i>in k€</i>	01/01/ - 30/06/2018	01/01/ - 30/06/2017
Consolidated net income/loss for the period from continuing operations	1,392	-4,205
Income/loss from continuing operations attributable to non-controlling interests	9,499	-
Income/loss from continuing operations attributable to shareholders	-8,107	-4,205
Weighted average number of shares issued, in thousands	79,850	22,048
Basic earnings per share from continuing operations in €	-0.10	-0.19
Number of dilutive potential shares, in thousands	-	-
Diluted earnings per share from continuing operations in €	-0.10	-0.19
Consolidated net income/loss for the period from continuing and discontinued operations attributable to shareholders	-7,311	-4,205
Weighted average number of shares issued, in thousands	79,850	22,048
Basic earnings per share from continuing and discontinued operations in €	-0.09	-0.19
Number of dilutive potential shares, in thousands	-	-
Diluted earnings per share from continuing and discontinued operations in €	-0.09	-0.19

During the third quarter of 2018 the share count will increase to 106,491 thousand shares, resulting in a theoretical basic earnings per share from continuing operations for the first half of 2018 of € -0.08.

2.9.6 INVESTMENT PROPERTY

The Group's portfolio predominantly consists of commercial property (offices and retail) and to a smaller proportion of residential property.

During the first half of 2018 no investment property was purchased from third parties.

Major market developments and valuation parameters that have an impact on the fair values of the investment property held by the Group are assessed every quarter. The results of this assessment indicate that no value adjustments are required as of June 30, 2018.

2.9.7 CONTRACT BALANCES

The timing of revenue recognition, invoicing and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. In the Group's development activities, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. Generally, billing occurs subsequent to revenue recognition, resulting in contract assets. However, the Group sometimes receives advances or deposits from its customers before revenue is recognized, resulting in contract liabilities. These assets and liabilities are reported on the Consolidated Statement of Financial Position on a contract-by-contract basis at the end of each reporting period. Changes in the contract asset and liability balances during the six-month period ended June 30, 2018, were not materially impacted by any other factors.

Impairment losses recognized on receivables and contract assets were de minimus in the first half of 2018 and 2017.

The following table provides information about contract assets and contract liabilities from contracts with customers:

<i>in k€</i>	Book value as of:	
	30/06/2018	01/01/2018
Gross contract assets - non-current	271,183	107,079
Gross contract assets - current	148,410	115,868
Prepayments received on non-current contract balances	-252,247	-17,984
Prepayments received on current contract balances	-90,134	-73,237
Net contract assets (liabilities)	77,213	131,725

2.9.8 WORK-IN-PROGRESS INCLUDING ACQUIRED LAND AND BUILDINGS

Work-in-progress can be broken down as follows:

<i>in k€</i>	30/06/2018	31/12/2017
Carrying amount of inventories	1,124,363	1,211,827
- thereof Real Estate 'Institutional'	994,964	948,735
- thereof Real Estate 'Parking'	27,518	26,700
- thereof Real Estate 'IAS 40'	4,263	5,618
- thereof Real Estate 'Apartments for sale'	66,084	315,324
- thereof Real Estate 'Other construction work'	45,111	27,388
- net off: received prepayments for Real Estate construction	-13,578	-111,938

The following carrying amount of inventory is expected to finish development within the next 12 months:

<i>in k€</i>	30/06/2018	31/12/2017
Carrying amount of inventories (expected to be realized within the next 12 months)	12,127	32,755
- thereof Real Estate 'Institutional'	-	77,925
- thereof Real Estate 'IAS 40'	4,263	5,618
- thereof Real Estate 'Other construction work'	9,599	10,705
- net off: received prepayments for Real Estate construction	-1,734	-61,494

<i>in k€</i>	30/06/2018	31/12/2017
Other disclosures for IAS 2		
Carrying amount of inventories pledged as security for liabilities	1,137,940	1,323,765

2.9.9 OTHER ASSETS

Due to the first time application of IFRS 15 in 2018, purchase price allocation step-ups that relate to future project progress were recognized. These amounted to k€ 2,888 as of June 30, 2018. For further information on IFRS 15 transition effects, please refer to chapter 5. IFRS 15 'Revenue from Contracts with Customers'.

