Annual Report 2018

HELMA
Eigenheimbau AG

The HELMA Group at a glance

Earnings and dividend		2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenue	in k€	253,276	267,418	263,842	210,618	170,497	138,018	113,988	103,588	74,535
EBITDA	in k€	23,776	22,529	23,455	19,494	15,971	11,793	8,774	6,132	3,851
Adjusted EBITDA*	in k€	24,883	24,433	23,949	20,076	16,301	11,843	8,774	6,132	3,851
Operating earnings (EBIT)	in k€	21,784	20,232	21,662	17,774	14,167	10,286	7,335	4,786	2,724
Adjusted operating earnings (EBIT)*	in k€	22,891	22,136	22,156	18,356	14,497	10,336	7,335	4,786	2,724
Earnings before taxes (EBT)	in k€	21,153	19,130	19,568	14,956	11,690	8,271	5,755	3,381	1,910
Net income after minority interests	in k€	14,487	12,993	13,498	9,952	8,132	5,606	3,799	2,310	1,302
Cash earnings	in k€	14,983	17,965	20,953	15,325	16,302	11,752	8,524	5,939	3,721
Earnings per share**	in €	3.62	3.25	3.37	2.69	2.43	1.85	1.33	0.83	0.50
Dividend per share	in €	1.30***	1.40	1.10	0.79	0.63	0.53	0.35	0.20	0.00
Adjusted gross profit margin	in %	23.8	21.0	21.5	23.4	24.4	24.1	23.7	21.4	21.6
Adjusted EBIT margin*	in %	9.0	8.3	8.4	8.7	8.5	7.5	6.4	4.6	3.7
EBT margin	in %	8.4	7.2	7.4	7.1	6.9	6.0	5.0	3.3	2.6
Return on sales (ROS)	in %	5.7	4.9	5.1	4.7	4.8	4.1	3.4	2.3	1.8

Sales performance		2018	2017	2016	2015	2014	2013	2012	2011	2010
Net new orders received	in k€	278,576	245,393	286,815	269,386	193,005	158,979	131,398	106,828	97,629

Selected balance sheet items and key figures		12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Property, plant and equipment	in k€	19,065	16,621	16,398	16,342	16,139	15,760	15,022	16,311	14,568
Inventories including land	in k€	220,152	199,891	173,816	154,369	96,054	78,408	35,816	19,830	8,628
Cash and cash equivalents	in k€	16,328	16,656	11,331	12,493	6,916	6,821	1,540	3,793	3,074
Equity	in k€	97,716	88,829	80,236	69,898	40,952	28,033	20,365	17,067	12,119
Net debt	in k€	159,312	149,236	124,320	98,581	79,401	68,034	36,347	16,552	10,261
Total assets	in k€	341,440	317,653	278,242	244,994	159,947	136,600	84,645	63,868	42,965
Equity ratio	in %	28.6	28.0	28.8	28.5	25.6	20.5	24.1	26.7	28.4

Other data		12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Number of employees		325	304	290	254	233	211	188	164	131

* Adjusted for the disposal of capitalised interest
** Relative to the average number of shares in circulation during the financial year
*** Proposal

Contents

Note:

The English version of the annual report of HELMA Eigenheimbau AG at hand is a non-binding translation of the German version. Should any deviations between the English and German versions be found, only the German version applies.

HELMA is excellent

VON Kunden EMPFOHLEN
FOCUS MONEY
HÖCHSTE Weiterempfehlung
HELMA
Massivhausanbieter
Ausgabe 27/18

Ausgabe 27/17

Ausgabe 28/16

TOP JOB
Top-Arbeitgeber 2018

ntv
DEUTSCHLANDS
KUNDENSIEGER 2019
Massivhausbau
Beliebtheit · Vertrauen · Weiterempfehlung
Kundenurteil zu 21 Unternehmen/Marken
Preisträger Platz 1-3 · www.disq.de
DEUTSCHES INSTITUT
FÜR SERVICE-QUALITÄT
GmbH & Co. KG

ntv
DEUTSCHLANDS
KUNDENSIEGER 2018

DEUTSCHLAND TEST
HÖCHSTES
VERTRAUEN
VERBRAUCHERURTEIL
TEST (FOCUS 48/18)
www.deutschlandtest.de
FOCUS MONEY

TEST (FOCUS 47/17)
www.deutschlandtest.de
FOCUS MONEY

FOCUS
WACHSTUMS-
CHAMPION
2018
IN KOOPERATION MIT statista

CHAMPION
2017
IN KOOPERATION MIT statista

CHAMPION
2016
IN KOOPERATION MIT statista

DtGV | Deutsche Gesellschaft
für Verbraucherstudien mbH
dtgv.de
QUALITÄTSTEST SERVICE & ERSTBERATUNG
TESTSIEGER
Massivhausanbieter
Test 01/2017
10 Anbieter
N24

FAMILY – VALUES – COMPANY

Founded in 1980 by Karl-Heinz Maerzke and Brigitte Hellwich, the company today is proud of its 39 years of successful building activities. And truly on a "one-stop shop" basis: founder, former CEO, and provider of half of the company's name Karl-Heinz Maerzke (HELlwich + MAerzke = HELMA) is still today's Supervisory Board Chairman, assisting the HELMA family.

The family as an underlying value and institution has been at the very heart of the company and its management since it was founded. On the one side – the business side – families are the natural target group for our core business of building detached homes, and the family always acts as

a template for how people can interact within the company, as well as with our customers and potential customers. The family also forms the way in which responsibility is lived day-to-day – and reflected in the way in which HELMA as a company assumes responsibility for its staff and trainees. On the other side – the social side – the company has been active for decades on behalf of children, young people, and institutions that provide the most varied types of support for families in particularly difficult situations.

HELMA – We are also family!

TEAM PERFORMANCE

Every company within the HELMA Group is comparable to a sports team. In our respective "sports" we aim not just to be the best and at the forefront of competition, but also to live up to our high standards in all areas of the team and in all our different disciplines.

We are all team players and as such prepare intensively for our tasks. Each individual project is efficiently driven forward by specialists in the respective areas and constantly compared with the status of all participants. Only if we are perfectly coordinated we can develop ourselves further, deliver the targeted performance in all areas and also on an overall basis, even "outgrow" ourselves

sometimes and after "game-playing" we can be genuinely pleased with the enthusiastic response of our customers. Their recognition forms part of what motivates us.

Sport as a model and guiding principle is reflected in our values and our actions, which are calibrated to fairness and respect in our dealings with one another. With our partners, with our customers, and with our employees.

HELMA – We are a team!

PEOPLE FOR PEOPLE

The HELMA Group impresses with all the merits of a classic medium-sized company: flat hierarchies, mutual respect and honest communication distinguish us as service providers. This not only holds true within the company, but also applies quite particularly to our customer relations. The Management Board, managers and staff not only have a specific function within the company, but also frequently act as contacts and advisers, counsellors and critics – both in-house and externally – as required. As classic service providers, we see in our customers not only

partners in the meaning of a legal contract, but always also people with their individual wishes and ideas. If customers share their wishes and ideas with us, develop them further, and we can then present the perfect product to them at the end of the process – then we have reached our objective.

HELMA – That's us!


Individual detached house

WE ENJOY BUILDING FOR YOUR LIFE

Planning and construction of individual solid construction detached houses ("brick-on-brick") for private homeowners.

HELMA Eigenheimbau AG


Owner-occupied apartments in Munich-Tudering • Visualisation

WE OFFER HOME OWNERSHIP ON A ONE-STOP-SHOP BASIS

Project management and development of infrastructurally attractive land as all-in packages for private owner-occupier buyers and institutional residential real estate investors.

HELMA Wohnungsbau

White beach villas • OstseeResort Olpenitz

HELMA Ferienimmobilien

WE COMBINE QUALITY OF LIFE AND RETURN ON INVESTMENT

Development, construction and sale of holiday properties in popular vacation regions.

Hausbau FINANZ

WE LOOK FOR THE IDEAL FINANCING ARRANGEMENT

Independent search and brokering of financing solutions and insurance services for private homebuilding.

House Brüssel • Visualisation

House Madrid • Visualisation

House Alicante • Visualisation

GREAT VISIONS, SMALL DETAILS

HELMA Eigenheimbau AG - Our solid construction houses offer a reflection of our customers. Long journeys begin with first steps and a clear vision of the destination in mind. This is as true of planning the ideal house as it is of personal life planning. Wishes and requirements vary over time, and it takes time to gain clarity. The path that we take together always leads the way to a home. Always new. Always different. But always for people you love.

HELMA – We love to build for your life!

House Bozen • Visualisation

House Leipzig • Visualisation

House Florenz • Visualisation

House Colmar • Visualisation

OBSERVING AND GOING FURTHER

HELMA Eigenheimbau AG – Over the course of our almost four-decade history, we have acquired a great deal of knowledge and experience, been able to observe quite different types of people, and experience some very personal ideas. Together with our constant striving for innovation and sustainability, it is from this basis that we develop the ideal house – but not just one house, instead one house for each and every individual.

HELMA – Every day we take a step further!

HELMA
Eigenheimbau AG

House Bozen 3 • Visualisation

Semi-detached houses in Olching (Munich region) • Visualisation

IDENTIFYING AND UTILISING OPPORTUNITIES

HELMA Wohnungsbau GmbH – Where individuals have no possibilities open to them, we make the most of possibilities to make a lot of people happy. We buy and develop spaces in sought-after conurbation areas and densely populated inner city locations. We build suitable residential properties on them, or divide them up and develop them for quite different requirements: whether owner-occupied apartments and terraced housing or detached family homes.

HELMA – We make people happy!

HELMA Wohnungsbau

Terraced houses in Hamburg-Langenhorn • Visualisation

Owner-occupied apartments in Munich-Aubing • Visualisation

Detached houses in Berlin-Karlshorst

Owner-occupied apartments in Munich-Trudering • Visualisation

Owner-occupied apartments in Kirchseeon (Munich region)

Terraced houses in Berlin-Spandau • Visualisation

THE EYE OF THE BEHOLDER

HELMA Wohnungsbau GmbH – Does beauty always lie in the eye of the beholder? No, not always. Beauty also derives from the environment and how a subject is perceived. The overall impression must be harmonious. Together with our partners, we develop building concepts that take more into account than just the land that was bought. Together, we can better identify a location's sense of life and history. Together, we are building for the future.

HELMA – We take a very close look!

HELMA Wohnungsbau

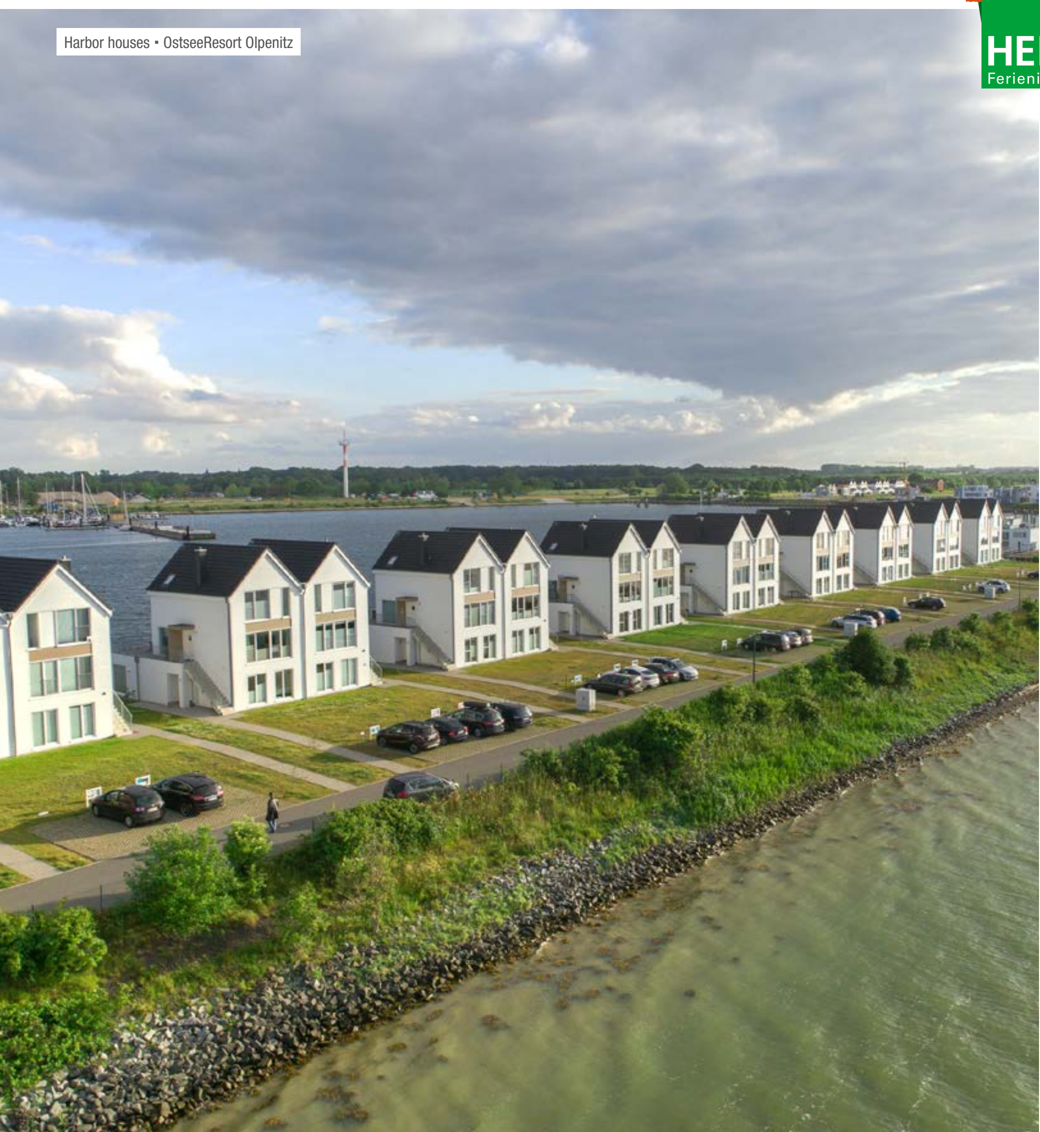
Multi-family houses in Langenhagen (Hanover region)

ROOM FOR LONGING

HELMA Ferienimmobilien GmbH – Behind the wish for the annual vacation, long dreamt-of holidays, and well-earned time out, there is always the great longing for freedom, an unfettered lifestyle, and a breakout from monotonous daily routine.

This longing is also our motivation. We plan investment properties for individuals' own use or as capital assets, and build captivating holiday properties that are the stuff of dreams. We create real places where longings can be made manifest, where imagination is given free rein, and where everything seems possible.

HELMA – We create quality of life!



