

Semi-annual Report

2020





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Thomas Olek
CEO

01 Introduction

**Dear shareholders,
dear bondholders and business partners,**

in the first half of 2020, publity continued its dynamic growth despite the restraints imposed by the COVID 19 pandemic. In the first half of 2020, **we generated consolidated net profit of EUR 34.7 million (after around EUR 21 million in H1 2019) and EBIT of EUR 74.9 million (previous year EUR 26.9 million) in accordance with IFRS accounting.** Since the end of 2019, publity's equity has also increased from EUR 302.5 million to EUR 406.4 million as of 30 June 2020.

This growth results from our successful business model, which is based on two pillars. As an asset manager on one hand and on the other hand a real estate investor with a focus on commercial property, we operate in a market environment that is proving to be extremely robust even in times of crisis. This enables us to earn attractive fees in our function as asset manager and profit from the value increases in the sale of our properties. In addition, we generate continuous rental income from our portfolio properties and naturally profit from the value increases that we realise on sale. This two-pillar approach not only ensures our solid financial basis, but also sets us apart from many other real estate

companies. The more than 1,150 transactions carried out in the past years confirm our success story and illustrate our strong network.

Right at the beginning of the year, we made an attractive purchase for our existing portfolio – which we bundle in our Group subsidiary PREOS Real Estate. We acquired the Westend Carree with an area of around 30,500 sqm and a diversified tenant mix of national and international tenants, including the Max Planck Institute and the investment bank Natixis. Acquisitions such as these have allowed us to significantly expand our existing portfolio in recent months. In the further course of 2020, we plan to expand our Group portfolio to around EUR 2bn and by 2024, our property portfolio is to reach a value of around EUR 8bn. Our focus remains on office properties in top cities.

We also enhanced our growth course in the first half-year through numerous transactions as an asset manager. Our goal is to continuously increase our assets under management. We plan to increase our currently managed portfolio of just over EUR 5.5 billion to around EUR 10 billion by 2023.

Thanks to the solid financial position in the first half-year, we believe we are well equipped for the future and are convinced that our business model will remain successful in the long term.

Digitalisation is one of the key drivers of our growth. Our excellent database, in which we have recorded around 9,500 office properties in Germany – and thus the relevant German market – deserves mention here, as does the planned tokenisation of shares in our subsidiary PREOS. With this innovative spirit, publity profiles itself as one of the relevant shapers of the German real estate market. In future, we intend to apply this expertise not only in our core German regions of Frankfurt and Munich but **also in other attractive European metropolises such as London and Paris.**

The operational expansion of publity goes alongside with the steady increase in the attractiveness of publity on the capital market. The CEO of our Company, Thomas Olek, has continuously acquired a large number of publity shares at market prices over the past quarters, thus underpinning his confidence in publity's continued positive prospects. The next step was to increase the free float of publity by placing share packages with long-term oriented investors willing to strategically accompany the further development of our Company. We are expanding the Executive Board in the course of our dynamic growth - Stephan Kunath will become Chief Financial Officer of publity at the beginning of the fourth quarter.

We would like to thank our employees for their untiring commitment, especially during the COVID 19 pandemic, and our business partners for their excellent cooperation. Our thanks go to our shareholders and bondholders for the trust they have placed in us.

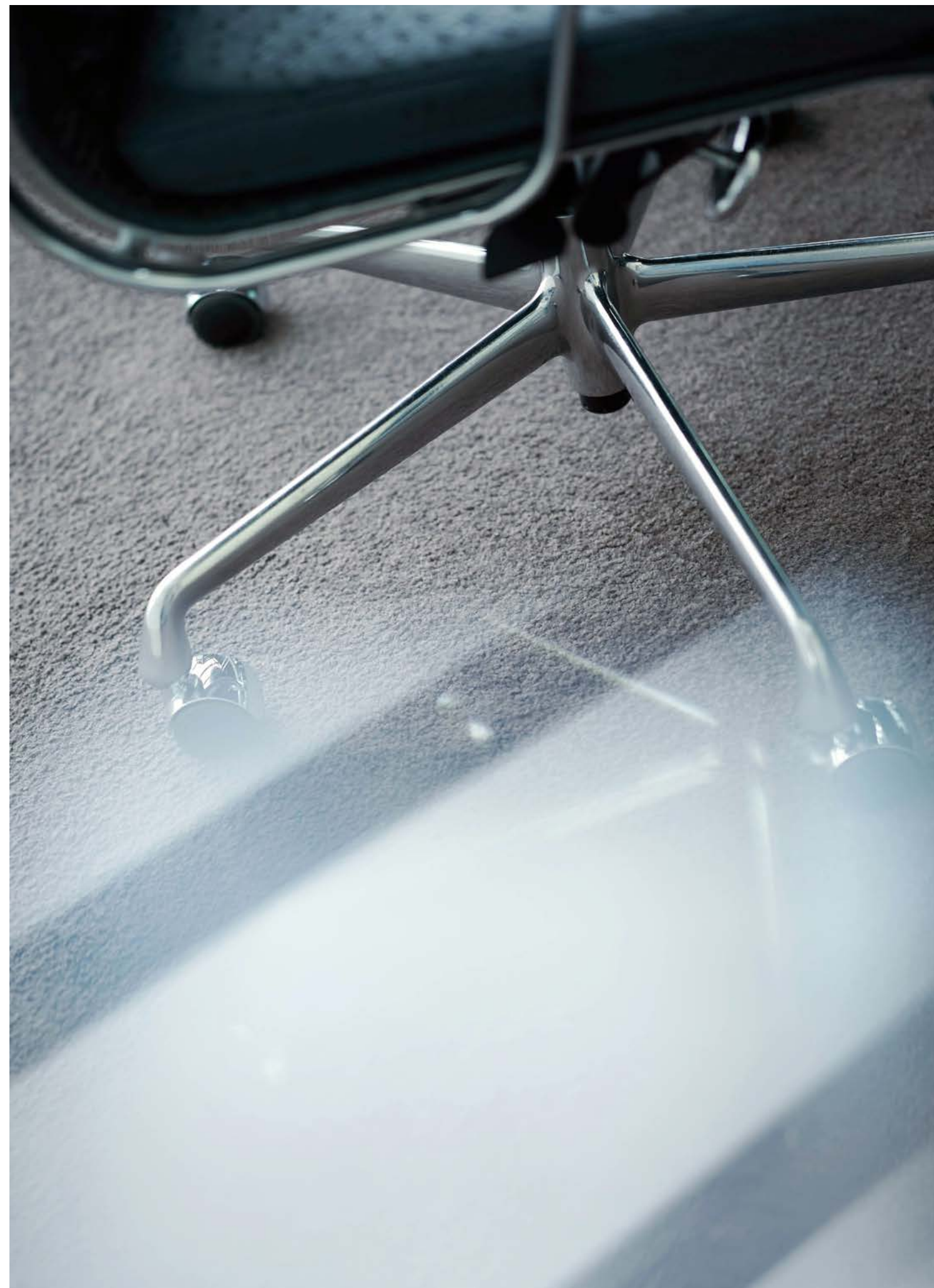
We look forward to a successful future together at publity.



With warmest regards

Thomas Olek
CEO

Frank Schneider
COO



02 Portfolio of publity AG

EUR 5.5 billion Assets under Management

publity AG manages real estate assets as asset manager for institutional investors and in its own portfolio, which is bundled in the Group subsidiary PREOS Real Estate AG. The focus lies on office properties in very good locations in the top 7 cities in Germany.

Just how successful publity as an asset manager is can also be demonstrated by the significant reduction in vacancies in the properties it manages.





