



Half-year report 2019



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Interim financial statement (IFRS) of Coreo AG  
as of 06/30/2019

Interim financial statement (IFRS)

## Consolidated balance sheet as of 06/30/2019 (IFRS)

## Assets

in TEUR	06/30/2019	12/31/2018	Notes
Intangible assets	8	11	3.1.1
Tangible assets	8	6	3.1.2
Investments in properties	40,047	40,017	3.1.3
Financial assets	8,473	8,120	3.1.4
Deferred tax assets	120	84	3.1.5
<b>Non-current assets</b>	<b>48,656</b>	<b>48,237</b>	
Inventories	839	946	3.2.1
Trade receivables	474	3,507	3.2.2
Other assets	913	1,455	3.2.2
Tax receivables	293	215	3.1.5
Cash and bank balances	16,053	14,033	3.2.3
<b>Current assets</b>	<b>18,571</b>	<b>20,155</b>	
<b>Total assets</b>	<b>67,227</b>	<b>68,392</b>	

Interim financial statement (IFRS)

## Consolidated balance sheet as of 06/30/2019 (IFRS)

### Liabilities

in TEUR	06/30/2019	12/31/2018	Anhang
Subscribed capital	15,946	15,946	4.1.1
Capital reserves	23,778	23,778	4.1.2
Revenue reserves	12,545	12,545	4.1.3
Retained income/loss	-23,172	-21,575	
Other result	174	-620	4.1.4
<b>Equity attributable to shareholders of Coreo AG</b>	<b>29,270</b>	<b>30,073</b>	
Non-controlling interests	152	168	
<b>Equity</b>	<b>29,422</b>	<b>30,241</b>	
Other provisions	6	6	4.2.1
Financial liabilities	30,121	30,046	4.2.2
Trade payables	0	0	4.2.2
Deferred tax liabilities	1,049	741	4.2.2
<b>Non-current liabilities</b>	<b>31,176</b>	<b>30,793</b>	
Other provisions	357	264	4.3.1
Financial liabilities	5,118	5,270	4.3.2
Accounts payable trade	314	905	4.3.2
Other liabilities	349	467	4.3.2
Tax liabilities	492	452	4.3.2
<b>Current liabilities</b>	<b>6,630</b>	<b>7,358</b>	
<b>Total equity and liabilities</b>	<b>67,227</b>	<b>68,392</b>	

Interim financial statement (IFRS)

## Consolidated statement of comprehensive income (IFRS) 01/01/2019 bis 06/30/2019

in TEUR	01/01/– 06/30/2019	01/01/– 06/30/2018	Notes
Rent revenues	1,638	585	5.1
Revenues from the sales of properties	918	0	
Book value from the sold properties	-473	0	
<b>Result from the sale of investment properties</b>	<b>445</b>	<b>0</b>	5.2
Result from the valuation of investment properties	0	-7	5.3
Other revenues	8	100	5.1
Other operating revenues	33	73	5.4
Cost of materials	-1,169	-154	5.5
Personnel costs	-368	-316	5.6
Depreciation and impairments	-16	-9	5.7
Other operating costs	-877	-472	5.8
<b>Earnings before interest and tax (EBIT)</b>	<b>-307</b>	<b>-201</b>	
Financial income	2	123	5.9
Financial expenses	-1,022	-971	5.10
<b>Earnings before tax (EBT)</b>	<b>-1,327</b>	<b>-1,049</b>	
Taxes on income and profit	-324	-24	5.11
<b>Period result</b>	<b>-1,652</b>	<b>-1,073</b>	
<b>Other result</b>			
Positions that will not be reclassified to profit or loss in the future			
Changes in value of financial assets measured at fair value through other comprehensive income in the form of equity instruments	794	-2,258	
<b>Other earnings after taxes</b>	<b>794</b>	<b>-2,258</b>	
<b>Total result</b>	<b>-858</b>	<b>-3,331</b>	
<b>The result for the period is attributable to</b>			
Shareholders of Coreo AG	-1,636	-1,073	
Non-controlling shareholders	-16	0	
<b>The total result is attributable to</b>			
Shareholders of Coreo AG	-842	-3,331	
Non-controlling shareholders	-16	0	
Shares outstanding (undiluted and diluted)	15,945,880	9,360,000	4.1.1
Earnings per share (undiluted and diluted) in EUR	-0,10	-0,11	

Interim financial statement (IFRS)

## Consolidated cash flow statement (IFRS)

### 01/01/2019 bis 06/30/2019

in TEUR	01/01/– 06/30/2019	01/01/– 06/30/2018
Period result	-1,652	-1,073
Result from the valuation of investment properties	0	7
Depreciation	16	9
Other non-cash expenses and income	-34	0
Decrease/increase in provisions	92	88
Income from disposal of assets	-445	0
Increase/reduction in receivable and other assets	3,251	-5,981
Increase/decrease in liabilities and other debts	-668	897
Financial income	-2	-123
Financial costs	1,022	971
Income taxes	324	24
Interest received	2	0
Interest paid	-887	-14
Tax payments	0	0
<b>Cash flow from operating activities</b>	<b>1,020</b>	<b>-5,195</b>
Payments received from real estate sales	883	0
Payments for investment properties	-333	-2,331
Payments for investments in intangible assets and property, plant and equipment	-15	0
Cash inflow from disposal of other assets	522	0
Payments for investments in other assets	0	-742
<b>Cash flow from investment activities</b>	<b>1,057</b>	<b>-3,073</b>
Cash inflow from new loans	224	0
Payments from repayment of loans	-281	-165
Costs inflows from bonds	0	5,000
<b>Cash flow from financing activities</b>	<b>-57</b>	<b>4,835</b>
Change in cash and cash equivalents	2,020	-3,433
Cash at the beginning of the period	14,033	4,864
<b>Cash at the end of the period</b>	<b>16,053</b>	<b>1,431</b>

Interim financial statement (IFRS)