Harbor houses • OstseeResort Olpenitz

White beach villas • OstseeResort Olpenitz


Apartment house II • OstseeResort Olpenitz • Visualisation


NordseeResort Büsum • Visualisation


Harbour village Zerpenschleuse


Captains Lounge • OstseeResort Olpenitz


Captains' houses • OstseeResort Olpenitz

Floating houses • OstseeResort Olpenitz

STILL WATERS

HELMA Ferienimmobilien GmbH – The world around us is becoming ever busier and more hectic. And must we all contribute further to this situation? Why travel halfway around the world when we are still unfamiliar with the beauty to be found right on our doorstep, or no longer capable of seeing? We have already located some of the most beautiful places. And we are making them even better.

Our waterside holiday properties in Germany are situated within easy travelling reach, and offer great comfort, escape from stress, and plenty of relaxation.

HELMA – We create opportunities!

Schlei villas • OstseeResort Olpenitz

Albatros villas • OstseeResort Olpenitz

WE BRING TOGETHER WHAT BELONGS TOGETHER

Hausbau Finanz GmbH – Large or small, established or new, online or offline – it can take homebuilders a lot of time to compare banks and lending terms.

But there's a simple way to do it, too: we know what's needed for a personal lending offer, and compile the relevant data together with our customers. We send personal information bundled together with information about the planned project (house, apartment, holiday property) and individual wishes to a large number of renowned lenders, and then select the best terms. Without obligation, independent and sound.

Hausbau Finanz – Where everything fits together!

House Bristol • Visualisation

Our vision:

WE LOVE TO BUILD FOR YOUR LIFE!

Over a thousand customers every year
report enthusiastically:

*"It's more than just an advertising slogan at HELMA.
They actually do!"*

HELMA Group

Annual Report 2018

Letter to the shareholders

Dear shareholders,

ladies and gentlemen,

After an eventful year marked by multifaceted challenges, we are pleased to present our 2018 Annual Report to you. Despite an approx. 5 % decline in Group revenue, we succeeded in significantly increasing Group EBT by around 11 % to a new record level of EUR 21.2 million. All HELMA Group companies made valuable contributions to this result.

Our special thanks are due to all HELMA Group staff and specialist advisers. Only their great commitment and personal input have made it possible for HELMA to achieve a new record result. We would also like to extend our warm thanks once again to the members of the Supervisory Board for the way in which we were able to work together constructively and on a basis of trust.

The well-filled project pipeline, which includes numerous attractive land plots of various sizes for development with individually planned detached houses as well as pre-planned semi-detached and terraced houses, apartments in multi-family houses and holiday homes, gives us reason to look to the future with confidence. For this reason, we are firmly convinced that we will continue on our growth path and achieve new records in the coming years.

In addition to achieving our targeted increase in earnings, our activities continue to focus on our customers. **"We love to build for your life"** is much more for us than just an advertising slogan. Whenever we sign a contract, we give a quality commitment on which our customers have already been relying for approaching four decades.

We would like to thank you – esteemed shareholders, customers and business partners of the HELMA Group – for such confidence and trust you have placed in us. It would give us great pleasure if you would continue to accompany us on our path in the future.

Yours sincerely

Signed Gerrit Janssen
Management Board Chairman

Signed Max Bode
Management Board member

Signed André Müller
Management Board member


Harbour village Zerpenschleuse


Owner-occupied apartments in Munich-Trudering • Visualisation

The Management Board

Dipl.-Kfm. Gerrit Janssen, CFA

Mr. Janssen (1979) studied business administration at the University of Hamburg and Louisiana State University (LSUS), USA, successfully concluding his studies in 2005 with a master's degree in business administration. After graduating, Mr. Janssen was active until June 2009 for a Hamburg-based management consultancy specialising in capital market advisory. During this period, Mr. Janssen acted in an advisory capacity for HELMA Eigenheimbau AG for about three years. Mr. Janssen has been a member of the Management Board of HELMA Eigenheimbau AG since July 1, 2009, and assumed the role of the Chairman of the company's Management Board (CEO) on July 6, 2018. In particular, Mr. Janssen is responsible for the areas of personnel, corporate organisation, controlling, accounting, corporate finance, and investor relations as well as the subsidiaries HELMA Ferienimmobilien GmbH and Hausbau Finanz GmbH.

Mr. Janssen's current period of office as a Management Board member with sole power of representation of HELMA Eigenheimbau AG runs until June 30, 2022.

Furthermore, Mr. Janssen is Managing Director of the subsidiaries HELMA Wohnungsbau GmbH, HELMA Ferienimmobilien GmbH, and Hausbau Finanz GmbH, has in each case the authorisation to represent the companies alone, and is exempt from the restrictions of Section 181 of the German Civil Code (BGB).

Mr. Janssen is a Chartered Financial Analyst (CFA) Charterholder, and an active member of the CFA Institute, Charlottesville, USA. Mr. Janssen is also involved as a member on the Committee for Credit and Finance Questions of the Hanover Chamber of Industry and Commerce, as well as on the Money and Credit Committee of the German Chamber of Industry and Commerce.

Dipl.-Kfm. Max Bode

Mr. Bode (1982) studied business administration at the University of Frankfurt am Main, successfully concluding his studies in 2010 with a master's degree. After graduating, Mr. Bode initially acted as Management Board Chairman assistant for the former CEO Karl-Heinz Maerzke at HELMA Eigenheimbau AG. Mr. Bode has been a member of the Management Board of HELMA Eigenheimbau AG since July 1, 2015, and is responsible especially for the areas of land purchasing, sales, customer service, marketing, the administrative office, as well as law and contract management.

Mr. Bode's current period of office as Management Board member of HELMA Eigenheimbau AG runs until June 30, 2020.

Mr. Bode is also Managing Director of the subsidiary HELMA Wohnungsbau GmbH and holds company officer powers for the subsidiaries HELMA Ferienimmobilien GmbH and Hausbau Finanz GmbH.

Dipl.-Ing. André Müller

After graduating in construction engineering from the University of Kaiserslautern, Mr. Müller (1974) worked for Deutsche Reihenhaus AG from 2001 until June 2018, where he held Management Board responsibility for the production area from January 2011. Mr. Müller has been a member of the Management Board of HELMA Eigenheimbau AG since July 1, 2018, and is responsible especially for the areas of project development and technology.

Mr. Müller's current period of office as Management Board member of HELMA Eigenheimbau AG runs until June 30, 2023.

Mr. Müller is also Managing Director of the subsidiary HELMA Wohnungsbau GmbH and holds company officer powers for the subsidiaries HELMA Ferienimmobilien GmbH and Hausbau Finanz GmbH.

Supervisory Board Report

Karl-Heinz Maerzke
Chairman of the Supervisory Board

DEAR SHAREHOLDERS,

in the 2018 reporting year, the Supervisory Board performed the tasks incumbent upon it according to statutory requirements, the company's articles of incorporation, and procedural rules. The Supervisory Board consulted regularly with the company's Management Board, and supervised its activity.

The Supervisory Board was directly included in all decisions of fundamental significance for the company.

The Management Board informed the Supervisory Board regularly, comprehensively, in both written and verbal reports, about corporate planning, particularly financial, liquidity, investment and personnel planning, business progress, strategic further development, as well as the Group's current position, including the risk position and risk management.

The Supervisory Board convened for a total of five meetings in the 2018 reporting year, which were attended by the Supervisory Board members as follows:

	03/28/2018	05/14/2018	07/06/2018	09/06/2018	12/03/2018
Karl-Heinz Maerzke*	-	-	x	x	x
Sven Aßmann	x	x	x	x	x
Dr. Peter Plathe	x	x	x	x	x
Paul Heinrich Morzynski	x	x	x	x	x

* Mr. Maerzke has been a member of the Supervisory Board of the HELMA Eigenheimbau AG since July 6, 2018.

The Supervisory Board passed the resolutions required by law, the company's articles of incorporation, or procedural rules. Following thorough review and consultation, decisions were made on the basis of the reporting and the Management Board's proposals for resolutions.

The Supervisory Board was also rapidly informed outside the scope of meetings about projects and transactions of particular significance or urgency, and passed corresponding resolutions, especially those relating to individual projects of HELMA Wohnungsbau GmbH.

Above and beyond this, the Supervisory Board Chairman was in regular contact with the Management Board, thereby enabling events of extraordinary significance for the position and progress of the company and the Group to be discussed immediately.

Given the Supervisory Board's size in the 2018 financial year, the Board refrained from forming committees.

DETAILS OF INDIVIDUAL SUPERVISORY BOARD MEETINGS:

At the Supervisory Board meeting on March 28, 2018, the separate annual financial statements of HELMA Eigenheimbau AG and the consolidated financial statements for 2017, as well as the aggregated management report for HELMA Eigenheimbau AG and the Group, which had been prepared by the Management Board, were discussed in depth together with the Management Board and the auditor. The same applies to the report on related companies pursuant to Section 312 of the German Stock Corporation Act (AktG) that was prepared by the Management Board and audited by the auditor. The Supervisory Board's examinations resulted in no reservations. The annual financial statements of HELMA Eigenheimbau AG and the consolidated financial statements for the 2017 financial year, each of which had been issued with an unqualified audit opinion, were approved, and the annual financial statements of HELMA Eigenheimbau AG were adopted. In the further course of the meeting, the Management Board explained in detail the Group forecast report for the 2018 and 2019 financial years and reported on the new order intake and revenue trends during the first quarter of 2018. The Supervisory Board also received extensive information about another planned promissory note issue.

At the Supervisory Board meeting on May 14, 2018, the Management Board reported on the financial, liquidity and order book positions as well as the new order intake and revenue trends of the Group companies. In addition, the Management Board informed the Supervisory Board on the current status of the promissory note issue. During the further course of the meeting, the Supervisory and Management boards jointly discussed and approved the agenda for the forthcoming AGM.

At the Supervisory Board meeting on July 6, 2018, which was held after the conclusion of the Ordinary AGM, Mr. Maerzke was elected as Supervisory Board Chairman, and Mr. Aßmann as Deputy Supervisory Board Chairman. Furthermore, the Supervisory Board passed a unanimous resolution to extend the contract of Mr. Janssen, the company's Management Board Chairman (CEO), by a further three years until June 30, 2022.

At the Supervisory Board meeting on September 6, 2018, the Management Board explained the half-year report to the Supervisory Board and provided comprehensive information about the Group companies' current new order intake and revenue trends. In addition, the Management Board informed the Supervisory Board about the development of current projects at HELMA Wohnungsbau GmbH and HELMA Ferienimmobilien GmbH. In addition, the Supervisory Board approved a planned purchase of a plot of land by HELMA Wohnungsbau GmbH in Munich.

At the Supervisory Board meeting on December 3, 2018, the Supervisory Board received a detailed report from the Management Board on the Group companies' order book positions and on the new order intake and revenue trends expected for the fourth quarter of 2018. The HELMA Group's financial and liquidity positions were also presented. In the further course of the meeting, the Management Board also informed the Supervisory Board about the development of the large-scale project of HELMA Ferienimmobilien GmbH in Olpenitz and the projects of HELMA Wohnungsbau GmbH. Investment and personnel planning for the 2019 financial year formed a further focus of the meeting, which the Management Board presented to the Supervisory Board in detail.

AWARD OF THE AUDIT MANDATE TO EBNER STOLZ GMBH & CO. KG WIRTSCHAFTS-PRÜFUNGSGESELLSCHAFT STEUERBERATUNGSGESELLSCHAFT, HANOVER:

At the Ordinary Shareholders' General Meeting on July 6, 2018, shareholders elected Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hanover, as the auditor of the separate and consolidated financial statements for the 2018 financial year. The Supervisory Board subsequently awarded the audit mandate and, in doing so, agreed clear rules relating to the specifics of the mandate, and the cooperation between the Supervisory Board and the auditor. The auditor informed the Supervisory Board that no circumstances existed that would give rise to concern about its impartiality. It also provided information about the services it had rendered in addition to the auditing of the financial statements.

SUPERVISORY BOARD ACCOUNTS MEETING ON MARCH 29, 2019:

The separate annual financial statements of HELMA Eigenheimbau AG prepared by the Management Board according to the regulations of the German Commercial Code (HGB) and the consolidated financial statements prepared according to International Financial Reporting Standards (IFRS) for the 2018 financial year, as well as the aggregated management report for HELMA Eigenheimbau AG and the Group, were audited in the light of the financial bookkeeping by Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hanover. The auditor awarded unqualified audit opinions. The documents relating to the separate and consolidated financial statements, and the audit reports, were discussed in detail together with the Management Board and the auditor at the Supervisory Board accounts meeting on March 29, 2019. The auditor reported on the findings of the audits, and was available to provide further information to the Supervisory Board. The requisite documents were made available in good time before the Supervisory Board accounts meeting, which allowed sufficient time for them to be inspected. The Supervisory Board concurred with the results of the audit by the external auditor on the basis of its own review of the separate annual financial statements, the consolidated financial statements, and the aggregated management report for HELMA Eigenheimbau AG and the Group. The Supervisory Board approved the separate and consolidated financial statements without reservations; the separate financial statements have been adopted as a consequence.

The auditor awarded the following unqualified audit opinion on the related parties report pursuant to Section 312 of the German Stock Corporation Act (AktG), which was prepared by the Management Board, and audited by the auditor:

"In accordance with the audit duties incumbent on us, and in our assessment, we confirm that

1. the actual disclosures of the reports are correct,

2. in the case of the legal transactions listed in the report, the considerations rendered by the company were not inappropriately high,

3. in the case of the measures listed in the report, no circumstances suggest an assessment significantly different from that of the Management Board."

The Supervisory Board also examined the related parties report itself, and discussed it with the Management Board and the auditor at the accounts meeting. Having conclusively ended its review, it has no objections to the final declaration of the Management Board, and concurs with the result of the external audit.

On the basis of dividend-entitled share capital of € 4,000,000.00, divided into 4,000,000 ordinary shares, the Supervisory Board, following its own review, concurred with the Management Board's proposal relating to the application of unappropriated retained earnings. For this reason, together with the Management Board, the Supervisory Board proposes to the Shareholders' General Meeting that it distribute from the unappropriated retained earnings according to the accounting standards of the German Commercial Code (HGB) of € 10,656,131.02 an amount of € 5,200,000.00 as a dividend – corresponding to a dividend of € 1.30 per dividend-entitled ordinary share – and to carry forward the remaining amount of € 5,456,131.02 to the other revenue reserves.

PERSONNEL CHANGES IN THE MANAGEMENT BOARD AND SUPERVISORY BOARD:

After the Supervisory Board reached agreement with Karl-Heinz Maerzke on April 12, 2018 concerning the early termination of his appointment as a member of the Management Board of HELMA Eigenheimbau AG, Mr. Maerzke moved from the Management Board to the Supervisory Board of the company as agreed with effect from the end of the Annual General Meeting on July 6, 2018. At its subsequent meeting, the Supervisory Board elected Karl-Heinz Maerzke to be its Chairman and Sven Aßmann to be its Deputy Chairman.