CITY TOWER, Offenbach



Office building, Neu-Isenburg



Office building, Munich



Office building, Frankfurt/ Main



Office building, Hamburg



Office building, Aschheim



ARTECOM, Ismaning



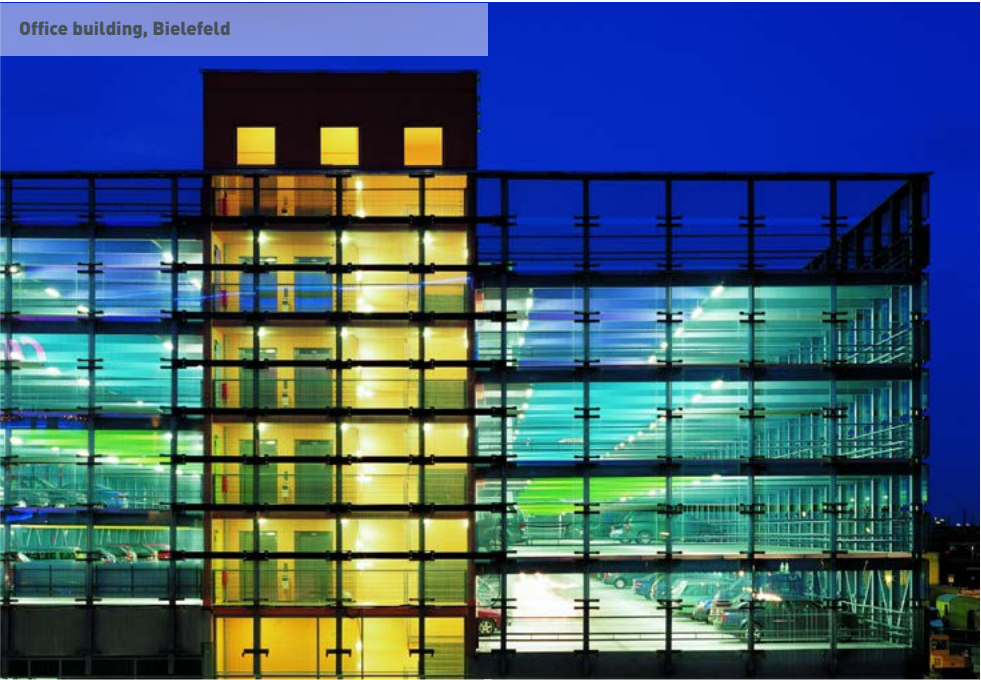
WAPPENHALLE, Munich



Office building, Darmstadt



MC 30, Frankfurt / Main



Office building, Bielefeld



QUATTRIUM, Ratingen



Office building, Oberhausen



OCI, Ismaning



Office building, Husum



Office building, Neu-Isenburg



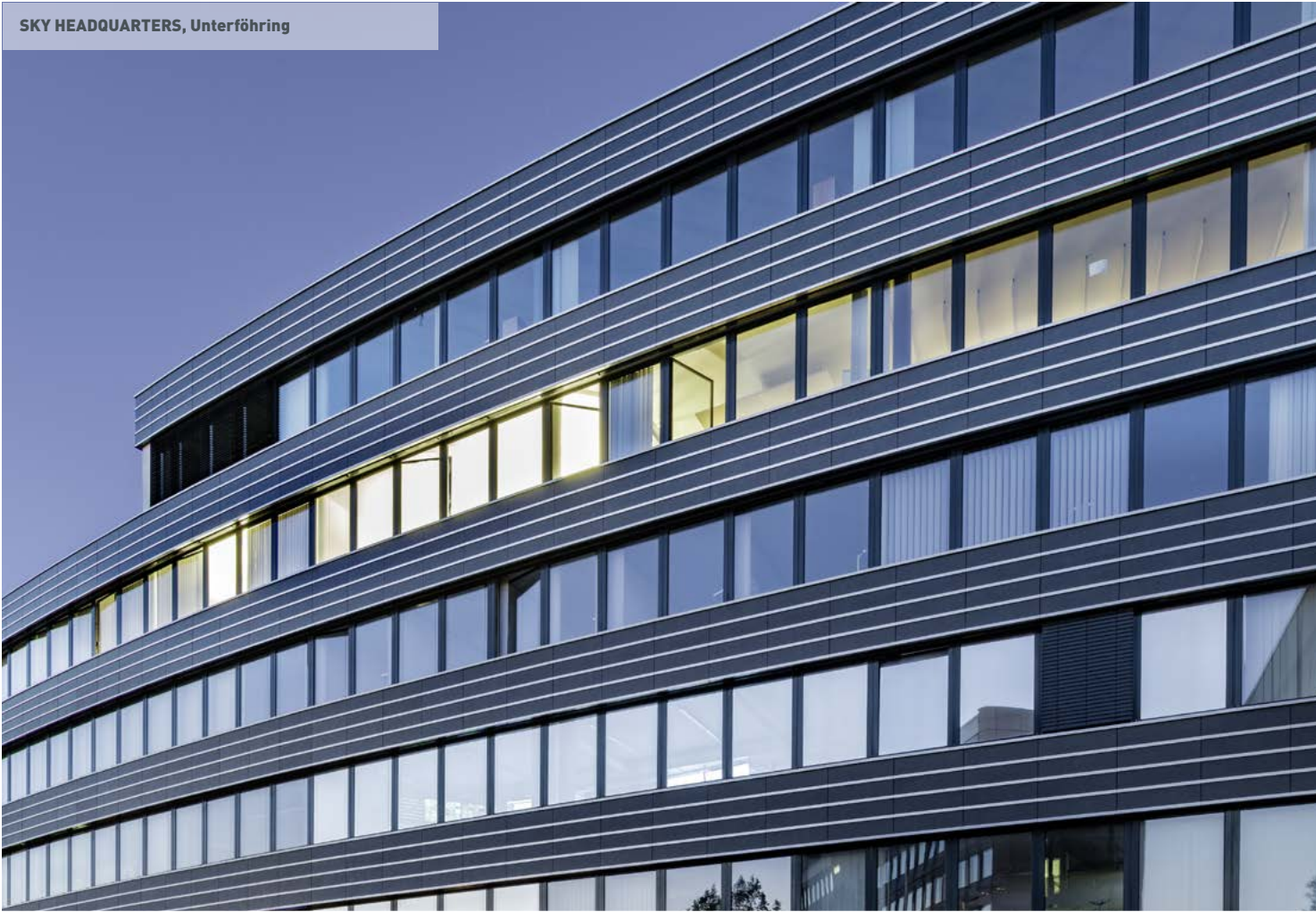
Office building, Unterschleißheim



Office building, Hamburg



SKY HEADQUARTERS, Unterföhring



CENTURION, Frankfurt / Main







PUBLITY CENTER, Leipzig



KARSTADT, Essen



Office building, Essen-Bredeney



Office building, Wilhelmshaven



Office building, Leonberg



Office building, Frankfurt / Main



Office building, Holzwickede

Office building, Eschborn



Office building, Mainz



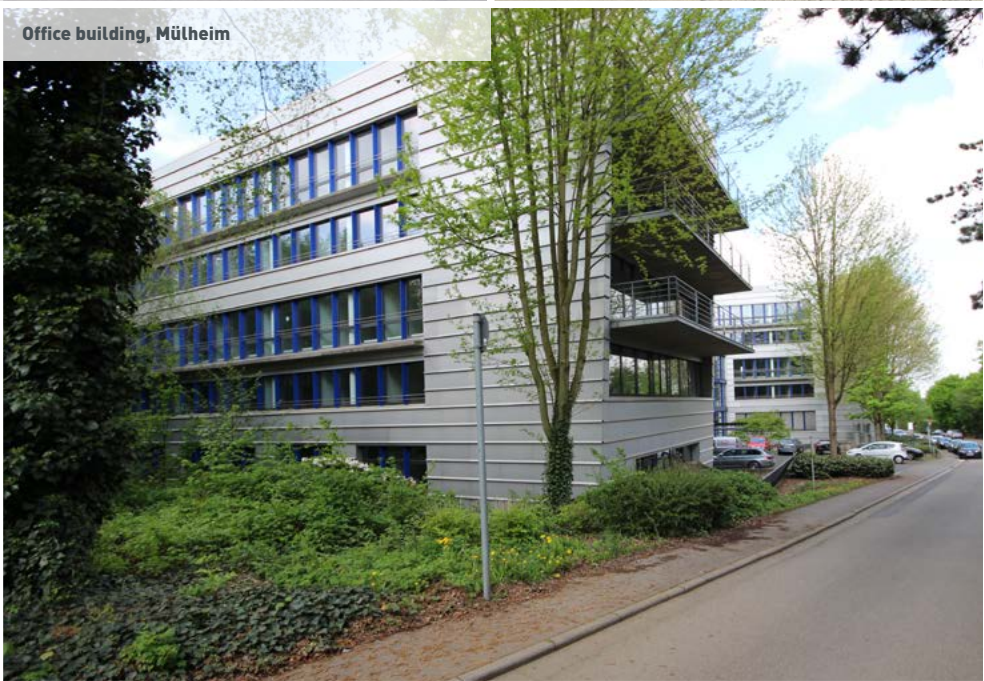
Office building, Sauerlach



Office building, Ismaning



Office building, Mülheim



Office building, Mülheim



Office building, Herrenberg

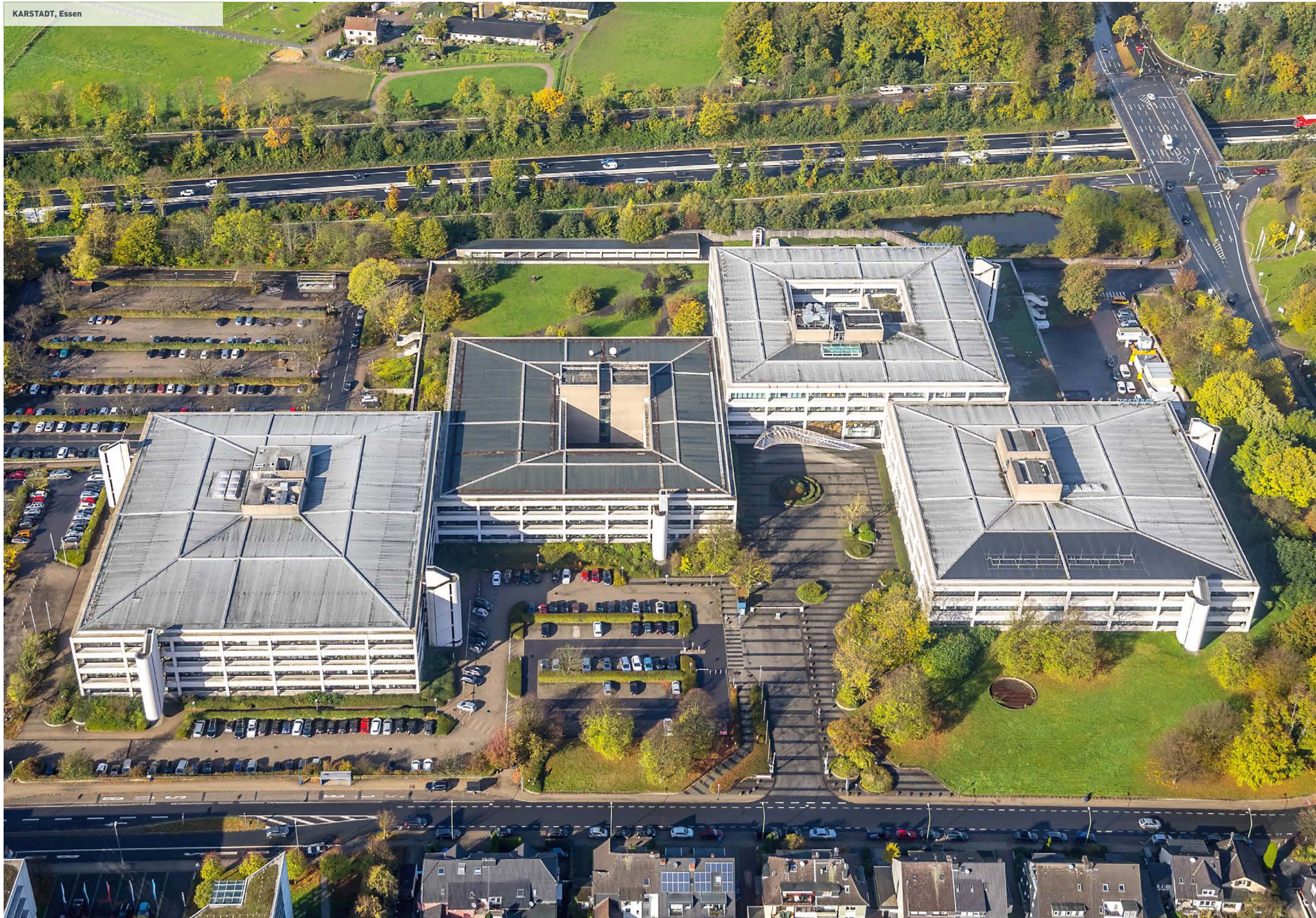


Office building, Taunusstein



Office building, Krefeld







ABC TOWER, Cologne



Office building, Ismaning



Office building, Ratingen



HUMBOLDTHAUS, Aschheim



Office building, Bad Vilbel

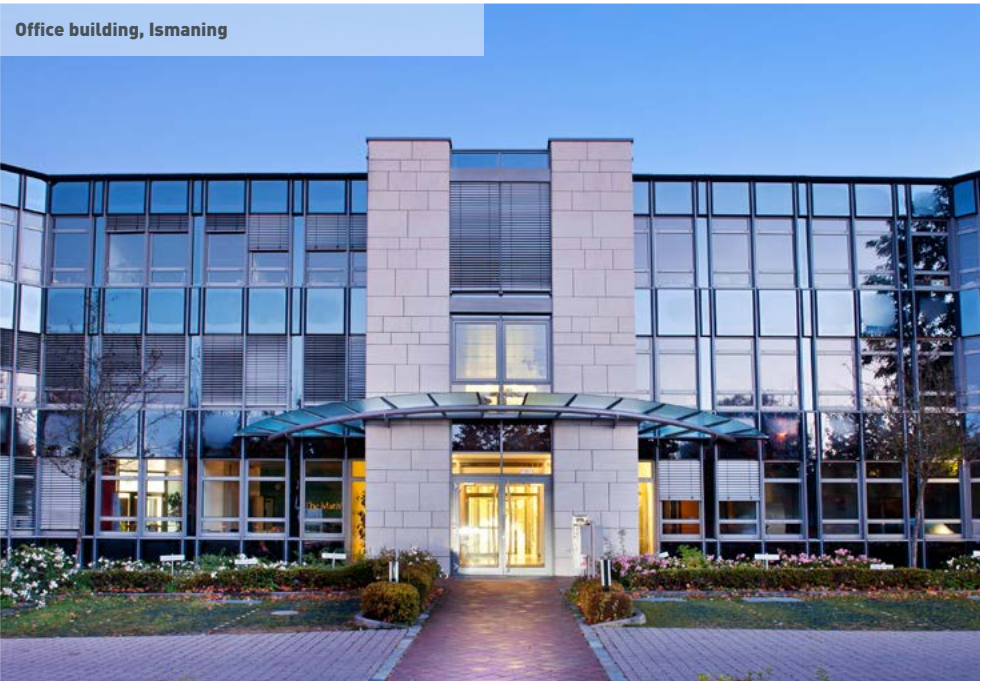


Office building, Kirchheim



K-LAN, Dusseldorf

ge Netzwerk Das Knowled



Office building, Ismaning



Office building, Nieder-Olm



Office building, Offenbach



LG, Eschborn



WAPPENHALLE, Munich



Office building, Rossdorf



Office building, Ratingen



Office building, Sindelfingen



03 publity on the Capital Market

Global equity markets were significantly affected by the COVID 19 pandemic in the first half-year 2020. Following the drastic losses in the DAX, in some cases by nearly 40 % within a few weeks, the markets recovered significantly from the second quarter onwards, with the leading index closing at around 12,300 points on 30 June. Overall, the DAX fell by just over 7 % in the first six months of the year. Since the beginning of the year, the second-line index MDAX lost around 9 % by the reporting date, thus recovering at a similar pace to the DAX. The SDAX also slowly regained momentum after the sharp slump, closing trading on 30 June 2020 at 11,500 points, a drop of almost 9 % since the end of 2019.

publity share recovers quickly after COVID 19-related decline

Despite the pandemic, the publity share performed solidly in the first six months of 2020 and at the end of June was trading at a closing price of around EUR 35.20 at the end of June 2020, about 3 % below the beginning of the year - i. e. with a smaller loss than the three indices mentioned above in the same period. The highest share price in the reporting period of EUR 36.70 was reached on 23 June. The lowest closing price was recorded at EUR 27.90 on 19 March, i. e. during the peak phase of the

Corona pandemic and the lockdown caused by it. In the first half-year in 2020, an average of around 11,243 publity AG shares were traded daily on all German stock exchanges. Thereof approx. 77 % were traded on the Xetra trading platform.

Analysts see considerable price potential for the publity share. SRC Research, an analyst firm specialising in real estate assets, raised the target price of the publity share from EUR 42 to EUR 50 (as of May 2020) and at the same time confirmed the recommendation to buy.

publity CEO Thomas Olek also made numerous purchases of publity shares via TO Holding GmbH and TO Holding 2 GmbH in the first half of 2020. In mid-June, Olek sold to an international investor consortium and an individual investor via its holding companies in order to broaden the shareholder base of publity share packages. A total of around 49 % of publity shares were transferred in two transactions. The buyers have agreed to lock-up agreements between 12 and 24 months for their shares – Olek is also bound to a lock-up period of 24 months. At the end of June, the free float of publity AG thus amounted to approx. 62 % and the indirect participation of Thomas Olek in publity through TO Holding GmbH to around 38 %.