During the reporting period 2018, k€ 3,142 was deferred on balance sheet under other asset as costs incurred in anticipation of an issuance of equity instruments.

Furthermore accrued cost for obtaining a contract of a total of k€ 10,566 were recognized as other asset as of June 30, 2018, due to provision payments made by CG.

2.9.10 PROVISIONS

Provisions developed as follows:

in k€	as at 01/01/2018	Additions	Reversal	as at 30/06/2018
Personnel related provisions	220	-	220	-
Legal provisions	500	-	-	500
Other provisions	2,650	110	-2,650	110
Total	3,370	110	-2,870	610

Due to the expiration of a change of control clause the corresponding provision was reversed through profit / loss during the first quarter 2018.

Furthermore the provision for risks resulting from the purchase of a property was reversed during the first half-year of 2018 since the company subject to the risk was sold. Accordingly the income from the release became part of the deconsolidation loss from the sale of the entity.

Other provisions increased by of k€ 110 due to a commitment made by the company to the buyer of its investment properties to cover certain maintenance costs.

2.9.11 FINANCIAL INSTRUMENTS

During the first half year 2018 the Company repurchased k€ 43,321 nominal and k€ 1,247 accumulated interest of the € 150m notes payable.

After the balance sheet date on August 3, 2018 the Company bought back a further € 85m of its long-term bond with € 21m nominal remaining until November 2024

The Company had previously issued a € 200m convertible bond for which it received a Conversion Notice requesting a conversion of k€ 500 nominal into equity. The impact on capital reserve of k€ 466 was accounted for in Q2.2018 whereas the actual emission of shares will take place in Q3.2018. Further Conversion Notices amounting to € 5m were received after the balance sheet date and do not impact the Financial Statements as of June 30, 2018.

Debentures entered into by CG during the first half-year of 2018 carry embedded derivatives that need to be separated from its host contract and accounted for separately at fair value through profit or loss. The embedded derivatives are prepayment options that can be exercised by CG Gruppe AG. The market value of the prepayment options are calculated with a binomial interest rate tree model based on current market conditions. As of June 30, 2018 the value of the derivative asset was k€ 5,005.

The following abbreviations are used for the measurement categories:

- HfT: Held for Trading
- LaR: Loans and Receivables
- AfS: Available for Sale
- FVTPL: Financial assets at FVTPL
- AC: Financial assets at amortised cost
- Debt FVOCI: Debt investments at FVOCI

- Equity FVOCI: Equity investments at FVOCI
- FLaC: Financial Liability at Cost
- FAHfT: Financial Assets Held for Trading
- FIHfT: Financial Liabilities Held for Trading

Financial assets and liabilities by measurement category and class are shown in the following table:

in k€	Category acc. to IFRS 9	Carrying value as of 30/06/2018	Nominal value	Amortised costs	Fair value through P/L	Fair value through equity	Fair value as of 30/06/2018	Fair value hierarchy level
Other non-current financial assets (investments)	FVOCI – equity instrument							3
Other non-current financial assets	Amortised cost	1,365	-	1,365	-	-	1,365	2
Trade receivables	Amortised cost	16,457		16,457			16,457	2
Other current financial assets	Amortised cost	7,161		7,161			7,161	2
Receivables from related entities	Amortised cost	40,301		40,301			40,301	2
Derivatives	Mandatorily at FVTPL	5,005			5,005		5,005	2
Cash and cash equivalents	Amortised cost	31,199	31,199				31,199	1
Total financial assets	-	101,489	31,199	65,285	5,005		101,489	
Financing liabilities	FLaC	1,271,157		1,271,157			1,291,898	2
Trade payables	FLaC	51,236		51,236			51,236	2
Liabilities to related entities	FLaC							2
Derivatives	FLHfT	12,137			12,137		12,137	3
Other financial liabilities	FLaC	48,330		38,633	9,697		48,330	2
Total financial liabilities		1,382,860		1,361,026	21,834		1,403,601	
Financial asset measured at fair value through profit and loss	Mandatorily at FVTPL	5,005			5,005		5,005	
Financial asset measured at amortised cost	Amortised cost	96,484	31,199	65,285			96,484	
Financial liabilities at cost	FLaC	1,370,723		1,361,026	9,697		1,391,464	
Financial liabilities held for trading	FLHfT	12,137			12,137		12,137	