Also with effect as of July 6, 2018, Gerrit Janssen, who had been CFO of HELMA Eigenheimbau AG since July 1, 2009, assumed the position of Management Board Chairman (CEO) of the company. In addition, at its meeting on July 6, 2018, the Supervisory Board passed a resolution to implement an early appointment of Mr. Janssen to the Management Board for a further three years, in other words, until June 30, 2022.

Moreover, André Müller joined the company's Management Board on July 1, 2018 after the Supervisory Board had already decided on his appointment as a member of the Management Board of HELMA Eigenheimbau AG on June 28, 2017. He has since been responsible for the project development and technology areas, which Mr. Maerzke previously headed.

The Supervisory Board would like to thank the Management Board members and all Group company staff for their outstanding work. Once again, they have contributed to a successful year for the HELMA Group.

Lehrte, March 29, 2019

On behalf of the Supervisory Board

Signed Karl-Heinz Maerzke
Chairman

The Supervisory Board

Karl-Heinz Maerzke

After training as a banker, Mr. Maerzke (1952) was first employed at Deutsche Bank AG, Brunswick, between 1971 and 1973, before moving to building society Bausparkasse Wüstenrot, Ludwigsburg, between 1973 and 1975. In 1975, he switched to housebuilder Neldel GmbH & Co. KG, Hanover, where he performed a sales role, before becoming Hanover branch manager for Bauteam Massivhaus GmbH, Langenhagen, between 1976 and 1980.

Karl-Heinz Maerzke founded HELMA Eigenheimbau GmbH in 1980, and at first became the company's Managing Director. By the time the company converted to public stock corporation HELMA Eigenheimbau AG in March 2005, Mr. Maerzke took over the chairmanship of the company's Management Board. In July 2018, Mr. Maerzke switched from the Management Board to the Supervisory Board of HELMA Eigenheimbau AG, since when he has been its Supervisory Board Chairman. The current period of office ends with the conclusion of the Shareholders' General Meeting that passes a resolution concerning the discharge of Supervisory Board members for the 2018 financial year.

Mr. Maerzke is also a Management Board member of the German Federal Association of Independent Real Estate and Housing Enterprises, and also a Management Board member of the BFW State Association of Independent Real Estate and Housing Enterprises of Lower Saxony/Bremen.

Sven Aßmann

After completing law studies at the University of Hamburg in 1994, Mr. Aßmann (1961) initially practiced as both a generalist lawyer and as a specialist labour law lawyer before being appointed partner at Zimmermann, Scholz & Partners legal practice in Hamburg in 1997, where he worked until resigning in 2015. Since 2006, Sven Aßmann has also been managing shareholder at Avatar Merchandising GmbH, a Hamburg-based company.

Mr. Aßmann was appointed Deputy Supervisory Board Chairman of HELMA Eigenheimbau AG in 2014 and also took over the chairmanship of the Board from November 2017 until July 2018. His current period of office ends with the conclusion of the Shareholders' General Meeting that passes a resolution concerning the discharge of Supervisory Board members for the 2018 financial year.

Paul Heinrich Morzynski

Mr. Morzynski (1950) has been a tax advisor for more than 40 years, has acted independently since 1994 as an auditor in a firm he founded together with other partners, and since 2007 has also been a shareholder of PRE-TAX Steuerberatungsgesellschaft, Hanover. Since 1979, Mr. Morzynski has also been a significant shareholder in Waldersee Treuhand- und Vermögensverwaltungsgesellschaft mbH & Co. KG, which functions today as a family holding company. Among other properties, this holding company's assets include the Grandhotel Heiligendamm and the majority interest in the trading firm ARKO GmbH, Wahlstedt. Between 2001 and 2004, Mr. Morzynski held the post of Supervisory Board Chairman of CinemaxX AG, and was active as Supervisory Board Chairman of mediacall AG between 2003 and 2006. Mr. Morzynski also has been Supervisory Board Chairman of Halloren Schokoladenfabrik AG in Halle between 2006 and 2017.

Mr. Morzynski has been a member of the Supervisory Board of HELMA Eigenheimbau AG since 2016. His current period of office ends with the conclusion of the Shareholders' General Meeting that passes a resolution concerning the discharge of Supervisory Board members for the 2018 financial year.

Dr. Peter Plathe

Dr. Plathe (1942) studied law in Kiel, Marburg and Hamburg. Following his doctorate in commercial law and second state exam, Dr. Plathe commenced judicial service in the labour arbitration court of the State of Schleswig-Holstein in 1972. He moved to the labour arbitration court of the State of Lower Saxony in 1980. From 1981 until retirement in 2007, Dr. Plathe was presiding judge at the labour arbitration court of Lower Saxony. Dr. Plathe also acted as trustee for the coverage assets of various insurance companies between 2005 and 2012. Today, Dr. Plathe chairs various redress and arbitration committees, and courts related to collective wage bargaining.

Dr. Plathe has been a member of the Supervisory Board of HELMA Eigenheimbau AG since 2009. His current period of office ends with the conclusion of the Shareholders' General Meeting that passes a resolution concerning the discharge of Supervisory Board members for the 2018 financial year.

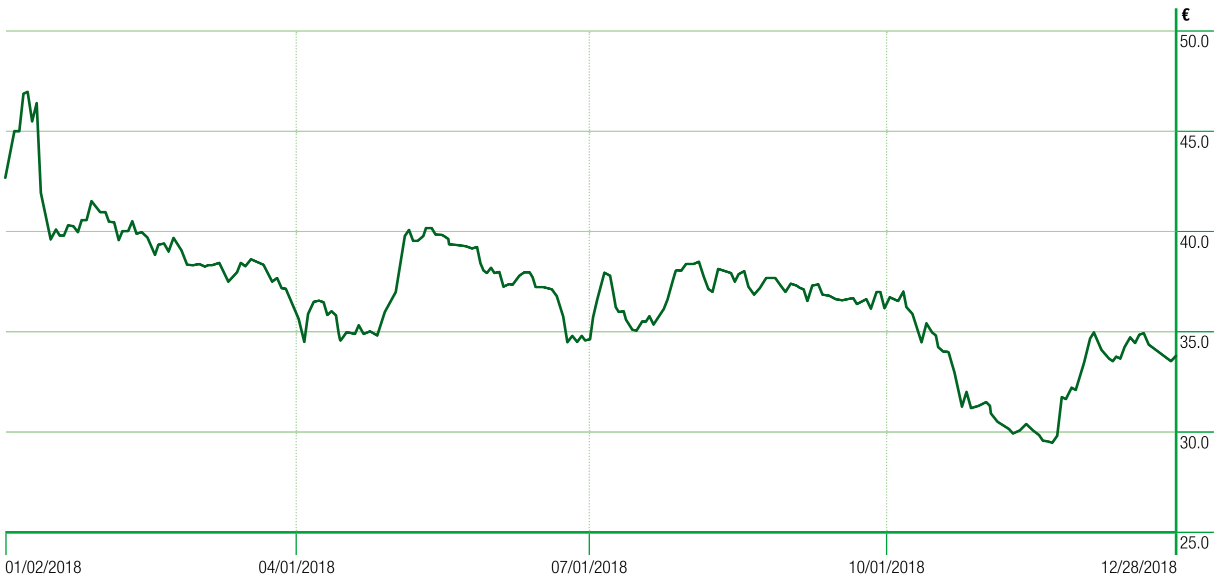
HELMA share

Performance of the HELMA share in 2018

A dynamic mood characterised the German equity market at the start of the 2018 stock market year, with the DAX reaching a new all-time high of 13,596 points at the end of January. Shortly thereafter, however, concerns about higher interest rates and international trade disputes between the USA and China led to weaker markets. Accordingly, the DAX temporarily dropped below the 12,000 point mark by the end of the first quarter of 2018. Unimpressed by continuing uncertainty in European stock markets, in the short term the DAX climbed back to over 13,000 points in the second quarter, before the impending Brexit, downturns in economies worldwide, and faltering world trade weighed on the German stock market in the second half of the year. After a third quarter characterised primarily by sideways movements, falling prices prevailed at the end of the year and the DAX closed 2018 with a depreciation of around 18 % at 10,558 points.

The HELMA share started the 2018 stock market year at a price of € 43.45, and climbed to a price above € 47.00 within the first trading days. After we confirmed our earnings estimate for the financial year elapsed to the capital market on January 12, 2018, and at the same time announced the conversion of our guidance for the 2018 and 2019 financial years, the HELMA share however incurred significant price declines in high trading volumes in the subsequent days and fell back to a level of below € 40.00. The price of the HELMA share appreciated slightly again by the middle of the second quarter 2018. Despite positive news from the company about further land plot purchases at HELMA Ferienimmobilien GmbH and the corporate succession at HELMA Eigenheimbau AG, this positive trend proved unsustainable and the HELMA share reported further price reductions, led by the general market trend. After the HELMA share was able to recover some ground at the beginning of the third quarter, sideways movements characterised the share price trend before the economic and political uncertainties that were increasingly emerging in the market prompted further declines in the HELMA share price. The HELMA share price rose again at the end of the year towards a level of € 35.00. The closing price of the HELMA share in XETRA trading on December 28, 2018, stood at € 33.85. This corresponds to a market capitalisation of around € 135.4 million.

Performance of the HELMA share in 2018



Analyst coverage

The HELMA Group and the share of HELMA Eigenheimbau AG are covered by the analysts Cosmin Filker (GBC Research) and Andreas Pläsier (Warburg Research).

Research Company	Date	Stock price target	Recommendation
GBC AG Partner für den Mittelstand	03/21/2019	€ 60.00	Buy
Warburg Research	03/18/2019	€ 51.00	Buy

GBC and Warburg recommend the HELMA share as a Buy with share price targets of € 60.00 and € 51.00 respectively. Analysts' recommendations can always be viewed on the investor relations website, within the Share area.

Dividend

In its single-entity financial statements prepared according to the accounting standards of the German Commercial Code (HGB), HELMA Eigenheimbau AG reports unappropriated retained earnings of € 10,656,131.02 for the 2018 financial year on net income of € 10,656,131.02. The Management and Supervisory boards will propose to the Shareholders' General Meeting to be held on July 5, 2019, that it approves the distribution of a dividend of € 1.30 (previous year: € 1.40) per dividend-entitled ordinary share, consequently € 5,200,000.00, and that the remaining amount of € 5,456,131.02 be transferred to the other revenue reserves. The total amount of dividends and the amount to be transferred to the other revenue reserves in the aforementioned resolution proposal for the application of unappropriated retained earnings is based on dividend-entitled share capital of € 4,000,000.00, divided into 4,000,000 ordinary shares.

Our dividend policy is oriented to a high degree of continuity. Based on our earnings trend over the past years, as well as on the continuation of a sound liquidity position, this policy also envisages a future payout ratio from 25 % up to 50 % of the net profits generated by the parent company according to the accounting standards of the German Commercial Code (HGB). Accordingly, we wish for our shareholders to participate noticeably in the company's success, but also to invest at least half of our profits in the company's continued growth, thereby strengthening its equity.

Investor relations activities

Last year, we took part in investor conferences in Frankfurt and Munich, and we also conducted roadshows in Dusseldorf, Frankfurt, and London. In this context, we presented our company and strategy to a large number of analysts and investors.

We will continue with our intensive investor relations work in 2019. The company plans to participate at investor conferences in May in Munich, in August in Hamburg, and in November in Frankfurt. In addition, we will also hold various roadshows in 2019, with a focus not only on the German-speaking countries, but also especially on Great Britain and Scandinavia.

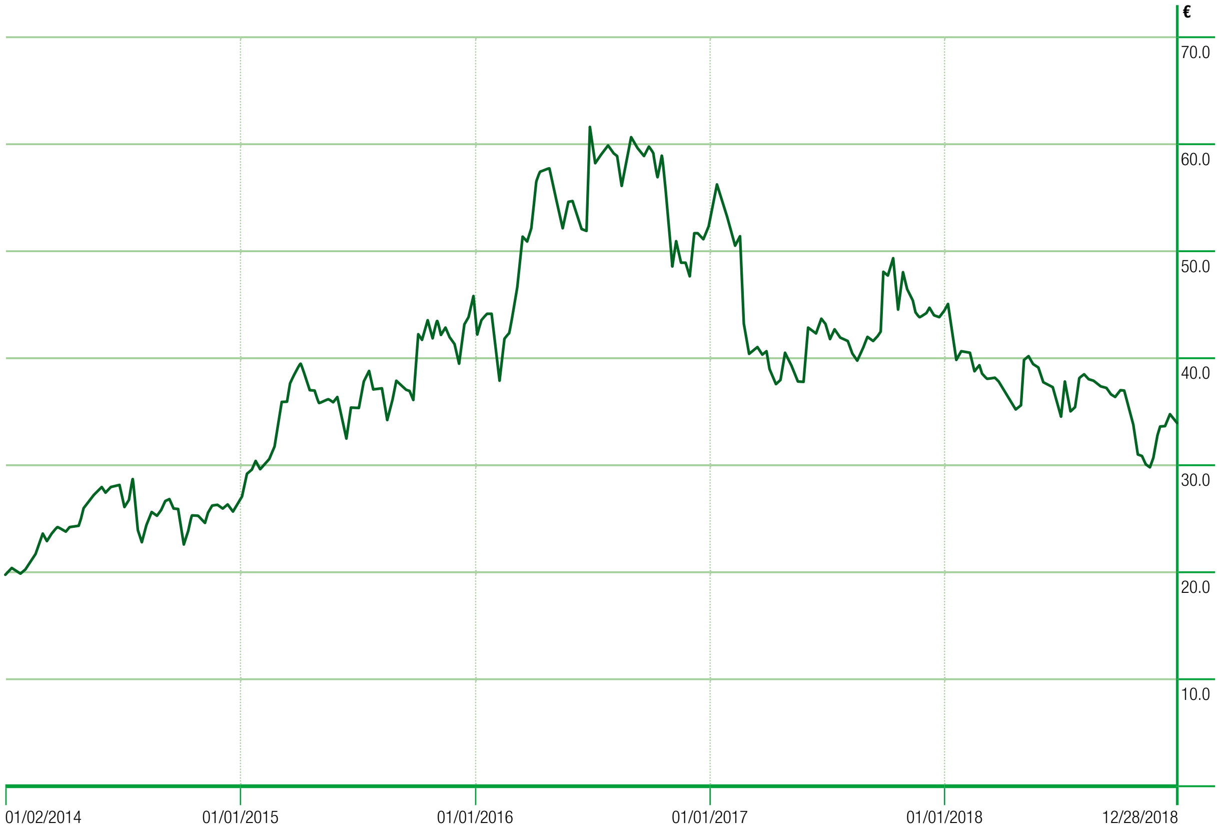
Key data

Class	Nil-par ordinary bearer shares
ISIN	DE000A0EQ578
Ticker symbol	H5E
Share capital	€4,000,000
Initial listing	September 19, 2006
Market segment	Scale
Designated Sponsor	M.M. Warburg & CO KGaA

	2018	2017	2016	2015	2014	2013	2012
Number of shares at year-end	4,000,000 shares	4,000,000 shares	4,000,000 shares	4,000,000 shares	3,410,000 shares	3,100,000 shares	2,860,000 shares
Market capitalisation at year-end	€ 135.4 million	€ 176.4 million	€ 207.9 million	€ 183.0 million	€ 90.0 million	€ 54.2 million	€ 28.9 million
Year-end share price	€ 33.85	€ 44.10	€ 51.97	€ 45.76	€ 26.39	€ 17.49	€ 10.11
Earnings per share	€ 3.62	€ 3.25	€ 3.37	€ 2.69	€ 2.43	€ 1.85	€ 1.33
Dividend per share	€ 1.30*	€ 1.40	€ 1.10	€ 0.79	€ 0.63	€ 0.53	€ 0.35

* Proposal

Five-year overview of the share price performance



Listing of the HELMA share in the Scale SME listing segment

HELMA Eigenheimbau AG has been listed in the Scale SME listing segment of the Deutsche Börse since it was launched in March 2017. The HELMA share is traded on the stock exchanges of Berlin, Dusseldorf, Frankfurt, Hamburg, and Stuttgart, as well as on the XETRA electronic trading system.