Development of the share price pubity AG (Xetra stock exchange)

1st half year 2020 (exchange rate in EUR)



Share Information

WKN/ISIN	697250/DE0006972508
Stock exchange code	PBY
Total number of shares	EUR 14,874,487.00
Share capital	EUR 14,874,487.00
Initial listing	2 April 2015
High/Low in 1 st HY 2020	EUR 36.70/EUR 27.90
Market capitalisation on 30 June 2020	EUR 523.6bn
Market segment	Open Market/Scale
Stock exchanges	Xetra, Frankfurt, Stuttgart, Dusseldorf, Tradegate
Designated Sponsor	mwb fairtrade AG; Hauck & Aufhäuser Privatbankiers AG

Shareholders’ meeting 2020: all items on the agenda approved by large majority

During the ordinary and, for the first time, virtual Shareholders’ Meeting held on 26 May, the shareholders of pubity AG approved all draft resolutions by a large majority of votes. It was resolved, among other things, to carry forward

in full the net profit for the 2019 financial year of around EUR 322.4 million. Furthermore, the creation of new authorised capital of up to around EUR 7.4 million and new conditional capital of up to around EUR 2.4 million was approved.

Price development of Convertible Bond 2015/2020 pubity AG (Frankfurt Stock Exchange)

1st half year 2020 (exchange rate in %)



Convertible Bond Information

WKN/ISIN	A169GM/DE000A169GM5
Nominal amount	each EUR 1,000
Listing	since 17 November 2015
Market segment	Open Market on Frankfurt Stock Exchange
Stock exchanges	Frankfurt, Berlin, Stuttgart, Tradegate
Maturity/Repayment date	17 November 2020
Interest rate	3.5% on nominal amount, interest payment annually, retrospectively, each 17 November

Development of Convertible Bond 2015/2020

Although the pubity convertible bond also suffered price losses in the first half-year due to the corona pandemic, it was able to recover until the end of June, just like the share. At the end of the reporting period, the convertible bond closed at around 100.2% at the end

of June, compared to 96.85% in the previous year – the closing price in the reporting period was also the annual high. The half-year low was marked during the COVID peak phase on 19 March 2020 at 79.0%.

Information on the Corporate Bond

WKN/ISIN	A254RV/DE000A254RV3
Nominal amount	each EUR 1,000
Listing	since 19 June 2020
Market segment	Open Market/Quotation Board of Frankfurt Stock Exchange
Stock exchanges	Frankfurt, Berlin, Stuttgart, Dusseldorf, Hannover, Hamburg, Tradegate
Maturity/Repayment date	19 June 2025
Interest rate	5.5% on nominal amount, interest paid annually

New corporate bond placed on the bond market

In June 2020, pubity AG successfully issued a 5.5% Corporate Bond 2020/2025. In a first tranche, the issue was closed with a volume of EUR 50 million, thus achieving the primary objective of early refinancing of the Convertible Bond 2015/2020 and raising funds for further

growth. A further tranche was successfully placed after the end of the reporting period. Bonds with a nominal value of EUR 25 million were subscribed by TO-Holding. This increases the remaining volume of the corporate bond to a nominal EUR 75 million (status as of: end of August 2020). The pubity bond has a total volume of up to EUR 100 million.





04 FINANCIAL CALENDER

28 SEPTEMBER 2020

Semi-annual Report 2020

27 OCTOBER 2020

Prior Capital Market Conference

For publity AG, active and transparent communication with all capital market participants is very important. Information on the Company, the Share, the Convertible Bond and the Corporate Bond is provided by publity on its website at **www.publity.de**. The Company provides information on the course of business by means of ad hoc announcements and press releases as well as semi-annual and annual reports.



05 **Interim Consolidated Financial Statements**

for the period
1 January to 30 June 2020

Consolidated Balance Sheet as of **30.06.2020** in EUR

	30.06.2020	31.12.2019
Non-current assets		
Intangible assets	80,735,278	80,735,433
Tangible assets	3,419,155	3,735,998
Properties held as financial investments	1,036,747,630	612,101,000
Payments on account	17,490	3,578,490
Shares in companies accounted for using equity method	1,044,112	1,103,306
Other financial assets	61,208,478	59,454,238
Deferred tax assets	322,039	403,579
	1,183,494,183	761,112,044
Current assets		
Trade and other receivables	8,713,408	12,053,643
Income tax receivables	440,958	1,525,427
Other financial assets	122,532,883	32,334,326
Other assets	4,557,518	4,456,575
Liquid assets	41,782,210	67,438,205
	178,026,977	117,808,177
Assets Total	1,361,521,161	878,920,221

	30.06.2020	31.12.2019
Equity		
Subscribed capital	14,876,456	14,874,487
Capital reserves	219,487,927	173,748,877
Revenue reserves	84,005,051	25,182,700
Net profit	25,901,652	58,822,351
Equity attributable to equity holders of the parent company	344,271,087	272,628,415
Non-controlling interests	62,097,568	29,847,329
	406,368,655	302,475,744
Non-current liabilities		
Financial liabilities	449,776,232	299,915,515
Other financial liabilities	140,473,952	69,264,674
Deferred tax liabilities	30,360,477	18,679,682
	620,610,662	387,859,872
Current liabilities		
Provisions	400,000	400,000
Income tax liabilities	749,932	49,051
Accounts payable trade	5,096,239	6,125,485
Financial liabilities	293,176,954	126,789,111
Other financial liabilities	34,679,638	50,961,335
Other liabilities	439,081	4,259,623
	334,541,844	188,584,605
Liabilities Total	1,361,521,161	878,920,221

Consolidated Profit and Loss Statement for the period **01.01. – 30.06.2020** in EUR

	01.01. – 30.06.2020	01.01. – 30.06.2019
Sales revenues	20,241,484	6,441,034
Cost of sales	-11,347,787	-3,907,622
Gross profit on sales	8,893,697	2,533,413
Result from the valuation of properties held as financial investments	77,862,849	31,896,005
Other operating income	1,317,721	199,932
Impairment of receivables	-2,091,891	195,496
Personnel costs	-1,405,910	-1,033,890
Other operating expenses	-9,620,803	-6,802,394
Earnings before interest and taxes (EBIT)	74,955,664	26,988,561
Financial revenues	3,594,963	112,493
Financial expenses	-21,114,607	-2,974,268
Depreciation on non-current financial assets	-9,429,104	0
Share of results of affiliated companies	-59,194	-244,431
Earnings before taxes (EBT)	47,947,722	23,882,354
Taxes on income and earnings	-13,245,688	-2,881,194
Consolidated results	34,702,034	21,001,160
Thereof are attributable to:		
Shareholders of the parent company	25,901,652	20,439,622
Profit attributable to non-controlling interests	8,800,382	561,538
	01.01. – 30.06.2020	01.01. – 30.06.2019
Undiluted earnings per share	1.74	2.08
Diluted earnings per share	1.68	1.92

Consolidated Statement of Comprehensive Income for the period **01.01. – 30.06.2020** in EUR

	01.01. – 30.06.2020	01.01. – 30.06.2019
Consolidated results	34,702,034	21,001,160
Other results	0	0
Consolidated comprehensive income	34,702,034	21,001,160
Thereof are attributable to:		
Shareholders of parent company	25,901,652	20,439,622
Profit attributable to non-controlling interests	8,800,382	561,538

Consolidated Cash Flow Statement for the period **01.01. – 30.06.2020** in EUR

	01.01. – 30.06.2020	01.01. – 30.06.2019
Consolidated results	34,702,034	21,001,160
Depreciation of tangible and intangible assets	378,545	396,916
Depreciation on non-current financial assets	9,429,104	0
Valuation effects icw the acquisition of subsidiaries	1,154,671	1,161,101
Correction of the deconsolidation gain from the sale of subsidiaries	71,778	0
Result from companies accounted for using the equity method	59,194	244,431
Result from the valuation of properties held as financial investments at fair value	(77,862,849)	(31,896,005)
Income/expenses due to the repurchase of convertible bonds	(80,337)	523,381
Financial revenues	(3,277,199)	0
Financial expenses	10,278,104	1,969,359
Changes in assets and liabilities		
(increase)/decrease in trade receivables	4,026,524	7,922,732
(increase)/decrease in other assets	(7,825,797)	(3,047,317)
(decrease)/increase in trade liabilities	(3,932,674)	(1,549,615)
(decrease)/increase in other liabilities	(5,489,537)	(1,498,846)
(decrease)/increase in income tax receivables and liabilities	1,665,346	(1,434,420)
(decrease)/increase in deferred taxes	11,762,335	779,359
Other non-liquid expenses and earnings	(54,719)	(93,447)
Cash inflow / outflow from operating activities	(26,150,148)	5,521,210
Cash inflows from the repayment of loan receivables and loans	0	4,654,466
Investments in tangible and intangible assets	(46,694)	(67,414)
Cash inflow from the disposal of tangible fixed assets	40,000	0
Cash outflows for the acquisition of property held as financial investment	0	(88,591,009)



	01.01. – 30.06.2020	01.01. – 30.06.2019
Property held as financial investment	(25,877,069)	0
Acquisition of subsidiaries net of cash acquired	(114,594,278)	(33,981,911)
Disposal of subsidiaries net of cash disposed of	(80,628)	0
Payout for the acquisition of shares of non-controlling interests	(6,552,206)	0
Payments from the sale of shares of non-controlling interests	18,534,858	0
Cash inflow / outflow from investing activities	(128,576,017)	(117,985,869)
Payments from the issue of convertible bonds	6,540,017	0
Payouts for the repurchase of convertible bonds	(1,123,613)	(9,971,784)
Payments from the issue of bonds	2,846,185	0
Proceeds from financial liabilities	146,809,495	118,710,009
Repayment of financial liabilities	(25,452,382)	(353,438)
Cash outflow from the repayment of finance leases	(549,533)	(282,207)
Dividend payments	0	(6,526,360)
Cash inflow / outflow from financing activities	129,070,169	101,576,221
Change in liquid assets	(25,655,996)	(21,930,858)
Liquid assets at the beginning of the period	67,438,205	27,952,918
Liquid assets at the end of the period	41,782,210	6,022,061
Additional information on payment transactions included in cash inflow / outflow from operating activities		
Interests received	300	2
Paid interest	10,646,931	606,098
Paid income tax	1,897,873	3,764,691
Income tax received	944,873	0

Consolidated Statement of Changes in Equity

01.01. – 30.06.2020 In EUR	Subscribed capital	Capital reserve	Retained earnings	Net profit	Total	Non- controlling Amount	Total equity
Status on 01 January 2020	14,874,487	173,748,877	84,005,051	0	272,628,415	29,847,329	302,475,744
Period result	0	0	0	25,901,652	25,901,652	8,800,382	34,702,034
Overall result	14,874,487	173,748,877	84,005,051	25,901,652	298,530,067	38,647,711	337,177,778
Effects from the Conversion of Convertible Bond	1,969	72,431	0	0	74,400	0	74,400
Effects from the exchange of con- vertible bonds	0	-80,337	0	0	-80,337	0	-80,337
Acquisition of subsidiaries	0	0	0	0	0	7,217,264	7,217,264
Disposal of subsidiaries	0	0	0	0	0	-3,103	-3,103
Acquisition of non-controlling interests	0	-1,119,874	0	0	-1,119,874	-5,432,332	-6,552,206
Disposal of shares to maintain a majority	0	46,866,831	0	0	46,866,831	21,668,028	68,534,858
Status on 30 June 2020	14,876,456	219,487,927	84,005,051	25,901,652	344,271,087	62,097,568	406,368,655

01.01. – 30.06.2019 In EUR	Subscribed capital	Capital reserve	Retained earnings	Net profit	Total	Non- controlling Amount	Total equity
Status on 01 January 2019	9,831,250	70,036,275	39,929,576	0	119,797,100	0	119,797,100
Period result	0	0	0	20,439,622	20,439,622	561,538	21,001,160
Overall result	9,831,250	70,036,275	39,929,576	20,439,622	140,236,722	561,538	140,798,260
Capital increases	0	0	0	0	0	0	0
Effects from the Repurchase of convertible bonds	0	-37,282	0	0	-37,282	0	-37,282
Acquisition of subsidiaries	0	0	0	0	0	1,841,961	1,841,961
Dividend distributions	426,818	7,793,697	-14,746,875	0	-6,526,360	0	-6,526,360
Status on 30 June 2019	10,258,068	77,792,690	25,182,701	20,439,622	133,673,080	2,403,499	136,076,579

A man with short brown hair and glasses, wearing a white dress shirt and a dark tie, is shown in profile from the chest up. He is holding a black telephone receiver to his ear with his right hand. The background is a blurred office environment with a computer monitor visible. The overall tone is professional and business-oriented.