## Consolidated statement of changes in equity (IFRS)

### 01/01/2019 to 06/30/2019

in TEUR	Subscribed capital	Capital reserve	Revenue reserve	Result carried forward	Other result	Shareholders' equity	Non-controlling interests	Total equity
<b>Status as of 01/01/2018</b>	<b>9,360</b>	<b>19,826</b>	<b>12,545</b>	<b>-23,377</b>	<b>1,070</b>	<b>19,424</b>	<b>0</b>	<b>19,424</b>
Period result	0	0	0	-1,073	0	-1,073	0	-1,073
Changes in value, without effect of financial assets measured at fair value through profit or loss in the form of equity instruments	0	0	0	0	-2,258	-2,258	0	-2,258
<b>Status as of 06/30/2018</b>	<b>9,360</b>	<b>19,826</b>	<b>12,545</b>	<b>-24,450</b>	<b>-1,188</b>	<b>16,093</b>	<b>0</b>	<b>16,093</b>
<b>Status as of 01/01/2019</b>	<b>15,946</b>	<b>23,778</b>	<b>12,545</b>	<b>-21,575</b>	<b>-620</b>	<b>30,073</b>	<b>168</b>	<b>30,241</b>
Period result	0	0	0	-1,636	0	-1,636	-16	-1,652
Changes in value, without effect of financial assets measured at fair value through profit or loss in the form of equity instruments	0	0	0	0	832	832	0	832
Disposal of financial assets measured at fair value through other comprehensive income in the form of equity instruments	0	0	0	38	-38	0	0	0
<b>Status as of 06/30/2019</b>	<b>15,946</b>	<b>23,778</b>	<b>12,545</b>	<b>-23,172</b>	<b>174</b>	<b>29,270</b>	<b>152</b>	<b>29,422</b>
Notes	4.1.1	4.1.2	4.1.3		4.1.4			



Interim financial statement (IFRS)

# Notes to the interim financial statements (IFRS)

## 01/01/2019 to 06/30/2019

### 1. General information on the Company

Coreo AG has its headquarters in Frankfurt am Main, Grüneburgweg 18. The Company is registered in the commercial register of the district court Frankfurt am Main under HR B 74535.

In accordance with the articles of association, the object of the Company is the operation of real estate transactions and related transactions of all kinds, in particular the acquisition of developed and undeveloped properties, the construction of buildings on such properties, their surrender of use, the development, improvement and encumbrance of such buildings and properties, their letting and administration as well as their use, the participation in partnerships and (listed and non-listed) commercial companies with the same or similar business purpose and their sales and supply of services for these companies in the real estate sector, in particular the letting and administration of real estate. Activities defining the Company as an investment fund in the sense of the German Capital Investment Code are not exercised. In particular, the Company does not pursue the main purpose to provide its shareholders with a return by selling its subsidiaries or affiliated companies.

Coreo AG is listed on the Open Market of the Frankfurt Stock Exchange. There is no stock exchange listing within the meaning of § 3, section 2 of the German Stock Corporations Act (AktG). This also means that it is not a capital market-oriented corporation in accordance with § 264d German Commercial Code (HGB).

### 2. Accounting policies

#### 2.1. Basis of preparation of the consolidated interim financial statements

The unaudited consolidated interim financial statements of Coreo AG as of June 30, 2019 were prepared pursuant to International Financial Reporting Standards (IFRS) as adopted by the EU according to IAS 34.

In accordance with IAS 34, the reported information is presented in condensed form relative to the full consolidated interim financial statements.

Coreo AG is not legally obliged to prepare consolidated interim financial statements in accordance with IFRS. The pre-

paration and publication of the consolidated interim financial statements in accordance with IFR should enable users to better assess the value of the Company.

The Consolidated interim financial statements comprise the balance sheet, the statement of comprehensive income (comprising the profit and loss account and other comprehensive income), the statement of changes in equity, the cash flow statement and the notes.

The balance sheet disclosure is based on the maturity of the corresponding assets and liabilities. Assets and liabilities are classified as short-term if they are expected to be completed or settled within the normal course of the business cycle. The profit and loss account are prepared using the total cost method.

These consolidated interim financial statements are presented in euro, the functional currency of the Company. Unless otherwise stated, all financial information presented in euro has been rounded to the nearest thousand. We would like to point out that differences may occur in the use of rounded amounts and percentages due to commercial rounding.

#### 2.2 Principals of consolidation

The group of consolidated companies includes in addition to the parent company 10 (previous year: 10) Subsidiaries. They are included in the consolidated interim financial statements using the rules of full consolidation.

There were no material changes to the group in the period compared with December 31, 2018.

#### 2.3 Significant accounting policies

In applying the accounting and valuation methods presented, the Management must make judgements, estimates and assumptions regarding the assets and liabilities contained in the Consolidated interim financial statements, if they are not readily apparent from other sources. Estimates and the underlying assumptions to those estimates are derived, where available, from experience and after taking all relevant factors into consideration. True values may deviate from the estimates and assumptions.

The assumptions underlying the estimates are regularly reviewed. Changes in estimates, if the change only affects one period, are only considered in that period. If the changes affect

## Interim financial statement (IFRS)

the current and subsequent reporting periods, they are considered accordingly in the current period and in the subsequent periods.

The assumptions and estimates considered were mainly made for the following circumstances:

- Valuation of investment property
- Determination of the recoverable amount for assessing the necessity and amount of impairment losses, in particular on properties reported under „Inventories“ and on equity investments
- Recognition and measurement of provisions
- Valuation of risky receivables
- Realizability of deferred tax assets

The assumptions made in the valuation of the real estate portfolios may subsequently prove to be partially or fully incorrect or there may be unexpected problems or unidentified risks in connection with real estate portfolios. Such developments, which are also possible at short notice, could worsen the earnings situation, reduce the value of the acquired assets and significantly reduce the revenues generated in the form of current rents. The recoverability of real estate assets is determined primarily by the development of the real estate market and the general economic situation, in addition to property-specific factors. There is a risk that in the event of a negative development of the real estate market or the general economic situation, the valuation methods applied by the Group may have to be adjusted.

### 3. Selected notes to the balance sheet – assets

#### 3.1 Long-term assets

##### 3.1.1 Intangible assets

Intangible assets mainly relate to capitalised expenses for the creation of the homepage, expenses for the acquisition of the „Coreo“ brand name and expenses for the acquisition of the „Domus“ software.

The acquired „Domus“ software will be used to manage the properties.

As in the previous year, no non-scheduled impairments of value on intangible assets were recognised in the current financial year. There are currently no intangible assets with indefinite useful lives.

The useful life of intangible assets is between 3 and 10 years.

Research and development expenses were not incurred and were therefore neither recognised nor capitalised as expenses.

Internally generated intangible assets were not capitalised.

##### 3.1.2 Fixed assets

The fixed assets are office and business equipment depreciated over a period of 3 to 25 years at the most.

No non-scheduled impairments of value on fixed assets were recognised in the current financial year.

##### 3.1.3 Properties held as financial investment

Coreo Han UG & Co. KG holds the Hydra-Portfolio. These are six properties in which Commerzbank branches were located. The Coreo Han UG & Co. KG acquired the six properties in the Hydra portfolio that are to be held for the long term. Some of the acquired buildings are currently being modernised and reconstructed, for the reason, there are no considerable rental income until now.

Coreo Göttingen Residential UG & Co. KG holds a residential portfolio of 426 units, distributed over 12 apartment buildings, most of which are residential property. They are almost exclusively micro-apartments with a very high occupancy rate in Göttingen and its surroundings. A total of around 13,500 m<sup>2</sup> of rentable living space is available. At present, the objects are being rounded up, so that the additions and disposals are essentially the result of the residential portfolio Göttingen.