Listing in the NISAX20

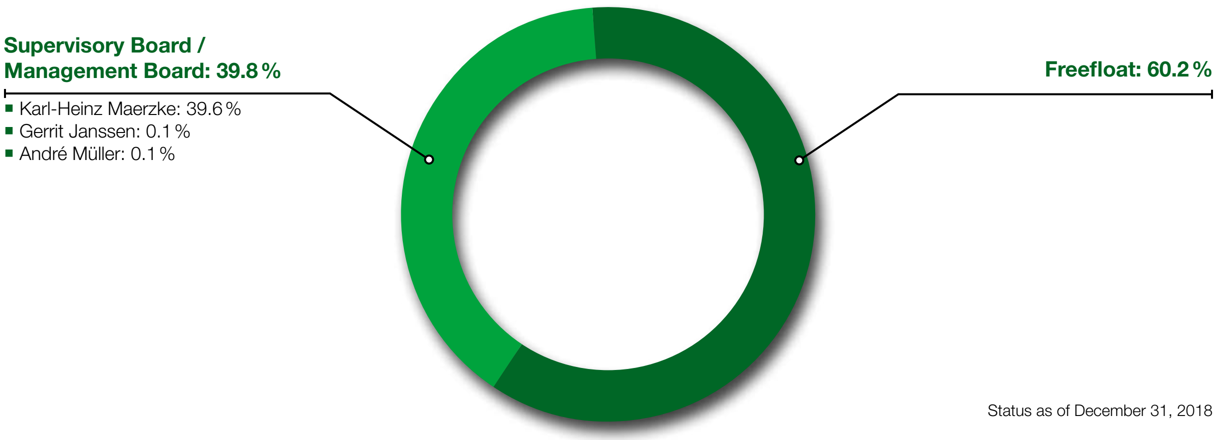
NORD/LB launched the NISAX20 Lower Saxony equity index in 2002. This regional index reflects the share price performance of the twenty largest listed companies in Lower Saxony, Germany. Along with internationally significant corporations such as Volkswagen, Continental, Salzgitter, Hannover Re and TUI, this index also includes a number of small and medium-sized companies. Its composition is determined by the market capitalisation of the free floats of the respective companies. HELMA Eigenheimbau AG was included in the Lower Saxony equity index as of September 21, 2015, where it has remained up to the current date.

Listing in the Scale 30 Index

After establishing its Scale market segment for small and medium-sized enterprises (SMEs) in March 2017, Deutsche Börse set up its selective Scale 30 Index in February 2018. This index measures the price performance of the thirty most liquid shares listed in the Scale SME market segment. Inclusion in the index is based on order book turnover on both the XETRA Exchange and the Frankfurt Stock Exchange. Weighting of stocks in the Scale 30 Index is by market capitalisation and is adjusted quarterly. HELMA Eigenheimbau AG has been listed in the Scale 30 Index since its launch.

Shareholder structure

Company founder and Chairman of the Supervisory Board of HELMA Eigenheimbau AG Karl-Heinz Maerzke holds an approximately 39.6 % interest in the company as of December 31, 2018, thereby the largest shareholder in HELMA. The Management Board members Gerrit Janssen and André Müller also hold approximately 0.1% of the company's shares each. The free float stands at around 60.2 %.



Status as of December 31, 2018

House Cuxhaven • Visualisation

House Hamburg • Visualisation

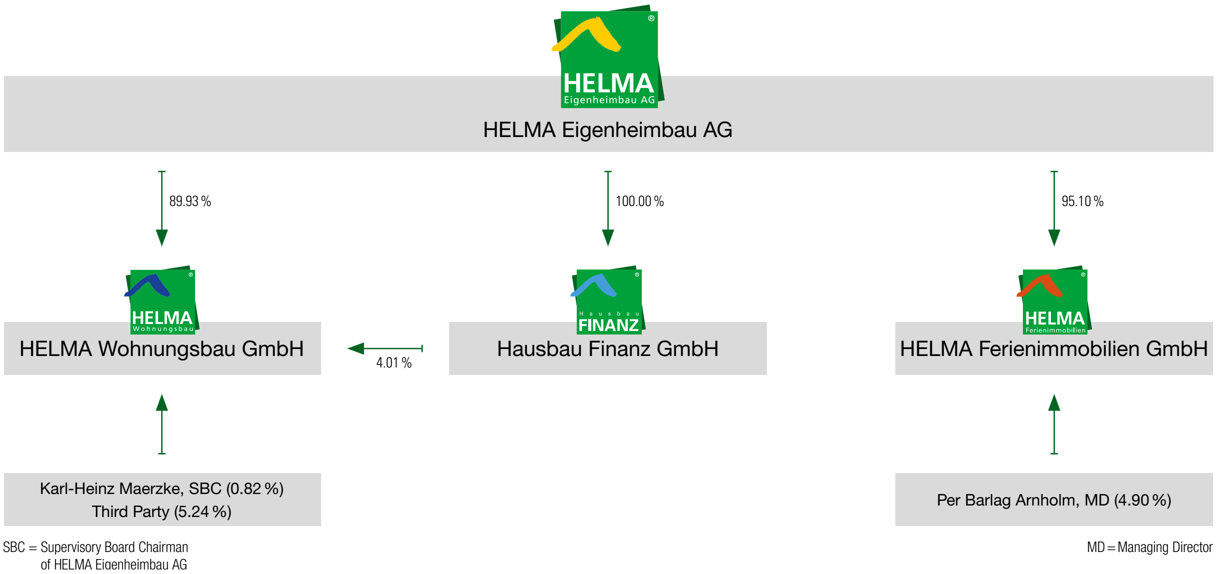
Aggregated management report for HELMA Eigenheimbau AG and the Group

Contents

Organisational structure

HELMA Eigenheimbau AG is the parent company of the HELMA Group, and is also operationally active as a customer-oriented building services provider. The company also provides services connected with the management, planning, and execution of construction projects on the basis of a non-gratuitous contract for services or work for its subsidiaries **HELMA Wohnungsbau GmbH** and **HELMA Ferienimmobilien GmbH**, which operate in the business of developing residential and holiday properties. As a financial advisory company and home insurance broker, the subsidiary **Hausbau Finanz GmbH** rounds out the HELMA Group's product range.

Organisational chart of the HELMA Group



Fiscal units for corporation tax and VAT purposes

The following corporate agreements were concluded in order to optimise tax within the HELMA Group:

- Profit-and-loss transfer agreement between HELMA Eigenheimbau AG and HELMA Wohnungsbau GmbH; entered in the commercial register of HELMA Wohnungsbau GmbH on July 12, 2013. As a consequence, HELMA Wohnungsbau GmbH operates a fiscal unit for corporation tax and VAT purposes with HELMA Eigenheimbau AG.

- Control-and-profit-and-loss transfer agreement between HELMA Eigenheimbau AG and HELMA Ferienimmobilien GmbH; entered in the commercial register of HELMA Ferienimmobilien GmbH on July 22, 2014. As a consequence, HELMA Ferienimmobilien GmbH operates a fiscal unit for corporation tax and VAT purposes with HELMA Eigenheimbau AG.

- Control-and-profit-and-loss transfer agreement between HELMA Eigenheimbau AG and Hausbau Finanz GmbH; entered in the commercial register of Hausbau Finanz GmbH on July 12, 2013. As a consequence, Hausbau Finanz GmbH operates a fiscal unit for corporation tax and VAT purposes with HELMA Eigenheimbau AG.

Business activity and strategy

Business areas

Residential building services (individually planned) – since 1980

HELMA Eigenheimbau AG is a customer-oriented provider of a full range of construction services. The company focuses on the development, planning, sale, and construction management of turnkey or partially completed detached houses applying the traditional solid construction method ("brick-on-brick"), which are built in large parts of Germany on customers' properties. Particularly the option of individual planning or individualisation without extra costs, as well as the company's outstanding know-how in the area of energy-efficient construction methods, are perceived on the market as HELMA Eigenheimbau AG's unique selling propositions. With its persuasive sustainable energy concepts, the company has established itself as one of the leading providers of innovative energy-saving homes, and is one of the most experienced companies in the solid construction house sector, having constructed several thousand owner-occupier homes.

Residential property development business (individually planned) – since 1984

Through **HELMA Wohnungsbau GmbH**, which acts as a broadly diversified project developer and property developer, customers can also acquire individually planned detached houses together with suitable land plots in the major cities of Berlin, Hamburg, Hanover, Leipzig and Potsdam, as well as in their suburban areas. Due to realising many projects successfully, we boast an extensive track record in the aforementioned regions. Moreover, in the future, this business area is to serve the Frankfurt metropolitan region as well as the Cologne/Dusseldorf/Bonn and Würzburg regions. Project sizes vary from just a few units through to spaces of up to 250 building plots.

Residential property development business (preplanned) – since 1984

In addition to indivudally planned detached houses, **HELMA Wohnungsbau GmbH** realises preplanned semi-detached houses, terraced houses and owner-occupier apartments in multi-family houses in selected locations in the Berlin/Potsdam, Hamburg/Hanover, Leipzig, and Munich regions. The projects, which are built to high quality applying the solid construction method, range from just a few units to a hundred apartments.

Holiday property development business (preplanned) – since 2011

Through **HELMA Ferienimmobilien GmbH**, the HELMA Group also operates in the property development business for holiday homes. The focus here is on the development, planning and sale of holiday homes and apartments that are to be created at locations with good infrastructure development, predominantly on Germany's North Sea and Baltic coasts, as well as other attractive German seaside locations. Most of these properties will be sold to private customers for their own use, or as a capital investment. With the additional inclusion of strong partners for the further management of properties in the areas of rental, administration and caretaking service, we offer our customers an attractive all-inclusive package that comprises an important unique selling point.

Finance and building insurance broking – since 2010

Through **Hausbau Finanz GmbH**, we offer an additional service to customers and prospective homebuyers through our own inhouse financial advisory and broking service for building loans that is independent of particular banks. Hausbau Finanz GmbH also arranges building insurance, and commands an extensive customer base in both areas.

Value chains

HELMA Eigenheimbau AG

Individually planned detached houses excluding land plots

- Supporting our customers in the search for land plots
- Providing advice on building law regulations
- Purchase of land by our customers

HELMA Wohnungsbau

Individually planned detached houses including land plots

01. Land acquisition

- Searching for attractive land plots
- Examination of land plots for utilisation and development possibilities

02. Project development

- Planning of property areas
- Obtaining development plans

03. Individual planning

- Planning of individual solid construction houses together with our customers
- Financing and building insurance advice via Hausbau Finanz GmbH
- Sampling of various components
- Preparation of building application documents (construction drawings, structural analysis, German Energy Saving Ordinance certificates)
- Tendering and awarding of construction works to subcontractors

04. Project realisation

- Coordination and monitoring of construction progress by HELMA site managers to ensure compliance with quality standards
- Acceptance of work components after completion

HELMA Wohnungsbau

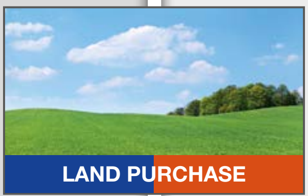
Preplanned residential units in semi-detached, terraced and multi-family houses including land plots

HELMA Ferienimmobilien

Preplanned holiday homes and apartments including land plots

01. Land acquisition

- Searching for attractive land plots
- Examination of land plots for utilisation and development possibilities



02. Project development

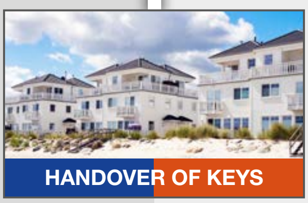
- Planning of property areas
- Obtaining planning permission
- Tendering and awarding of components to sub- or generalcontractors

03. Sale

- Marketing to private customers and institutional investors before the start of construction and during the construction phase
- Financing and building insurance advice via Hausbau Finanz GmbH

04. Project realisation

- Coordination and monitoring of construction progress by HELMA site managers to ensure compliance with quality standards
- Acceptance of work components after completion



- **Optional all-inclusive package for holiday properties:** rental, administration and caretaker service through integrating partner companies

Sales markets

Customers in the residential area

Most of our customers in the building services business are private individuals and families from middle and higher income brackets. Families in the 25 to 55 year age range form the largest customer group. Our customers share a common appreciation of the fact that we enable them to comprehensively implement their individual wishes.

