CONSUS
REAL ESTATE

INTERIM REPORT JANUARY–SEPTEMBER 2020

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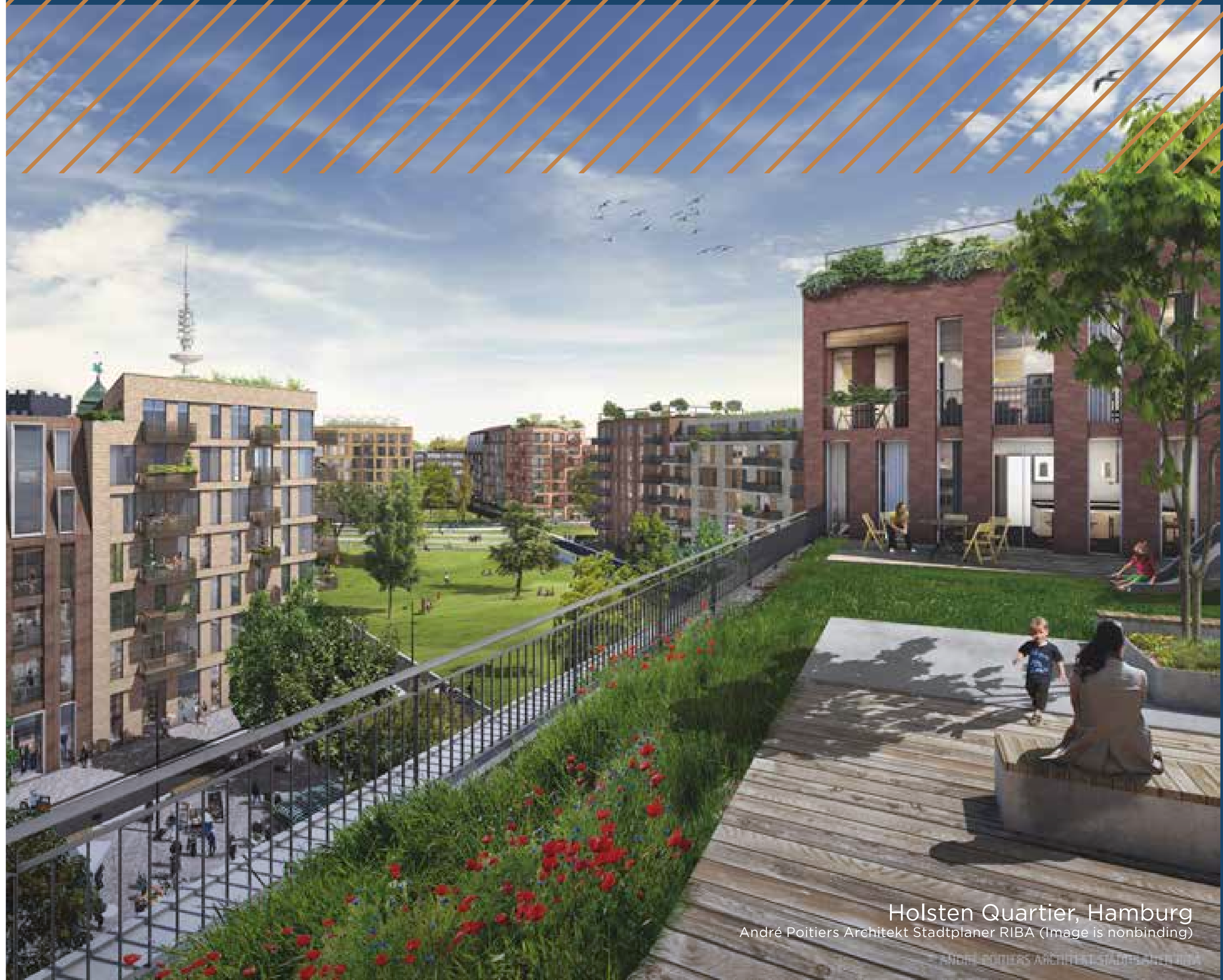

Holsten Quartier, Hamburg
André Poitiers Architekt Stadtplaner RIBA (image is nonbinding)

CONSUS FACTS & FIGURES

Consus Real Estate AG, headquartered in Berlin, is the leading real estate developer in the top 9 cities in Germany with a gross development volume, pro forma for the recently announced disposals, of €8bn. Consus focuses on the development of residential complexes and standardised multi-storey residential construction, which are sold to institutional investors through forward sales. Adler Group (formerly ADO Properties SA), the strategic shareholder of Consus, announced that it intends to change the business strategy of Consus to a build-to-hold approach. Consus has a strategic co-operation agreement with Adler Group where it works together with Adler Group on its residential development portfolio. As part of the agreement, CONSUS has provided a right to Adler Group to allow it to match any offer from a third party on residential development projects worked on together.

Thanks to its own construction competence and the digitalisation of construction processes, Consus operates along the entire value chain of real estate development. Consus delivers the realisation of projects from planning and execution to handover, property management and related services through its subsidiaries Consus RE GmbH and Consus Swiss Finance AG.

PROJECT DEVELOPMENTS WITH A GDV OF 8.6* *billion Euros*

** pro forma for signed Upfront Sales*

CURRENT REAL ESTATE PORTFOLIO 40* *projects*

** pro forma for signed Upfront Sales*

NET FLOOR AREA TOTAL 1,350* *thousand* m^2

** pro forma for signed Upfront Sales*

RESIDENTIAL PERCENTAGE OF TOTAL NFA 63%*

** pro forma for signed Upfront Sales*

RESIDENTIAL NET FLOOR AREA 850* *thousand* m^2

** pro forma for signed Upfront Sales*

GDV IN TOP 9 CITIES IN GERMANY 99%*

** pro forma for signed Upfront Sales*

HIGHLIGHTS OF PROJECT DEVELOPMENT

Düsseldorf

BENRATHER GÄRTEN

In Düsseldorf, the plot formerly occupied by the Outokumpu steel mill is being developed into a green urban complex with residential and commercial areas. Close to the Baroque-style Benrath Palace, the Benrather Gärten will provide modern, urban housing in the centre of the Rhine-Ruhr metropolitan region.

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Stuttgart

VAI CAMPUS STUTTGART

Close to the metropolis of Stuttgart, Consus is developing a smart project in a class of its own. Around the former IBM campus, designed by the German architectural legend Egon Eiermann, three neighbourhoods will become a home for more than 3,000 people. Inspired by naturally grown Old Town areas, these will be enjoyable and comfortable spaces for their residents. Shops, restaurants and cafés complete the complex and make it an organic urban residential area committed to the idea of a future worth living in.

Steidle Architekten (Image is nonbinding)

Hamburg

HOLSTEN QUARTIER

At the former site of the traditional Holsten Brewery in Hamburg, Consus is developing a hip and urban neighbourhood, in which offices, restaurants, retail and over 1.000 apartments are being built. The neighbourhood creates much-needed living space in the Hanseatic city and breathes new life into the historic site.

The Holsten brewery is located in the heart of Hamburg's Altona-Nord district. This area is home to the Neue Mitte Altona, a district development and reorganisation of the Hamburg-Altona railway junction. In many streets you can still find magnificent buildings from the Wilhelminian period. The development area offers the opportunity to redesign the centre of the district next to the Neue Mitte Altona.

INTERIM MANAGEMENT REPORT

KEY EVENTS DURING THE REPORTING PERIOD

In the third quarter of 2020, Consus Real Estate AG ("Consus") continued to operate the business through the challenges of the coronavirus pandemic. Total income of €705.6 million increased year-on-year by 34.4%. Our key performance indicator, EBITDA pre-PPA and pre-one-offs (Adjusted EBITDA), reached €193.2 million leading to an adjusted EBITDA pre-PPA margin of 27.4%. The company reports its figures on a pre purchase price allocation ('PPA') and pre-one-off basis in order to remove the accounting impact of the acquisitions and highlight the underlying business performance. LTM Adjusted EBITDA reached €252.5 million, reflecting the challenging economic conditions in 2020.

On 29 June 2020, Adler Group S.A. (formerly ADO Properties SA) ("Adler") announced that it had exercised its call option to acquire control of Consus followed by an announcement on 6 July 2020 that they had successfully closed the call option and acquired control with a current stake of approx. 65%.

