

INTERIM FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

Q3 **2018**

GODEWIND IMMOBILIEN AG

FRANKFURT AM MAIN

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (IFRS) FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2018

TABLE OF KEY FIGURES

	1.1. - 30.9.2018	1.1. - 30.9.2017
REVENUE AND EARNINGS FIGURES		
Consolidated net income, previous year: Separate net income (in EUR thousand)	-6,594	271
Earnings per share, undiluted (in EUR)	-0.08	5.43
Earnings per share, diluted (in EUR)	-0.08	5.43
BALANCE SHEET FIGURES		
	30/09/2018	31.12.2017
Total assets (in EUR thousand)	381,545	19,611
Cash and cash equivalents (in EUR thousand)	373,420	19,172
Current assets (in EUR thousand)	7,366	344
Equity (in EUR thousand)	380,645	18,561
Current liabilities (in EUR thousand)	533	676
Non-current liabilities (in EUR thousand)	367	374

OUR COMPANY

Godewind is a real estate company specialising in commercial properties in Germany. The company focuses on building an attractive portfolio of commercial properties, concentrating on office buildings. As an active portfolio and asset manager Godewind aims for sustainable increases in yields and revenue, which is complemented by the realisation of added value potential. With the help of our wide-ranging network and by means of value-added acquisitions, the aim is to build a commercial property portfolio of some EUR 3 billion over the medium term.

Godewind Immobilien AG will manage its commercial properties cost-effectively on the basis of its internal portfolio and asset management principles, enter into long-term leases and so increase its enterprise value. The company has tax loss carryforwards for corporation and trade tax as well as a tax-free capital reserve. The shares in Godewind Immobilien AG are traded in the Prime Standard at Frankfurt Stock Exchange (FWB).

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INTERIM FINANCIAL STATEMENTS

1. COURSE OF BUSINESS, KEY EVENTS AND TRANSACTIONS

The course of business was largely determined by the company's IPO on 05 April 2018. Thereafter the company continued its expansion in personnel and technical terms and conducted intensive negotiations to acquire its first portfolio. The contract for the first property was signed on 13 September 2018. Rights and obligations will be transferred in the fourth quarter of 2018. No revenue was generated in the reporting period as a result.

A total of three companies were established in the third quarter 2018, to be used for future portfolio acquisitions. As of 30 September 2018 the Group therefore consists of Godewind Immobilien AG and four subsidiaries, all fully consolidated.

As of 30 September the company had 17 employees including its Executive Board members.

2. EARNINGS, ASSETS AND FINANCIAL POSITION

The figures as of 30 September 2018 are not comparable with those for the previous year. The company's business in the previous year, which consisted partly of securities trading, was not continued in the reporting period. The company prepared for its IPO and began preparatory work for the management of its future property portfolio.

Earnings in the first nine months of 2018 were as follows:

Figures in EUR thousand	1.1. - 30.9.2018	1.1. - 30.9.2017
EARNINGS		
Other operating income	33	9
Staff expenses	-2,202	-18
Operating expenses	-1,250	-95
Depreciation and amortisation	-10	0
Financial result	-202	375
Income taxes	-2,963	0
Consolidated net income for the period	-6,594	271

Consolidated net income as of 30 September 2018 was EUR -6,594 thousand (previous year: EUR 271 thousand) and resulted mainly from deferred tax liabilities of EUR -3,199 thousand on the costs of the capital increase as well as higher staff and operating expenses. Both items reflect the restructuring of the company, the

hiring of additional staff, the capital increase for cash in March 2018 and the IPO in April 2018.

As of 30 September 2018 the company's assets were as follows:

Figures in EUR thousand	30/09/2018	31.12.2017
Assets		
Property, plant and equipment and intangible assets	515	0
Other non-current assets	244	95
Other current assets	7,366	344
Cash and cash equivalents	373,420	19,172
Assets	381,545	19,611
Equity	380,645	18,561
Other non-current liabilities	367	374
Trade liabilities	359	668
Other current liabilities	174	8
Equity and liabilities	381,545	19,611

The main items of the balance sheet are cash and equity. Both increased significantly as a result of the capital increase.