in k€	Measurement category (IAS 39)	Carrying value as of 31/12/2017	Nominal value	Amortised costs	Fair value through P/L	Fair value through equity	Fair value as of 31/12/2017
Other non-current financial assets (investments)	AfS	1,153	-	-	-	1,153	1,153
Other non-current financial assets (other lendings)	LaR	3,847	1,370	2,477	-	-	3,883
Trade receivables	LaR	56,017	54,020	1,997	-	-	56,017
Other current financial assets	LaR	2,584	2,584	-	-	-	2,584
Receivables from related entities	LaR	27,840	27,840	-	-	-	27,840
Cash and cash equivalents	LaR	71,340	71,340	-	-	-	71,340
Total financial assets		162,780	157,153	4,474	-	1,153	162,816
Financing liabilities	FLaC	1,572,956	-	1,578,289	-	-	1,577,788
Trade payables	FLaC	46,244	41,177	5,067	-	-	46,244
Liabilities to related parties	FLaC	5,953	-	5,956	-	-	5,956
Derivatives	FLHfT	16,590	-	-	16,590	-	16,590
Other financial liabilities	FLaC	34,279	-	25,975	8,305	-	34,279
Total financial liabilities		1,676,022	41,177	1,615,287	24,894	-	1,680,858
Loans and receivables	LaR	161,627	157,153	4,474	-	-	161,664
Financial liabilities at cost	FLaC	1,659,432	41,177	1,615,287	8,305	-	1,664,268
Financial liabilities held for trading	FLHfT	16,590	-	-	16,590	-	16,590
Available for sale	AfS	1,153	-	-	-	1,153	1,153

The following table presents the changes in level 3 instruments for the six-month period ended June 30, 2018:

in k€	01/01 - 30/06/2018
as of 01.01.2018	-16,590
Gains recognized in financial income	4,453
as of 30/06/2018	-12,137

The gains recognized in consolidated income from level 3 instruments during the reporting period 2018 results from the derivative financial instrument embedded in the € 200 million bond issued in 2017 and was mainly driven by the development of the Consus Real Estate AG share price.

Valuation of the derivative particularly depends on inputs such as share price and volatility. A 5% increase of the share price would lead to a loss of k€ 414, whereas a 5% decrease of the share price would lead to a gain of k€ 2,185. Independently a 5% increase in volatility would have resulted in a loss of k€ 271, whereas a 5% decrease in volatility would have resulted in a gain of k€ 714.

Liquidity risk exposure for the Group was as follows:

in k€	Carrying value as of 30/06/2018	< 1 year	1 - 5 years	> 5 years
Financing liabilities	1,271,157	400,219	932,068	139,365
Derivatives	12,137	-	-	-
Trade payables	51,236	51,236	-	-
Other financial liabilities	48,330	38,555	9,775	-
Total	1,382,860	490,010	941,843	139,365

in k€	Carrying value as of 31/12/2017	< 1 year	1 - 5 years	> 5 years
Financing liabilities	1,572,956	570,142	982,106	190,440
Derivatives	16,590	-	-	-
Trade payables	46,244	46,244	-	-
Liabilities to related parties	5,953	4,825	-	-
Other financial liabilities	34,279	25,888	8,386	-
Total	1,676,022	647,100	990,492	190,440

2.10 SEGMENT INFORMATION

2.10.1 OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on its organizational structure and has two reportable segments, as follows:

- Consus: Principal business activities include the renting of real estate, mainly for commercial use, and head office function.
- CG: Principal business activities include the development of real estate for residential use as well as commercial use. Furthermore, CG is engaged in the renting of commercial and residential real estate as well as complementary services.