As of 30.06.2019, Coreo AG did not have valuation reports prepared, as the management assumes that there were no significant changes in the market value in the last half of the year. The properties are therefore valued at the value calculated on 31.12.2018 plus the additions and disposals.

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Investment property developed as follows:

in TEUR	06/30/2019	12/31/2018
Status as of 01/01/	40,017	10,280
Additions to assets from property purchases	394	13,360
Additions to assets from company mergers	0	11,614
Disposals of assets	-364	0
Positive change in fair value	0	5,083
Negative change in fair value	0	-320
<b>Total</b>	<b>40,047</b>	<b>40,017</b>

The rental income from investment property breaks down as follows:

in TEUR	06/30/2019	12/31/2018
Hydra-Hold-Portfolio	53	33
Portfolio Göttingen	590	563
Portfolio Bad Köstritz	139	291
Portfolio Bruchsal	169	319
Portfolio Mannheim	128	281
<b>Total</b>	<b>1,079</b>	<b>1,487</b>

The expenses from the management of the leased properties break down as follows:

in TEUR	06/30/2019	12/31/2018
Maintenance costs	439	324
Operating costs	540	741
<b>Total</b>	<b>979</b>	<b>1,065</b>

The expenses from the management of the vacant properties break down as follows:

Maintenance costs	06/30/2019	12/31/2018
Operating costs	21	0
Total	105	148
<b>Total</b>	<b>126</b>	<b>148</b>

The vacancy mainly results from the currently conversion and modernisation measures of the Hydra-and Göttingen-Portfolio.

### 3.1.4 Financial assets

Financial assets relate to the following items:

in TEUR	06/30/2019	12/31/2018
Shares in associated companies	0	0
Investments and other securities	8,473	8,120
<b>Total</b>	<b>8,473</b>	<b>8,120</b>

Associated companies (At-Equity)

As of June 30, 2019, Coreo AG held 21,4 % of the shares in Lumiphore Inc. As of June 30, 2019, the carrying amount of investments in associates accounted for using the equity method was TEUR 0 (prior year: TEUR 0).

Investments and other securities

Investments and other securities

Investments and other securities in the form of equity instruments are measured at fair value with changes in value in other comprehensive income (FVOCI): Fair Value through Other Comprehensive Income).

Coreo AG holds interests in the following companies:

in TEUR	06/30/2019	12/31/2018	Sitz der Gesellschaft
Nanosys Inc.	0	0	Milpitas, USA
NanoDimension LP	385	385	L.P., Cayman Islands
MagForce AG	8,015	7,705	Berlin, Germany
Other securities	73	30	
<b>Total</b>	<b>8,473</b>	<b>8,120</b>	

The value of the shares in MagForce AG was increased by TEUR 794 to the fair value on the balance sheet date by TEUR 8,015. The fair value thus corresponds to the market price on the balance sheet date. The change in value of the MagForce shares amounting to TEUR 794 was recognised directly in other comprehensive income. The disposals from the sale of MagForce shares in fiscal year 2019 were

## Interim financial statement (IFRS)

reclassified from other comprehensive income to retained earnings in the amount of TEUR 38.

NanoDimension LP is a participation in a fund. This value essentially corresponds to the fair value.

### 3.1.5 Taxes

At present, there are temporary differences between the tax balance sheet and the IFRS balance sheet regarding the valuation of investments in companies and properties.

According to current legislation, sales of shares of stock corporations are tax-free in accordance with § 8b KStG (German Corporation Tax Act). Only 5 % are considered as non-deductible operating expenses and are subject to corporation and trade tax.

The 95% tax-free nature of any capital gains means that there are only minor temporary differences, which are immaterial for the calculation of deferred taxes.

The tax rate is calculated as follows:

Tax rate in %	06/30/2019	12/31/2018
Corporate income tax	15,0	15,0
Solidarity surcharge on corporate income tax	5,5	5,5
Trade tax	16,1	16,1
<b>Total</b>	<b>31,93</b>	<b>31,93</b>

The following table shows the development of deferred tax liabilities:

in TEUR	06/30/2019	12/31/2018
01/01/	742	14
Neutral from initial consolidation Coreo Göttingen	0	197
Change (affecting net income)	307	531
<b>Total</b>	<b>1,049</b>	<b>742</b>

In the first half of the year the increase in deferred tax liabilities results from the liability for trade tax the Göttingen-

portfolio was created first time. The tightening measures led to an abolition of trade tax exemption.

The following table shows the development of deferred tax

in TEUR	06/30/2019	12/31/2018
01/01/	84	0
Change (affecting net income)	36	84
<b>Total</b>	<b>120</b>	<b>84</b>

assets:

Deferred tax assets arise primarily from the devaluation of properties.

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**3.2 Current assets****3.2.1 Property inventories**

Inventories comprise assets held for sale in the ordinary course of business.

Coreo Solo UG & Co. KG holds for 30 June 2019 three of the six acquired objects of the Hydra-Portfolio.

The remaining properties held for sale amounted to TEUR 839 as of 30 June 2019 (previous year: TEUR 946).

The sold properties during the half year 2019 had a carrying amount of TEUR 108. The properties sold generated proceeds of TEUR 414.

**3.2.2 Receivables and other current assets**

Receivables and other current assets are composed as follows:

in TEUR	06/30/2019	12/31/2018
Accounts receivable from deliveries and services	474	3,507
Tax refund claims	293	215
Other	913	1,455
<b>Total</b>	<b>1,680</b>	<b>5,177</b>

Receivables and current assets were measured at amortised cost. No value adjustment was necessary.

Trade receivables mainly relate to rent receivables.

Receivables from rentals are non-interest bearing and are generally overdue.

**3.2.3 Cash and cash equivalents**

Cash and cash equivalents include cash and short-term bank deposits.

**4. Notes to the balance sheet – liabilities****4.1 Stockholder equity**

Please refer to the statement of changes in equity (Appendix 4) for the development of equity.

**4.1.1 Subscribed capital**

The Company's Annual General Meeting on 19 June 2018 resolved to increase the Company's share capital by up to EUR 10,000,000 by issuing up to 10,000,000 new bearer shares with a notional value of EUR 1,00 per share against cash contributions.

The Management Board was authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the further conditions for the issue of shares. The Management Board accordingly resolved on 21 November 2018 to set the Offer Price at EUR 1,60 and the Offer Period to run from 29 November 2018 to 13 December 2018. The Supervisory Board approved this resolution on November 21, 2018.

In accordance with the resolution passed by the Board and the Supervisory Board of 17 December 2018, the share capital of the Company was increased by 6,585,880 euro to 15,945,880 euro by issuing new bearer shares.

The share capital of Coreo AG is thus divided into 15,945,880 shares which are all made out to the bearer.