Property, plant and equipment (EUR 438 thousand) and intangible assets (EUR 77 thousand) consist of the new office and operating equipment, as well as the newly installed software system for the accounting and property management departments.

Other current assets include a down payment of EUR 5,000 thousand for the future acquisition of an investment property.

The financial position at the end of the first nine months of 2018 was as follows:

Figures in EUR thousand	1.1. – 30.9.2018	1.1. – 30.9.2017
Financial position		
Cash flow from operating activities	-5,208	-173
Cash flow from investing activities	-5,515	4,833
Cash flow from financing activities	364,971	-3,483
Change in cash and cash equivalents	354,248	1,177
Cash at the beginning of the period	19,172	1,928
Cash at the end of the period	373,420	3,105

The financial position is dominated by the high cash flow from financing activities. The proceeds from the capital increase of EUR 375,000 thousand were reduced by transaction costs of EUR 10,029 thousand.

Cash flow from investing activities includes a down payment of EUR 5,000 for the purchase of a property, as well as investments of EUR 515 thousand in operating and office equipment and software.

3. TRANSACTIONS

The company acquired the office property ComConCenter in Frankfurt am Main-Niederrad in an asset deal by signing a purchase contract on 13 September 2018. The purchase price was EUR 33,500 thousand. The property has a lettable area of 16,264 square metres. Annual net rent is EUR 2,039 thousand. The WALT is 3.3 years. Rights and obligations were transferred on 31 October 2018.

4. RECENT DEVELOPMENTS AND OUTLOOK

Management has used recent months to conduct intensive negotiations for the acquisition of various portfolios. The company will invest in mixed property portfolios, made up of at least around 60 per cent office space and up to around 20 per cent commercial and logistics properties. “Other commercial properties” may account for another 20 per cent. In addition to the property purchased on 13 September 2018, the company acquired three further office properties in October 2018 (see events after the reporting date).

Godewind will further focus on the office property segment in future acquisitions. In the medium term its aim is to construct a commercial property portfolio of some EUR 3 billion with the help of its wide-ranging network and value-added acquisitions.

Since the IPO further acquisition opportunities have arisen for Godewind in the 'office' and commercial property segment. These opportunities result from the very positive response to the successful flotation.

Godewind will benefit from substantial tax loss carryforwards of EUR 180 million for corporation tax and EUR 175 million for trade tax, which will enable it to reduce its tax payments significantly in the years following the IPO. The company also has a tax-free capital reserve of EUR 133 million.

5. CONSOLIDATED INTERIM BALANCE SHEET (IFRS) AS OF 30 SEPTEMBER 2018

Figures in EUR thousand	30/09/2018	31.12.2017
ASSETS		
Non-current assets		
Property, plant and equipment	50	0
Payments on account for property, plant and equipment	388	0
Intangible assets	77	0
Other non-current assets	244	95
Total non-current assets	759	95
Current assets		
Other current receivables and assets	7,366	344
Cash and cash equivalents	373,420	19,172
Total current assets	380,786	19,516
Total assets	381,545	19,611
EQUITY AND LIABILITIES		
Equity		
Issued capital	108,750	15,000
Capital reserve	274,928	0
Retained earnings	-3,033	3,561
Total equity	380,645	18,561
Non-current liabilities		
Provisions for pensions and similar obligations	367	374
Total non-current liabilities	367	374
Current liabilities		
Trade liabilities	359	668
Other current provisions	0	0
Other current liabilities	174	8
Total current liabilities	533	676
Total assets	381,545	19,611

6. CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

Figures in EUR thousand		1.1. - 30.9.2018	1.1. - 30.9.2017	1.7. - 30.9.2018	1.7. - 30.9.2017
Other operating income		33	9	1	3
Staff expenses		-2,202	-18	-1,067	-6
Depreciation and amortisation		-10	0	0	0
Other operating expenses		-1,250	-95	-66	-34
Operating earnings		-3,429	-104	-1,132	-37
Financial income		4	555	-4	9
Financial expenses		-206	-180	-206	-14
Financial result		-202	375	-210	-5
Earnings before income tax		-3,631	271	-1,342	-42
Income tax		-2,963	0	236	0
Earnings for the period		-6,594	271	-1,106	-42
Reclassification of unrealised gains from fair value measurement of securities to profit or loss		0	-131	0	169
Comprehensive income		-6,594	140	-1,106	127
Attribution:					
Shareholders of Godewind Immobilien AG		-6,594	140	-1,106	127
EARNINGS PER SHARE IN EUR					
Undiluted earnings per share		-0.08	5.43	-0.01	-0.84
Diluted earnings per share		-0.08	5.43	-0.01	-0.84

7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2018

Figures in EUR thousand	Issued capital	Capital reserve	Fair value reserve	Total	Retained earnings/distributable profit	Total equity
As of 01 January 2017	500	0	616	1,116	3,511	4,627
Less costs of capital increase						
Proceeds of capital increase						
Earnings for the period					271	271
Other comprehensive income			-131	-131		-131
As of 30 September 2017	500	0	485	985	3,782	4,767
As of 01 January 2018	15,000	0	0	15,000	3,561	18,561
Proceeds of capital increase	93,750	281,250		375,000		375,000
Less costs of capital increase after tax		-6,830		-6,830		-6,830
Share-based remuneration		508		508		508
Earnings for the period					-6,594	-6,594
As of 30 September 2018	108,750	274,928	0	383,678	-3,033	380,645

8. CONSOLIDATED INTERIM CASH FLOW STATEMENT (IFRS) FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

Figures in EUR thousand	1.1.-30.9.2018	1.1.-30.9.2017
Earnings for the period	-6,594	271
Net interest recognised in profit or loss	202	17
Depreciation and amortisation	10	0
Elimination of gains/losses on disposals of securities and non-current assets	0	-392
Interest income	4	0
Interest expenses	-206	-43
Other non-cash expenses (+) / income (-)	736	2
Income tax payments	0	1
Deferred taxes	2,961	0
Changes in receivables and other assets	-2,171	-1
Changes in payables and other liabilities	-150	-28
Cash flow from operating activities	-5,208	-173
Investment in intangible assets and property, plant and equipment	-515	0
Down payments for Investment Property	-5,000	0
Investment in securities	0	-5,282
Proceeds from the disposal of securities	0	10,115
Cash flow from investing activities	-5,515	4,833
Proceeds of capital increase	375,000	0
Payments for the cost of capital increase	-10,029	0
Payments for the repayment of liabilities to related parties	0	-3,482
Cash flow from financing activities	364,971	-3,482
Change in cash and cash equivalents	354,248	1,178
Cash at the beginning of the period	19,172	1,928
Cash at the end of the period	373,420	3,106

9. EVENTS AFTER THE REPORTING DATE

In October 2018 the company bought three properties.

The contract for the asset deal to purchase the Airport Business Center at Düsseldorf Airport was signed on 16 October 2018. The purchase price was EUR 40,000 thousand. The lettable area is 13,077 square metres. Annualised net rent is EUR 2,136 thousand. The WALT is 3.3 years. Rights and obligations are expected to be transferred in 2018.