Since GxP has been classified as discontinued operations, management does not consider GxP to be a reportable segment as of June 30, 2018. The chief operating decision makers monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, Net Loan to Value (Net-LTV) as well as Net Asset Values (NAV) and is measured consistently with values reported in the IFRS consolidated financial statements of the Group.

The Group's financing (including financial costs and financial income) and income taxes are managed on a Group basis and are not allocated to operating segments.

**Overall Performance for
six months ended 30 June
2018**

<i>in k€</i>	Consus	CG Group	Total
Overall performance	5,842	236,596	242,438

**Overall Performance for
six months ended 30 June
2017**

<i>in k€</i>	Consus	CG Group	Total
Overall performance	1,052	-	1,052

**Net-Loan-to-Value
30/06/2018**

<i>in k€</i>	Consus	CG Group	Other/ Eliminations	Total
Investment property (IAS 40)	-	220,735	-	220,735
Prepayments on investment property (IAS 40)	-	-	-	-
Inventory (IAS 2) - Property under construction	-	1,124,363	-	1,124,363
Contract assets	-	109,427	-	109,427
Real Estate assets	-	1,454,524	-	1,454,524
Liabilities to financial institutions	305,384	946,002	31,908	1,283,294
Cash and cash equivalents	7,796	23,396	7	31,199
Net debt	297,588	922,606	31,901	1,252,095
Net loan to Value (Net LTV)	n/a	63%	n/a	86%

**Net-Loan-to-Value
31/12/2017**

<i>in k€</i>	Consus	GxP	CG Group	Other/ Eliminations	Total
Investment property (IAS 40)	148,400	165,270	213,680	-	527,350
Prepayments on investment property (IAS 40)	10,532	-	-	-	10,532
Inventory (IAS 2) - Property under construction	-	-	1,211,827	-	1,211,827
Real Estate assets	158,932	165,270	1,425,507	-	1,749,709
Liabilities to financial institutions	437,542	104,978	1,007,706	39,319	1,589,546
Cash and cash equivalents	33,396	4,896	33,032	15	71,340
Net debt	404,146	100,082	974,674	39,304	1,518,026
Net loan to Value (Net LTV)	254%	61%	68%	n/a	87%

Net Asset Value (NAV) 30/06/2018		Other/ Elimination		
<i>in k€</i>	Consus	CG Group	s	Total
Equity	584,834	311,569	-66,081	830,322
Fair value of derivative financial instruments	7,132	-		7,132
Deferred tax liabilities	347	80,240		80,587
Goodwill		-724,634		-724,634
Net Asset Value (NAV)	592,313	-332,825	-66,081	193,407

Net Asset Value (NAV) 31/12/2017 in k€	Consus	GxP	CG	Other/ Elimination s	Total
Equity	574,714	58,872	317,807	-135,384	816,009
Fair value of derivative financial instruments	9,888				9,888
Deferred tax liabilities	5,344	5,676	92,703		103,723
Goodwill		-1,586	-698,490		-700,076
Net Asset Value (NAV)	589,946	62,963	-287,981	-135,384	229,544

2.10.2 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical market, sources of revenue and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

Sources of revenue For six months ended 30 June 2018		Other/ Eliminations		
<i>in k€</i>	Consus	CG Group		Total
Income from letting activities	5,842	9,220		15,062
Income from real estate inventory disposed of		11,054		11,054
Change in project related inventory		19,302		19,302
Income from property development		197,020		197,020

Sources of revenue For six months ended 30 June 2017		Other/ Eliminations		
<i>in k€</i>	Consus	CG Group		Total
Income from letting activities	1,052			1,052

Primary geographical markets
For six months ended 30 June 2018
in k€

	Consus	CG Group	Other/ Eliminations	Total
Germany	5,842	236,596	-	242,438

Primary geographical markets
For six months ended 30 June 2017
in k€

	Consus	CG Group	Other/ Eliminations	Total
Germany	1,052			1,052

Timing of revenue recognition
For six months ended 30 June 2018
in k€

	Consus	CG Group	Other/ Eliminations	Total
Products transferred at a point in time	708	30,356		31,064
Products and services transferred over time	5,134	206,240		211,374

Timing of revenue recognition
For six months ended 30 June 2017
in k€

	Consus	CG Group	Other/ Eliminations	Total
Products transferred at a point in time	947			947
Products and services transferred over time	105			105

2.10.3 SEASONALITY OF OPERATIONS

The Group's segments are not exposed to seasonality or cyclicity in its operations.