In line with the ongoing integration of operations and streamlining of its group structure, Consus completed the acquisition of the remaining 25% minority stake (on a fully diluted basis) in Consus RE AG (formerly CG Gruppe AG) ("Consus RE") in July 2020. Subsequently, Consus RE became a wholly-owned subsidiary of Consus and its legal structure was converted to a limited liability company (GmbH) as a further milestone to optimise and simplify the group.

CEO Andreas Steyer and CFO Benjamin Lee left the Management Board of the company on 11 July 2020 and on 26 July 2020 respectively. Andreas Steyer has led the company with strategic straightforwardness and consistency, and Benjamin has financed the strategy and positioned it expertly and sustainably with investors.

Adler announced its intention to change the Company' business strategy to focus on build-to-hold as part of the combined group. Under the revised business strategy, Consus expects that certain forward sales and upfront sales currently planned for 2020, which would have contributed to the Company's 2020 results, will not be undertaken. For this reason, Consus has withdrawn its guidance of an Adjusted EBITDA of approx. EUR 450m for 2020.

Consus is pleased to continue achieving growth and strategic transformation against the backdrop of challenging economic conditions.

PORTFOLIO DEVELOPMENT

Consus is the leading residential real estate developer in Germany's top 9 cities with a portfolio of €10.6 billion as at 30 September 2020 across 48 projects. The closing of the acquisition of the large-scale development project 'Grand Central' in the city centre of Düsseldorf resulted in a GDV increase of €0.6 billion. Pro-forma for the announced upfront sales, the GDV of the portfolio will be €8.6 billion across 40 projects. Following these upfront sales, Consus will have increased its proportion of residential in developments to over 63%, and its remaining development portfolio of GDV €8.6 billion is almost exclusively in Germany's top 9 cities, with 92% of GDV in Germany's top 7 cities.

Gross Asset Value (GAV) according to IFRS amounted to €2.92 billion and the company's market gross asset value (Market GAV) €3.58 billion (year end 2019: €3.62 billion) both reflecting the deconsolidation of the upfront sale announced on 8 May 2020; no adjustments were made for general market values. Pro forma for the other disposal, Market GAV is estimated to be €3.1 billion as at 30 September 2020.

DEVELOPMENT OF INCOME STATEMENT ITEMS

	Q1-3 2020 in k€	Q1-3 2019 in k€	Change in %
Total income	**705,553**	**525,040**	**34.4%**
– Income from letting activities	9,990	13,702	-27.1%
– Income from real estate inventory disposed of	344,601	186,535	84.7%
– Income from property development	306,189	313,725	-2.4%
– Income from service, maintenance and management activities	44,773	11,079	>100
Change in project-related inventory	**-83,454**	**83,613**	**-199.8%**
Overall performance	**622,099**	**608,653**	**2.2%**
EBITDA (Earnings before interest, taxes, depreciation and amortisation)	**158,437**	**220,187**	**-28.0%**
Adjusted EBITDA (pre PPA and one-off expenses)	**193,216**	**285,192**	**-32.3%**
Adjusted EBITDA margin	**27.4**	**54.3**	**-26.9**
Financial result	**-195,342**	**-172,166**	**13.5%**
Consolidated net income	**-37,224**	**29,326**	**n/a**

RESULTS FROM OPERATIONS

In the first nine months of 2020, the Group generated a total income of €705.6 million (Q1–3 2019: €525.0 million) with an overall performance of €622.1 million (Q1–3 2019: €608.7 million).

Revenues from letting activities provided €10.0 million (Q1–3 2019: €13.7 million) and remained on a stable lower level as a non-core business of Consus. The Adjusted EBITDA (pre-purchase price allocation and one-off expenses) amounted to €193.2 million at the end of the third quarter of 2020 (Q1–3 2019: €285.2 million), based off a reported EBITDA of €158.4 million (Q1–3 2019: €220.2 million). The EBITDA contribution came mainly from the development projects and capitalised interest, with a small contribution from letting and services activities.

Other operating expenses amounted to €56.0 million in the first nine months and are higher than in the same period of 2019 (€48.8 million) due to increased expenditures for strategic transformation initiatives such as the integration programs. The Consolidated Net Income of €-37.2 million in the first nine months of 2020 (Q1–3 2019: €29.3 million) was mainly caused by higher construction expenditures as well as financial expenses.

BALANCE SHEET REVIEW

The balance sheet remained stable with total assets only slightly decreasing from €4.76 billion as at year-end to €4.75 billion as at 30 September 2020. Investment properties decreased from €384.0 million as at year end to €99.7 million driven by the announced divestments in Q2 2020. Financial assets increased to €168.4 million from €104.7 million as at 31 December 2019 mainly caused by reclassification of receivables from related parties and a higher amount of restricted cash with a term of more than 3 months. Total contract assets net of contract liabilities increased to €408.4 million from €282.0 million as of 31 December 2019 reflecting work in progress on existing forward sales, with prepayments related to forward sales increasing from €483.1 million as of 31 December 2019 to €539.2 million. Total cash, restricted and unrestricted decreased from €150.6 million at year end 2019 to €129.8 million as of 30 September 2020 caused mainly by the increase in prepayments received and net proceeds from borrowings as well as cash consumption in operations in Q1–3 2020.

As of 30 September 2020, Consus Group has received a total of €865.4 million (31 December 2019: €788.9 million) in prepayments from forward sales including advanced payments on land and invests and others. Prepayments related to land and construction increased as projects were forward sold and constructed, demonstrating the strength of our forward sale focused business model.

Total financing liabilities increased to €3,006.7 million (31 December 2019: €2,850.5 million), not reflecting the (preliminary) purchase price receivable of €339.7 million from the Gröner upfront sale. After considering this receivable, total financing liabilities decrease to €2,666.9 million and are below the level of year end 2019. Net debt increased to €2,876.9 million (31 December 2019: €2,699.9 million) mainly caused by lower amount of debt outstanding to financial institutions, which decreased by €540.4 million, but higher amount of debt outstanding to our shareholder Adler, which were not available at year end 2019, amounting to €696.5 million. The Adler loans will have a very positive impact on our future financial result, because of materially lower interest rates than from financial institutions. In addition, the preliminary purchase price receivable of €339,7 million from the Gröner upfront sale had not been received as per the reporting date. The majority of this amount will be used to further reduce the debt to financial institutions in Q4 2020. After deducting the preliminary purchase price receivable pro forma net debt is €2,537.2 million. Total equity amounted to €1,035,018 million (31 December 2019: €1,064.4 million) at the reporting date.

CASHFLOW

Consus' net cashflow from operating activities amounted to €-108.8 million as of 30 September 2020 (Q3 2019: €123.3 million), reflecting the ramp-up of construction business and lack of forward sales in the quarter. Investing cash flow was € -48.6 million, primarily reflecting capex spend. From a financing perspective, €713.2 million of debt was repaid, with a further €971.3 million being raised as the company refinances its project debt. The material refinancing of expensive third-party debt through loans from the new majority shareholder Adler Group resulted in a significant reduction of the average interest rate.

RECENT DEVELOPMENTS

The Annual General Meeting of Consus Real Estate AG was held in Berlin on October 15, 2020 as a virtual event due to the coronavirus pandemic. All resolutions of the agenda have been approved by a large majority, thus providing full support for the company's strategy.

OUTLOOK

Consus continues to believe that German residential real estate in the top 9 cities will prove to be one of the most robust asset classes despite the coronavirus pandemic. The proportion of Consus' GDV within the top 9 cities has increased during the year and now stands at 99%.

The second wave of the Coronavirus pandemic infections started in Q3 2020. Consus cannot conclusively assess the effects on Consus from the impact on the overall economic and industry-related developments by the coronavirus. Consus will continue to assess any potential macroeconomic and industry-related impacts as well as any impact on the Group's business, either directly or from reduced economic visibility, and will update the market as appropriate.

RISK MANAGMENT

Since March 11, 2020, the coronavirus has been classified as a pandemic. A pandemic is an epidemic that spans multiple countries and continents. The World Health Organization (WHO) anticipates a further increase in the number of cases and possible deaths, as well as the number of countries affected, and expresses concern about the spread and severity of the diseases. In the meanwhile, the second wave of the coronavirus justify these concerns. The situation is considered being very serious on part of the company. If the coronavirus is suspected or occurs among Consus employees, service providers or suppliers, there may be delays on the construction sites of our projects.

The Management Board has assessed the risk from the further spread of the pandemic and the effects on the asset, financial and earnings situation as relevant. An internal crisis team has been established to decide on all necessary measures to be taken and to be managed. The managers and employees of the Consus Group have been informed and instructed about precautionary measures and specific measures to be taken in the event of suspected or occurring illness.