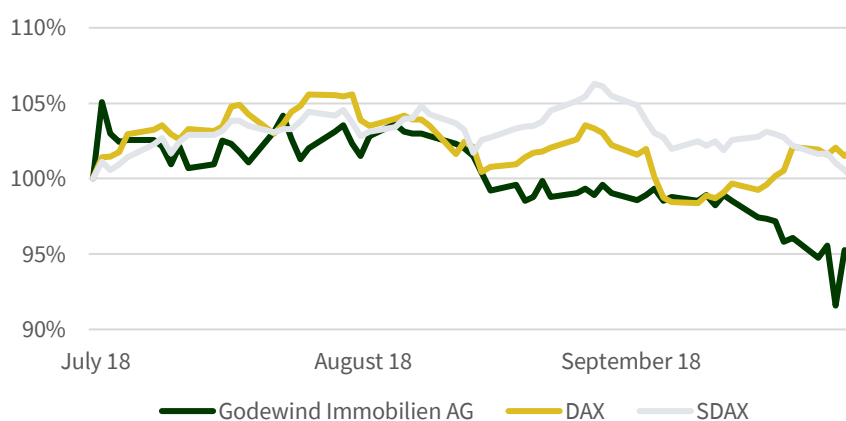
On 23/24 October 2018 the company signed a contract for the asset deal to acquire an office property in Kirchheim bei München. The purchase price was EUR 30,500 thousand. The lettable area is 18,820 square metres. Annualised net rent is EUR 803 thousand. The WALT is 3.9 years. Another building with a gross floor area of some 15,500 square metres can be erected on the property. Godewind is negotiating with an operator of convalescent homes to build a convalescent home there, which will be let to the operator on a long-term lease. Rights and obligations are expected to be transferred in 2018.

By signing a contract for a share deal on 31 October 2018 the company and a minority shareholder acquired all the shares in a Luxembourg company that holds land lease rights to the Frankfurt Airport Center (FAC) at Terminal 1 of the Frankfurt Airport. The company bought 89.9 per cent of the shares in the target company. The purchase price for the property – for 100 per cent of the shares – was EUR 168,000 thousand. The contractually agreed rental income is EUR 10,140 thousand per annum. The WALT is 6.2 years. The closing should take place in 2018.

10. SHARE INFORMATION AND FINANCIAL CALENDAR

Shares in Godewind Immobilien AG put in a solid performance in the third quarter. The share settled at a stable level and only in the second half of September lost around 6 per cent compared with the closing price on 2 July 2018. On 28 September the share closed at a price of EUR 3.49. This represents a market capitalisation of about EUR 379.5 million.

The Godewind share



The price of the Godewind share therefore largely followed the general market performance. The DAX and SDAX indices were stable. Whereas the DAX gained some 2 per cent in the third quarter, closing at 12,381 points on 28 September, the SDAX closed virtually unchanged at 11,863 points.

So from July to September the stock markets withstood the growing market risks. The trade dispute between the USA and China, and mid-term elections in the USA were a source of uncertainty. Nonetheless, many companies presented good figures, which averted a general sell-out on stock markets in the third quarter.

SHARE INFORMATION

International Securities Identification Number (ISIN)	DE000A2G8XX3
German Securities Identification Number (WKN)	A2G8XX
Number of shares on 30 September 2018	108,750,000
Market segment	Prime Standard
Index	CLASSIC
Designated Sponsor	Oddo Seydler Bank AG, Baader Bank AG, JP Morgan
Exchanges	XETRA, Frankfurt (FWB), Freiverkehr München, Freiverkehr Stuttgart
Issue price	EUR 4.00
Closing price on 28 September 2018	EUR 3.49
Market capitalisation based on the closing price on 28 September 2018	EUR 379,537,500

FINANCIAL CALENDAR

26 -28 November 2018	Equity Forum
15. May 2019	Publication of Interim Financial Statements for Q1 2019

LEGAL INFORMATION

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Executive Board of Godewind Immobilien AG, Frankfurt am Main

Contact

Godewind Immobilien AG
Thurn-und-Taxis-Platz 6 (Nextower)
60313 Frankfurt am Main

Telephone: +49 (0)69 25 73 75 190

Fax: +49 (0)69 25 73 75 25

Email: info@godewind-ag.com

Website: www.godewind-ag.com

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