ADJUSTED EBITDA CALCULATION

The following Adjusted EBITDA table reflects EBITDA calculated on a cost basis, and removing the impact of the inventory revaluations (PPA) which occurred on the acquisition of CG Gruppe AG by Consus. The adjusted EBIT reverses the asset value step-up and thereby reduces the book value while retaining the costs actually incurred.

Adjusted EBITDA pre-PPA
Calculation half year 2018
in k€

	Consus	CG Group	Other/ Eliminations	Total
unadjusted EBITDA half year 2018	-7,880	49,344	-8	41,456
Reduction of changes in inventory	-	10,431	-	10,431
One-off expenses	5,019	-	-	5,019
adjusted EBITDA pre-PPA half year 2018	-2,861	59,776	-8	56,906
unadjusted EBIT half year 2018	-7,880	48,491	-8	40,603
Reduction of changes in inventory	-	10,431	-	10,431
Elimination of Step Up amortisation	-	-31	-	-31
One-off expenses	5,019	-	-	5,019
adjusted EBIT pre-PPA half year 2018	-2,861	58,892	-8	56,022
unadjusted EBT half year 2018	-8,655	13,505	-2,861	1,989
Reduction of changes in inventory	-	10,431	-	10,431
Elimination of Step Up amortisation	-	-31	-	-31
One-off expenses	5,019	-	-	5,019
adjusted EBT pre-PPA half year 2018	-3,636	23,905	-2,861	17,408

2.11 CAPITAL MANAGEMENT

2.11.1 CAPITAL MANAGEMENT

The aim of the Group's capital management is to secure the continued existence of the company as a going concern while generating income for its shareholders and providing all other stakeholders with benefits to which they are entitled. In addition, the overall aim is to ensure the Group's creditworthiness in order to foster the further growth of the Group.

The Group monitors capital on the basis of loan-to-value (LTV). LTV describes the ratio of net debt to the fair value of investment property. Net debt is calculated by deducting cash and cash equivalents from financial liabilities.

The Group's goal is to maintain an appropriate level of leverage in order to ensure continued access to debt financing in the long term at economically appropriate costs. LTV as at June 30, 2018, and December 31, 2017, is calculated as follows:

Net-Loan-to-Value in k€	30/06/2018	31/12/2017
Investment property (IAS 40)	220,735	527,350
Prepayments on investment property (IAS 40)	-	10,532
Inventory (IAS 2) - Property under construction	1,124,363	1,211,827
Contract assets	109,427	
Real Estate assets	1,454,524	1,749,709
Liabilities to financial institutions	1,283,294	1,589,546
Cash and cash equivalents	31,199	71,340
Net debt	1,252,095	1,518,206
Net loan to Value (Net LTV) in %	86%	87%

In case GxP would have been already classified as held for sale as of December 31, 2017 the Net-LTV would have compared as follows:

Net-Loan-to-Value in k€	30/06/2018	31/12/2017
Investment property (IAS 40)	220,735	362,080
Prepayments on investment property (IAS 40)	-	10,532
Inventory (IAS 2) - Property under construction	1,124,363	1,211,827
Contract assets	109,427	
Real Estate assets	1,454,524	1,584,439
Liabilities to financial institutions	1,283,294	1,484,568
Cash and cash equivalents	31,199	66,443
Net debt	1,252,095	1,418,124
Net loan to Value (Net LTV) in %	86%	90%

2.11.2 PREPAYMENTS

Prepayments received by the Group on either contract assets/liabilities (under the scope of IFRS 15) or on inventory (under the scope of IAS 2) are included in the balances of the respective asset or liability balance. Since these prepayments constitute an important source of liquidity for the Group the following table provides a comprehensive overview.