The outbreak of the coronavirus and its rapid spread across many countries and continents has led to a change in certain risk estimates made by the Management Board as of December 31, 2019. At the moment, Consus cannot conclusively assess the effects on Consus from the impact on the overall economic and industry-related developments by the coronavirus, but has assumed that the risks in this risk category have generally increased.

This also entails increased financial, financing and liquidity risks as well as risks in the project development phases, e.g. in the area of financing, completion and sale of the Consus' projects. The completion can be delayed due to the lack of availability of materials or of our own as well as employees of subcontractors, e.g. because the entry to Germany is prevented by closing the borders. Delayed completions can lead to later cash flows under forward sales contracts or those from condominium sales. There is also a risk of increasing building costs. Upfront sales can be delayed due to economic uncertainty and sales prices achieved may decline. Fundamentally, willingness to invest can also diminish in the economic environment shaped by the coronavirus.

The coronavirus pandemic is currently being successfully addressed in Germany; however, there is no certainty on whether the incidence of coronavirus will increase again and on the overall impact of the economy and on Consus. Consus continues to actively assess the risks and potential actions.

Otherwise, the risk profile of Consus remains materially unchanged and in line with the risks and opportunities outlined in our Consolidated Financial Statements and Group Management Report dated 31 December 2019. However, the material upfront sales of development projects in 2020 as well as refinancing of debt based on loans from the new majority shareholder Adler Group resulted in additional significant reduction of the average interest rate.

Berlin, 27 November 2020

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01/01/-30/09/2020 (unaudited)	01/01/-30/09/2019* (unaudited)	01/07/-30/09/2020 (unaudited)	01/07/-30/09/2019* (unaudited)
		in k€	**in k€**	**in k€**	**in k€**
Income from letting activities	3.7.1	9,990	13,702	1,631	4,978
Income from real estate inventory disposed of		344,601	186,535	4,903	184,135
Income from property development	3.7.2	306,189	313,725	88,462	121,626
Income from service, maintenance and management activities		44,773	11,079	-3,073	3,956
Total income		**705,553**	**525,040**	**91,923**	**314,694**
Change in project related inventory	3.7.2	-83,454	83,613	39,760	-39,668
Overall performance		**622,099**	**608,653**	**131,682**	**275,026**
Expenses from letting activities	3.7.1	-5,584	-6,756	-2,464	-1,916
Cost of materials		-362,268	-304,340	-70,744	-136,267
Net income from the remeasurement of investment properties		-	7,620	-	-782
Other operating income		19,440	13,318	8,479	4,836
Personnel expenses		-59,279	-49,534	-21,407	-20,152
Other operating expenses	3.7.3	-55,971	-48,774	-8,028	-17,146
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**158,437**	**220,187**	**37,518**	**103,598**
Depreciation and amortisation		-7,250	-6,053	-1,880	-2,734
EBIT* (Earnings before interest and taxes)		**151,187**	**214,135**	**35,637**	**100,864**
Financial income	3.7.4	27,069	22,393	3,561	9,201
Financial expenses	3.7.4	-222,411	-194,559	-96,593	-74,435
EBT (Earnings before taxes)		**-44,155**	**41,969**	**-57,395**	**35,630**
Income tax expenses	3.7.5	6,932	-12,643	10,927	-10,734
Net income (Earnings after taxes) from continued operations		**-37,224**	**29,326**	**-46,468**	**24,897**
Discontinued operations					
Net income (Earnings after taxes) from discontinued operations		-	-	-	-
Consolidated net income		**-37,224**	**29,326**	**-46,468**	**24,897**
Other comprehensive income		80	439	-243	172
thereof non-recycling		-	-	-	-
thereof will be reclassified to profit or loss		80	439	-243	172
Total comprehensive income		**-37,144**	**29,765**	**-46,711**	**25,068**

* including interest expenses that are capitalized in accordance with IAS 23 (refer to note 3.7.2)

	Note	01/01/-30/09/2020 (unaudited)	01/01/-30/09/2019* (unaudited)	01/07/-30/09/2020 (unaudited)	01/07/-30/09/2019* (unaudited)
		in k€	**in k€**	**in k€**	**in k€**
Of the net income from continuing operations for the period, the following is attributable to:					
Non-controlling interests		-4,190	15,237	4,718	9,481
Shareholders of the parent company		-33,034	14,089	-51,187	15,416
Of the total comprehensive income from continuing operations for the period, the following is attributable to:					
Non-controlling interests		-4,190	15,237	4,697	9,557
Shareholders of the parent company		-32,954	14,528	-51,409	15,512
Total comprehensive income for the period attributable to shareholders of the parent company arising from:					
Continuing operations		-32,954	14,528	-51,409	15,512
Discontinued operations		-	-	-	-
Total comprehensive income for the period attributable to non-controlling interests arising from:					
Continuing operations		-4,190	15,237	4,697	9,557
Discontinued operations		-	-	-	-
Earnings per share from continued operations (basic) in EUR	**3.7.6**	**-0.23**	**0.10**	**-0.36**	**0.11**
Earnings per share from continued operations (diluted) in EUR	**3.7.6**	**-0.23**	**0.09**	**-0.36**	**0.10**

* Prior year figures adjusted (3.5.2)

2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30/09/2020 (unaudited)	31/12/2019
		in k€	**in k€**
Non-current assets:			
Investment property		99,681	384,044
Property, plant and equipment		9,009	11,076
Right-of-use assets		10,971	17,144
Goodwill		1,036,489	1,036,489
Other intangible assets		4,385	4,919
Investments accounted for using the equity method		21,065	21,046
Receivables from related parties	3.10	1,007	184
Financial assets	3.7.9	72,009	73,559
Other assets	3.7.9	196	194
Contract assets	3.7.7	23,828	13,856
Total non-current assets		**1,278,639**	**1,562,511**
Current assets:			
Inventory	3.7.8	2,378,493	2,472,621
Trade and other receivables		394,037	41,663
Receivables from related parties	3.10	3,650	109,082
Tax receivables		6,411	11,572
Financial assets	3.7.9	96,434	31,101
Other assets	3.7.9	45,808	28,707
Contract assets	3.7.7	391,047	321,347
Cash and cash equivalents	3.7.12	129,765	150,613
Assets held for sale		26,100	26,100
Total current assets		**3,471,744**	**3,192,805**
Total Assets		**4,750,383**	**4,755,315**

	Note	30/09/2020 (unaudited)	31/12/2019
		in k€	**in k€**
Equity:			
Subscribed capital		161,332	136,582
Capital reserves		1,099,882	877,132
Other Reserves		-251,303	-81,606
Non-controlling interests		25,107	132,286
Total Equity		1,035,018	1,064,394
Non-current liabilities:			
Financing liabilities		1,175,789	1,655,621
Provisions		3,211	2,843
Prepayments received	3.9.2	-	-
Liabilities to related parties	3.10	-	27,500
Other liabilities		16,063	32,572
Deferred tax liabilities		38,313	111,232
Total non-current liabilities		1,233,375	1,829,767
Current liabilities:			
Financing liabilities		1,134,353	1,194,880
Provisions		9,344	7,426
Trade payables		98,843	97,576
Liabilities to related parties	3.10	715,135	53,299
Tax payables		55,603	53,038
Prepayments received	3.9.2	326,203	305,777
Other liabilities		136,020	95,993
Contract liabilities	3.7.7	6,489	53,166
Liabilities included in a disposal group classified as held for sale		-	-
Total current liabilities		**2,481,990**	**1,861,154**
Total equity and liabilities		**4,750,383**	**4,755,315**

2.3 CONSOLIDATED CASH FLOW STATEMENT

	Note	01/01/–30/09/2020 (unaudited)	01/01/–30/09/2019* (unaudited)
		in k€	**in k€**
Operating activities:			
Net profit		-37,224	29,326
Tax expense	3.7.5	-6,932	12,643
Profit (loss) before tax		**-44,155**	**41,969**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment		2,586	3,346
Amortisation and impairment of intangible assets		895	93
Depreciation on right-of-use asset		3,769	2,613
Valuation gains on financial assets		-1	-
Valuation gains on investment property		-	-7,620
Financial income	3.7.4	-27,069	-22,393
Financial expenses	3.7.4	222,411	194,559
Other non-cash adjustments		512	2,296
		158,948	**214,863**
Working capital adjustments:			
Decrease/(increase) in rent and other receivables		-336,725	14,110
Decrease/(increase) prepayments, accrued income and other assets		-11,646	-1,055
Decrease/(increase) in inventories and contractual assets	3.7.7	-45,220	-285,733
(Decrease)/increase in prepayments on development projects		59,676	193,303
Decrease/(increase) in investment property		310,776	-34,377
(Decrease)/increase in trade, other payables and accruals, contractual liabilities and other liabilities		-240,938	19,546
Income tax paid		-3,664	2,695
Net cash flow from operating activities		**-108,792**	**123,354**