**4.1.2 Capital reserve**

The capital reserve includes the amount of the proceeds from the issuance of shares which exceeds the nominal value (premium).

**4.1.3 Retained earnings**

Retained earnings result from retained profits from previous financial years.

**4.1.4 Other comprehensive income**

Other comprehensive income includes changes in the value of financial assets in the form of equity instruments measured at fair value through equity in other

## Interim financial statement (IFRS)

comprehensive income and all adjustments to deferred taxes made in connection with the measurement of these assets. The other result of TEUR 794 relates to the changes in value of the investments in MagForce AG.

## 4.2 Long-term liabilities

### 4.2.1 Provisions

The long-term provision of TEUR 6 was formed for the archiving of files and discounted at the same interest rate as in the commercial balance sheet due to the minor effect.

### 4.2.2 Financial liabilities

The financial liabilities are structured as follows:

in TEUR	06/30/2019				12/31/2018			
	Total	Remaining term up to 1 year	Remaining term between 1 and 5 year	Remaining term more than 5 years	Total	Remaining term up to 1 year	Remaining term between 1 and 5 year	Remaining term more than 5 years
Bond	13,540	750	12,790	0	13,624	833	12,791	0
Financial instit.	21,699	4,368	17,331	0	21,692	4,437	17,255	0
Trade accounts payable	314	314	0	0	905	905	0	0
Other liabilities	349	349	0	0	467	467	0	0
	<b>35,902</b>	<b>5,781</b>	<b>30,121</b>	<b>0</b>	<b>36,688</b>	<b>6,642</b>	<b>30,046</b>	<b>0</b>

To finance Coreo AG's further growth, an option bond was issued on 30 January 2018. The bond has a volume of TEUR 20,000 and a coupon of 10% p.a. and is divided into partial amounts of TEUR 100, to each of which 3,120 warrants are attached. The warrants can be traded and exercised separately from the bond. Each warrant entitles the holder to subscribe to one share at a subscription price of EUR 2,50. The subscription price is EUR 2,50 per share. The bond was completely placed with investors of Serengeti Asset Management LP, an investment company registered with the United States Securities and Exchange Commission (SEC). Although the bond is listed on a stock exchange, it is not traded. The bond matures on 31 January 2022 but can be repaid in full at the end of January 2020. The bond was paid out by the investor in the amount of EUR 18 million, with EUR 5 million being repaid in December 2018. The payments are linked to a corresponding property investment. Share options have not yet been exercised. The short-term interest accrued up to 30 June 2019 and not yet paid amounts to TEUR 750.

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**4.3. Short-term liabilities****4.3.1 Provisions**

Short-term provisions are composed as follows:

in TEUR	01/01/2019 Consumption		Release	06/30/2019
Personnel provision	44	44	20	20
Supervisory Board remuneration	14	14	20	20
Annual report and audit	132	69	117	177
General Meeting	28	28	14	14
Legal costs	0	0	0	0
Outstanding invoices	46	32	109	126
<b>Total</b>	<b>264</b>	<b>187</b>	<b>280</b>	<b>357</b>

**4.3.2 Liabilities**

Short-term liabilities have a remaining term of less than twelve months. Valuation is based on the nominal amount.

The short-term liabilities are composed as follows:

in TEUR	06/30/2019	12/31/2018
Liabilities to banks	4,368	4,437
Liabilities from bonds	750	833
Liabilities from deliveries and services	314	905
Tax liabilities	492	452
Other	349	467
<b>Total</b>	<b>6,273</b>	<b>7,094</b>

Liabilities to banks are almost completely secured. Real estate liens are mainly granted as collateral. These securities can only be realised by the banks after a material breach of the financing agreement (e.g. breach of the financial covenants).

Tax liabilities of TEUR 492 result primarily from the sale of properties from the previous year, which have not yet been assessed.

**4.3.3 Further notes on financial instruments**

## Valuation of financial instruments

Cash and cash equivalents, trade receivables and other receivables regularly have short residual terms. Therefore, their carrying amounts approximate fair value as of the balance sheet date.

The fair value of investments and other securities (financial assets) measured at fair value through profit or loss in the form of equity instruments is determined either on the basis of quoted market prices for identical assets or liabilities in active markets (level 1 of the measurement hierarchy level under IFRS 13) or on the basis of parameters for which either directly or indirectly derived quoted prices are available in an active market (level 2 of the measurement hierarchy level under IFRS 13).

Trade payables and other liabilities mainly have short remaining terms. Therefore, the carrying amounts approximate fair values. The fair values of interest-bearing loans are determined as the present value of the payments associated with the liabilities based on market interest rates. The carrying amounts approximate fair values.

The market value was thus determined based on parameters for which either directly or indirectly derived listed prices are available on an active market (level 2 of the valuation hierarchy in accordance with IFRS 13). The levels of the fair value hierarchy in accordance with IFRS 7 in conjunction with IFRS 13 are described below:

- Level 1: Quoted market prices for identical assets or liabilities in active markets,
- Level 2: information other than quoted market prices that is observable directly (e.g. prices) or indirectly (e.g. derived from prices), and
- Level 3: Information for assets and liabilities that are not based on observable market data.

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The carrying amounts of financial instruments by measurement category and the fair value hierarchy levels are as follows:

30 June 2019:

## Long-term assets

in TEUR	Fair-Value-Hierarchy	Fair value (FVtPL)	Fair value (FVOCI - without recycling)	Amortised cost (AC)	Balance sheet disclosure
Financial assets	1	0	8,015	0	8,015
Investments and other securities	2	0	458	0	458
<b>Total</b>		<b>0</b>	<b>8,473</b>	<b>0</b>	<b>8,473</b>

## Short-term assets

in TEUR	Fair-Value-Hierarchy	Fair value (FVtPL)	Fair value (FVOCI - without recycling)	Amortised cost (AC)	Balance sheet disclosure
Accounts receivable from deliveries and services	2	0	0	474	474
Other assets	2	0	0	913	913
Tax refund claims	2	0	0	293	293
Cash and cash equivalents	1	0	0	16,053	16,053
<b>Total</b>		<b>0</b>	<b>0</b>	<b>17,733</b>	<b>17,733</b>

## Long-term liabilities

in TEUR	Fair-Value-Hierarchy	Fair value (FVtPL)	Fair value (FVOCI - without recycling)	Amortised cost (AC)	Balance sheet disclosure
Liabilities to banks	2	0	0	17,331	17,331
Liabilities from bonds	2	0	0	12,790	12,790
<b>Total</b>		<b>0</b>	<b>0</b>	<b>30,121</b>	<b>30,121</b>