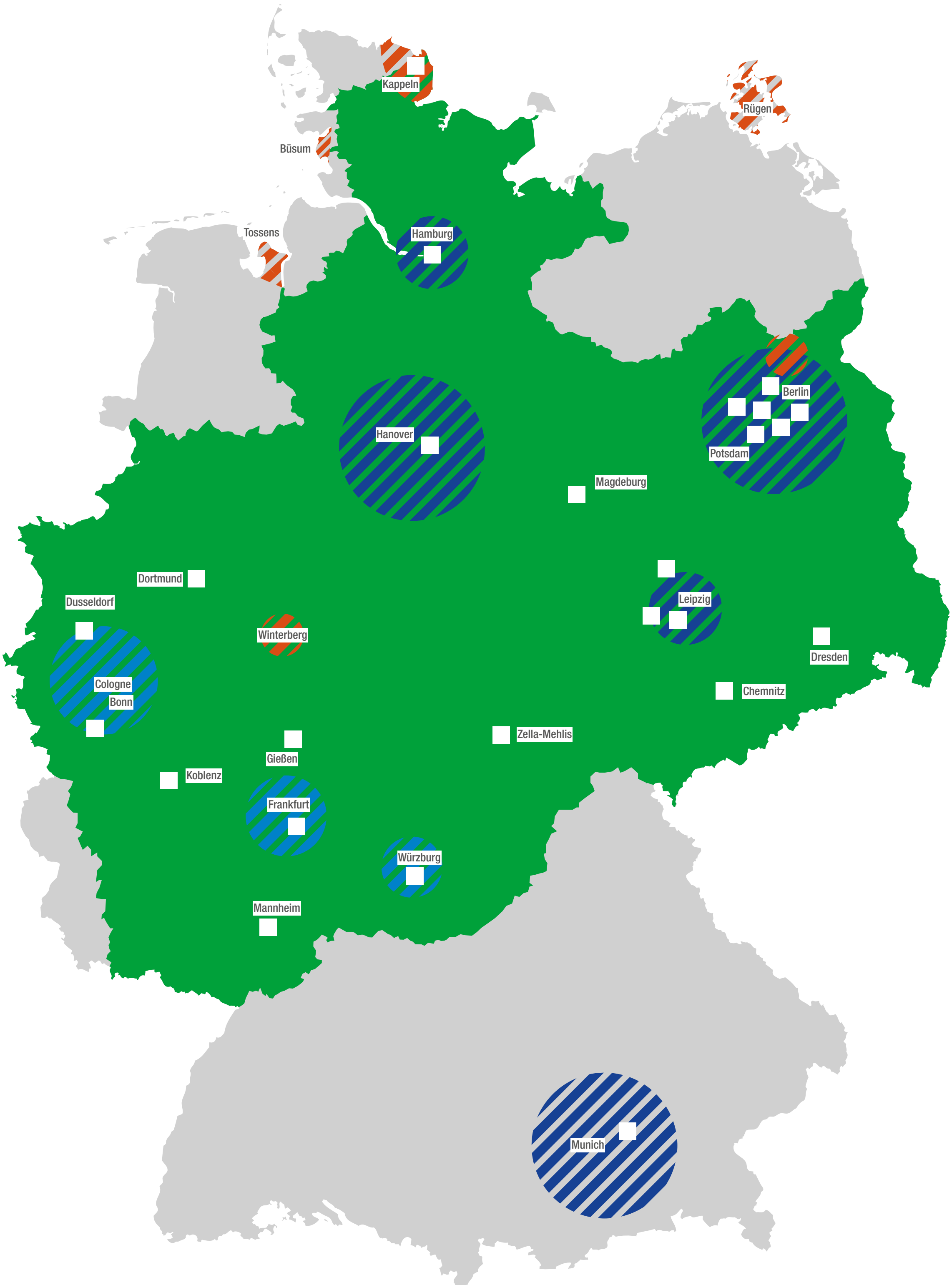
Following our successful expansion in the years after our IPO in 2006, today we address extensive areas of Germany as our sales market for our individually planned detached houses in the building services business. We identify particularly attractive potential in conurbations in Germany surrounding major cities such as Berlin, Dusseldorf, Dresden, Frankfurt, Hamburg, Hanover, and Leipzig. We have taken this ongoing trend towards metropolitan living into particular consideration when selecting our showhouse locations. Accordingly, we are geographically represented where high new home building demand offers corresponding sales potential.

In our property development business, we address a similar target group with individually planned detached houses as well as preplanned semi-detached and terraced houses. In addition to owner-occupiers, the group of target customers in the multi-family house business also includes private investors and institutional investors with long-term investment horizons.

Customers in the holiday properties area

Most of our customers in the holiday properties area are private individuals with high incomes. With the acquisition of a holiday property, such clients predominantly pursue the objective of an investment offering a solid high yield over the long term, while a smaller proportion of such customers utilise their holiday homes exclusively themselves for extended stays and / or regular weekend excursions.

HELMA Group sales regions



- Core region HELMA Eigenheimbau AG: individual detached houses excluding land plots
- Core region HELMA Wohnungsbau GmbH: individual detached houses, preplanned semi-detached and terraced houses as well as owner-occupied apartments in each case including land plots
- Extended core region HELMA Wohnungsbau GmbH: individual detached houses including land plots
- Project region HELMA Ferienimmobilien GmbH
- Sales location

Sales strategy

Sales strategy in the residential area

Our showhouses form the cornerstones of our sales concept in the residential area. Located across the whole sales region and built applying the solid construction method, they serve both as points-of-sale and as office for our regional site managers. At various locations we work together on a commission basis with independent specialist advisors who operate almost exclusively for us in the building area, and act as local contacts for potential customers. The financing consultants from Hausbau Finanz GmbH are also available to provide personalised building finance advice to our future home owners at our various sales locations.

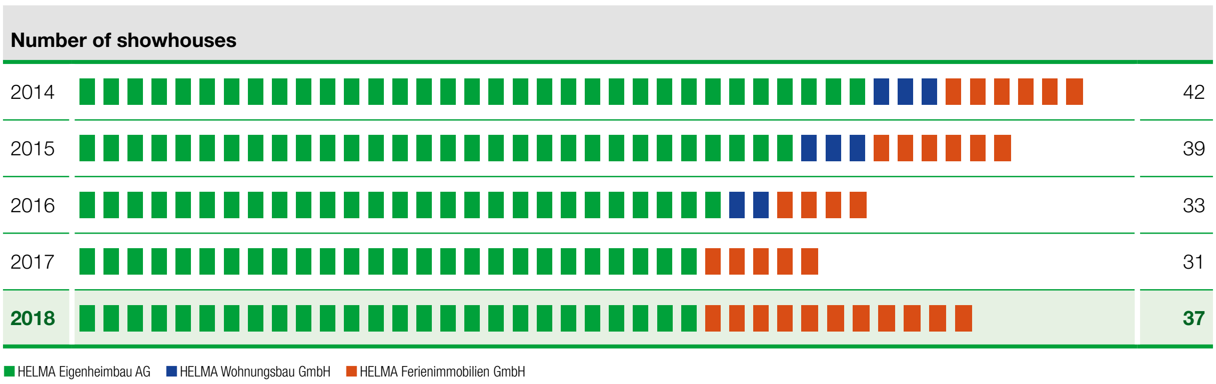
At the end of the year under review we had 26 showhouses in the residential area, most of which are located in showhouse exhibitions, and close to conurbations at highly frequented transportation points. Our showhouse locations are generally long-term in nature in this context. Only our property development subsidiaries' showhouses, which we construct in the larger of our purchased land areas, are sold directly after the successful conclusion of the respective project. As a consequence, we are meanwhile represented with our locations almost across the entire area of Germany. On a market comparison, we enjoy one of the most up-to-date showhouse portfolios, and consequently a decisive competitive advantage. Moreover, we constantly exploit our numerous references to persuade potential buyers of our capacity to deliver. Our successfully realised large-scale projects, which comprise several hundred individual detached houses and are consequently regarded as Germany's largest unofficial showhouse park, deserve particular mention in this context.

Along with our specialist advisers' local presence, the HELMA management deploys its extensive network of contacts to address institutional investors on a targeted basis concerning the residential property development business.

Sales strategy in the holiday properties area

We sell our properties through our own holiday properties specialists. In addition, selected real estate broking firms are also available for various projects. In the case of some projects, showhouses and show apartments that are created for short-term use are sold after the projects have ended. We locate potential buyers for our holiday properties through advertisements, websites as well as emails and newsletters to our constantly growing base of potential buyers and customers.

HELMA Group showhouses



Competitive strengths

Competitive strengths in the residential area

Individuality: In the detached houses area, we offer our customers the greatest possible design latitude with the option of individual planning without incurring extra cost. Our scope for individual designs and execution meets all customer requirements. Our house design proposals may represent the perfect home, or simply an inspiration for the implementation of customers' very specific plans. Customers do not incur additional costs for architects' services.

Value retention: HELMA constructs houses according to the value-retaining solid construction method utilising traditional bricklaying craftsmanship ("brick-on-brick"). Our turnkey solid construction houses are oriented to the sustainability principle. The solid construction method utilising vertical coring clay bricks ensures efficient thermal insulation and also offers natural climate regulation and efficient sound insulation. Our aim is to ensure that the buildings we construct enjoy stable valuations, especially through the solid-construction building approach and the utilisation of high-quality construction materials.

Access to attractive land plots: Potential private buyers mostly encounter a limited supply of land plots suitable for new constructions in major cities and their surrounding areas. As an experienced property developer, we are personally present locally within our core regions, which enables us to locate attractive land plots. Along with land plot sites in established residential areas, we also acquire spaces in attractive locations close to cities, for which we develop a modern construction concept and offer owner-occupier properties (individual detached houses, preplanned semi-detached and terraced houses, apartments) built to high-quality solid construction standards as complete packages for purchase.

Central sampling world: At the HELMA Sampling Centre at the Group headquarters in Lehrte, we offer our customers that have purchased from us an individual detached house an extensive selection of standard and special fittings from highly various trades over 350 m² of interior exhibition area and the approximately 200 m²-large exhibition area in the neighbouring HELMA showhouse park. Here, products from numerous renowned manufacturers are exhibited, ranging from stairs to modern house doors and from roof tiles through to break and plaster variants, as well as bathroom fittings. With individual advice from qualified specialist personnel, the sampling process can be conducted on site so that our customers have no need to make separate visits to specialist building dealers, bathroom fitters and similar specialists in order to make individual selections. It allows the sampling process for the entire house to be conducted quickly, without the need for extensive travel, and nevertheless entirely according to our clients' individual wishes.

For our customers who have decided on a preplanned unit, too, we offer all the benefits that sampling accompanied by trained specialist personnel provide. Customised to the respective project, our customers receive such advice directly on-site at our relevant locations.

Innovative strength: We draw on many years of experience in the area of innovative energy-saving houses and efficient heating systems. Among others, our focus is on the intensive harnessing of solar energy to provide electricity and heating. In addition to an attractive cost-benefit relationship for customers, our energy concepts are always developed according to sustainability principle. The aim of making an investment in a household and heating system that is as optimal, forward-looking and environmentally compatible as possible is of great significance in this context. For this reason, improved materials, optimised working equipment and more efficient construction technologies are carefully assessed and appraised for practicability and the benefits of their use before they are deployed in building projects, so that the harnessing of innovations always generates added value or efficiency enhancements for customers.

Security: As a stock market listed company, we are committed to the greatest degree of transparency and reliability. We are our customers' direct contractual partners, and we are directly responsible to them. Comprehensive security packages adjusted to the projects' circumstances form part of our service scope. For example, the guaranteed fixed price for detached houses built individually in our residential building services business automatically includes the HELMA®- BauSchutzBrief, offering extensive security for building projects and customers. Besides essential construction insurance, this security package contains a contract performance guarantee, an independent technical inspection certificate (provided by the DEKRA inspection firm), a construction period guarantee, and final instalment processing by a notary trust account.

Competitive strengths in the holiday property market

Due to our extensive market knowledge and established, broad contact base, we are able to locate attractive plots of land to implement holiday property projects. Our target land plots also enable our customers to achieve stable and attractive rental returns with the holiday houses and apartments that we construct. We offer the buyers of our holiday properties an all-inclusive package through reliable partners that we have worked together with for many years in this context. These packages include, for example, the complete administration of the holiday property (care of outdoor areas, waste disposal, and winter service) or the entire rental management (occupancy of the holiday home, handover of keys, cleaning). Together with partner firms, we have also put together appropriate furniture packages especially designed for holiday homes, allowing our customers to easily order the sets of furniture they desire, thereby receiving complete interior furnishings including accessories. Such arrangements also allow our customers to enjoy their new investments entirely stress-free following the purchase.

Economic environment

Macroeconomic trends

In 2018, the economic situation in Germany was characterised by a moderate, somewhat weaker growth course as well as by changeable developments during the course of the year. The past nine years' positive trend continued further with price-adjusted growth in gross domestic product (GDP) of 1.5 % compared with the previous year (2.2 %). The high employment rate continues to be of great importance to the robust domestic economy.

On the expenditure side of GDP, the positive growth drivers in 2018 again derived primarily from the home country. Both private and government consumption spending rose year-on-year, with price-adjusted growth of around 1.0 % being lower than in the last three years. Price-adjusted gross investments also increased in 2018. Government and companies together invested 4.5 % more year-on-year on a price-adjusted basis in assets such as machinery, equipment and vehicles. By way of comparison, construction investments were up by 3.0 %. Despite the increasingly difficult environment for the global economy and the uncertainties surrounding Brexit, the German economy further expanded its trade with foreign countries. In 2018, Germany exported 2.4 % more goods and services than in 2017. Imports grew slightly more strongly over the same period, by 3.4 %.

On the output side of GDP, almost all economic areas contributed to economic growth. Price-adjusted gross value creation recorded 1.5 % year-on-year growth in 2018. The construction industry as well as the service areas of information and communications performed above-average with an increase of around 3.6 % in each case. Both economic sectors thereby recorded the highest growth in each of the past four years.

Given the favourable economic conditions, both the numbers of individuals in employment as well as wages and salaries reported further considerable expansion in 2018. Germany's economic output on a year-average basis in 2018 was rendered by almost 44.8 million employed individuals. In 2018, around 562 thousand people or 1.3 %

more than in the previous year were thereby gainfully employed. Accordingly, the increase in employment, which has now lasted for 13 years, continued. Wages and salaries also increased in 2018, rising by 4.8 % year-on-year.

For 2019, economic research institutions are forecasting that the expansion will continue. Although the Hamburg Institute of International Economics (HWWI) emphasises the uncertainties caused by the impending trade policy risks, it assumes that the economic momentum will only weaken somewhat. Accordingly, economic growth of 1.4 % compared to the previous year is forecast. By way of comparison, the Institute for the World Economy expects a slightly faster rate of GDP growth of 1.8 %.