Prepayments received in k€	30/06/2018	31/12/2017
Prepayments included in contract assets/liabilities	342,381	-
Prepayments included in inventory	13,577	111,938
Total	355,958	111,938

2.12 RELATED PARTIES

2.12.1 KEY MANAGEMENT PERSONNEL REMUNERATION

The members of Group's Supervisory Board and Management Board are the management of the Group in key positions within the meaning of IAS 24.9. The following tables provide an overview of both, remuneration of Management as well as Supervisory Board.

Board remuneration – first half 2018

<i>in k€</i>	Accounted	Paid out
Management board	782	1,099
Short-term benefits	782	1,099
Supervisory Board	89	9
Short-term benefits	89	9

Board remuneration – first half 2017

<i>in €</i>	Accounted	Paid out
Management board	106	106
Short-term benefits	106	106
Supervisory Board	32	32
Short-term benefits	32	32

2.12.2 OTHER RELATED PARTY TRANSACTIONS

Transactions with other related parties for the six months ended June 30, 2018 (six months ended June 30, 2017) were as follows:

<i>in k€</i>	01/01/- 30/06/2018	01/01/- 30/06/2017
Income	99	-
Expenses	345	-
Interest income	1,015	-
Income from fair value changes of derivatives	397	-
Interest expenses	- 1,857	-
Financing receivables	40,447	15,924
Trade receivables	-145	11,916
Financing liabilities, incl. derivatives	- 17,449	-246,535

During the first half-year 2018, an interest-bearing short-term loan with a nominal of k€ 5,050 was issued by Consus Real Estate AG to a company affiliated with Aggregate Holding S.A., on which a total interest income of k€ 273 was recognized.

During the first half of 2018 it came to the Companies attention that Aggregate Deutschland S.A. does no longer hold title to the € 150m bonds. As at 30 June 2018, Aggregate Group held title to € 17.8m nominal of the € 200m convertible bond. Furthermore Consus purchased all outstanding receivables against CG from the Aggregate group with a value of k€ 10,354.

2.13 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Future cumulative minimum lease payments from operating lease agreements, with the respective remaining terms, are presented in the following table:

<i>in k€</i>	30/06/2018	31/12/2017
up to one year	2,563	2,722
1-5 years	5,656	6,368
over 5 years	-	934
Total	8,219	10,025

These operate lease contracts include renting of office space as well as office equipment.

2.13.1 OBLIGATIONS TO ACQUIRE LONG-TERM ASSETS

As of June 30, 2018 there are no obligations to acquire investment property (December 31, 2017: k€ 31,500).

2.13.2 OTHER FINANCIAL OBLIGATIONS

Other financial obligations include future obligations from pending share purchase agreements in an amount of k€ 27,350 as of June 30, 2018 (December 31, 2017: k€ 74,400). The other agreements primarily relate to the provision of insurance services and other obligations. The following table provides an overview of the aggregated amount of other financial obligations:

Other financial obligations – 2018

<i>in k€</i>	<1 year	1-5 years	>5 years	Total
Financial obligations as of 30/06	27,858	153	0	28,011

Other financial obligations – 2017

<i>in k€</i>	<1 year	1-5 years	>5 years	Total
Financial obligations as of 30/06	77,138	1,231	0	78,370

Responsibility statement

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the Condensed Interim Consolidated Financial Statements for the period from 1 January to 30 June 2018 present a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the interim management report presents a fair review of the development and performance of the business and the position of the Group, together with a description of the material risks and opportunities of the expected development of the Group.

Berlin, 9 October 2018

A handwritten signature in blue ink, appearing to read 'Andreas Steyer'.

Andreas Steyer
CEO

A handwritten signature in blue ink, appearing to read 'Benjamin Lee'.

Benjamin Lee
CFO