06 Selected explanatory notes to the Consolidated Financial Statements

according to IFRS for the period
1 January to 30 June 2020

A General Information

1 INFORMATION ON THE COMPANY

publity AG, as the parent company of the Group, is registered in the Commercial Register of the Local Court of Frankfurt/Main, Germany, under the number HRB 113794. The business address is Bockenheimer Landstraße 2–4 in Frankfurt/Main. The financial year is the calendar year. These condensed interim consolidated financial statements as of 30 June 2020 relate to publity AG and its subsidiaries (hereinafter “publity”).

The Company has been listed on the Open Market (Scale) in Frankfurt/Main since 1 March 2017.

publity’s business activities include

- the management of real estate and credit portfolios as well as the structuring and management of investment products in the form of limited partnerships or investment limited partnerships for institutional and private investors (“asset management”)
- and investments in real estate and credit portfolios (“portfolio management”).

The Company has a track record of several hundred transactions which it has accompanied, and has a reliable network in the real estate industry and the workout departments of financial institutions. It has access to investment funds and rapidly completes transactions with trusted partners.

Through its subsidiaries and second-tier subsidiaries, the Group has been acquiring commercial real estate since the end of 2018, which in turn is managed by publity AG under asset management mandates. As part of this Group-owned real estate business, the Group intends to combine the current income from the services it provides with the returns from the optimisation and possible subsequent sale of properties. The Group’s own real estate business is expected to gain in importance in future and will be steadily expanded.

Besides, the publity group is active in the structuring and management of investment products for institutional and private investors, in particular closed-end real estate funds. So far, it has launched three closed-end real estate funds in the form of public alternative investment funds. publity Emissionshaus GmbH acts as general partner of these funds. The funds are managed by publity Performance GmbH (a capital management company licensed under the German Investment Act).

In the past, publity also launched several funds and securitisations for private and institutional investors in the area of non-performing loans (NPLs) (i. e. loans that have not been properly serviced), which have already been wound up or are being wound up. There are currently no plans to create new such funds.

The publity Group is also involved in transactions of a Luxembourg joint venture company, publity Real Estate Opportunity Services S.à r.l. (“PREOS 1”), as part of a co-investment with institutional investors. The co-investments of publity in PREOS 1 are partly in the form of loans and partly in the form of other financing instruments. For the real estate portfolios acquired by PREOS 1, the Company is responsible for the real estate asset management and participates in the successful sale or realisation of the properties. At the end of 2018, the Company reduced its stake in PREOS 1 from 50 % to 15 % as part of a restructuring process.

publity AG is listed on the stock exchanges in Frankfurt/Main, Berlin, Stuttgart and Düsseldorf on the Open Market.

These consolidated financial statements were approved by the Executive Board on 22 September 2020.

2 PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS

The condensed interim consolidated financial statements cover the period from 1 January to June 2020 and were prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting”.

All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) mandatory for the 2020 financial year have been applied.

In accordance with the requirements of IAS 34, these condensed interim consolidated financial statements represent an update of the last regular consolidated financial statements and therefore do not contain all the information and disclosures required for consolidated financial statements, but rather focus on current developments and events and how to obtain information not previously reported.

These condensed interim consolidated financial statements of publity AG as of 30 June 2020 should therefore always be read in conjunction with the consolidated financial statements prepared as of December 2019.

The reporting currency of the condensed interim consolidated financial statements of publity AG is the euro (EUR). Unless indicated otherwise, all amounts are in EUR.

The figures shown are rounded to the nearest euro (EUR). Due to commercial rounding of individual amounts, it is possible that some of the totals given in the tables contained in this document may not correspond to the result of adding or subtracting the stated amounts of the individual items.

B Accounting and valuation principles

The accounting policies used in these condensed interim consolidated financial statements for the six months to 30 June 2020 are consistent with those used in the consolidated financial statements for the year ending 31 December 2019. The amendments to IAS 39, IFRS 7 and IFRS 9, IAS 1, IAS 8 and IFRS 3, which must be applied for the first time with effect from 1 January 2020, have no significant impact on the condensed interim consolidated financial statements of pubity.

There were also no significant changes in estimates compared to the consolidated financial statements as of 31 December 2019.

C Consolidation principles and scope of consolidation

1 CONSOLIDATION PRINCIPLES

There were no changes in the principles of consolidation in the interim reporting period.

2 SCOPE OF CONSOLIDATION

Including the parent company, the scope of consolidation comprises 48 fully consolidated companies. The consolidated group developed as follows in the interim reporting period:

Amount	30.06.2020	31.12.2019
Status 01.01.	43	5
Additions	6	40
Disposals	1	2
Status 30.06. or 31.12.	48	43

The scope of consolidation as of 31 December 2019 is as follows:

No.	Fully consolidated companies Company	Registered office	Holding in %	Held by no.	Activity
1	pubity AG	Frankfurt/Main			Holding. Asset-Management
2	PREOS Real Estate AG	Leipzig	86.5	1	Inventory management
3	PREOS Immobilien GmbH	Leipzig	86.5	2	Inventory management
4	PREOS 1. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
5	PREOS 2. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
6	PREOS 3. Beteiligungsges. mbH	Leipzig	86.5	3	Intermediate holding company
7	Objekta Fütingsweg GmbH	Monheim/Rhein	81.3	6	Inventory management
8	PREOS 4. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
9	PREOS 5. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
10	PREOS 6. Beteiligungsges. mbH	Leipzig	86.5	3	Intermediate holding company
11	LVG Niederolm GmbH	Tholey	81.3	10	Inventory management
12	PREOS 7. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
13	PREOS 8. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
14	PREOS 9. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
15	PREOS 10. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
16	PREOS 11. Beteiligungsges. mbH	Leipzig	86.5	3	Inventory management
17	PREOS 12. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
18	PREOS 13. Beteiligungsges. mbH	Leipzig	86.5	3	Intermediate holding company
19	Projekta Lüdenscheid 1 GmbH	Monheim/Rhein	82.1	18	Inventory management
20	PREOS 14. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
21	PREOS 15. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
22	PREOS 16. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
23	PREOS 17. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
24	PREOS 18. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
25	PREOS 19. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
26	PREOS 20. Beteiligungsges. mbH	Leipzig	86.5	3	Intended for inventory build-up
27	pubity Investor GmbH	Leipzig	87.2	1/2	Inventory management
28	pubity Real Estate GmbH	Leipzig	87.2	27	Intermediate holding company
29	pubity Theodor-Althoff-Str. 2 GmbH	Leipzig	87.2	28	Inventory management
30	pubity Real Estate Holding GmbH	Leipzig	87.2	27	Intermediate holding company
31	pubity Real Estate 1 GmbH	Leipzig	87.2	27	Inventory management
32	pubity Real Estate 2 GmbH	Leipzig	82.7	30	Inventory management
33	pubity Real Estate 3 GmbH	Leipzig	87.2	30	Inventory management
34	pubity Real Estate 4 GmbH	Leipzig	87.2	27	Intermediate holding company
35	pubity Real Estate 5 GmbH	Leipzig	87.2	27	Inventory management
36	pubity Real Estate 6 GmbH	Leipzig	87.2	27	Intermediate holding company
37	pubity Property Holding GmbH	Frankfurt/Main	100	1	Holding
38	pubity Property 1 GmbH	Frankfurt/Main	87.2	27	Intermediate holding company
39	pubity Property 2 GmbH	Frankfurt/Main	87.2	27	Intermediate holding company
40	pubity Asset Management GmbH	Frankfurt/Main	100	1	Intended for Asset Management
41	pubity Emissionshaus GmbH	Leipzig	100	1	Inventory management
42	pubity Performance GmbH	Leipzig	100	1	Inventory management
43	GGC Westendcarree Sàrl	Luxemburg	82.7	34	Inventory management
44	GSP Centurion GmbH	Mannheim	82.7	36	Inventory management
45	pubity Real Estate 7 GmbH	Leipzig	87.2	27	Intermediate holding company
46	pubity Real Estate 7.1 GmbH	Leipzig	87.2	45	Intended for inventory build-up
47	pubity Real Estate 8 GmbH	Leipzig	87.2	27	Intermediate holding company
48	pubity Real Estate 8.1 GmbH	Leipzig	87.2	47	Intended for inventory build-up

3 CHANGES IN THE SCOPE OF CONSOLIDATION IN THE INTERIM REPORTING PERIOD

3.1. Company incorporations in the interim reporting period

During the interim reporting period, publity Real Estate 7 GmbH, publity Real Estate 7.1 GmbH, publity Real Estate 8 GmbH and publity Real Estate 8.1 GmbH were consolidated for the first time. All aforementioned companies are based in Leipzig.

3.2. Company acquisitions in the interim reporting period

Acquisition of GGC Westendcarree Sàrl

Pursuant to a share purchase and transfer agreement dated 9 January 2020, publity Real Estate 4 GmbH acquired 94.9 % of the shares in GGC Westendcarree Sàrl for a provisional purchase price of TEUR 85,192. GGC Westendcarree Sàrl has its registered office in Luxembourg. The purpose of the company is to invest in other companies in the form of partnerships or corporations, to manage these investments and to acquire, develop and manage real estate, in particular the property in Grüneburgweg in Frankfurt/Main.

The acquisition of GGC Westendcarree Sàrl was not classified as a business combination within the meaning of IFRS 3, as the company does not conduct business operations within the meaning of was presented as the acquisition of a group of assets and liabilities (aggregate of assets without business quality).

In the consolidated financial statements of publity, GGC Westendcarree Sàrl was fully consolidated in accordance with the requirements of IFRS 10. The initial consolidation is effective as of 06 February 2020.

The compensation transferred for the acquisition of 94.9 % of the shares in GGC Westendcarree Sàrl amounted to TEUR 85,226. This includes the purchase price as well as ancillary acquisition costs. The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition in accordance with their relative fair values. In the case of acquired financial instruments, on the other hand, in accordance with the requirements of IFRS 9, the fair values were recognised at the time of acquisition. Differences between the relative fair values and the initial valuation at fair value required by IFRS 9 were recognised in profit or loss as “Day-One-Gain / Day-One-Loss”.

The fair values of the identified assets and liabilities of GGC Westendcarree Sàrl at the date of acquisition are as follows:

Properties held as financial investments	195,850 TEUR
Current assets	1,955 TEUR
Means of payment	1,712 TEUR
Assets taken over	199,517 TEUR
Financial debt	81,200 TEUR
Other financial liabilities	24,350 TEUR
Current liabilities	4,163 TEUR
Liabilities taken over	109,713 TEUR
Net assets (100 %)	89,804 TEUR
Non-controlling interests	4,578 TEUR
Acquisition costs	85,226 TEUR

The initial consolidation of GGC Westendcarree Sàrl as of 6 February 2020 is based on current knowledge as of the acquisition date and the date of these interim consolidated financial statements. Due to existing uncertainties and, in particular, because negotiations with the sellers had not yet been concluded at the reporting date for the interim consolidated financial statements, the acquisition costs and the allocation of acquisition costs to the acquired assets and liabilities are provisional. The financial statements of GGC Westendcarree Sàrl as of the acquisition date may still be subject to change, as various items have not yet been finally determined. The acquired assets and liabilities therefore had provisional fair values at the time of initial consolidation.

Acquisition of GSP Centurion GmbH

By notarised share purchase and transfer agreement dated 18 December 2019, publity Real Estate 6 GmbH acquired 94.9 % of the shares in GSP Centurion GmbH for a purchase price of TEUR 49,106. GSP Centurion GmbH has its registered office in Mannheim. The purpose of the company is the acquisition, holding, management and sale of real estate.

The acquisition of GSP Centurion GmbH was not classified as a business combination within the meaning of IFRS 3, as the company does not have any business operations within the meaning of was presented as the acquisition of a group of assets and liabilities (aggregate of assets without business quality).

GSP Westendcarree Sàrl was fully consolidated in the consolidated financial statements of publity in accordance with the requirements of IFRS 10. The initial consolidation is effective as of 22 April 2020.

The compensation transferred for the acquisition of 94.9 % of the shares in GSP Centurion GmbH amounted to TEUR 49,170. This includes the purchase price as well as ancillary acquisition costs. The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition in accordance with their relative fair values. In the case of acquired financial instruments, on the other hand, in accordance with the requirements of IFRS 9, the fair values were recognised at the time of acquisition. Differences between the relative fair values and the initial valuation at fair value required by IFRS 9 were recognised in profit or loss as “Day-One-Gain / Day-One-Loss”.