* Prior year figures adjusted (3.5.2)

	Note	01/01/–30/09/2020 (unaudited)	01/01/–30/09/2019* (unaudited)
		in k€	**in k€**
Investing activities:			
Acquisition of consolidated entities, net of cash acquired		-	-65,238
Purchase of investment property		-10,168	-55,632
Loans granted		-1,084	-7,500
Capital expenditure on investment property		-10,863	-25,036
Proceeds from the sale of PPE & intangibles		187	-
Expenditure on other fixed assets		-2,530	-1,162
Interest received	3.7.4	986	1,597
Change in financial assets		-25,092	-43,041
Net cash flow from investing activities		**-48,562**	**-196,010**
Financing activities:			
Proceeds from borrowings		971,317	1,409,185
Repayment of borrowings		-713,156	-1,075,093
Acquisition of additional shares in consolidated entities		-13,599	-13,650
Principal elements of lease payments		-3,686	-2,805
Interest paid	3.7.4	-104,369	-178,218
Net cash flow from financing activities		**136,507**	**139,419**
Cash effective change in cash and cash equivalents from discontinuing operations		-	-
Net increase/(decrease) in cash and cash equivalents		-20,848	66,762
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		150,613	91,603
Cash and cash equivalents at 31 December 2019		**129,765**	**158,365**

* Prior year figures adjusted (3.5.2)

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Subscribed capital	Capital reserves	Retained earnings	Other reserves
	in k€	**in k€**	**in k€**	**in k€**
01/01/2020	**136,582**	**877,132**	**-44,059**	**-36,149**
Profit for the period	-	-	-33,034	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-33,034**	**-**
Conversion Notice Convertible Loan	-	-	-	-
Transactions with minority shareholders without change of control	-	-	-	-
Consolidation of entities with minority interest	-	-	-	-
Deconsolidation of entities with minority interest	-	-	-	-
Effects from PPA finalisation				
Share transfer	24,750	222,750	-	-136,744
Reversal of guaranteed dividend	-	-	-	-
30/09/2020	**161,332**	**1,099,882**	**-77,093**	**-172,893**

	OCI	Total	NCI	Total Equity
	in k€	**in k€**	**in k€**	**in k€**
01/01/2020	**-1,397**	**932,108**	**132,286**	**1,064,394**
Profit for the period	-	-33,034	-4,190	-37,224
Other comprehensive income	80	80	-	80
Total comprehensive income for the period	**80**	**-32,954**	**-4,190**	**-37,144**
Conversion Notice Convertible Loan	-	-	-	-
Transactions with minority shareholders without change of control	-	-	-	-
Consolidation of entities with minority interest	-	-	3,759	3,759
Deconsolidation of entities with minority interest			-6,497	-6,497
Effects from PPA finalisation	-	-	-	-
Share transfer	-	110,756	-110,756	-
Reversal of guaranteed dividend	-	-	10,505	10,505
30/09/2020	**-1,317**	**1,009,910**	**25,107**	**1,035,018**

By exercising the authorized capital with resolution of 17 June 2020, the company increased its share capital by €24,750,000 to €161,331,507 by issuing a total of 24,750,000 bearer shares with a proportionate amount of the share capital of €1.00 per share. The difference to the selling price of €10.00 per share is reflected in the capital reserve and amounts to in total €222,750,000.

The increase in minority interests results from the first-time consolidation of 11 new entities (Grand Central). Die deconsolidation of minority interests is a correction in presentation in relation to the purchase of the non-controlling interests in Consus RE GmbH in Q2 2020.

	Note	Subscribed capital	Capital reserves	Retained earnings	Other reserves
		in k€	**in k€**	**in k€**	**in k€**
01/01/2019		**134,040**	**904,233**	**-24,500**	**-8,649**
Profit for the period		-	-	14,089	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**-**	**-**	**14,089**	**-**
Conversion Notice Convertible Loan		2,541	16,436	-	-
Transactions with minority shareholders without change of control		-	-57,051	-	-
Consolidation of entities with minority interest	3.5	-	-	-	-
Effects from PPA finalisation		-	-	-	1,335
30/09/2019		**136,582**	**863,618**	**-10,411**	**-7,314**

	Note	OCI	Total	NCI	Total Equity*
		in k€	**in k€**	**in k€**	**in k€**
01/01/2019		**-1,828**	**1,003,295**	**148,600**	**1,151,895**
Profit for the period		-	14,089	15,237	29,326
Other comprehensive income		439	439	-	439
Total comprehensive income for the period		**439**	**14,528**	**15,237**	**29,765**
Conversion Notice Convertible Loan		-	18,977	-	18,977
Transactions with minority shareholders without change of control		-	-57,051	-9,879	-66,930
Consolidation of entities with minority interest	3.5	-	-	3,622	3,622
Effects from PPA finalisation		-	1,335	-1,963	-628
30/09/2019		**-1,389**	**981,085**	**155,617**	**1,136,702**

* Prior year figures adjusted (3.5.2)

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

3.1 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 191887B in the commercial register of the district court of Berlin-Charlottenburg.

The condensed interim consolidated financial statements as at and for the nine months ended 30 September 2020, comprise the Company and its subsidiaries.

On 6 July 2020 ADO Properties S.A., subsequently renamed in Adler Group S.A. ("Adler"), announced that it had successfully settled the call option and obtained control of Consus. As a result, Adler currently holds approximately 65,1% in the Company and announced its intention to make an offer to all Consus shareholders to acquire their Consus shares by way of a voluntary public tender offer in the form of an exchange offer.

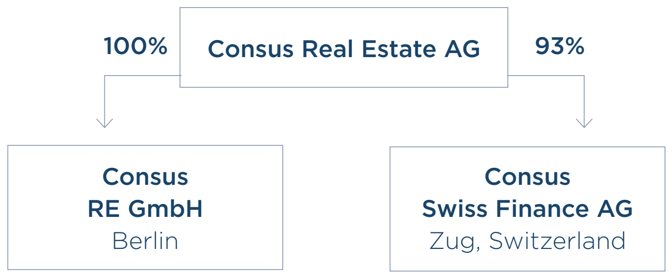
3.2 BUSINESS ACTIVITIES

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 primarily on the functions of real estate development as well as some investment property, 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.

The Group's principal subsidiaries as at 30 September 2020 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. Germany is their principal place of business. In June 2020 Consus Real Estate AG acquired the remaining minority shares of Consus RE GmbH (until 17 September 2020 Consus RE AG), which were held by Christoph Gröner or his related parties.



Note: Consus RE GmbH was formerly CG Gruppe AG. Name changed on 17 September 2020. Consus Swiss Finance AG was formerly SSN Group AG. Name changed on 21 August 2019.

Consus RE GmbH (formerly CG Gruppe) and Consus Swiss Finance AG (formerly SSN Group) together are referred to as Consus Development.

General information on the Condensed Interim Consolidated Financial Statements

The Condensed Interim Consolidated Financial Statements of Consus Real Estate AG have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS) for interim reporting adopted and issued by the International Accounting Standards Board (IASB), as adopted by the European Union. Based on the option under IAS 34.10, the notes to the interim financial statements were presented in condensed form.

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 31 December 2019. 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 31 December 2019.

3.3 ACCOUNTING POLICIES

The Condensed Interim Consolidated Financial Statements have been prepared in thousands of Euro (€). 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 nine months period ended 30 September 2020.

The 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 31 December 2019, except for the adoption of new standards, interpretations and amendments adopted with effect from 1 January 2020 (see section 3.5.1). These Condensed Interim Financial Statements shall therefore be read together with the Group's consolidated financial statements 2019.

3.4 FAIR VALUE MEASUREMENTS

When determining the fair value of assets and liabilities, the Group uses directly observable market data. If no observable market data is available, fair values are determined using valuation techniques.

For the valuation of real estate inventory for example future expenses as well as the future selling price are key inputs. Deriving the fair value of financial liabilities heavily depends on inputs such as the applied market interest rates.