## Short-term liabilities

in TEUR	Fair-Value-Hierarchy	Fair value (FVtPL)	Fair value (FVOCI - without recycling)	Amortised cost (AC)	Balance sheet disclosure
Financial liabilities	2	0	0	5,118	5,118
Liabilities from deliveries + services	2	0	0	314	314
Other liabilities	2	0	0	349	349
Tax liabilities	2	0	0	492	492
<b>Total</b>		<b>0</b>	<b>0</b>	<b>6,273</b>	<b>6,273</b>



## Interim financial statement (IFRS)

31 December 2018

## Long-term asset

in TEUR	Fair-Value-Hierarchy	Fair value	Amortised cost (AC)	Balance sheet disclosure
Financial assets	1	7,705	0	7,705
Investments and other securities	2	415	0	415
<b>Total</b>		<b>8,120</b>	<b>0</b>	<b>8,120</b>

## Short-term assets

in TEUR	Fair-Value-Hierarchy	Fair value	Amortised cost (AC)	Balance sheet disclosure
Accounts receivable from deliveries and services	2	0	3,507	3,507
Other assets	2	0	1,455	1,455
Tax refund claims	2	0	215	215
Cash and cash equivalents	1	0	14,033	14,033
<b>Total</b>		<b>0</b>	<b>19,210</b>	<b>19,210</b>

## Long-term liabilities

in TEUR	Fair-Value-Hierarchy	Fair value	Amortised cost (AC)	Balance sheet disclosure
Liabilities to banks	2	0	17,256	17,256
Liabilities from warrants	2	0	12,790	12,790
<b>Total</b>		<b>0</b>	<b>30,046</b>	<b>30,046</b>

## Short-term liabilities

in TEUR	Fair-Value-Hierarchy	Fair value	Amortised cost (AC)	Balance sheet disclosure
Financial liabilities	2	0	5,270	5,270
Liabilities from deliveries and services	2	0	905	905
Other liabilities	2	0	467	467
Tax liabilities	2	0	452	452
<b>Total</b>		<b>0</b>	<b>7,094</b>	<b>7,094</b>

Interim financial statement (IFRS)

## 5. Notes to the statement of comprehensive income

### 5.1 Income from rental and other income

The sales revenues are structured as follows:

in TEUR	06/30/2019	06/30/2018
Rental income	1,079	476
Ancillary costs	559	109
<b>Income from rental income</b>	<b>1,638</b>	<b>585</b>
Other revenues	8	100
<b>Total</b>	<b>1,646</b>	<b>685</b>

### 5.2 Result from the sale of properties

The result from the sale of properties is made up as follows:

in TEUR	06/30/2019	06/30/2018
Revenues from the sales of properties	918	0
Backvalue from the sold properties	-473	0
<b>Gesamt</b>	<b>445</b>	<b>0</b>

The proceeds were realised through the sale of a property from the Hydra-portfolio and consolidations of the Göttingen-portfolio.

### 5.3 Result from the valuation of investment properties

in TEUR	06/30/2019	06/30/2018
Change in value Fair value valuation of properties IAS 40	0	-7
<b>Total</b>	<b>0</b>	<b>-7</b>

As of 30 June 2019, Coreo AG did not have valuation reports prepared, as the management assumes that there were no significant changes in the market value in the last half of the year. The properties are therefore valued at the value calculated on 31.12.2018 plus additions and disposals.

### 5.4 Other operating revenues

Other operating revenues mainly relates to the following items

in TEUR	06/30/2019	06/30/2018
Income from release of provisions	0	56
Other	33	17
<b>Total</b>	<b>33</b>	<b>73</b>

### 5.5 Cost of materials

The cost of materials of TEUR 1,169 (previous year: TEUR 154) includes expenses for operating costs, expenses for maintenance and modernisation as well as other expenses for purchased services.

### 5.6 Personnel costs

in TEUR	06/30/2019	06/30/2018
Wages and salaries	-329	-286
Social security contributions	-39	-30
<b>Total</b>	<b>-368</b>	<b>-316</b>

The personnel costs are structured as follows:

Personnel expenses include compensation for the Board and for employees. This increase is partly due to the hiring of new employees.

The employees of the Company are insured under a company pension scheme as well as under a statutory pension scheme. Current contribution payments are recorded as expenditure at the time of payment. There are no other pension commitments.

### 5.7 Depreciation

Depreciation relates to intangible assets and fixed assets and amounts to TEUR 16 (previous year: TEUR 9).

## Interim financial statement (IFRS)

### 5.8 Other operating costs

The following overview shows the composition of the main other operating expenses.

in TEUR	06/30/2019	06/30/2018
Third-party services and work	-37	-13
Room costs	-32	-32
Insurances	-19	-15
Vehicle costs	-13	-14
Travelling expenses	-9	-10
Office costs	-24	-13
Training costs	-3	-3
Repairs, maintenance, services	-4	-4
Legal and consulting costs	-82	-113
Audit and closing costs	-132	-58
Incidental costs of monetary transactions / bank prov.	-24	-7
Supervisory Board remuneration	-4	-21
Other prior-period expenses	-90	0
Miscellaneous other expenses	-404	-169
<b>Total</b>	<b>-877</b>	<b>-472</b>

### 5.9 Financial income

Interest revenues for the first half financial year amounts to TEUR 2 (previous year: TEUR 123) and resulted from loans Coreo Göttingen Residential UG & Co. KG provided in the period prior to initial consolidation as of 1 July 2018.

### 5.10 Financial expenses

Interest expenditures for the first half financial year amount to TEUR 1,022 (previous year: TEUR 971). This mainly relates to interest on the corporate bond and bank loan interest from the financing of the properties.

### 5.11 Current taxes and deferred taxes

In the first half financial year 2019, current tax expenses amounted to TEUR 52 (previous year: TEUR 0). Mainly this tax expense results from the sale of properties.

The deferred tax expense amounts to TEUR 273 (previous year: TEUR 24). A detailed explanation can be found under point 3.1.5.

### 6. Notes to the cash flow statement

The cash flow statement was prepared using the indirect method. With regard to their amounts the cash flows are shown in detail in the cash flow statement. A distinction was made between operating, investing and financing activities.

The positive cash flow from investing activities resulted from the sale of properties held both as inventories and as financial investments for long-term purposes. In addition, were also through the sale of shares further cash generated.

The cash flow from financing activities resulted primarily from the repayment of loans.

### 7. Other explanations and notes

#### 7.1 Related parties

Related parties of the Company include the members of the Board and Supervisory Board and the executive bodies of subsidiaries, in each case including their close family members, as well as those companies over which members of the Board or Supervisory Board of the Company or their close family members can exercise significant influence or in which they hold a significant proportion of voting rights. In addition, related companies include those companies with which the Company forms an association or in which it holds an equity interest that enables it to exert a significant influence on the business policy of the associated company as well as on the main shareholders of the Company including its affiliated companies.