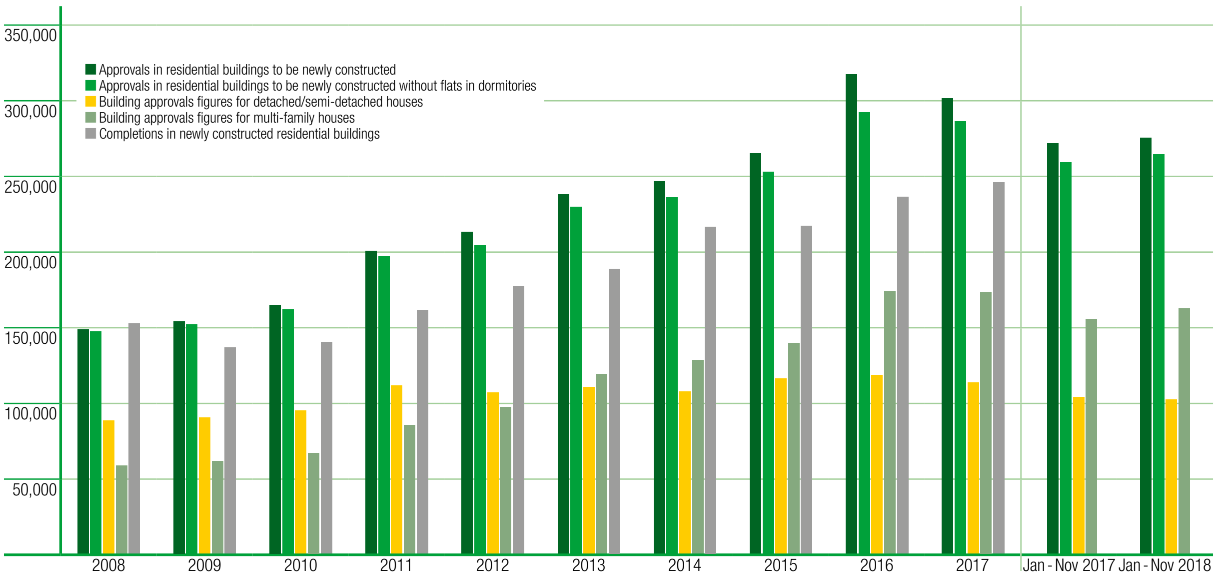
Residential building approvals and completions in Germany

After the number of building approvals for new residential buildings rose continuously from 2008 to 2016 and a slight decline was observed in 2017, the upward trend resumed in the past 2018 financial year. Between January and November 2018, around four thousand or 1.3 % more new residential properties were approved than in the same period of the previous year.

However, with an increase of around 4.5 %, this development is exclusively attributable to the increase in building approvals for multi-family houses. In the area of detached and semi-detached houses, a decline of -1.4 % year-on-year was reported in the period from January to November 2018. In addition, the reduction in the category of flats in dormitories, which also includes refugee accommodation, continued at -15.7 %. Disregarding approvals for flats in dormitories, the total increase in building approvals for new residential buildings from January to November 2018 was 2.1 % year-on-year.

Significant growth was registered in building completions, with 245 thousand residential building completions in 2017 compared with 188 thousand completions in 2013. For the 2018 financial year elapsed, experts anticipate a marked rise in completed residential units.

Residential construction approvals and completions (newbuild) in Germany



Source: Statistisches Bundesamt

Construction activity nevertheless fell short of demand for new build residential properties, especially in major cities and conurbation centres. While around 77 % of the population already lives in cities, this figure is expected to rise to around 84 % by 2050. This trend reflects high inflow rates that considerably exceed outflows. In Berlin, for example, the difference between inflows and outflows in the 2012 to 2016 years averaged around 38 thousand individuals. In Munich, the net inflow rate in the same period amounted to around 21 thousand, in Hamburg to around 14 thousand individuals per year, and in Leipzig to around 12 thousand individuals per year. The high inflow rates are not offset by a sufficient increase in the residential accommodation base. In the core regions of HELMA Wohnungsbau GmbH – Hamburg, Berlin and Munich – the increase in the residential housing base per year in the 2011 to 2015 period corresponds to only between 24.7 % and 38.4 % of annual demand for newly built homes. This study did not cover the Hanover and Leipzig regions.

Demand for newbuild dwellings

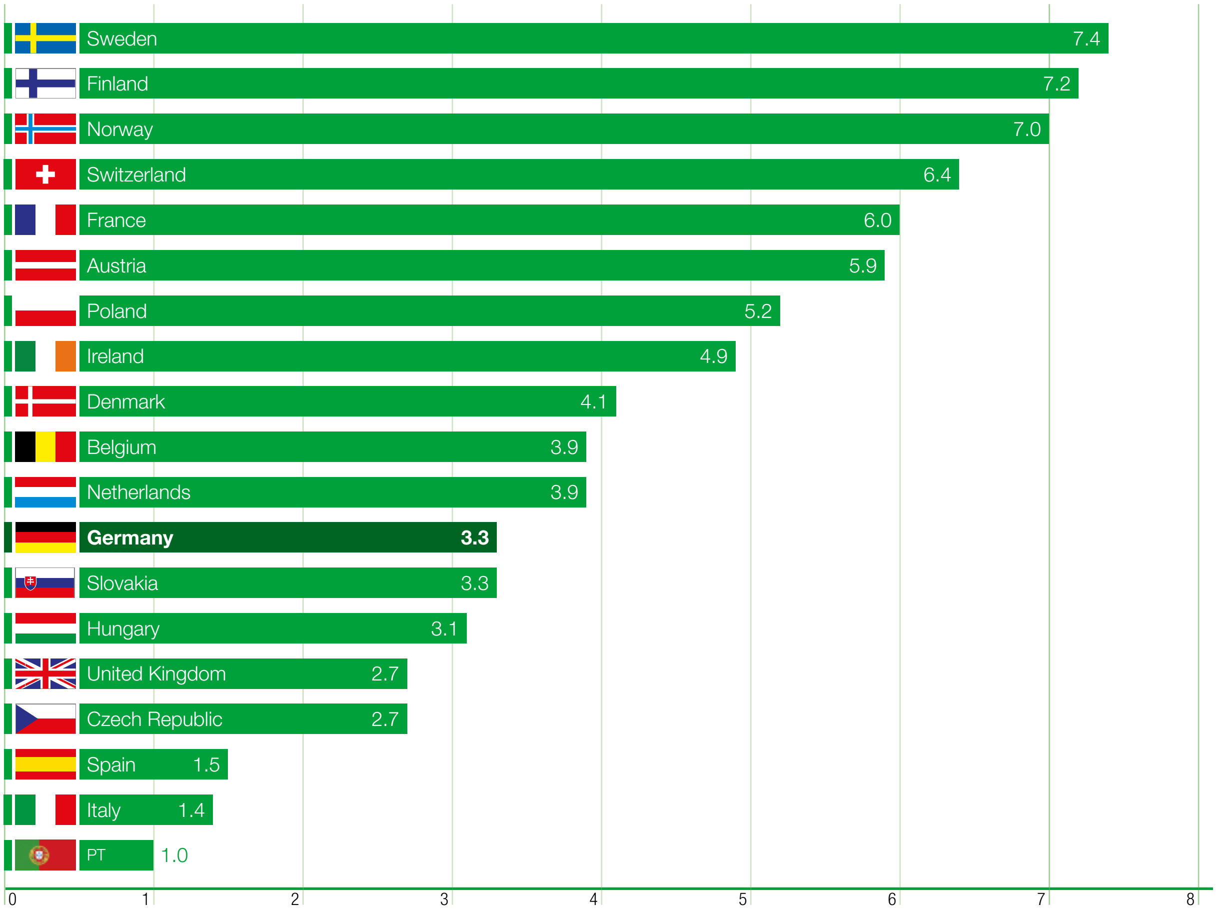
	Annual average change in residential housing base between 2011 and 2015	Annual demand up to 2020	Ratio between average change in housing base and construction demand
Hamburg	+ 5,800	+ 15,100	38.4 %
Berlin	+ 7,700	+ 31,230	24.7 %
Munich	+ 5,600	+ 17,180	32.6 %
Germany in total	+ 204,040	+ 385,150	53.0 %

Source: Institut der deutschen Wirtschaft Köln (IW Köln)

New residential construction remains on uptrend

Based on high demand for new buildings, new residential construction in Germany remains on an uptrend. As in the previous year, the construction intensity in Germany stands at 3.3 completed new homes per 1,000 inhabitants. To speak of a boom appears exaggerated, however, as construction activity remains much stronger in all directly neighbouring countries than in Germany, with the exception of the Czech Republic. While around 20 % more is built in the Netherlands, residential construction intensity in Austria and France is approximately 80 % higher than in Germany. The fact that our neighbours have markets with comparable starting conditions to those in Germany makes it clear to LBS Research that four dwellings and above per every 1,000 inhabitants is to be regarded as entirely "normal" in the centre of Europe, and that Germany holds further growth potential as a consequence.

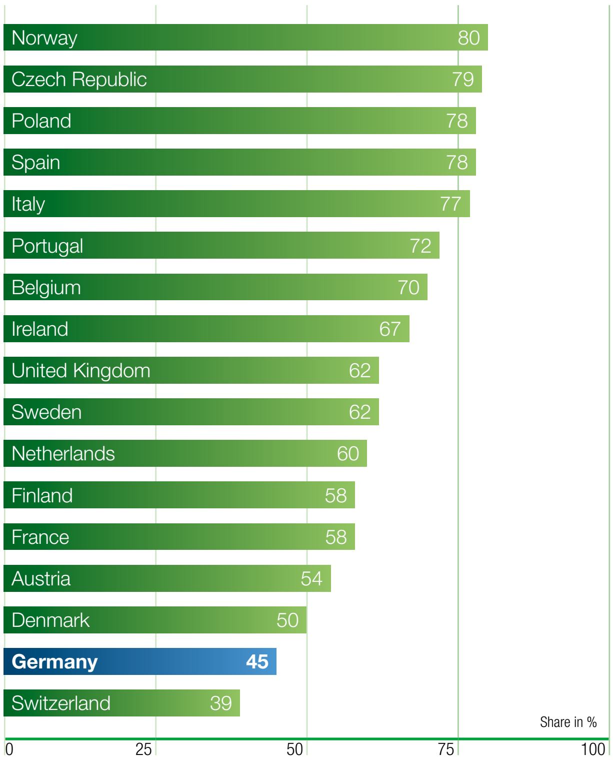
New residential construction in Europe 2018 (forecast – completion figures per 1,000 inhabitants)



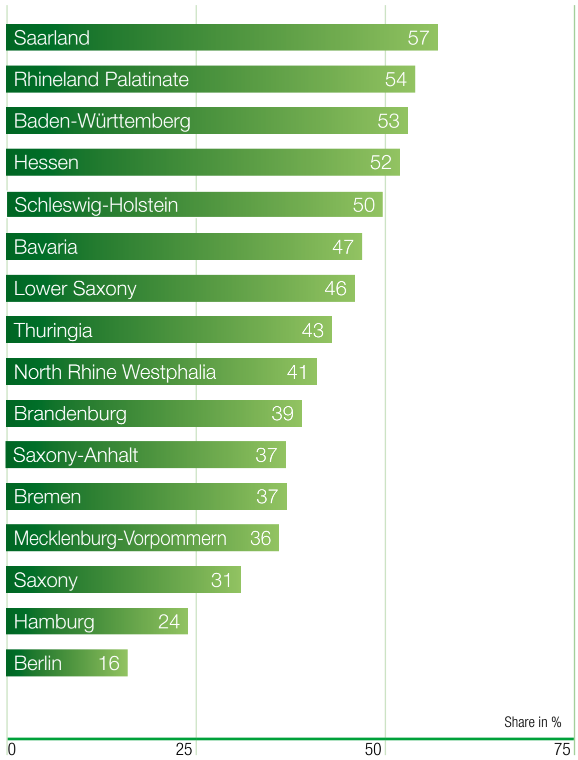
Source: Euroconstruct / ifo / LBS Research

The existing growth potential is also clear when examining homeownership ratios in Europe, where Germany remains among the lowest rankings with a 45 % rate.

Homeownership ratio in Europe



Homeownership ratio by German federal states



Source: Euroconstruct / ifo / Statistisches Bundesamt

However, the growth potential is offset by various bottlenecks that limit the potential growth of new residential construction. On the one hand, the extremely dynamic demand for qualified general contractors and subcontractors ensures high capacity utilisation and a correspondingly sharp rise in construction costs. After new order intake in the construction industry reached a volume of around € 72.3 billion in 2017, the highest annual figure in 21 years, this figure was reached in the past 2018 financial year after the first eleven months. The shortage of companies executing building work was made more acute by a shortage of skilled workers that is very pronounced in the building sector. With a vacancy period of more than four months for employees that are subject to social insurance contributions, the bottleneck situation in the construction industry remains acute. A rising number of applications for pensions from 63 years of age and falling numbers of applicants for apprenticeships have also intensified the lack of skilled workers.

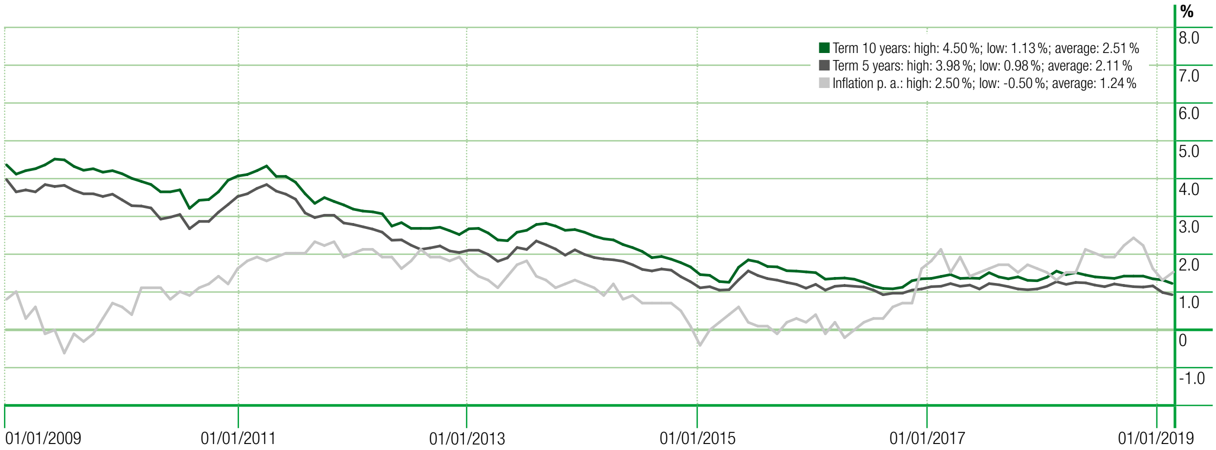
Moreover, capacity bottlenecks at regulatory authorities in the processing of building approvals continued last year. Continued high demand for new residential construction is not expected to contribute to a shortening of approval periods.

The limited availability of building land is the third factor restricting the construction of new residential real estate. An increase in the supply of building land has hardly been evident in recent years despite the immense increase in demand, so that building land prices have risen continuously, driven by the high demand. Limited supply consequently comprises a significant bottleneck factor especially in conurbation regions surrounding major cities. Along with raising population density in existing residential regions, experts are also calling for the creation of new city districts to cover high demand for newbuild apartments. Easing restrictions and regulations, relating to building height and parking spaces, for example, might also contribute to widening supply.