The fair values of the identified assets and liabilities of GSP Centurion GmbH at the date of acquisition are as follows:

Non-current assets	125,111 TEUR
Current assets	945 TEUR
Means of payment	564 TEUR
Assets taken over	126,620 TEUR
Non-current liabilities	74,249 TEUR
Current liabilities	562 TEUR
Liabilities taken over	74,811 TEUR
Net assets (100 %)	51,809 TEUR
Non-controlling interests	2,639TEUR
Acquisition costs	49,170 TEUR

3.3. Company disposals in the interim reporting period

Company disposal Großmarkt Leipzig GmbH

In a notarised share purchase and transfer agreement dated 21 January 2020, publity Investor GmbH sold its entire 100 % stake in Großmarkt Leipzig GmbH, Leipzig, at a selling price of TEUR 25. The shares were sold on 21 January 2020.

The company was fully consolidated in the consolidated financial statements of publity up until the date of the sale of the shares. The selling price was paid in liquid funds.

The assets and liabilities disposed of in the course of the sale and the associated deconsolidation are composed as follows:

In TEUR	Großmarkt Leipzig GmbH
Current Assets	199
Thereof liquid funds	106
Current liabilities	124

As a result of the deconsolidation of this company, the minority interests in equity reported in the consolidated financial statements of publity decreased by TEUR 3. The result from deconsolidation, which is included in other operating expenses in the consolidated income statement, amounts to TEUR -47.

3.4. Majority share increases

In the interim reporting period, publity AG acquired a further 0.8 % of the shares in PREOS Real Estate AG on the market. In accordance with the requirements of IFRS 10, these share purchases were treated as transactions between owners. The acquisition costs for the purchase of these shares amounted to TEUR 6,552. The acquisition costs were offset against the share of non-controlling shareholders in the total amount of TEUR 5,432. The difference between the fair value of the service provided (TEUR 6,552) and the non-controlling interests (TEUR 5,432) was recognised directly in consolidated equity and offset against the consolidated capital reserve, reducing the consolidated capital reserve accordingly (see the Statement of Changes in Equity).

3.5. Majority share reductions

In the interim reporting period, publity AG sold a further 7.69 % of the shares in PREOS Real Estate AG on the market. In accordance with the requirements of IFRS 10, these share disposals were treated as transactions between owners. The selling price realised on the sale of these shares was TEUR 68,535. The selling price was offset against the share of non-controlling shareholders in the total amount of TEUR 21,668. The difference between the selling price (TEUR 68,535) and the shares of non-controlling interests (TEUR 21,668) was recognised directly in consolidated equity and increased the consolidated capital reserves accordingly (see the Statement of Changes in Equity).



D Notes to the Consolidated Balance Sheet

1 INTANGIBLE ASSETS

1.1. Goodwill

The goodwill of TEUR 80,735 arising from the business combination and the first-time consolidation of PREOS Real Estate AG as of 31 August 2019 was allocated to the cash-generating unit respectively to the “portfolio management” segment at the time of acquisition, as this will primarily benefit from the planned further expansion of the real estate portfolio. The combination will give the portfolio management segment access to the extensive real estate pipeline, pubity AG’s distinctive network in the area of high-priced commercial real estate (EUR 40 million to EUR 300 million) as well as financial resources to finance planned growth.

Goodwill is subject to regular impairment testing – at least once a year. The scheduled impairment test will be carried out in the second half of 2020. A reassessment is also carried out if circumstances indicate that the value may be impaired. Against the background of the coronavirus pandemic and the resulting uncertainties with regard to the general economic impact, a voluntary impairment test was carried out on the reporting date for the interim consolidated financial statements.

The recoverable amount of the cash-generating unit “portfolio management” (CGU “portfolio management”) was determined on 30 June 2020 on the basis of a value in use calculation

using cash flow forecasts based on the financial plans approved by management for a period of ten years. Management’s planning is based on past experience and the best possible estimates of future developments.

As management is convinced that the planning over a period of ten years is reliable, partly due to long-term contractual commitments, the extension of the detailed planning phase beyond the five years generally required by IAS 36 is considered justified. The discount rate (WACC) used for cash flow projections is 4.18%. For cash flows estimated after the ten-year period, a fictitious sale of the properties in the portfolio was simulated. As no values for a perpetual annuity beyond the 10-year detailed planning phase were therefore included in the value in use, no growth rate was determined and applied. The value in use determined in this manner was then compared with the carrying amount of the CGU in order to identify any impairment.

As a result of this analysis, management has identified sufficient headroom between the value in use and the carrying amount of the CGU and does not see any impairment for this CGU and consequently for goodwill.

The key basic assumptions for calculating the value in use and the sensitivity analyses to the assumptions made are presented below:

Forecast of cash flows from letting and liquidation: The CGU “portfolio management” focuses on real estate properties in preferred locations in Germany, particularly in metropolitan regions. Accordingly, cash flows were forecast for the existing properties as well as for the planned property purchases. The planning is based on already concluded tenancy agreements, experience from previous years, the expected developments of the property market in Germany and the investment plans for the CGU. The planned cash flows from letting could be reduced due to rent reductions, loss of rent or increasing vacancies. A reduction in the property portfolio or a smaller expansion of the property portfolio could also lead to a reduction in planned cash flows. Furthermore, the planned liquidation proceeds could not be realised in the estimated amount. If the net cash flows of the CGU “portfolio management” were to decrease by 74 %, the value in use would correspond to the carrying amount of the CGU.

Discount rate: The discount rate represents the current market assessment of the specific risks assigned to the CGU. The discount rate is based on the average weighted cost of capital (“WACC”) of the CGU “portfolio management”. The average weighted cost of capital includes both equity and debt capital. The cost of debt is based on the average financing costs typical for the industry. The equity capital costs are derived

from the expected return on capital of the equity providers. Segment specific risk was included by applying individual beta factors. The beta factors were determined on the basis of publicly available market data of comparable companies. An increase in the discount rate (“WACC”) after taxes to 16.70 % would result in the CGU “portfolio management” having the same value in use and carrying amount.

2 PROPERTIES HELD AS FINANCIAL INVESTMENT

Property held as financial investment is valued at fair value in accordance with the requirements of IAS 40. The fair values developed as follows in the interim reporting period:

In EUR	30.06.2020	31.12.2019
Asset values as of 01.01.	612,101,000	17,000,000
Acquisitions (+)	25,877,069	340,648,326
Additions from changes in the scope of consolidation (+)	307,888,262	243,492,027
Additions to rights of use (+)	13,018,000	36,131,000
Increases in fair value (+)	77,934,669	123,229,647
Decreases in fair value (-)	-71,370	-1,000,000
Disposals (-)	0	-163,000,000
Reclassification (-)	0	15,600,000
Asset values as of 30.06.2020 and 31.12.2019	1,036,747,630	612,101,000

Acquisitions in the amount of TEUR 25,877 include additions from construction work on the property at "Theodor-Althoff-Straße 2", which was already acquired in the 2019 financial year.

Additions from changes in the scope of consolidation relate to the acquisition of the "Westendcarree" building in Frankfurt/Main, which was added as part of the acquisition of 94.9% of the shares in GGC Westendcarree Sàrl, Luxembourg, and the acquisition of the "Centurion" building in Frankfurt/Main, which was added as part of the acquisition of 94.9% of the shares in GSP Centurion GmbH, Mannheim.

The additions to rights of use relate to the heritable building right, which was recognised in accordance with the requirements of IFRS 16 as part of the acquisition of the "Centurion" property. The income from fair value increases in the amount of TEUR 77,935 relates to properties held by the Group as of the balance sheet date

and is reported in a separate line in the consolidated statement of comprehensive income.

There were no substantial changes in the accounting policies for investment property compared with the disclosures made in the consolidated financial statements as of 31 December 2019.

The "Westendcarree" property was valued using the discounted cash flow method. In contrast to the German income approach according to the ImmoWertV, the cash flows were explicitly quantified for the 10-year detailed observation period and not shown as pension payments. Since the influence of future cash flows is decreasing and at the same time the uncertainty of forecasts over the period under review is increasing, the stabilised net income was capitalised on the basis of a growth-implicit minimum interest rate after the detailed observation period.

The revenue surpluses of the 10-year period and the capital value resulting after its expiry were discounted to the valuation date and reduced by the estimated incidental acquisition costs of a potential buyer.

Key valuation parameters are the rents agreed as of the valuation date, the achievable market rents, the operating costs and the discount and capitalisation rates. These parameters are determined separately depending on the location and characteristics of the respective property.

The "Centurion" property in Frankfurt/Main was valued as a leasehold property in accordance with the "Munich procedure" established in recognised specialist literature and valuation practice. The valuation system is similar to the valuation of the leasehold property in Unterföhring ("Sky" property). Reference is made to section D.3 in the Consolidated Financial Statements as of 31 December 2019.

Assets and liabilities valued at fair value in EUR	Valuation date	Total	Listed price in active markets (Level 1)	Key observable input parameters (Level 2)	Key non-observable input parameters (Level 3)
Properties held as financial investments	30.06.20 31.12.19	1,036,747,630 612,101,000			1,036,747,630 612,101,000

The valuation of properties as a financial investment at fair value is to be assigned to level 3 of the valuation hierarchy in accordance with IFRS 13 (valuation based on nonobservable input factors), as key valuation parameters of the underlying expert opinions are not observable.

As of 30 June 2020, there are contractual obligations for the expansion of property held as financial investments in the amount of TEUR 15,700.

3 PAYMENTS ON ACCOUNT

The carrying amounts of prepayments made, which primarily relate to properties held as financial investments, amounted to TEUR 17 as of 30 June 2020 (31 December 2019): TEUR 3,578). The advance payments made relate to advance payments of PREOS 16. Beteiligungsgesellschaft mbH. The decline in advance payments made in the amount of TEUR 3,561 results from the acquisitions of the properties "Westend Carree" and "Centurion" in Frankfurt/Main, for which advance payments existed as of 31 December 2019.

4 NON-CURRENT FINANCIAL ASSETS

The carrying amounts of non-current financial assets on 30 June 2020 comprise the following:

In EUR	30.06.2020	31.12.2019
Credit claims with impaired creditworthiness	48,079,354	54,953,947
Receivables from non-controlling shareholders	8,367,055	893,511
Loans	3,209,160	3,209,160
Repurchase right Bond 2020/2025	1,503,949	0
Participating interests	48,960	48,960
Leasing receivables	0	348,661
Total	61,208,478	59,454,238

The increase of TEUR 1,754 compared to 31 December 2019 results from loans to minority shareholders of TEUR 7,453 granted in the first half of 2020, as well as interest on loans already granted in the amount of TEUR 21. In addition, the 2020/2025 Bond issued in the first half of 2020 includes a repurchase right of the issuer in the amount of TEUR 1,504. This was offset by the impairment of

TEUR 9,429 on loan receivables with impaired creditworthiness, which was offset by interest income of TEUR 2,555. As on 30 June 2020, receivables from leases exist exclusively in the current segment.

With regard to the balancing, classification and valuation of non-current financial assets, there were no substantial changes compared to the disclosures made in the consolidated financial statements as at 31 December 2019.

5 CURRENT FINANCIAL ASSETS

The carrying amounts of current financial assets on 30 June 2020 comprise the following:

In EUR	30.06.2020	31.12.2019
Receivables Placements Bond and Share sales	79,311,279	0
Receivables from shareholders	36,160,964	30,383,333
Balances on trust accounts	3,600,000	0
Accrued income	2,010,499	892,124
Receivables from former shareholders	251,243	398,267
Leasing receivables	247,099	0
Deposits	241,099	405,284
Creditors with debit balances	172,718	139,661
Expenses	78,082	78,084
Miscellaneous	459,995	37,574
Total	122,532,883	32,334,326

The increase of TEUR 90,199 compared to the previous year is largely due to receivables from the placement of the 2020/2025 Bond (TEUR 29,311), sales of shares in connection with shares in PREOS Real Estate AG (TEUR 50,000), and balances on trust accounts. In addition, receivables from shareholders, which include loans to TO-Holding GmbH (shareholder of pub- lity AG), increased by a total of TEUR 5,778 due

to a further loan of TEUR 5,000 and the capital- ised interest. To secure these loans, the main shareholder of pubity AG, TO-Holding GmbH, has pledged shares worth EUR 120 million.

6 EQUITY

As of 30 June 2020, the Company's subscribed capital amounts to TEUR 14,876 (31 December 2019: TEUR 14,874) and is divided into 14,876,456 registered shares.

In the first half of 2020, the share capital of the Company was increased by EUR 1,969 to EUR 14,876,456.00 by issuing 1,969 new no-par value registered shares from conditional capital in order to grant shares in the Company to holders of the Convertible Bond 2015/2020 who have exercised their conversion rights.

The premium of EUR 72,431 received on execution of the conversion right was transferred to the Group's capital reserves.

As part of the conversion of the Convertible Bonds 2015/2020 into the Corporate Bond 2020/2025, the capital reserve was reduced by an amount of EUR 80,337 (see details in section D.9.2. and D.10.1.).