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.

The fair value hierarchy can be summarized as follows:

Fair value hierarchy	Level 1	Level 2	Level 3
Purchase price allocation in the context of business combinations			x
Investment properties			x
Financing liabilities		x	
Derivatives		x	
Assets held for sale		x	

3.5 CHANGES IN ACCOUNTING POLICIES AND OTHER ADJUSTMENTS

3.5.1 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

Consus has fully implemented all new standards, interpretations and amendments with effect from 1 January 2020. The amendments of IFRS 3 will be considered for future business combinations. The amendments of the interest rate benchmark reform at IFRS 9, IAS 39 and IFRS 7 did not have impacts on the assessment of derivatives, because Consus did not apply hedge accounting.

The latest amendment of IFRS 16 regarding Covid 19-Related Rent Concessions did not have a material impact on the Company's financial statements.

3.6 SCOPE OF CONSOLIDATION

As part of its deleveraging strategy the Company announced on 8 May 2020 a significant sale of assets to companies controlled by Christoph Gröner resulting in share deals of 14 subsidiaries, which left the Group's consolidated financial statements as of 31 May 2020. The transaction resulted in a (preliminary) profit of €53.9 million. The (preliminary) purchase price receivable of €339.7 million is included in the balance sheet position Trade and other receivables. In mid of November 2020 a final agreement regarding the purchase price and its payment conditions was reached between the involved parties. The Company is currently determining the final purchase price based on this agreement.

On 13/14 August 2020 the final portion of the purchase price of in total €61.1 million including real estate transfer tax and purchase related expenses for 94% shareholding of a group comprised of eleven entities ("Grand Central") was paid and legal ownership was obtained. In addition Consus repaid financial liabilities of the group of in total €83.3 million, which were subsequently pushed down together with incurred expenses to the acquired entities.

The acquired group of companies does not constitute a business operation within the meaning of IFRS 3 and has 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. First time consolidation of the acquired group was 1 September 2020 and the group comprised the following (consolidated) net assets:

	Fair Value of Net Assets
	in k€
Inventory	137,736
Trade and other receivables	951
Cash and cash equivalents	8,437
Deferred expenses	212
Provisions and other non-financial liabilities	-659
Financial liabilities	-83,442
Trade payables and other payables	-585
Net assets	**62,650**
Non-controlling interests	**3,759**

Apart from these transactions the Group's consolidated financial statement as of 30 September 2020 remained materially unchanged compared to 31 December 2019.

3.7 SELECTED EXPLANATORY NOTES

3.7.1 RESULT FROM LETTING ACTIVITIES

The following breakdown shows the result from letting activities for the nine months ended 30 September 2020.

	01/01/–30/09/2020	01/01/–30/09/2019
	in k€	**in k€**
Rental income	9,923	13,702
Income from recharged operating costs	67	-
Income from other goods and services	-	-
Income from letting activities	**9,990**	**13,702**
Expenses from operating costs	-5,532	-6,756
Maintenance expenses	-	-
Other services	-52	-
Expenses related to letting activities	**-5,584**	**-6,756**
Net operating income from letting activities	**4,406**	**6,946**

Rental income decreased compared to YTD Q3 2019 and did not belong to the core business of the Company prior to the acquisition by Adler Group S. A. A portion of the decrease relates to the disposal of entities as part of the transaction with Mr. Gröner.

3.7.2 INCOME FROM PROPERTY DEVELOPMENT/ CHANGE IN PROJECT RELATED INVENTORY

During the first nine months of 2020 no new forward sales contracts were signed. Income from property development resulted from the building progress on existing forward sales projects. The disposal of projects as part of the transaction with Mr. Gröner contributed €294.4 million to the change in project related inventory.

The change in inventory relates to the capitalized production costs for the inventory properties, which include €99.3 million (YTD Q3 2019 €81.5 million) in capitalized interest on borrowed capital.

3.7.3 OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

	01/01/–31/09/2020	01/01/–31/09/2019
	in k€	**in k€**
Write-offs and allowances on receivables	-1,163	-1,006
Consulting and audit fees	-18,037	-13,189
Admin expenses	-6,300	-3,452
Utility expenses for office space	-2,557	-3,184
Marketing expenses	-10,547	-15,576
Car and travel expenses	-4,435	-5,433
Other taxes	-2,690	-6,127
Other expenses	-10,241	-808
Total	**-55,971**	**-48,774**

During YTD Q3 2020 the increase in operating expenses was primarily in consulting and audit fees as well as admin expenses compared to the respective prior year period. The increase in consulting and audit fees is predominantly caused by the restructuring of the Group and the impact of the strategic stake acquisition by Adler as well as the implementation of new software tools. The admin expenses are not fully comparable between the periods due to a change in composition.

3.7.4 FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial result can be broken down as follows:

	01/01/–31/09/2020	01/01/–31/09/2019
	in k€	in k€
Interest income from bank deposits	-	13
Income from fair value changes of derivatives	13,616	6,575
Income from derecognition of derivatives	-	-60
Interest income from late payments	-	39
Interest income from loans	8,573	2,013
Other financial income	4,879	13,813
Total financial income	**27,069**	**22,393**
Expense from fair value measurement of embedded derivatives	-2,726	-4,782
Interest expense from embedded derivates	-	-
Expense from derecognition of derivatives	-1,118	-
Interest expense from loans	-203,998	-177,209
Interest expense on lease liabilities	-300	-320
Other financial expenses	-14,268	-12,248
Total financial expenses	**-222,411**	**-194,559**
Financial result	**-195,342**	**-172,166**

Total financial income mainly increased because of the unrealized gain of €10,450 thousand resulting from the fair value measurement of the embedded derivative included in the €450 million bond.

The increase of interest expense from loans is in part driven by the coupon on the Consus senior secured bond issued in two tranches of €400 million in Q2 2019 and €50 million in Q4 2019, as well as an overall increase in debt before some subsidiaries were sold to Christoph Gröner as of 31 May 2020.

3.7.5 INCOME TAXES

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

	01/01/–30/09/2020	01/01/–30/09/2019*
	in k€	in k€
Current income taxes	-5,006	-1,718
Deferred taxes	11,937	-10,925
Tax result	**6,932**	**-12,643**

* Prior year figures adjusted

3.7.6 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.

	01/01/–31/09/2020	01/01/–31/09/2019*
	in k€	in k€
Consolidated net income/loss for the period from continuing operations	-37,224	29,326
Income/loss from continuing operations attributable to non-controlling interests	-4,190	15,237
Income/loss from continuing operations attributable to shareholders	**-33,034**	**14,089**
Weighted average number of shares issued, in thousands	145,705	134,997
Basic earnings per share from continuing operations in EUR	-0.23	0.10
Number of dilutive potential shares, in thousands	-	21,766
Diluted earnings per share from continuing operations in EUR	-0.23	0.09
Consolidated net income/loss for the period from discontinued operations attributable to shareholders	-	-
Weighted average number of shares issued, in thousands	145,705	134,997
Basic earnings per share from discontinued operations in EUR	-	-
Number of dilutive potential shares, in thousands	-	21,766
Diluted earnings per share from discontinued operations in EUR	-	-
Consolidated net income/loss for the period from continuing and discontinued operations attributable to shareholders	-33,034	14,089
Weighted average number of shares issued, in thousands	145,705	134,997
Basic earnings per share from continuing and discontinued operations in EUR	-0.23	0.10
Number of dilutive potential shares, in thousands	-	21,766
Diluted earnings per share from continuing and discontinued operations in EUR	-0.23	0.09

* Prior year figures adjusted

3.7.7 CONTRACT BALANCES

The timing of revenue recognition, invoicing and cash collections results in billed accounts receivables, unbilled receivables (contract assets) and customer advances (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 term, 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 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 financial year 2019 were not materially impacted by other factors besides as laid out below.

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

	Book value as of: 30/09/2020	Book value as of: 31/12/2019
	in k€	in k€
Net contract assets - non-current	**23,828**	**13,856**
Gross contract assets – non-current	23,828	13,856
Prepayments received on non-current contract balances	-	-
Net contract assets - current	**391,047**	**321,347**
Gross contract assets - current	871,525	619,430
Prepayments received on current contract balances	-480,479	-298,083
Net contract liabilities	**-6,489**	**-53,166**
Gross contract liabilities - current	52,226	131,855
Prepayments received on current contract liabilities	-58,715	-185,021
Net contract assets (liabilities)	**408,386**	**282,037**

No impairments for credit risks in accordance with IFRS 9 were made in respect of contract assets in the nine months of 2020. This is due to the circumstances that the credit default risk of the contractual partners is relatively low. Furthermore, the value-at-risk is secured by the underlying properties, for which ownership transferral can be delayed until final receipt of the agreed purchase price.