Favourable building finance conditions

The interest rates on home building finance facilities over the last year have stood at their lowest level for the last thirty years. In this context, the difference between year-high and year-low levels in both 5-year and 10-year fixed interest arrangements amounted to just 0.2 percentage points approximately. Consequently, financing terms can continue to be described as excellent in an historical comparison. Owners and buyers of properties have benefited from extremely low-interest construction and property loans as a consequence. The following graph showing the trend in house construction loan interest rates demonstrates how low the current interest rate level is in historical terms. Furthermore, although the ECB had announced that it would not purchase any more bonds, the bonds it had already acquired are to remain in its portfolio for the time being. Taking into account the ECB's decision of January 24, 2019 not to adjust its key interest rate for the time being, experts assume that the current low-interest phase could last for some time and that only a slight rise in interest rates is to be expected. Experts do not currently expect the ECB to raise its key interest rate to a significant extent.

Homebuilding interest rate trends* 2009-2019



* The presentation of the interest rate trend is based on interest rates included in terms offered by Interhyp AG as part of brokered lending arrangements.

New state funding measure

The aim of the child-related construction allowance, which was launched in 2018, is to promote housing construction and, in particular, to make it easier for low-income families to realise their dream of owning their own home. The child-related construction allowance is a state subsidy that does not have to be repaid and supports families or single parents in buying their own home with € 12,000 per child, paid out in ten annual instalments of € 1,200 each. The subsidy is granted up to an annual taxable household income of € 90,000 and one child. For each additional child, the limit increases by € 15,000. The support through the child-related construction allowance is initially limited until December 31, 2020, and will be available to a large number of HELMA customers during this period.

Group order book position

The HELMA Group achieved a new order intake of € 278.6 million (previous year: € 245.4 million) in the year under review. This corresponds to an increase of around 14 % compared with the previous year.

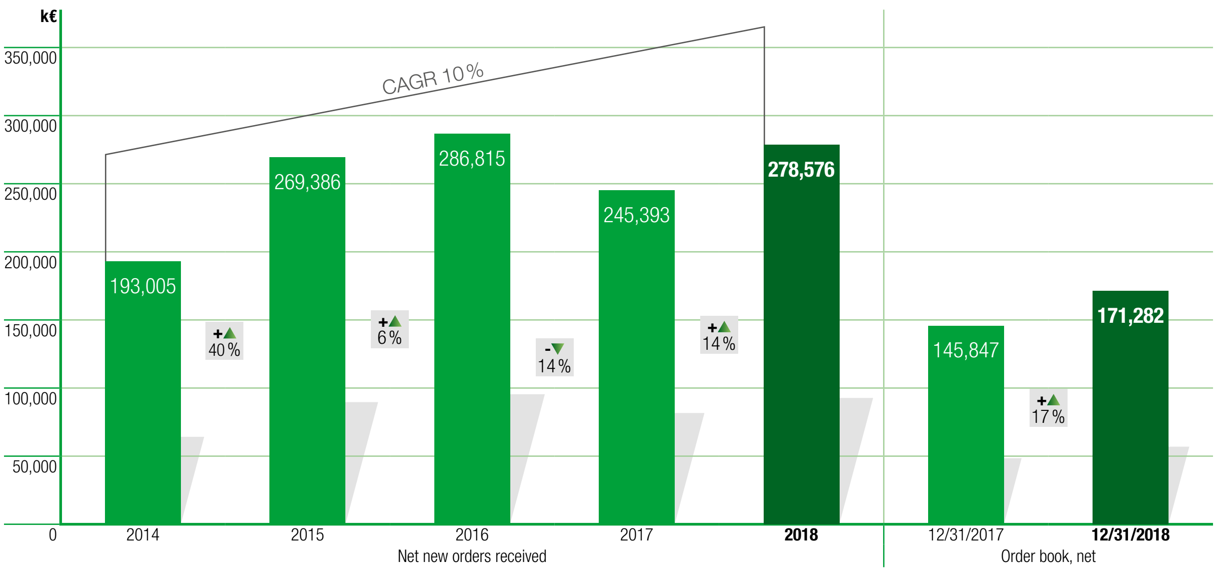
HELMA Eigenheimbau AG reported a significant increase in new order intake in the 2018 financial year. In the year under review, the order volume rose from € 93.6 million to € 105.8 million, thereby orienting towards the record level of 2015. The HELMA Wohnungsbau GmbH subsidiary, which is active in the property development business, also recorded significant growth, particularly reflecting the area of individually planned detached homes, which was characterised by the launch of several attractive projects. Accordingly, the order volume in 2018 rose significantly year-on-year by around 34 % to € 133.5 million. After an increase of 40 % in the 2017 financial year, in 2018 HELMA Ferienimmobilien GmbH did not match the previous year's figure of € 51.9 million. At € 39.3 million, however, the order volume remains at a high level compared with the previous years.

Group companies' contributions to consolidated new order intake

in k€	2018	Share in %	2017	Share in %	2016	Share in %	2015	Share in %	2014	Share in %
HELMA Eigenheimbau AG	105,771	38.0	93,594	38.2	99,041	34.5	111,155	41.3	81,816	42.4
HELMA Wohnungsbau GmbH	133,509	47.9	99,924	40.7	150,805	52.6	138,620	51.4	88,475	45.8
HELMA Ferienimmobilien GmbH	39,296	14.1	51,874	21.1	36,969	12.9	19,611	7.3	22,714	11.8
Total	**278,576**	**100.0**	**245,393**	**100.0**	**286,815**	**100.0**	**269,386**	**100.0**	**193,005**	**100.0**

The HELMA Group's order book position as per IFRS amounted to € 171.3 million as of December 31, 2018, around 17 % above the previous year's level. The aforementioned figure no longer includes € 99.6 million of revenues from current building projects already recognised proportionally pursuant to IFRS (December 31, 2017: € 105.5 million).

HELMA Group new order intake and order book position (according to IFRS)



Group earnings

Revenue trends

The consolidated revenue of the HELMA Group amounted to € 253.3 million in the 2018 financial year (previous year: € 267.4 million). Final invoices were issued for 795 units in the year under review in this context (previous year: 934 units). Of the final invoices, 377 houses were attributable to HELMA Eigenheimbau AG, 251 units to HELMA Wohnungsbau GmbH, and 167 units to HELMA Ferienimmobilien GmbH. The two latter figures include the completion of one housing unit that was sold to a customer together with a plot of land, with each of these being included as only one unit.

HELMA Eigenheimbau AG accounted for a 33.8 % share of Group revenue in the 2018 financial year, or € 85.6 million (previous year: € 85.1 million), virtually unchanged compared to the previous year. HELMA Wohnungsbau GmbH, on the other hand, fell short of the previous year's figure with revenue of € 122.6 million in the reporting period (previous year: € 133.4 million). Its share of consolidated revenue reduced to 48.4 % accordingly. HELMA Ferienimmobilien GmbH accounted for revenue of € 44.0 million in the year under review (previous year: € 48.1 million), which remained at a high level despite a slight decline compared to the previous year. Its share of Group revenue amounted to 17.4 %. The revenue of Hausbau Finanz GmbH in the 2018 financial year amounted to € 1.1 million (previous year: € 0.9 million), equivalent to 0.4 % of consolidated revenue.

Contributions of Group companies to consolidated revenue (according to IFRS)

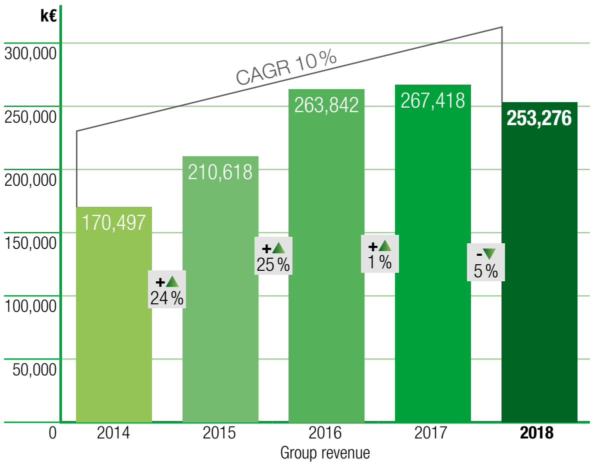
in k€	2018	Share in %	2017	Share in %	2016	Share in %	2015	Share in %	2014	Share in %
HELMA Eigenheimbau AG	85,560	33.8	85,071	31.8	91,864	34.8	78,245	37.1	77,352	45.4
HELMA Wohnungsbau GmbH	122,628	48.4	133,352	49.9	139,428	52.9	110,916	52.7	65,717	38.5
HELMA Ferienimmobilien GmbH	43,971	17.4	48,116	18.0	31,657	12.0	20,679	9.8	26,695	15.7
Hausbau Finanz GmbH	1,117	0.4	879	0.3	893	0.3	778	0.4	734	0.4
Total	**253,276**	**100.0**	**267,418**	**100.0**	**263,842**	**100.0**	**210,618**	**100.0**	**170,497**	**100.0**

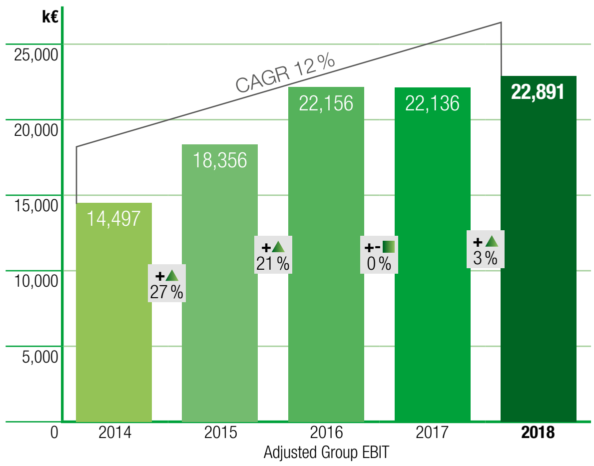
Earnings trends

Hereinafter and departing from the consolidated statement of total comprehensive income, consolidated EBIT is adjusted for the disposal of capitalised interest to facilitate an optimal comparison of the earnings trends of the HELMA Group, independent of potential influences from changes in the general interest-rate level. Interest costs that can be directly attributed to a project are to be capitalised. Once the respective projects are realised, the capitalised interest are deducted from inventories and recognised through consolidated statement of total comprehensive income as inventory-reducing transactions.

Starting from the consolidated revenue of € 253.3 million generated in the year under review, (unadjusted) consolidated EBIT amounted to € 21.8 million (previous year: € 20.2 million). This includes the disposal of capitalised interest payments in a volume of € 1.1 million (previous year: € 1.9 million). Consolidated EBIT adjusted for the disposal of capitalised interest consequently amounted to € 22.9 million in the reporting year (previous year: € 22.1 million).

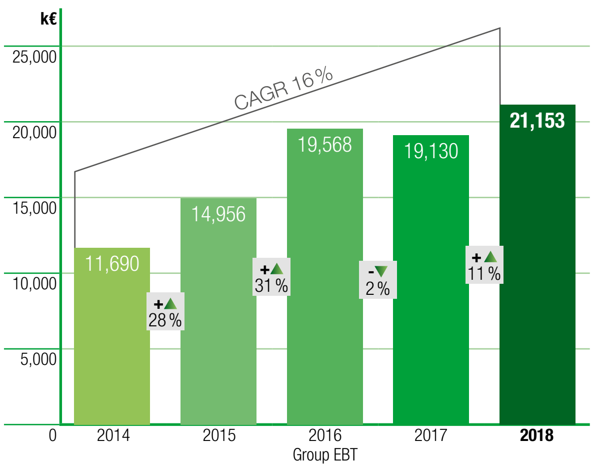
Group revenue and adjusted Group EBIT (according to IFRS)

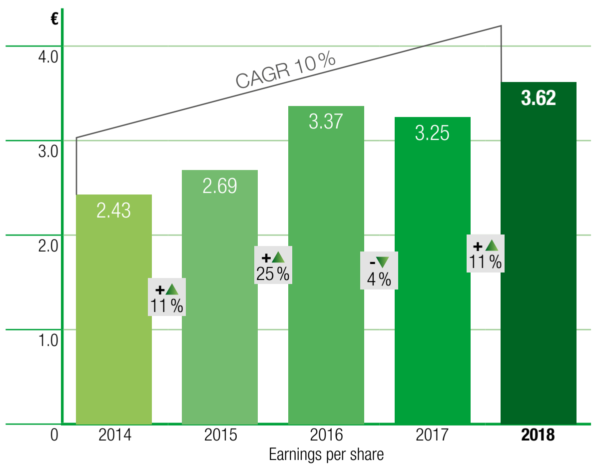




After a net financial result of € -0.6 million (previous year: € -1.1 million), earnings before taxes (EBT) stood at € 21.2 million (previous year: € 19.1 million), thereby lying within the expected target range. After deducting income taxes and minority interests, consolidated net income after minority interests amounted to € 14.5 million, which is approximately € 1.5 million higher than the previous year's figure. This led to record earnings per share of € 3.62 (previous year: € 3.25).

Group EBT and earnings per share (according to IFRS)





Business progress at the HELMA Group (according to IFRS)

in k€	2018	2017
Sales revenue	**253,276**	**267,418**
- of which revenue from long-term construction orders (PoC-method)*	-5,898	-44,629
Adjusted changes in stocks of finished goods and work in progress**	26,865	17,805
Adjusted total output**	**280,141**	**285,223**
Other operating income	1,634	1,664
Expense for materials and third-party services	-217,104	-226,365
Personnel expense	-23,853	-20,911
Other operating expenses	-15,935	-15,178
Adjusted EBITDA**	**24,883**	**24,433**
Depreciation/amortisation	-1,992	-2,297
Adjusted EBIT**	**22,891**	**22,136**
Disposal of capitalised interest	-1,107	-1,904
Net financial result	-631	-1,102
Earnings before taxes (EBT)	**21,153**	**19,130**
Income tax	-6,635	-6,106
Net income before minority interests	**14,518**	**13,024**
Minority interests' share of earnings	-31	-31
Net income after minority interests	**14,487**	**12,993**
Earnings per share	**3.62**	**3.25**

* Revenues from long-term construction orders (PoC method) derive from the different methods of revenue recognition according to the German Commercial Code (HGB) and IFRS, which led to a minus sign for the 2017 and 2018 financial years (see Note (6) Receivables arising from construction orders).
** adjusted for the disposal of capitalised interest, respectively.