By resolution of the Shareholders' Meeting on 26 May 2020, the net profit of the Company for the 2019 financial year was carried forward to new account; no dividend distribution was resolved.

By resolution of the Shareholders' Meeting on 26 May 2020, Authorised Capital 2019/II) was revoked. The same Shareholders' Meeting authorised the Executive Board, with the approval of the Supervisory Board, to increase the share

capital once or more than times in the period up to 25 May 2025 by up to EUR 7,438,228.00 against cash and/or in-kind contributions, whereby shareholders' subscription rights may be excluded (Authorised Capital 2020/I). A corresponding amendment to §3 (3) of the Articles of Association (Authorised Capital) was resolved by the Shareholders' Meeting.

By resolution of the Shareholders' Meeting on 26 May 2020, the conditional capital 2019/III was repealed and the creation of new conditional capital and the amendment of §3 (6) of the Articles of Association (Conditional Capital) was resolved. The share capital of the Company is conditionally increased by up to EUR 2,425,743.00 by resolution of the Shareholders' Meeting on 26 May 2020 (Conditional Capital 2020/I).

The shares of non-controlling interests relate to the capital and profit shares of third parties in the fully consolidated corporations in which pubity AG or its subsidiaries do not hold 100 % of the shares.

The development of equity in the reporting period is shown in the Statement of Changes in Equity.

7 DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes continue to be valued on the basis of the local tax rates of around 31.93 % (31 December 2019: 31.93 %). For the calculation of deferred taxes of domestic companies that report properties held as financial investments in their portfolios or that merely act as an intermediate holding for the property companies holding the portfolios, a tax rate of 15.83 % was used as of 30 June 2020 (31 December 2019: 15.83 %). These companies generate their earnings from the management

of their own real estate assets. Due to the possibility of reducing trade income by the amount of income from the management of own real estate ("extended trade tax reduction"), only the corporate income tax rate plus the solidarity surcharge is applied in these cases.

Deferred tax assets and liabilities as of 30 June 2020 consist of temporary differences in the following balance sheet items:

In EUR	30.06.2020	31.12.2019
Properties held as financial investments	3,258,799	1,747,646
Payments on account	0	1,511,153
Other non-current financial assets	2,327,921	924,926
Shares in companies accounted for using the equity method	104,766	95,926
Trade receivables	402,369	98,670
Financial liabilities	53,720	83,640
Other non-current financial liabilities	7,395,027	7,438,595
Financing costs	11,533	11,533
Tax loss carry-forwards	260,596	196,956
Deferred tax assets before balancing	13,814,728	12,108,516
Balancing	-13,492,689	-11,704,937
Deferred tax assets after balancing out	322,039	403,579
Properties held as financial investments	-40,748,369	-27,766,454
Tangible assets	-862,253	-950,848
Other non-current financial assets	-480,136	-148,999
Other current financial assets	-78,856	0
Financial liabilities	-1,326,097	-633,582
Other non-current financial liabilities	-306,057	-884,737
Other current financial liabilities	-51,399	0
Deferred tax liabilities before balancing	-43,853,167	-30,384,620
Balancing	13,492,689	11,704,937
Deferred tax liabilities after balancing	-30,360,477	-18,679,682

The changes in deferred taxes in the interim reporting period are shown in the following table:

In EUR	01.01.2020	Profit and loss statement	30.06.2020
Tangible assets	0	-862,253	-862,253
Properties held as financial investments	-26,018,808	-11,470,762	-37,489,570
Payments on account	1,511,153	-1,511,153	0
Other non-current financial assets	-174,921	2,022,706	1,847,785
Shares in companies accounted for using the equity method	95,398	9,368	104,766
Trade receivables	98,670	303,699	402,369
Other current financial assets	0	-78,856	-78,856
Financial liabilities	-549,942	-722,435	-1,272,377
Other non-current financial liabilities	6,553,858	535,111	7,088,969
Other current financial liabilities	0	-51,399	-51,399
Financing costs	11,533	0	11,533
Tax loss carry-forwards	196,956	63,640	260,596
Total	-18,276,103	-11,762,336	-30,038,439

In EUR	01.01.2019	Profit and loss statement	30.06.2019
Tangible assets	-2,385,930	103,180	-2,282,750
Properties held as financial investments	-2,638,555	-2,627,604	-5,266,160
Other non-current financial assets	-774,500	419,132	-355,368
Shares in companies accounted for using the equity method	2,545	38,681	41,226
Trade receivables	277,133	-62,412	214,721
Other non-current financial liabilities	2,953,187	166,444	3,119,631
Provisions	-44,695	44,695	0
Tax loss carry-forwards	776,880	1,138,525	1,915,405
Total	-1,833,936	-779,359	-2,613,295

8 FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value less directly attributable transaction costs. The fair value at the time of addition corresponds to the present value of future payment obligations based on a market interest rate with matching maturities and risks. In subsequent valuations, financial liabilities are valued at amortised cost using the effective interest

method. Changes in the conditions regarding the amount and/or timing of interest and principal payments result in an adjustment to the carrying amount of the liability so that it reflects the actual and changed cash flows. Differences to the previously recognised carrying amount of financial liabilities are reported in profit and loss.

The current and non-current financial liabilities as of 30 June 2020 are composed as follows:

Current and non-current financial liabilities in EUR	30.06.2020	31.12.2019
Non-current financial liabilities		
Variable-interest bank liabilities	118,677,570	277,514,915
Fixed-interest bank liabilities	331,098,662	22,400,600
Total non-current liabilities	449,776,232	299,915,515
Current financial liabilities		
Variable-interest bank liabilities	186,290,853	0
Fixed-interest bank liabilities	106,886,101	126,789,111
Current liabilities, total	293,176,954	126,789,111

The change in financial liabilities results in detail from the following effects:

In EUR	2020	2019
Asset values as of 01.01.	426,704,625	0
Proceeds from financial liabilities	192,341,795	355,495,744
Repayment of financial liabilities	-25,452,380	-732,272
Acquisitions from changes in the scope of consolidation	142,499,864	170,882,095
Disposals from changes in the scope of consolidation	0	-98,222,806
Valuation effects in conjunction with the effective interest method	1,915,377	-1,476,469
Capitalised interest expenses	4,943,905	758,333
Asset values as of 30.06.2020 and 31.12.2019	742,953,186	426,704,625

The repayments of financial liabilities mainly result from the partial repayment of the mezzanine loan from pubity Real Estate 5 GmbH amounting to TEUR 25,200. The additions from changes in the scope of consolidation relate

to the loan liabilities acquired as part of the purchase of shares in GSP Centurion GmbH and GGC Westendcarree Sàrl.

All Financial Covenants were complied with in the reporting period.

9 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Non-current financial liabilities as of 30 June 2020 comprise the following:

In EUR	30.06.2020	31.12.2019
Convertible bond 2019/2024	37,703,044	30,638,185
Bond 2020/2025	51,399,681	0
Leasing liabilities	51,275,603	38,531,905
Liabilities to non-controlling shareholders	95,624	94,583
Total	140,473,952	69,264,674

Other non-current financial liabilities include the Convertible Bond 2019/2024 issued by PREOS Real Estate AG, the Corporate Bond 2020/2025 issued by publity AG, leasing liabilities and liabilities to minority shareholders for compensation payments within the scope of a profit and loss transfer agreement.

Leasing liabilities relate to the leasehold of the “Medienallee 26” property in Unterföhring in the amount of TEUR 35,876 (31 December 2019: TEUR 35,928) and the leasehold of the “Theodor-Heuss-Allee 112” property in Frankfurt/Main in the amount of TEUR 12,938 (31 December 2019): TEUR 0).

It also includes the lease liability for the rented office space in the Opera Tower (“Opernturm”) in Frankfurt/Main amounting to TEUR 2,462 (31 December 2019: TEUR 2,604.

9.1. Convertible Bond 2019/2024 of PREOS AG

As of 30 June 2020, partial debentures with a total nominal amount of TEUR 139,616 were issued.

However, only TEUR 37,521 of this amount was issued to third parties as of 30 June 2020 (31 December 2019: TEUR 31,798). The value of the debt component as of 30 June 2020 accordingly amounts to TEUR 37,703 (31 December 2019: TEUR 30,638). The increase in the value of the convertible bond compared to 31 December 2019 is attributable to the disposal of part of the convertible bonds held by publity to third parties. Additionally, the valuation effects in connection with the effective interest method led to an increase in value.

9.2. Corporate Bond 2020/2025 of publity AG

On 19 June 2020, publity placed the first tranche of a 5.50 % Corporate Bond 2020/2025 (ISIN DE000A254RV3) with a volume of EUR 50.0 million. Bonds with a nominal value of around TEUR 32,901 were subscribed by national and international investors at an issue price of TEUR 1 per bond. Moreover, as part of the exchange offer, bonds of the Convertible Bond 2015/2020 with a nominal value of TEUR 17,099 were exchanged for bonds of the new corporate bond with a corresponding nominal value. The funds will be used for the early refinancing of the Convertible Bond 2015/2020, which is repayable in the current financial year, and to obtain funds for further growth. The bonds will be redeemed on 19 June 2025 at 100 % of their nominal amount plus accrued interest, unless they have previously been repaid or repurchased and cancelled.

The issuer is entitled to terminate all bonds, in whole or in part (i.e. in the amount of the full nominal amount or a partial nominal amount per bond), by giving notice to the bondholders in accordance with §11, subject to a notice period of at least 30 and at most 60 days, with effect from a termination date to be determined by the issuer at its own discretion, but no earlier than 19 June 2023 (24:00 hours). In the event of such a termination, the issuer must redeem the bond or the terminated partial amount of the bond at the optional redemption amount plus interest accrued up to this date.

The optional redemption amount corresponds to 102 % of the terminated nominal amount or partial nominal amount in the period from 19 June 2023 to June 2024 and 101 % of the terminated nominal amount or partial nominal amount in

the period from June 2024 to 18 June 2025. publity AG’s existing repurchase right was assessed in accordance with the requirements of IFRS 9.B.4.3.5 (e) and on the basis of the exercise price as to whether the separation of an embedded derivative appears necessary. Particularly given the exercise price in the terms and conditions of the Corporate Bond 2020/2025, the Company assumes that the derivative embedded in a financial liability must be separated. This is based on the economic characteristics and risks of the embedded derivative not being closely related to the economic characteristics and risks of the basic contract. In addition, a stand-alone instrument with the same terms as the embedded derivative would meet the definition of a derivative (here: Call Option) and the hybrid (bond) contract is not measured at Fair Value through Profit or Loss (FVPL). The right of the issuer to repurchase the shares is reported on the balance sheet date under other financial assets with a fair value of TEUR 1,504.

The bond is accounted for at amortised cost in the amount of TEUR 51,400 on the balance sheet date. The bond is subsequently valued using the effective interest method. As of 30 June 2020, the difference between the nominal value of the bond and the balance sheet value results from taking into account the valuation of the issuer’s repurchase right (TEUR 1,504) and financing costs (TEUR 104).

10 OTHER FINANCIAL LIABILITIES (CURRENT)

Current financial liabilities as of 30 June 2020 comprise the following:

In EUR	30.06.2020	31.12.2019
Convertible bond 2015/2020	28,362,001	44,373,113
Leasing liabilities (current component)	1,699,644	2,930,908
Liabilities to non-controlling shareholders	878,174	878,174
Liabilities in conjunction with the sale of subsidiaries	718,302	718,302
Deposits received	437,943	219,065
Financial statement and audit costs	422,480	511,500
Passive accruals and deferrals	338,527	47,751
Liabilities for maintenance	305,570	0
Interest liability	184,036	534,036
Parties with credit balance	0	17,183
Liabilities for maintenance	0	97,409
Other liabilities	1,332,962	633,893
Total	34,679,638	50,961,335

The decline in other current financial liabilities of TEUR 16,282 compared with the previous year is largely attributable to the partial refinancing of the Convertible Bond 2015/2020 through the placement of the Bond 2020/2025 (31 December 2019: TEUR 44,373).

In addition, lease liabilities decreased by TEUR 1,231 as the amortisation of the proceeds from the sale and leaseback transaction relating to the publity Center is divided over a shorter term. This is due to the termination of the lease at the end of the year.

10.1. Convertible Bond 2015 / 2020 of publity AG

The nominal interest rate of the convertible bond remains unchanged at annually 3.5 %. As of 30 June 2020, the value of the debt component totalled TEUR 28,362 (31 December 2019: TEUR 44,373). As the convertible bonds are to be repaid on 17 November 2020, the liability component is reported in full under current financial liabilities as of 30 June 2020.