#### 7.2 Notes on leases

In the current fiscal year, there was a leasing agreement for one vehicle. In addition, there was a rental agreement for office space.

The rental and leasing contracts concluded qualify as operating leases.

## Interim financial statement (IFRS)

Financial obligations of TEUR 1 with a remaining term of one month result from the existing lease agreement.

The current sublease agreement for office space has a remaining term of six months. The resulting financial obligation amounts to TEUR 20.

Both leases have a remaining term of less than twelve months and are therefore considered short-term leases that are an application of the new IFRS 16 do not require.

Further notes on these contracts is immaterial overall and will therefore not be further explained.

### 7.3. Segment reporting

Coreo AG is managed as a single-segment entity and is therefore not subdivided into any segments. To this extent, accounting-relevant data is only available for the Company as a whole. Segment reporting is therefore not required.

### 7.4 Contingent liabilities, securities and other financial obligations

In accordance with the loan agreement dated 14 July 2017, Dero Bank AG granted the subsidiary Zweite Coreo Immobilien VVG mbH a loan amounting to EUR 3,050,000,00 to finance the acquisition of the property in Güterhallenstrasse in Mannheim. Coreo AG issued a letter of comfort to Dero Bank AG dated 14 July 2017. According to this letter of comfort, Coreo AG will maintain its interest in Zweite Coreo Immobilien VVG mbH at the same level as long as the aforementioned business relationship exists between Dero Bank AG and Zweite Coreo Immobilien VVG mbH or as long as it has receivables from Zweite Coreo Immobilien VVG mbH. Coreo AG irrevocably assumes the unconditional obligation that Zweite Coreo Immobilien VVG mbH will be managed and funded in such a way that it will at all times be able to meet its current and future obligations to Dero Bank AG under the loan agreement in a timely manner until full repayment of all payment obligations under the loan.

By order of 14 March 2018, the Munich Local Court opened insolvency proceedings against the assets of Dero Bank AG. The insolvency proceedings have not yet been concluded, so that no statement can currently be made on any claims on the part of the insolvency administrator.

Coreo AG submitted a loan guarantee to Volksbank Neckartal eG for Dritte Coreo Immobilien VVG mbH to cover the loan liability in the amount of 2,500 TEUR, whereby Coreo AG can only be used if: It is certain that the utilization of Dritte Coreo Immobilien VVG mbH, and possibly the realization of all its collateral, does not promise any success.

A letter of comfort for Coreo Han UG (limited liability) & Co. KG Coreo AG issued to Volksbank Rhein-Lahn-Limburg eG to secure the loan liability of 10,000 TEUR from the financing of the acquisition of real estate. In the letter of comfort, Coreo AG guaranties that its subsidiary, Coreo Han UG (limited liability) & Co. KG, will meet the obligations of the credit agreement with Volksbank Rhein-Lahn-Limburg eG at any time.

Furthermore, a bond was issued on January 30, 2018 to finance the further growth of Coreo AG. The bond has a volume of TEUR 20,000 and a coupon of 10% p.a. and is divided into partial amounts of TEUR 100, to each of which 3,120 warrants are attached. The warrants can be traded and exercised separately from the bond. Each warrant entitles the holder to subscribe to one share at a subscription price of EUR 2,50. The subscription price is EUR 2,50 per share. The option bond was completely placed with investors of Serengeti Asset Management LP, an investment company registered with the United States Securities and Exchange Commission (SEC). Although the bond is listed on a stock exchange, it is not traded. The bond matures on 31 January 2022 but can be repaid in full after one year. The payments are linked to a corresponding property investment. Share options have not yet been exercised.

The shares held by the Company in MagForce AG were pledged to secure the bond. In addition, the following shares were pledged:

- Coreo Göttingen AM UG (limited liability)
- Coreo Han AM UG (limited liability)
- Coreo Solo AM UG (limited liability)
- Coreo Han UG (limited liability) & Co. KG
- Coreo Solo UG (limited liability) & Co. KG
- Coreo Göttingen Residential UG (limited liability) & Co. KG

## Interim financial statement (IFRS)

If the bond is not serviced or not serviced properly, there is a risk that the pledged participations and/or shares will be sold below their value in the event of a forced sale. In addition, it cannot be ruled out that the sale of the shares, possibly also below value, of the real estate held in each case may occur when the shares are sold, and that the real estate held by the associated companies may therefore indirectly serve as collateral for the bondholders.

As of the balance sheet date, Coreo AG had no further contingent liabilities or financial obligations to third parties.

#### 7.5 Significant events after the balance sheet date

There were no significant events after the balance sheet date to mention.

#### 7.6 Average number of employees during the financial year

The average number of employees in the Company during the financial year was 9 (previous year 6).

#### 7.7 Corporate bodies

Members of the Board of Directors were in the business year the following person:

Mr Marin N. Marinov, Diplom-Ingenieur (graduate engineer), Hofheim

In the business year 2019, the following persons were member of the Supervisory Board:

- Mr Stefan Schütze, lawyer (LL.M. in Mergers and Acquisitions), Frankfurt am Main, (chairman),
- Mr Axel-Günter Benkner, Diplom-Ökonom (graduate economist) and Diplom-Kaufmann (business graduate), Nidderau (vice Chairman),
- Dr. Friedrich Schmitz, Kaufmann (merchant), Munich.

Supervisory Board remuneration of TEUR 41 (previous year: TEUR 42) was recognised as an expense for members of the Supervisory Board in the year under review.

The Management Board of Coreo AG is responsible for the preparation, completeness and accuracy of the consolidated interim financial statements of the Company and the Group.

Frankfurt am Main, September 2019

The Chairman



Marin N. Marinov



Interim financial statement (HGB) of Coreo AG  
as of 06/30/2019

Interim financial statement (HGB)

## Balance sheet as of 06/30/2019 (HGB) assets

in EUR	12/31/2018	12/31/2017
<b>A. Fixed assets</b>		
I. Intangible assets		
Concessions, industrial and similar rights and assets, and licenses to such rights and assets	7,587.02	11,156.00
II. Tangible assets		
Property, plant and equipment	8,490.24	5,797.00
III. Financial assets		
1. Shares in affiliated companies	948,000.00	948,000.00
2. Loans to affiliated companies	1,210,375.02	1,190,250.00
3. Investments	8,273,319.36	8,802,179.34
	<b>10,447,771.64</b>	<b>10,957,382.34</b>
<b>B. Current assets</b>		
I. Receivables and other assets		
1. Amounts due from affiliated companies	15,927,465.97	18,414,620.89
2. Other assets	610,553.03	334,026.79
II. Cash and bank balances	14,503,619.85	12,507,886.19
	<b>31,041,638.85</b>	<b>31,256,533.87</b>
<b>C. Deferred income</b>	22,780.21	34,290.07
	<b>41,512,190.70</b>	<b>42,248,206.28</b>