3.7.8 INVENTORY

Inventory also includes the land from forward sales and can be broken down as follows:

	30/09/2020	31/12/2019
	in k€	in k€
Carrying amount of inventories	**2,378,493**	**2,472,621**
- thereof Real Estate "Institutional"	1,520,829	1,528,728
- thereof Real Estate "Parking"	28,829	26,822
- thereof Real Estate "Apartments for sale"	819,168	871,977
- thereof Real Estate "Other construction work"	966	33,582
- thereof other inventory: not development	8,700	11,513

Approx. 70% of the inventory is pledged as underlying security provided for loan agreements. The repayments of financing liabilities by Adler Group companies resulted in a respective release of securities.

3.7.9 OTHER ASSETS

Other Assets can be broken down as follows:

	31/09/2020	31/12/2019
	in k€	in k€
Accruals	6,938	3,150
Receivables from other taxes	16,802	10,291
Prepayments made	3,101	3,809
Assets recognised from costs to obtain or fulfil a contract	6,700	8,926
Other assets	12,463	2,725
Total	**46,004**	**28,900**

Accrued costs for obtaining Forward Sales contracts were recorded as other assets in prior periods with a remaining book value of €6.7 million at the end of Q3 2020. The asset is amortised on a straight-line basis over the lifetime of the specific contract to which it relates. The corresponding expenses accounted for as other operating expenses during the half year amounted to €2.2 million.

Financial assets can be broken down as follows:

	30/09/2020		31/12/2019
	current	non-current	
	in k€	in k€	in k€
Other loans	37,452	10,355	18,321
Restricted cash	30,039	29,290	42,092
Deposits	5,120	45	247
Derivative financial instruments	894	30,617	21,468
Other financial assets	22,930	479	22,127
Shares in non-consolidated companies	-	1,224	404
Total	**96,434**	**72,009**	**104,659**

Other loans increased because loans due from related parties as of 31 December 2019 were reclassified to financial assets as of 30 September 2020, because the respective debtors did not qualify anymore as related parties at 30 September 2020.

3.7.10 FINANCIAL INSTRUMENTS

During 2019, the company placed a bond, in two tranches, with a total nominal amount of €450,000 thousand, from which a derivative (option for early repurchase of the bond) was split off with a fair value at the time of issue totalling €13,397 thousand. The bond is measured at amortized cost using the effective interest method and had a book value of €456,900 thousand as of 30 September 2020. The carrying amount of the derivative shown as a financial asset was €27,828 thousand as of 30 September 2020.

The nominal amount of the convertible bond as of 30 September 2020 was €119,600 thousand after the repayment of €54,100 thousand made in the third quarter due to the change of control at Consus Real Estate AG and the book value as of 30 September 2020 was €115,937. The embedded derivative had a fair value of €13,105 thousand at the end of YTD Q3 2020, which was shown in the financing liabilities. The convertible bond is valued using an option price model. Key input factors in the valuation are the share price and the volatility of the share price.

In some cases, the bonds concluded by Consus Development contain embedded derivatives, which must be measured at fair value through profit or loss separately from their host contract. These embedded derivatives are termination options that allow Consus Development to repay the respective bonds before the actual due date. Termination options are assessed using an option pricing model (binomial model). The main input factors in the option price model used are volatility and the refinancing interest rate on the valuation date. As at 30 September 2020, the market value of the derivatives was €3.7 million.
The following abbreviations are used for the measurement categories:

- FVTPL: Fair Value through Profit and Loss
- AC: Amortised Cost
- Debt FVOCI: Debt investments at Fair Value through Other Comprehensive Income
- Equity FVOCI: Equity investments at Fair Value through Other Comprehensive Income

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

VALUATION CATEGORIES ACC.

	Category acc. to IFRS 9	Carrying value as of 30/09/2020	Nominal value	Amortised costs
		in k€	in k€	in k€
Non-current financial assets: Investments	FVOCI – equity	-	-	-
Non-current financial assets: Other	Amortised cost	41,392	-	41,392
Other non-current financial assets (derivatives)	FVTPL	30,617	-	-
Trade and other receivables	Amortised cost	394,037	-	394,037
Current financial assets: Other	Amortised cost	95,540	-	95,540
Other current financial assets; Derivatives	FVTPL	894	-	-
Receivables from related entities	Amortised cost	4,657	-	4,657
Cash and cash equivalents	Amortised cost	129,765	129,765	-
Total financial assets		**696,902**	**129,765**	**535,626**
Financing liabilities	Amortised cost	2,297,037	129,765	2,297,037
Trade payables	Amortised cost	98,843	-	98,843
Liabilities to related entities	Amortised cost	715,135	-	715,135
Financing liabilities: Derivatives	FVTPL	13,105	-	-
Other liabilities	Amortised cost	107,732	-	107,732
Total financial liabilities		**3,231,852**	**-**	**3,218,747**
Financial Assets measured at fair value through OCI - debt instrument	FVOCI-debt instrument	-	-	-
Financial Assets measured at fair value through OCI - equity instrument	FVOCI-equity instrument	-	-	-
Financial Asset measured at fair value through profit and loss	FVTPL	31,511	-	-
Financial asset measured at amortised cost	Amortised cost	665,391	129,765	535,626
Financial Liabilities at cost	Amortised cost	3,218,747	-	3,218,747
Financial Liabilities held for trading	FVTPL	13,105	-	-

	Fair value through P/L	Fair value through equity	Fair value as of 30/09/2020	Fair value hierarchy level
		in k€	in k€	
Non-current financial assets: Investments	-	-	-	3
Non-current financial assets: Other	-	-	41,392	2
Other non-current financial assets (derivatives)	30,617	-	30,617	-
Trade and other receivables	-	-	394,037	2
Current financial assets: Other	-	-	95,540	2
Other current financial assets; Derivatives	894	-	894	3
Receivables from related entities	-	-	4,657	2
Cash and cash equivalents	-	-	129,765	1
Total financial assets	**31,511**	**-**	**696,902**	
Financing liabilities	-	-	2,348,800	2
Trade payables	-	-	98,843	2
Liabilities to related entities	-	-	715,135	2
Financing liabilities: Derivatives	13,105	-	13,105	3
Other liabilities	-	-	107,732	2
Total financial liabilities	**13,105**	**-**	**3,283,615**	
Financial Assets measured at fair value through OCI - debt instrument	-	-	-	
Financial Assets measured at fair value through OCI - equity instrument	-	-	-	
Financial Asset measured at fair value through profit and loss	31,511	-	31,511	
Financial asset measured at amortised cost	-	-	665,386	
Financial Liabilities at cost	-	-	3,270,510	
Financial Liabilities held for trading	13,105	-	13,105	

VALUATION CATEGORIES ACC. TO IFRS 9–31/12/2019

	Category acc. to IFRS 9	Carrying value as of 31/12/2019	Nominal value	Amortised costs
		in k€	in k€	in k€
Non-current financial assets: Investments	FVOCI – equity	404	-	-
Non-current financial assets: Other	Amortised cost	52,359	-	52,359
Other non-current financial assets (derivatives)	FVTPL	20,796	-	-
Trade and other receivables	Amortised cost	41,663	-	41,663
Current financial assets: Other	Amortised cost	30,429	-	30,429
Other current financial assets; Derivatives	FVTPL	672	-	-
Receivables from related entities	Amortised cost	109,266	-	109,266
Cash and cash equivalents	Amortised cost	150,613	150,613	-
Total financial assets		**406,202**	**150,613**	**233,717**
Financing liabilities	Amortised cost	2,836,299	-	2,836,299
Trade payables	Amortised cost	97,576	-	97,576
Liabilities to related entities	Amortised cost	80,799	-	80,799
Financing liabilities: Derivatives	FVTPL	14,202	-	-
Other liabilities	Amortised Cost	78,091	-	78,091
Total financial liabilities	**Amortised Cost**	**3,106,966**	**-**	**3,092,765**
Financial Assets measured at fair value through OCI - debt instrument	FVOCI-debt instrument	-	-	-
Financial Assets measured at fair value through OCI - equity instrument	FVOCI-equity instrument	404	-	-
Financial Asset measured at fair value through profit and loss	FVTPL	21,468	-	-
Financial asset measured at amortised cost	Amortised cost	389,899	150,613	233,717
Financial Liabilities at cost	Amortised cost	3,092,765	-	3,092,765
Financial Liabilities held for trading	FVTPL	14,202	-	-