The value of the equity component as of 30 June 2020 is TEUR 462 (31 December 2019 TEUR 542). The change in the amount of TEUR 80 was transferred to the capital reserve. The reduction in the equity component compared to 31 December relates to the conversion of convertible bonds with a nominal amount of TEUR 17,099 into bonds of the Corporate Bond 2020/2025.

publity AG offered the holders of the Convertible Bond 2015/2020 the opportunity to exchange their convertible bonds for bonds of the Corporate Bond 2020/2025 as part of an exchange offer.

The bond creditors participating in the exchange offer received one bond of the Corporate Bond 2020/2025 with a nominal value of TEUR 1 for each exchanged convertible bond with a nominal value of TEUR 1. In addition, publity has paid accrued interest on the Convertible Bond 2015/2020 until and including 18 June 2020 as well as an additional amount in cash of EUR 20.00 per convertible bond exchanged. In total, convertible bonds with a nominal value of TEUR 17,099 were exchanged for bonds of the Corporate Bond 2020/2025. As a result of the conversion, the carrying amount of the liability

component of the Convertible Bond 2015/2020 was reduced by TEUR 17,376 in the interim reporting period. The valuation using the effective interest method had an opposite effect (EUR 1,440 thousand).

Conversion rights amounting to TEUR 74 were exercised in the interim reporting period. In exchange, 1,969 ordinary registered shares were issued to the holders. The conversion price per share remained unchanged at EUR 37.5569 on 30 June 2020.



E. Notes to the Consolidated profit and loss statement

1 EARNINGS BEFORE INTEREST AND TAXES

In EUR	01.01, – 30.06.2020	01.01, – 30.06.2019
Revenue from own real estate (portfolio holdings)	18,068,544	2,900,722
Income from servicing for third parties (asset management)	2,007,788	3,457,514
Other revenues (asset management)	66,186	0
Revenue from own credit portfolios (portfolio holdings)	59,095	26,298
Other revenue (inventory management)	39,872	0
Income from servicing non-performing loans for third parties (asset management)	0	56,500
Sales revenues	20,241,484	6,441,034
Cost of sales (portfolio holdings)	-7,901,850	-1,438,637
Cost of sales (asset management)	-3,445,937	-2,468,985
Cost of sales	-11,347,787	-3,907,622
Gross profit on sales	8,893,698	2,533,412

Revenues, which were calculated in accordance with the relevant IFRS, amounted to TEUR 20,241 for the interim reporting period TEUR 6,441) and increased by TEUR 13,800 compared to the same period of the previous year.

The increase results primarily from income from own properties from portfolio management amounting to TEUR 18,069 (H1 2019: 2,901). This is mainly attributable to the first-time recognition of revenue from purchased properties. The decline in revenue following the sale of the Leipzig Großmarkt property and the "Sankt Martin Tower" property in the second half of 2019 has the opposite effect.

Cost of sales for the first half of 2020 totalled TEUR 11,348 (H1 2019: TEUR 3,908). TEUR 7,902 of this amount relates to expenses for the management of the portfolio properties and TEUR 3,446 to expenses for asset management.

The latter primarily include brokerage commissions, costs for purchased asset management services and expenses for servicing costs.

Earnings before interest and taxes of TEUR 74,956 (H1 2019: TEUR 26,989) are, apart from the gross profit of TEUR 8,894 (H1 2019: TEUR 2,533), positively influenced by the result from the fair value valuation of properties held as financial investments amounting to TEUR 77,863 (H1 2019: TEUR 31,896).

The increase in other operating expenses had a counteracting effect. Compared to the previous year's reporting period, these rose from TEUR 6,802 by TEUR 2,818 to TEUR 9,621. This increase represents TEUR 2,140 of amortisation on receivables of pubity AG. Additionally, the increase mainly results from higher financing costs (H1 2020: TEUR 1,012, H1 2019: TEUR 695) as well as an increase in financial statement and audit costs (H1 2020: TEUR 926, H1 2019: TEUR 239). This was offset by expenses in connection with the acquisition of shares in pubity Sankt Martin Tower GmbH and pubity

Sankt Martin Tower Verwaltung GmbH amounting to TEUR 1,161 in the previous year, which did not occur in the current year. The increase in financing costs is mainly due to expenses in connection with refinancing.

Other operating expenses in the reporting period are comprised as follows:

In EUR	01.01, – 30.06.2020	01.01, – 30.06.2019
Depreciation of receivables	-2,140,328	0
Legal and consulting costs	-1,948,122	-1,979,352
Financing costs	-1,011,788	-694,796
Financial statement and audit costs	-926,431	-239,359
Advertising and travel expenses	-741,322	-711,052
Sales commissions	-576,900	-70,000
Non-deductible input tax	-544,854	-157,555
Repairs and maintenance	-384,375	-342,537
Depreciation on tangible fixed assets	-351,849	-399,370
External services and work	-331,692	-162,601
Insurances	-115,202	-67,511
Rental/ Leasing expenses	-110,795	-101,060
Compensation of the Supervisory Board	-93,500	-40,500
Ancillary costs of monetary transactions	-84,075	-29,106
Costs for Shareholders' Meetings	-64,575	0
Miscellaneous	-58,700	-133,510
Office supplies and operating costs	-56,170	-225,936
IT costs	-32,089	-91,331
Office space costs	-23,539	-68,696
Vehicle costs	-24,496	-33,803
Ground rents	0	-93,219
Other valuation effects ("Day-One-Loss")	0	-1,161,101
Total	-9,620,803	-6,802,394

2 FINANCIAL RESULTS

The financial result for the interim reporting period is as follows:

In EUR	01.01, – 30.06.2020	01.01, – 30.06.2019
Financial expenses	-21,114,607	-2,974,268
Financial revenues	3,594,963	112,493
Depreciation on non-current financial assets	-9,429,104	0
Share of results of affiliated companies	-59,194	-244,431
Total	-27,007,942	-3,106,206

The financial result decreased by TEUR 23,902 compared to the same period of the previous year. This results primarily from the increase in financial expenses of TEUR 18,140 and the depreciation of non-current financial assets of TEUR 9,429.

Financial expenses of TEUR 21,115 (H1 2019: TEUR 2,974) primarily include interest expenses for financial liabilities (H1 2020: TEUR 17,566, H1 2019: TEUR 1,313), interest expenses for convertible bonds (H1 2020: TEUR 3,352, H1 2019: TEUR 1,468), as well as interest expenses in connection with existing leases (H1 2020: TEUR 455, H1 2019: TEUR 145). The interest expense for the convertible bond is offset by interest income of TEUR 277 (H1 2019: TEUR 0) from the bond exchange. The increase in financial expenses of TEUR 18,140 compared to the previous year is thus primarily the result of interest expenses for financial liabilities. The Group did not report any comparable financial liabilities in the same period of the previous year.

Financial income increased by TEUR 3,482 compared to the previous year. This is primarily due to interest income of TEUR 2,555 from loan receivables with impaired credit ratings.

The share of profit of affiliated companies relates to the proportionate profit of NPL Portfolio Nr. 3 GmbH & Co.

KG totalling TEUR 59 (H1 2019: TEUR 244). The Group recognises its interest in this Company using the equity method in the interim consolidated financial statements as per 30 June 2020.

3 EARNINGS PER SHARE

Earnings per share for the interim reporting period are calculated as follows:

In EUR	01.01, – 30.06.2020	01.01, – 30.06.2019
Consolidated result (in EUR)	34,702,034	21,001,160
Consolidated profit net of non-controlling interests	25,901,652	20,439,622
Interest expenses from convertible bonds	1,063,144	503,115
Consolidated profit, adjusted for dilutive effects	26,964,797	20,942,737
Amount of shares (in numbers)		
Issued shares on balance sheet date	14,876,456	10,258,068
Weighted number of shares issued	14,875,600	9,840,682
Effects of the conversion of convertible bonds	1,188,080	1,047,691
Weighted number of shares issued (diluted)	16,063,680	10,888,373
Earnings per share (in EUR)		
Undiluted earnings per share	1.74	2.08
Diluted earnings per share	1.68	1.92

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share

are calculated by adjusting net income for the period and the number of shares issued based on the assumption that convertible instruments are fully converted.

F. Consolidated segment reporting

In accordance with the requirements of IFRS 8, the segmentation of the consolidated financial statements is based on strategic business areas in compliance with the internal alignment.

For management control purposes, the Group is divided into the following two reportable operating segments:

- The business segment “Asset Management” comprises the ongoing management of properties and non-performing loans for third parties as well as the provision of services in connection with the acquisition or sale of properties. In addition, the segment also includes the generation of cash inflows from the non-performing loans.
- The business segment “Portfolio Management” comprises the holding and management of commercial real estate as well as the management and realisation of loan portfolios of non-performing loans.

No operating segments were combined to form the above-stated reportable operating segments.

01.01. – 30.06.2020 in EUR	Asset management	Portfolio management	Reduction of intersegment sales	Group
Income from ordinary business activities	2,073,973	18,167,511		20,241,484
Intersegment sales revenues	1,901,970		-1,901,970	0
Expenses from ordinary business activities	-3,445,937	-7,901,850		-11,347,787
Result from ordinary business activities	530,006	10,265,661	-1,901,970	8,893,679
Result from the fair value valuation of properties held as financial investments	0	77,862,849		77,862,849
Other operating income	1,248,515	69,206		1,317,721
Impairment of receivables	0	-2,091,891		-2,091,891
Personnel costs	-1,039,180	-366,730		-1,405,910
Other operating expenses	-5,427,869	-4,192,934		-9,620,803
Operating result (EBIT)	-4,688,527	81,546,162	-1,901,970	74,955,664
Financial expenses				-21,114,607
Financial revenues				3,594,963
Depreciation on non-current financial assets				-9,429,104
Share of results of affiliated companies				-59,194
Earnings before taxes (EBT)				47,947,722
Income tax				-13,245,688
Consolidated result / Overall result				34,702,34
Properties held as financial investments	0	1,036,747,630	0	1,036,747,630
Advance payments on properties held as financial investments	0	17,490	0	17,490
Financial liabilities	0	742,953,186	0	742,953,186

01.01. – 30.06.2019 in EUR	Asset management	Portfolio management	Reduction of intersegment sales	Group
Income from ordinary business activities	3,457,514	2,983,520		6,441,034
Intersegment sales revenues	10,084,425		-10,084,425	0
Expenses from ordinary business activities	-2,468,985	-1,438,637		-3,907,622
Result from ordinary business activities	11,072,954	1,544,883	-10,084,425	2,533,413
Result from the fair value valuation of properties held as financial investments	0	31,896,005		31,896,005
Other operating income	194,549	5,383		199,932
Impairment of receivables	195,496	0		195,496
Personnel costs	-807,623	-226,267		-1,033,890
Other operating expenses	-3,516,792	-3,285,603		-6,802,394
Operating result (EBIT)	7,138,584	29,934,402	-10,084,425	26,988,561
Financial expenses				-2,974,268
Financial revenues				112,493
Depreciation on non-current financial assets				0
Share of results of affiliated companies				-244,431
Earnings before taxes (EBT)				23,882,354
Income tax				-2,881,194
Consolidated result / Overall result				23,001,160
Properties held as financial investments	0	612,101,000	0	612,101,000
Advance payments on properties held as financial investments	0	3,578,490	0	3,578,490
Financial liabilities	0	426,704,626	0	426,704,626

G. Other notes

1 FINANCIAL INSTRUMENTS

At the balance sheet date, the Group's financial liabilities had the following maturities.

The disclosures are based on contractual, undiscounted payments.

in EUR	H2/2020	2021	2022	2023	2024	2025	After 31.12.2025
Financial liabilities	98,551,738	307,147,500	285,924,000	56,599,000	99,000	99,000	2,573,484
Convertible bond/Bond	28,362,001			0	37,703,044	51,399,681	0
Leasing liabilities	1,469,716	481,007	503,339	526,612	550,865	576,137	48,866,217
Trade receivables	5,096,239	0	0	0	0	0	0
Other financial liabilities	4,713,617	0	0	0	0	0	0
Total	138,193,311	307,628,507	286,427,339	57,125,612	38,352,909	52,074,818	51,439,700

As per 31 December 2019, the financial liabilities of the Group had the following maturities:

in EUR	2020	2021	2022	2023	2024	After 31.12.2024
Financial liabilities	128,099,000	246,147,500	52,099,000	99,000	99,000	2,682,854
Convertible bond	45,696,000	0	0	0	31,798,000	0
Leasing liabilities	1,019,254	411,255	432,605	454,883	478,126	36,754,994
Trade payables	6,125,485	0	0	0	0	0
Other financial liabilities	3,751,897	0	0	0	0	0
Total	184,691,636	246,558,755	52,531,605	553,883	32,375,126	39,437,848

The following table shows the classification of the carrying amounts in the balance sheet by valuation category as required by IFRS 7.8 and the fair values of the financial instruments.