Interim financial statement (HGB)

## Balance sheet as of 06/30/2019 (HGB) liabilities

in EUR	06/30/2019	12/31/2018
<b>A. Equity</b>		
I. Subscribed capital	15,945,880.00	15,945,880.00
II. Capital reserves	23,777,608.86	23,777,608.86
III. Retained earnings	12,544,585.38	12,544,585.38
IV. Loss carried forward	-23,881,822.26	-23,469,937.82
V. Net loss/income	-709,146.72	-411,884.44
	<b>27,677,105.26</b>	<b>28,386,251.98</b>
<b>B. Accruals</b>		
Other provisions	159,060.00	156,170.00
<b>C. Liabilities</b>		
I. Bonds	13,540,411.93	13,623,745.26
- thereof with a remaining term of up to one year: EUR 750,000.00 (EUR 833,333.33)		
- thereof with a remaining term of more than to one year: 12,790,411.93 (EUR 12,790,411.93)		
II. Trade payables	120,968.40	57,723.20
- thereof with a remaining term of up to one year: EUR 120,968.40 (EUR 57,723.20)		
III. Other current liabilities	14,645.11	24,315.84
- thereof for taxes: EUR 14,011.73 (EUR 23,417.21)		
- thereof for social security: EUR 633.38 (EUR 898.63)		
- thereof with a remaining term of up to one year: EUR 14,645.11 (EUR 24,315.84)		
	<b>13,676,025.44</b>	<b>13,705,784.30</b>
	<b>41,512,190.70</b>	<b>42,248,206.28</b>



Interim financial statement (HGB)

## Income statement (HGB)

### 01/01/2019 bis 06/30/2019

in EUR	01/01/2019– 06/30/2019	01/01/2018– 12/31/2018
1. Sales revenues	140,543.90	912,364.61
2. Other operating income	38,155.78	463,842.53
3. Personnel costs	-367,833.43	-746,736.86
4. Depreciation of intangible and tangible assets	-16,233.93	-17,677.17
5. Other operating costs	-464,087.44	-1,685,680.30
6. Income from shareholdings	0.00	1,685,702.56
7. Other expenses and similar earnings - thereof from affiliated companies: EUR 659,260.04 (EUR 1,104,075.36)	657,891.99	1,118,464.25
8. Amortization of financial assets and securities held as current assets - thereof unplanned depreciation: EUR 0.00 (EUR 115,000.00)	0.00	-115,000.00
9. Interest and similar expenses	-697,176.59	-2,026,980.26
<b>10. Result after taxes</b>	<b>-708,739.72</b>	<b>-411,700.69</b>
11. Other taxes	-407.00	-183.75
<b>12. Balance sheet loss</b>	<b>-709,146.72</b>	<b>-411,884.44</b>

Interim financial statement (HGB)

## Appendix of the annual financial statement as of 06/30/2019 (HGB)

### General

Coreo AG is headquartered in Frankfurt am Main. The company is registered in the commercial register of the district court Frankfurt under HRB 74535.

The present annual financial statement have been prepared in accordance with par. 242 et seq. and 264 et seq. HGB (German Commercial Code) as well as the applicable provisions of the AktG (German Companies Act).

The company is a small-sized capital company in terms of § 267, clause 1 HGB (German Commercial Code). The reporting reliefs for a small-sized capital company has partly been claimed.

The profit and loss statement has been prepared using the total cost method according to § 275 para. 2 HGB. Individual items of the statement of financial position have been amended in accordance with par. 265 section 6 HGB to improve the clarity of presentation.

### Accounting and valuation methods

Purchased **intangible assets** are capitalised at cost and amortised on a straight-line basis over an expected economic life of between 3 and 5 years from the date on which they are provided.

**Tangible assets** are shown at acquisition cost and, if depreciable, reduced by scheduled straight-line depreciation over their useful lives of 3 to 5 years.

**Low-value property items** with a value of EUR 800,00 are fully written off in the year of acquisition.

The **financial investments** are recognised at cost of acquisition, provided that no impairment charge is to be recognized due to any probable lasting reduction in value. Impairment losses are recorded on financial assets if long-term depreciation is expected. Impairment losses are reversed insofar as the reasons for the recognition of impairment losses no longer apply.

**Receivables and other assets** are recognized at their nominal value taking into account the identifiable default risk.

**Cash and cash equivalents** are shown at their nominal value.

**Other provisions** are recognised in accordance with prudent business principles according to par. 253 section 1, sentence 2 HGB if Coreo AG has a present legal or constructive obligation as a result of past events that is uncertain with regard to settlement and/or amount. According to par. 253 section 2 HGB they are recognised at the present value of the expected future settlement amount only if the settlement is not expected within the next twelve month.

**Liabilities** were carried at the repayable amounts.

**Receivables and liabilities denominated in foreign currencies** are recognised with the corresponding average spot exchange rate of the day of the transaction. Foreign currency denominated assets and liabilities with a remaining time to maturity of one year or less, are recognised according to par. 256 a sentence 2 HGB without consideration of the acquisition cost and realisation principle at the average spot exchange rate at the reporting date. In case of a remaining time to maturity of more than one year, the average spot exchange rate at the reporting date according to par. 256 a sentence 1 HGB is only applied if the aforementioned rate for assets is lower and for liabilities higher than the corresponding rate at the date of the business transaction.

## Interim financial statement (HGB)

**Disclosures and explanations with regard to items of the balance sheet**

## Fixed assets

Development of the fixed assets is shown in the fixed assets movement schedule.

<b>Disclosures of shareholdings:</b>	<b>Capital share in %</b>	<b>Equity</b>	<b>Result</b>	<b>Year</b>
Lumiphore Inc., Berkeley, USA	21,4 %	-485 TUSD	-143 TSUD	2018
Erste Coreo Immobilien VVG mbH Frankfurt a. M., Germany	100 %	-32 TEUR	-73 TEUR	2018
Zweite Coreo Immobilien VVG mbH Frankfurt a. M., Germany	100 %	-116 TEUR	-116 TEUR	2018
Dritte Coreo Immobilien VVG mbH Frankfurt a. M., Germany	100 %	71 TEUR	36 TEUR	2018
Vierte Coreo Immobilien VVG mbH Frankfurt a. M., Germany	100 %	21 TEUR	-2 TEUR	2018
Coreo Göttingen AM UG (haftungsbeschränkt) Frankfurt a. M., Germany	100 %	1 TEUR	-1 TEUR	2018
Coreo Solo AM UG (haftungsbeschränkt) Frankfurt a. M., Germany	100 %	1 TEUR	-1 TEUR	2018
Coreo Han AM UG (haftungsbeschränkt) Frankfurt a. M., Germany	100 %	1 TEUR	-1 TEUR	2018
Coreo Solo UG (haftungsbeschränkt) & Co. KG Frankfurt a. M., Germany	100 %	1 TEUR	1,686 TEUR	2018
Coreo Han UG (haftungsbeschränkt) & Co. KG Frankfurt a. M., Germany	100 %	-974 TEUR	-975	2018
Coreo Göttingen Residential UG & Co. KG Frankfurt a.M., Germany	94 %	-159 TEUR	-301 TEUR	2018