	Fair value through P/L	Fair value through equity	Fair value as of 31/12/2019	Fair value hierarchy level
	in k€	in k€	in k€	in k€
Non-current financial assets: Investments	-	404	404	3
Non-current financial assets: Other	-	-	52,359	2
Other non-current financial assets (derivatives)	20,796	-	20,796	0
Trade and other receivables	-	-	41,663	2
Current financial assets: Other	-	-	30,429	2
Other current financial assets; Derivatives	672	-	672	3
Receivables from related entities	-	-	109,443	2
Cash and cash equivalents	-	-	150,613	1
Total financial assets	**21,468**	**404**	**406,378**	
Financing liabilities	-	-	2,906,123	2
Trade payables	-	-	97,576	2
Liabilities to related entities	-	-	80,791	2
Financing liabilities: Derivatives	14,202	-	14,202	3
Other liabilities	-	-	78,091	2
Total financial liabilities	**14,202**	**-**	**3,176,783**	
Financial Assets measured at fair value through OCI - debt instrument	-	-	-	
Financial Assets measured at fair value through OCI - equity instrument	-	404	404	
Financial Asset measured at fair value through profit and loss	21,468	-	21,468	
Financial asset measured at amortised cost	-	-	389,899	
Financial Liabilities at cost	-	-	3,162,581	
Financial Liabilities held for trading	14,202	-	14,202	

Liquidity risk exposure for the Group was as follows:

	Carrying value as of 30/09/2020	Maturities		
		< 1 year	1–5 years	> 5 years
	in k€	in k€	in k€	in k€
Liabilities to financial institutions	2,310,142	1,248,460	1,339,564	3,728
Trade payables	98,843	98,843	-	-
Liabilities to related parties	715,135	715,135	-	-
Other financial liabilities	107,732	104,034	3,698	-
Total	**3,231,852**	**2,166,472**	**1,343,262**	**3,728**

	Carrying value as of 31/12/2019	Maturities		
		< 1 year	1–5 years	> 5 years
	in k€	in k€	in k€	in k€
Liabilities to financial institutions	2,850,501	1,360,244	1,826,351	113,439
Trade payables	97,576	97,576	-	-
Liabilities to related parties	80,799	53,299	27,500	-
Other financial liabilities	78,091	77,923	168	-
Total	**3,106,966**	**1,589,041**	**1,854,019**	**113,439**

3.7.11 LEASE INFORMATION (IFRS 16)

Due to changes in the assessment of the probability to extend lease contracts, the Company's right-of-use assets and lease liabilities were each reduced by €5,693 thousand with an impact on the consolidated statement of comprehensive income of zero. The change in assessment is caused by the restructuring of the Group and especially the exit of the former Consus RE GmbH CEO Christoph Gröner.

3.7.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents exclusively comprise balances with banks. The cash and cash equivalents are always available and represent the financial resources of the Company.

	30/09/2020	31/12/2019
	in k€	in k€
Bank deposits	129,731	150,580
Cash at hand	34	32
Cash and cash equivalents	**129,765**	**150,613**
- thereof restricted	107,967	139,457

Restricted cash and cash equivalents are subject to restrictions, particularly with regard to their use for the financed properties and as a minimum to secure future interest payments. Cash and cash equivalents with a fixed purpose have a remaining term of no more than 3 months and are reported as restricted cash. There are no discretionary approval provisions from third parties in this connection. A smaller proportion is subject to transfer controls, i.e. these funds must be held by certain group companies in accordance with the respective loan agreement.

3.8 SEGMENT INFORMATION

3.8.1 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 RE (formerly CG Gruppe): Principal business activities include the development of real estate for residential use as well as commercial use. Furthermore, Consus RE is engaged in the renting of commercial and residential real estate as well as complementary services.
- Consus Swiss Finance: Principal business activities include the development of real estate for residential use as well as commercial use. Furthermore, Consus Swiss Finance is engaged in planning, construction and building services as well as the renting of commercial and residential real estate.

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.

NET LOAN TO VALUE (NET LTV) 30/09/2020

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Investment property (IAS 40)	98,111	1,570	-	99,681
Prepayments on investment property (IAS 40)	-	-	-	-
Owner occupied real estate (IAS 16)	-	-	-	-
Non-current assets held-for-sale (IFRS 5)	-	26,100	-	26,100
Inventory (IAS 2) - Property under construction	1,308,754	1,069,738	-	2,378,493
Contract assets	297,701	117,174	-	414,875
Real Estate assets	**1,704,567**	**1,214,582**	**-**	**2,919,149**
Liabilities to financial institutions	868,645	855,519	585,977	2,310,142
Financing liabilities from related parties	429,448	255,289	11,783	696,520
Cash and cash equivalents	76,407	53,094	264	129,765
Net debt	**1,221,686**	**1,057,714**	**597,497**	**2,876,897**
Net loan to Value (Net LTV) in %	**72%**	**87%**		**99%**
(Preliminary) purchase price receivable	-339,697	-	-	-339,697
Pro-forma Net loan to Value (Net LTV) in %	**52%**	**87%**		**87%**

NET LOAN TO VALUE (NET LTV) 31/12/2019

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Investment property (IAS 40)	382,474	1,570	-	384,044
Prepayments on investment property (IAS 40)	-	-	-	-
Owner occupied real estate (IAS 16)	-	-	-	-
Non-current assets held-for-sale (IFRS 5)	-	26,100	-	26,100
Inventory (IAS 2) – Property under construction	1,457,730	1,014,892	-	2,472,621
Contract assets	241,331	93,871	-	335,203
Real Estate assets	**2,081,535**	**1,136,433**	**-**	**3,217,968**
Liabilities to financial institutions	1,265,482	928,379	656,639	2,850,501
Cash and cash equivalents	67,045	83,275	293	150,613
Net debt	**1,198,438**	**845,105**	**656,346**	**2,699,888**
Net loan to Value (Net LTV) in %	**58%**	**74%**	**-**	**84%**

NET ASSET VALUES (NAV) 30/09/2020

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Equity	13,231	-2,554	1,024,341	1,035,018
Deferred tax liabilities	3,383	48,543	-13,613	38,313
Goodwill	-724,634	-308,272	-3,582	-1,036,489
Net Asset Value (NAV)	**-708,020**	**-262,283**	**1,007,146**	**36,842**

NET ASSET VALUES (NAV) 31/12/2019

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Equity	62,581	17,834	983,979	1,064,394
Deferred tax liabilities	62,677	48,554	-	111,232
Goodwill	-724,634	-308,272	-3,582	-1,036,489
Net Asset Value (NAV)	**-599,376**	**-241,884**	**980,397**	**139,137**

3.8.2 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by timing of revenue recognition including a reconciliation of the disaggregated revenue to the Group's reportable segments.

Materially all revenues of YTD Q3 2020 and the previous year were generated in Germany.

Due to the Group's business model, which is mainly build and hold based on larger development projects of flats let for rent and to a minor extent the sale of development property, the number of customers is limited. This indicates a certain dependence on individual larger customers.

01/01/–30/09/2020

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Total Income	**617,073**	**88,438**	**42**	**705,553**
Products transferred at a point in time	349,029	-	42	349,070
Products and services transferred over time	268,044	88,438	-	356,482

01/01/–30/09/2019*

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
Total Income	**446,289**	**78,698**	**53**	**525,040**
Products transferred at a point in time	192,538	5,023	53	197,614
Products and services transferred over time	253,751	73,676	-	327,427

* Prior year figures adjusted

3.8.3 SEASONALITY OF OPERATIONS

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

3.8.4 ADJUSTED EBIT AND EBITDA CALCULATION

The following adjusted EBITDA is not calculated in accordance with IFRS and is therefore a non-GAAP measure. The reduction in changes in inventories reflects all positive and negative effects resulting from the measurement of inventories and contract assets and liabilities in connection with past business combinations. Accordingly, adjusted EBITDA adjusts the fair value step-up and reduces the carrying amount while maintaining the actual costs incurred, i.e. it adjusts for the impact of the Purchase Price Allocation ("pre-PPA"). The strict minimum value principle at acquisition date is not applied.