These were as follows:

30 June 2020 in EUR	Valuation category	Carrying amount according to IFRS 9	Fair Value
Financial assets			
Repurchase right Bond 2020/2025 (derivative)	Effective at fair value through profit or loss	1,503,949	1,503,949
Other non-current financial assets	At amortised acquisition cost	59,704,530	59,704,530
Trade receivables	At amortised acquisition cost	8,713,408	8,713,408
Other current financial assets	At amortised acquisition cost	122,532,883	122,532,883
Liquid assets	At amortised acquisition cost	41,782,210	41,782,210
Financial liabilities			
Langfristige Finanzschulden	At amortised acquisition cost	449,776,232	449,776,232
Other non-current financial liabilities	At amortised acquisition cost	140,473,952	142,240,116
Trade payables	At amortised acquisition cost	5,096,239	5,096,239
Current financial liabilities	At amortised acquisition cost	293,176,954	293,176,954
Other current financial liabilities	At amortised acquisition cost	34,679,638	34,897,683

31 December 2019 in EUR	Valuation category	Carrying amount according to IFRS 9	Fair Value
Financial assets			
Other non-current financial assets	At amortised acquisition cost	59,454,237	59,454,237
Trade receivables	At amortised acquisition cost	12,053,643	12,053,643
Other current financial assets	At amortised acquisition cost	32,334,326	32,334,326
Liquid assets	At amortised acquisition cost	67,438,205	67,438,205
Financial liabilities			
Non-current financial liabilities	At amortised acquisition cost	299,915,515	299,915,515
Other non-current financial liabilities	At amortised acquisition cost	69,264,674	70,346,583
Accounts payable trade	At amortised acquisition cost	6,125,485	6,125,485
Current financial liabilities	At amortised acquisition cost	126,789,111	126,789,111
Other current financial liabilities	At amortised acquisition cost	50,961,335	51,918,654

The following net gains and losses from financial instruments arose in the first half of 2020 and in the previous year: To determine these, all respective profit and loss (except for taxes) entries were added together.

Net gains / losses from financial instruments in H1 2020	Total	Thereof from interest	Thereof from value adjustments	Thereof from disposal
Financial assets				
Effective at fair value through profit or loss	0	0	0	0
At amortised acquisition cost	-7,974,769	3,594,663	-11,569,432	0
Financial liabilities				
At amortised acquisition cost	-21,552,123	-21,173,525	-378,597	0

Net gains / losses from financial instruments in H1 2020	Total	Thereof from interest	Thereof from value adjustments	Thereof from disposal
Financial assets				
At amortised acquisition cost	-83.005	112.491	-195.496	0
Financial liabilities				
At amortised acquisition cost	-3.295.609	-2.949.040	-346.568	0

In the first half of 2020, the interest of TEUR 21,174 reported under net profits/losses from financial liabilities mainly includes interest expenses from financial liabilities to finance investments. Furthermore, interest expenses of TEUR 3,352 are included for the convertible

bonds. This is offset by interest income in connection with the bond exchange. The issuer's call option for the Bond 2020/2025 was allocated to the category fair value through profit or loss; there were no net profits or losses from this category as per the reporting date.

2 INFORMATITON ON RELATIONS WITH AFFILIATED COMPANIES AND PERSONS

There were no substantial changes in the interim reporting period compared with the affiliated companies and persons disclosed in the consolidated financial statements as of 31 December 2019.

(a) Transactions with the controlling shareholder and affiliated companies and persons

On 25 June 2020, Mr. Thomas Olek sold all shares in TO-Holding 2 GmbH, which holds 39 % of the shares in pubity AG, to a consortium of international investors, the PBL Capital Holding GbR. Additionally, Mr. Olek sold a further 10 % of the shares held by TO-Holding GmbH. As of 30 June 2020, the CEO of pubity AG still indirectly holds 38 % of the shares in pubity AG. These shares are held directly by TO-Holding GmbH. TO-Holding GmbH and TO Holding 2 GmbH are thus also the direct and ultimate parent companies of pubity AG.

The following transactions with affiliated companies and persons occurred in the reporting period:

Total amount of transactions with affiliated companies and persons in the respective financial year in EUR

Year	Services provided to affiliated companies and persons	Sales to affiliated companies and persons	Acquisitions from affiliated companies and persons	Receivables from affiliated companies and persons*
Associated company				
NPL Portfolio No. 3 GmbH & Co. KG				
H1 2020	0	0	0	0
H1 2019	56,500	0	0	0
2019	113,000	0	0	33,618

Companies in which a group company is general partner and not a shareholder:

pubity Performance Fonds No. 6 GmbH & Co, geschlossene Investment KG

pubity Performance Fonds No. 7 GmbH & Co, geschlossene Investment KG

pubity Performance Fonds No. 8 GmbH & Co, geschlossene Investment KG

H1 2020	910,660	0	0	1,049,938
H1 2019	1,076,013	0	0	0
2019	2,204,583	0	0	1,466,959

Affiliated companies of the ultimate parent company of pubity AG:

GORE AG (former MIC AG) and affiliated companies*

H1 2020	251,885	0	0	1,122,176
H1 2019	266,010	0	0	845,675
2019	592,161	0	0	1,441,781

*The amounts are classified as receivables and services.

In EUR		Received Interest	Receivables from affiliated companies and persons	Paid interest	Liabilities to affiliated companies and persons
Loans to or from persons in key positions of the Group	H1 2020	0	36,160,964	0	0
	H1 2019	0	0	0	7,000,000
	2019	0	30,383,333	0	0

TO-Holding GmbH, whose sole shareholder is the CEO of pubity AG, Thomas Olek, granted pubity AG a loan with a nominal value of EUR 7,000,000 on 27 June 2019. The loan originally had a maturity of 31 December 2019. The interest rate was 1 % p. a., with interest being capitalised. The loan was repaid on 26 September 2019.

In the 2019 financial year, the Group also entered into a financial liability of EUR 60 million. To secure this, TO-Holding GmbH, the majority shareholder of pubity AG, has pledged shares worth EUR 120 million. In addition, the funds not utilised by the Group, amounting to EUR 30 million, were paid out to the main shareholder at short notice. In the first half of 2020, a further EUR 5 million was paid out to the majority shareholder. The interest on the loans of EUR 35 million will be capitalised.

(b) Transactions with the Executive Board

Members of the Executive Board of pubity AG appointed in the interim reporting period:

- Mr. Thomas Olek, Chairman of the Executive Board, Strategy
- Mr. Frank Schneider, Board Member Finance and Legal

For the interim reporting period, the Executive Board of pubity AG received current, non-performance-related compensation of TEUR 341 (H1 2019: TEUR 300).

No loans or prepayments were granted to members of the Executive Board; likewise, no contingent liabilities were entered into in favour of members of the Executive Board.

3 EVENTS AFTER THE BALANCE SHEET DATE

On 15 July 2020, an extraordinary shareholder meeting of PREOS Real Estate AG, a subsidiary of pubity AG, approved a capital increase from company funds against the issue of bonus shares.

The share capital of PREOS Real Estate AG thus increases from EUR 71,663,688.00 by EUR 35,831,844.00 to EUR 107,495,532.00 by converting part of the capital reserve. Furthermore, the Extraordinary Shareholders' Meeting on 15 July 2020 resolved to repeal the Authorised Capital 2020/I subject to the resolution on and subject to the condition precedent of the registration of the aforementioned capital increase from company funds and at the same time to create new Authorised Capital 2020/II of up to EUR 53,747,766.00.

On 17 July 2020, PREOS Real Estate AG contributed a real pubity AG, Real Estate Portfolio to GORE German Office Real Estate AG. The contribution comprised 12 properties from the portfolio of PREOS Immobilien GmbH with market values between EUR 4.1 and 19.2 million. Within the context of the transaction, 89.9 % of the shares of the PREOS subsidiary PREOS Immobilien GmbH, in which the portfolio is bundled, were transferred to GORE German Office Real Estate AG at a valuation of EUR 200 million (for 100 % of the shares). In return, PREOS Real Estate AG received new GORE shares, resulting in pubity AG now holding 59.9 % of the shares in GORE German Office Real Estate AG via PREOS Real Estate AG.

On 17 July 2020, the major shareholder of pubity AG, TO-Holding GmbH, which is controlled by the CEO of pubity AG, Thomas Olek, published a voluntary public purchase offer of 102.72 % of the nominal amount including pro rata accrued interest to the holders of the Convertible Bond 2015/2020. The offer period ran from 17 July 2020 to 03 August 2020, 18:00 (CEST).

On 28 July 2020, PREOS Real Estate AG, in which pubity AG holds a majority stake, announced its plans to issue a corporate bond of up to EUR 400 million ("PREOS Bond 2020/2015"). As part of the issue of this PREOS bond 2020/2025, PREOS is also planning an exchange offer among other things. For this purpose, the holders of Convertible Bond 2019/2024 ("PREOS Convertible Bond 2019/2024", ISIN: DE000A254NA6)

issued by PREOS at the end of 2019 are to be invited to offer their convertible bonds of PREOS for exchange into bonds of the new PREOS Bond 2020/2025. The bondholders participating in the exchange offer are to receive one bond of the new PREOS Bond 2020/2025 for each exchanged convertible bond of PREOS Convertible Bond 2019/2024, plus a cash payment consisting of an exchange premium (expected to amount to EUR 75.00 per exchanged convertible bond) as well as pro rata accrued interest. pubity intends to participate in the exchange offer of PREOS with the convertible bonds of the PREOS Convertible Bond 2019/2024 held by pubity with a volume of approximately EUR 102 million.

On 7 August 2020, pubity AG was informed of the resolution passed by the Executive and Supervisory Boards of its Group subsidiary PREOS Real Estate AG on the same day that a long-term dividend policy of PREOS had been agreed upon. Accordingly, the first payment of a dividend for the 2020 financial year will be proposed to the next Shareholders' Meeting. The total dividend payout is to amount to up to EUR 100 million. A dividend per share of 5 % of the weighted average PREOS share price in the three months preceding the Shareholders' Meeting is targeted.

This dividend payout is intended to mark the beginning of continuous distributions of PREOS to shareholders. The targeted dividend yield is 5 % of the share price.

On 13 August 2020, pubity AG successfully completed the refurbishment of the Essen property "Theodor-Althoff-Straße 2", which was held via its subsidiary PREOS Real Estate AG, and handed over the new police headquarters to the Essen police. The tenancy agreement, already concluded in 2018, runs for 30 years and covers 25,500 sqm.

On 28 August 2020, pubity AG announced that a further tranche of its 5.50 % corporate bond (ISIN DE000A254RV3) was successfully issued. Bonds with a nominal value of EUR 25.0 million were subscribed for by TO-Holding GmbH, which is controlled by the CEO of pubity AG, Thomas Olek. This increases the remaining volume of the corporate bond to a nominal EUR 75.0 million. The inflowing financial resources amounting to the nominal amount of

EUR 25.0 million will be used for the further growth of the Group.

On 8 September 2020, the Supervisory Board of pubity AG appointed Mr. Stephan Kunath as an additional member of the Executive Board with effect from 1 October 2020. Mr. Kunath, already having worked for pubity AG in various positions since 2010, will in future be responsible for the financial department as CFO (Chief Financial Officer).

The Executive Board of PREOS Real Estate AG, a subsidiary of pubity AG, resolved on 10 September 2020 to internationalise the company's business model. This includes plans to incorporate international investment companies, independent listing of these investment companies on the stock exchange and tokenisation of the respective shares. In this context, PREOS further plans to set up an independent technology company that will bundle the Blockchain technology required for tokenisation. It will also focus on the development of artificial intelligence in the areas of real estate investment, administration and management.

Furthermore, an extraordinary shareholder meeting of PREOS Real Estate AG cancelled the Conditional Capital 2020/I on 15 September 2020. Simultaneously, the Extraordinary Shareholders' Meeting on 15 September 2020 resolved to create new Contingent Capital (Contingent Capital 2020/II) of up to EUR 42,998,213.00.

At the same time, the Supervisory Board of PREOS Real Estate AG was given the opportunity by resolution of this Extraordinary Shareholders' Meeting to offer and grant the members of the Executive Board stock options for a total of 10,749,533 registered shares with a uniform exercise price determined by the Shareholders' Meeting as part of the variable remuneration of the Executive Board against the background of a planned expansion of the Executive Board by up to two additional members. Accordingly, the Extraordinary General Meeting on 15 September 2020 resolved to create Contingent Capital 2020/III of up to EUR 10,749,553.00.

Frankfurt / Main, 22 September 2020

pubity AG



Thomas Olek

Vorstandsvorsitzender



Frank Schneider

Vorstand



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