Interim financial statement (HGB)

## Assets analysis (HGB)

### Development of fixed assets

in EUR	Cost of acquisition/manufacture					Depreciation					Carrying value	
	01/01/2019	Additions	Reclassification	Divestures	06/30/2019	01/01/2019	Additions	Attributions	Divestures	06/30/2019	06/30/2019	12/31/.2018
<b>I. Intangible assets</b>												
1. Acquired concessions, commercial property rights and similar rights and values as well as licences at such rights and values	34,569	0	0	0	34,569	23,413	3,569	0	0	26,982	7,587	11,156
<b>II. Tangible assets</b>												
1. Factory and office equipment	92,619	4,309	0	0	96,929	86,822	1,616	0	0	88,439	8,490	5,797
<b>III. Financial assets</b>												
1. Shares in related companies	948,000	0	0	0	948,000	0	0	0	0	0	948,000	948,000
2. Interests in other companies	10,373,184	0	0	528,860	9,844,324	1,571,004	0	0	0	1,571,004	8,273,319	8,802,179
3. Loans to companies with which a shareholding relationship exists	1,190,250	20,125	0	0	1,210,375	0	0	0	0	0	1,210,375	1,190,250
	<b>12,511,434</b>	<b>20,125</b>	<b>0</b>	<b>528,860</b>	<b>12,002,699</b>	<b>1,571,004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,571,004</b>	<b>10,431,694</b>	<b>10,940,429</b>
	<b>12,638,622</b>	<b>24,434</b>	<b>0</b>	<b>528,860</b>	<b>12,134,197</b>	<b>1,681,240</b>	<b>5,185</b>	<b>0</b>	<b>0</b>	<b>1,686,425</b>	<b>10,447,772</b>	<b>10,957,382</b>

## Interim financial statement (HGB)

## Receivables and other assets

All receivables and other assets have a remaining term of up to one year.

## Equity

As at December 31, 2018, the share capital of Coreo AG is divided into 15,945,880 no-par value shares, all of which are bearer shares.

In accordance with a resolution of the Management Board and the approval of the Supervisory Board on November 21, 2018, the Company's share capital was increased by EUR 6,585,880 to EUR 15,945,880 by issuing new bearer shares of EUR 9,360,000.

## Provisions

The other provisions principally concern provisions for holiday entitlement, costs of the annual financial statements, litigation risks and costs for the shareholder meeting.

## Liabilities

in TEUR	06/30/2019			
	Total	Residual maturity up to 1 year	Residual maturity 1 to 5 years	Residual maturity over 5 years
Bond	13,540	750	12,790	0
Trade payables and other liabilities	121	121	0	0
Other liabilities	15	15	0	0
<b>Total</b>	<b>13,676</b>	<b>886</b>	<b>12,790</b>	<b>0</b>

in TEUR	12/31/2018			
	Total	Residual maturity up to 1 year	Residual maturity 1 to 5 years	Residual maturity over 5 years
Bond	13,624	833	12,790	0
Trade payables and other liabilities	58	58	0	0
Other liabilities	24	24	0	0
<b>Total</b>	<b>13,706</b>	<b>915</b>	<b>12,790</b>	<b>0</b>

At the end of January 2018 a warrant bond with a 10% coupon was issued to finance Coreo AG's further growth. The bond

with a volume of 20 million Euro has a coupon of 10% p. a. and subdivided into partial amounts of TEUR 100, to which 3,120 warrants are attached. The opt-in coupons can be separated from the bond and traded and exercised separately. The option bond was completely placed with investors of Serengeti Asset Management LP, an investment company registered with the United States Securities and Exchange Commission (SEC).

To provide collateral for the warrant bond the company-stake in MagForce AG has been pledged.

Furthermore, the following company shares were pledged:

- Coreo Göttingen AM UG (limited liability)
- Coreo Han AM UG (limited liability)
- Coreo Solo AM UG (limited liability)
- Coreo Han UG (limited liability) & Co. KG
- Coreo Solo UG (limited liability) & Co. KG
- Coreo Göttingen Residential UG (limited liability) & Co. KG

### Disclosures and explanations with regard to items of the profit and loss statement

#### Other operating revenues

The other operating revenues contain 384 TEUR book profits of the disposal of financial assets.

#### Other operating charges

The other operating expenses relate mainly external services, room costs as well as costs for lawyers and consultants and financial statements costs.

### Other information

#### Liability limitations

Coreo AG submitted for Zweite Coreo Immobilien VVG mbH a letter of comfort to Dero Bank to cover credit liabilities in the amount of 3,050 TEUR for financing real estate acquisitions. In the letter of comfort, Coreo AG guarantees that its subsidiary, Zweite Coreo Immobilien VVG mbH, will meet the obligations of the credit agreement with Dero Bank at any time.

Coreo AG submitted a loan guarantee to Volksbank Neckartal eG for Dritte Coreo Immobilien VVG mbH to cover the loan liability in the amount of 2,500 TEUR, whereby Coreo AG can

## Interim financial statement (HGB)

only be used if: It is certain that the utilization of Dritte Coreo Immobilien VVG mbH, and possibly the realization of all its collateral, does not promise any success.

A letter of comfort for Coreo Han UG (limited liability) & Co. KG Coreo AG issued to Volksbank Rhein-Lahn-Limburg eG to secure the loan liability of 10,000 TEUR from the financing of the acquisition of real estate. In the letter of comfort, Coreo AG guarantees that its subsidiary, Coreo Han UG (limited liability) & Co. KG, will meet the obligations of the credit agreement with Volksbank Rhein-Lahn-Limburg eG at any time.

As of the balance sheet date Coreo holds no further liability limitations to third parties.

**Average number of employees during the financial year**

The average number of employees in the company during the financial year was 9.

**Bodies of the company****Management board of the business year:**

- Mr Marin N. Marinov, Diplom-Ingenieur (Graduate Engineer), Hofheim..

**In the business year 2019, the following persons were member of the Supervisory Board:**

- Mr Stefan Schütze, lawyer (LL.M. in Mergers and Acquisitions), Frankfurt am Main, (Chairman),
- Mr Axel-Günter Benkner, Diplom-Ökonom (graduate economist) and Diplom-Kaufmann (business graduate), Nidderau (Vice Chairman),
- Dr Friedrich Schmitz, Kaufmann (merchant), Munich.

Frankfurt am Main, September 2019

The Chairman



Marin N. Marinov



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