One-off expenses are expenses and charges that are not capitalized and are not incurred in the ordinary course of business. Accordingly, one-off expenses are exceptional in nature or amount.

ADJUSTED EBITDA CALCULATION 01/01/–31/09/2020

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	in k€	in k€	in k€
unadjusted EBITDA 30/09/2020	**121,056**	**59,662**	**-22,281**	**158,437**
Reduction of changes in inventory (PPA)	2,165	1,590	-	3,755
Income from real estate inventory disposed of (PPA)	-	-	-	-
One-offs	21,277	3,969	5,779	31,025
adjusted EBITDA 30/09/2020	**144,497**	**65,221**	**-16,502**	**193,216**

One-offs mainly consist of exit costs related to the transaction with Mr. Gröner (€12.0 million), costs caused by the integration in the Adler group (€4.1 million) and provisions to a financial institution (€3.5 million).

The difference between adjusted EBITDA and adjusted EBIT is the addition of elimination of step up amortization for the adjusted EBIT.

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	**in k€**	**in k€**	**in k€**
unadjusted EBIT 30/09/2020	**115,822**	**57,711**	**-22,346**	**151,187**
Reduction of changes in inventory (PPA)	2,165	1,590	-	3,755
Income from real estate inventory disposed of (PPA)	-	-	-	-
Elimination of step up amortisation	-	808	-	808
One-offs	21,277	3,969	5,779	31,025
adjusted EBIT 30/09/2020	**139,263**	**64,078**	**-16,567**	**186,774**

The adjusted one-off expenses in YTD Q3 2020 mainly include expenses related to the departure of Christoph Gröner as CEO of Consus RE, reorganisation costs, project related costs for refinancing and costs for the implementation of new IT systems (Project Train).

ADJUSTED EBITDA CALCULATION 01/01/–30/09/2019*

	Consus RE	Consus Swiss Finance	Other	Total
	in k€	**in k€**	**in k€**	**in k€**
unadjusted EBITDA 30/09/2019	**151,005**	**78,609**	**-9,427**	**220,187**
Effect of Business Plan including PPA	-4,309	1,874	-	-2,435
Income from projects disposed of (PPA)	65,112	-	-	65,112
One-offs	2,328	-	-	2,328
adjusted EBITDA 30/09/2019	**214,136**	**80,483**	**-9,427**	**285,192**

* Prior year figures adjusted

The following adjusted EBIT follows the derivation of adjusted EBITDA with the addition of the elimination of the amortization of the PPA residual:

	Consus RE	Consus Swiss Finance	Other	Total
	in k€*	**in k€***	**in k€***	**in k€***
unadjusted EBIT 30/09/2019	**145,895**	**77,683**	**-9,444**	**214,135**
Effect of Business Plan including PPA	-4,309	1,874	-	-2,435
Income from projects disposed of (PPA)	65,112	-	-	65,112
One-offs	2,328	-	-	2,328
adjusted EBIT 30/09/2019	**209,026**	**79,557**	**-9,444**	**279,140**

* Prior year figures adjusted

3.9 CAPITAL MANAGEMENT

3.9.1 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. The overriding objective 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 book 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 30 September 2020 and 31 December 2019 is calculated as follows:

	30/09/2020	31/12/2019
	in k€	**in k€**
Real Estate held as Investment property (IAS 40)	99,681	384,044
Non-current assets classified as held-for-sale (IFRS 5)	26,100	26,100
Inventories (IAS 2)	2,378,493	2,472,621
Contract Assets	414,875	335,203
Total Real Estate Assets	**2,919,149**	**3,217,968**
Financing liabilities	2,310,142	2,850,501
Financing liabilities from related parties	696,520	-
Cash and cash equivalents	129,765	150,613
Net debt	**2,876,897**	**2,699,888**
Net Loan to Value (Net – LTV)	**99%**	**84%**
(Preliminary) purchase price receivable	-339,697	-
Pro-forma Net loan to Value (Net LTV) in %	**87%**	**84%**

3.9.2 PREPAYMENTS

Prepayments received by the Group on either contract assets/liabilities (development projects under the scope of IFRS 15) or on inventory (development projects 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.

	30/09/2020	31/12/2019
	in k€	**in k€**
Prepayments included in contract assets/liabilities	539,194	483,104
Prepayments received on land	247,895	277,325
Other prepayments received	78,308	28,453
Total	**865,397**	**788,881**

3.10 RELATED PARTIES

3.10.1 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 the remuneration of the Management and the Supervisory Board.

BOARD REMUNERATION 01/01/–31/09/2020

	Accounted in k€	Paid out in k€
Management Board (Vorstand)	**4,694**	**4,964**
Short-term benefits	1,344	1,614
Severance pay	3,004	3,004
Share-based payments (IFRS 2)	346	346
Supervisory Board	**135**	**180**
Short-term benefits	135	180

BOARD REMUNERATION 01/01/ – 31/09/2019

	in k€	in k€
Management Board (Vorstand)	**1,180**	**918**
Short-term benefits	1,180	918
Supervisory Board	**135**	**181**
Short-term benefits	135	181

3.10.2 OTHER RELATED PARTY TRANSACTIONS

Transactions with shareholders for the nine months ended 30 September 2020 (nine months ended 31 March 2019) were as follows:

	01/01/–30/09/2020 in k€	01/01/–30/09/2019 in k€
Interest income	-	1,489
Income	538	2,400
Expenses	-	-21,656
Interest expenses	-6,737	-3,021
	30/09/2020	30/12/2019
Financing receivables	48	42,286
Trade receivables	-	32,475
Other receivables	4,608	34,505
Trade payables	-	-
Other liabilities	-	-4,225
Financing liabilities, including derivatives	-715,135	-76,574

The related party transactions of Q3 2020 mainly comprise financing relationships with Adler Group. Because Mr. Gröner sold his remaining shares in Consus RE GmbH to the Company in June 2020 he did not longer qualify as related party.

3.11 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

3.11.1 OBLIGATIONS TO ACQUIRE LONG-TERM ASSETS

As of 30 September 2020, there are no significant obligations to acquire tangible assets or investment property (31 December 2019: no significant obligations).

3.11.2 OTHER FINANCIAL OBLIGATIONS

The following table provides an overview of the aggregated amount of other financial obligations:

	<1 year in k€	1-5 years in k€	>5 years in k€	Total in k€
Financial obligations as of 30/09/2020	**133,180**	**498**	**-**	**133,677**
Insurance contracts	208	420	-	628
Car insurance contracts	368	17	-	385
Office rent	2,171	-	-	2,171
Leasing	1,232	61	-	1,292
Future obligations from pending purchase agreements	129,200	-	-	129,200

In August 2020 Consus acquired a new development project in Düsseldorf by paying the outstanding purchase price instalments.

	<1 year in k€	1-5 years in k€	>5 years in k€	Total in k€
Financial obligations as of 31/12/2019	**292,077**	**475**	**-**	**292,553**
Insurance contracts	1,300	448	-	1,749
Car insurance contracts	420	27	-	447
Office rent	1,243	-	-	1,243
Leasing	77	-	-	77
Future obligations from pending purchase agreements	289,037	-	-	289,037

3.12 EVENTS AFTER THE REPORTING PERIOD

As part of its deleveraging strategy the Company announced on 8 May 2020 a significant sale of assets amounting to a transaction value of around €690 million resulting in a significant reduction of project debt and a double digit premium to the market values as at 31 December 2019 of the respective projects. The gross development value ("GDV") of the development projects disposed of is €2.3 billion. The transaction was closed in November 2020 and Consus is currently determining the final purchase price.

On 20 May 2020 a further significant asset sale was announced as part of Consus' deleveraging strategy with an impact on GDV of €2.0 billion. The development projects were sold at a premium to the market values appraised as of 31 December 2019. This transaction results in a further reduction of project finance debt by around €390 million, is subject to closing adjustments and conditions, and is expected to close in Q4 2020.

The outbreak of the Corona virus and its rapid spread across many countries and continents increased financial, financing and liquidity risks as well as risks in the project development phases, e.g. in the area of financing, completion and sale of the Consus' projects. Consus was confronted by the fact that certain upfront sales and new forward sales are currently delayed and progress on development projects in construction was lower than originally planned. Consus will continue to assess any potential macro-economic and industry-related impacts as well as any impact on the Group's business, either directly or from reduced economic visibility, and will update the market as appropriate.

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

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 September 2020 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, 27 November 2020

Theodorus Gorens
Member of the Management Board

CONSUS

REAL ESTATE

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