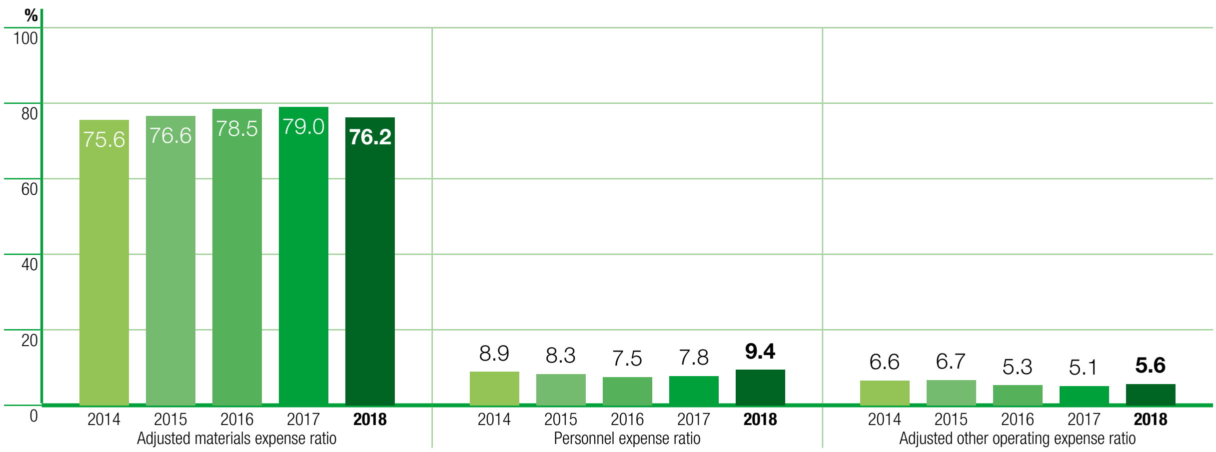
Trends in cost ratios and margins

The materials expense ratio, which has been adjusted for optimum comparability for those costs of materials that are not offset by any revenue, amounted to 76.2 % in the year under review. The improvement of 2.8 percentage points compared with the previous year is particularly due to the favourable conditions for the purchase of land at various property development projects, in relation to the sales prices achieved.

The personnel expense ratio in relation to revenue amounted to 9.4 % in the reporting year. The increase of 1.6 percentage points compared to the previous year is attributable to a large number of new hires and market-related wage adjustments coupled with a decline in revenue. For this reason, the current headcount can only be regarded as appropriate on the basis of the expectation that revenues will rise again in the coming years, thereby serving to secure the continued high-quality manufacture of our products at an increasing volume.

The adjusted other operating expense ratio, which is derived by dividing the net balance of other operating income and expenses by revenue, amounted to 5.6 % in the 2018 financial year (previous year: 5.1 %).

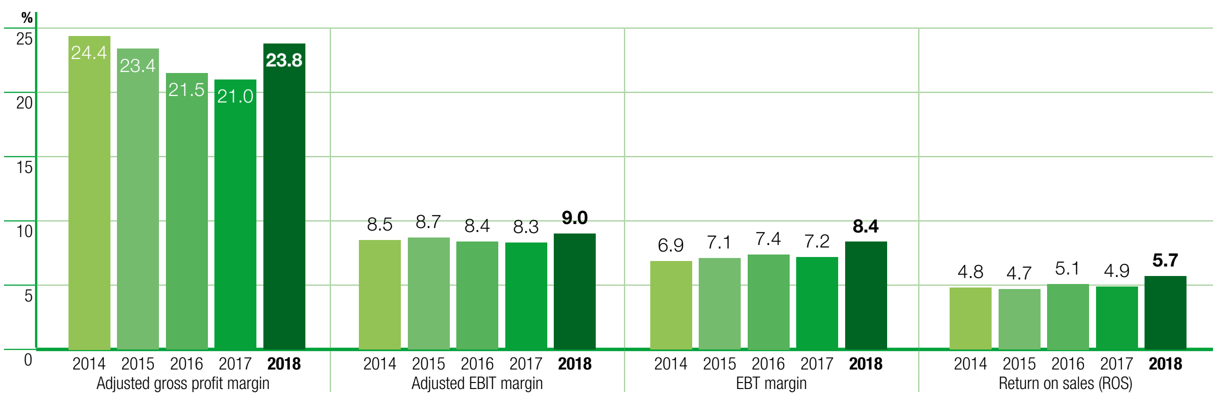
Trends in cost ratios to revenue (according to IFRS)



The gross profit margin amounted to 23.8 % in the reporting year (previous year: 21.0 %). The significant improvement is attributable to well above-average profits from various property development projects.

The EBIT margin adjusted for the disposal of capitalised interest amounted to 9.0 % in the reporting year, 0.7 percentage points above the previous year's level. The EBT margin and return on sales also increased significantly, reaching 8.4 % and 5.7 %, respectively, by far the highest values since the company was listed on the stock market.

Trends in profit margins to revenue (according to IFRS)



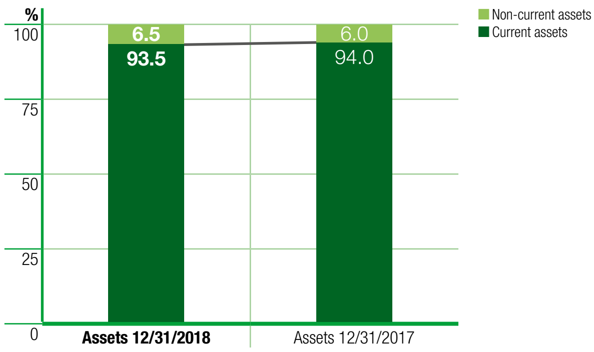
Group net assets and financial position

Assets

The total assets of the HELMA Group grew by 7.5 %, from € 317.7 million to € 341.4 million, in the period under review. At € 22.2 million, non-current assets were € 3.0 million higher than in the previous year due to the construction of new offices in Berlin-Karlshorst and the expansion of the administration building in Lehrte. Current assets registered a marked rise of € 20.7 million to € 319.2 million, deriving mainly from the € 20.3 million increase in inventories to € 220.2 million. As the largest items that also represent the basis for further growth in the project business, inventories included project-related land valued according to the lower of cost or market in an amount of € 185.9 million (December 31, 2017: € 172.4 million), and unfinished buildings in a volume of € 26.5 million (December 31, 2017: € 21.7 million). At € 16.3 million, cash and cash equivalents at the balance sheet date were approximately at the previous year's level.

Group balance sheet structure: assets (according to IFRS)

in k€	12/31/2018	Share	12/31/2017	Share
Non-current assets	22,239	6.5 %	19,197	6.0 %
- of which property, plant and equipment	19,065	5.6 %	16,621	5.2 %
Current assets	319,201	93.5 %	298,456	94.0 %
- of which inventories including land	220,152	64.5 %	199,891	62.9 %
- of which cash and cash equivalents	16,328	4.8 %	16,656	5.2 %
Total Assets	**341,440**	**100.0 %**	**317,653**	**100.0 %**



Equity and liabilities

On the equity and liabilities side, equity increased from € 88.8 million to € 97.7 million as of the balance sheet date. The rise derived chiefly from the consolidated net profit of € 14.5 million generated in the 2018 financial year, less the dividend payment of € 5.6 million for the 2017 financial year, which was disbursed in July 2018. This is reflected in an equity ratio to 28.6 % as of the balance sheet date (December 31, 2017: 28.0 %), well above the average sector level.

Non-current liabilities increased from € 141.6 million to € 152.7 million in the reporting period to reach 44.7 % share of total assets (December 31, 2017: 44.6 %), which is particularly attributable to the rise in non-current financial liabilities from € 133.7 million to € 142.6 million. This includes a promissory note with a long-term maturity placed in the year under review. The promissory note is divided into a 5-year tranche of € 14.5 million at an interest rate of 2.477 % p.a., and a 7-year tranche for € 3.5 million at an interest rate of 3.051 % p.a.

Compliance with covenants was contractually agreed when the promissory notes were placed, as it was the case with the promissory notes issued in the 2015, 2016, and 2017 financial years, as well as the KfW loan that was raised in the 2016 and 2017 financial years. As of December 31, 2018, the HELMA Group complies with all covenants (equity of at least € 21 million and an equity ratio of at least 15.0 %). The HELMA Group has also agreed to a restriction on its dividends whereby dividends can be paid to its shareholders only up to a maximum of 50 % of the net profit for the year as derived from the separate financial statements of HELMA Eigenheimbau AG prepared according to the accounting standards of the German Commercial Code (HGB).

The remaining 26.7 % share of total equity and liabilities was attributable to current liabilities (December 31, 2017: 27.4 %), which increased slightly by € 3.8 million to € 91.0 million as of the balance sheet date (December 31, 2017: € 87.2 million). Current financial liabilities were slightly above the previous year's level at € 33.0 million as of the balance sheet date. The largest item in this context reflects land and project financing facilities that are repaid through the acquirers' purchase price payments. As it is to be assumed that these liabilities will be repaid within the next twelve months, they are to be presented as current financial liabilities irrespective of the actual financing term.

Group balance sheet structure: equity and liabilities (according to IFRS)

in k€	12/31/2018	Share	12/31/2017	Share
Equity	97,716	28.6 %	88,829	28.0 %
Non-current liabilities	152,708	44.7 %	141,642	44.6 %
- of which non-current financial liabilities	142,622	41.8 %	133,738	42.1 %
Current liabilities	91,016	26.7 %	87,182	27.4 %
- of which current financial liabilities	33,018	9.7 %	32,154	10.1 %
Total equity and liabilities	**341,440**	**100.0 %**	**317,653**	**100.0 %**

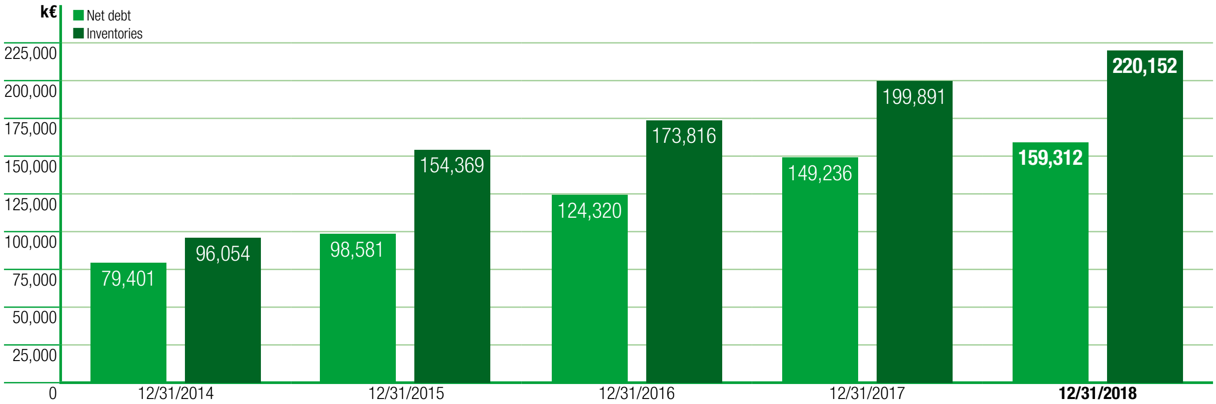
The net finance debt of the HELMA Group increased from € 149.2 million to € 159.3 million as of December 31, 2018, particularly as a consequence of the placing of the promissory note. Equity also advanced from € 88.8 million to € 97.7 million over the same period. The HELMA Group continues to command a very healthy capital structure with net finance debt comprising 46.7 % of total assets (December 31, 2017: 47.0 %), and a 28.6 % equity ratio (December 31, 2017: 28.0 %).

Changes in net debt and equity

in k€	12/31/2018	in %	12/31/2017	in %	12/31/2016	in %	12/31/2015	in %	12/31/2014	in %
Finance debt	175,640		165,892		135,651		111,074		86,317	
Cash and cash equivalents	-16,328		-16,656		-11,331		-12,493		-6,916	
Net debt	159,312	46.7	149,236	47.0	124,320	44.7	98,581	40.2	79,401	49.6
Equity	97,716	28.6	88,829	28.0	80,236	28.8	69,898	28.5	40,952	25.6
Total assets	**341,440**	**100.0**	**317,653**	**100.0**	**278,242**	**100.0**	**244,994**	**100.0**	**159,947**	**100.0**

Along with the rise in net financial liabilities from € 149.2 million to € 159.3 million, the inventory position rose from € 199.9 million to € 220.2 million. The € 185.9 million (€ 172.4 million as of December 31, 2017) of project-related land included in this figure, together with the other contractually secured land with a purchase price volume of € 65.0 million as of December 31, 2018, form an excellent basis to expand the high-margin property development business. Inventories exceeded net financial liabilities by € 60.8 million as of the balance sheet date (December 31, 2017: € 50.7 million).

Changes in net debt and inventories



Cash flow statement

The HELMA Group's positive operating profit generated in the period under review is clearly evident when observing the cash earnings item in cash flows from operating activities, which amounted to € 15.0 million. In addition, the working capital required for the expansion of the property development business increased by € 10.9 million compared with the previous year due to additional land plot purchases, among others. Cash flow from operating activities thereby amounted to € 4.1 million in the year under review (previous year: € -13.3 million).

Due to year-on-year higher investments in land and buildings (see the Group investments section), cash flow from investing activities stood at € -4.4 million in the reporting year (previous year: € -3.3 million).

Cash flow from financing activities amounted to € 0.1 million in the 2018 financial year (previous year: € 22.0 million) and derives from the aforementioned promissory note loan transaction as well as the repayment of various land purchase and project financing facilities.

The HELMA Group had € 16.3 million of financing funds as of the balance sheet date. In addition, free unutilised credit lines in a low double-digit amount in millions of euros are available. The financial position of the HELMA Group continues to be very solid as a consequence.

Group cash flow statement (according to IFRS)

in k€	**2018**	**2017**	**2016**	**2015**	**2014**
Cash flow from operating activities	4,061	-13,344	-16,088	-31,872	-10,454
- of which cash earnings	14,983	17,965	20,953	15,325	16,302
- of which change in working capital	-10,877	-31,278	-37,039	-47,207	-26,802
- of which gain/loss on disposal of fixed assets	-16	-31	-2	10	46
Cash flow from investing activities	-4,445	-3,298	-1,839	-1,916	-2,039
Cash flow from financing activities	56	21,967	16,765	39,365	12,588
Cash and cash equivalents at the end of the period	**16,328**	**16,656**	**11,331**	**12,493**	**6,916**

Group investments

We invested a total of € 5.0 million in property, plant and equipment, and in intangible assets in 2018 (previous year: € 3.9 million). Of this amount, on the area of land and buildings an investment portion of € 2.9 million (previous year: € 2.2 million) was largely attributable to the newbuild of our office premises in Berlin-Karlshorst. A further major part of the investments was realised in the expansion of the administration building in Lehrte.

Investments in intangible assets amounted to € 0.7 million in the year under review (previous year: € 0.6 million), which were predominantly attributable to software programming and licenses.

Investments in office and operating equipment totalled € 1.5 million in 2018 (previous year: € 1.0 million), and were focused primarily on the replacement of vehicles, and the purchase of IT equipment and furniture.

Investments in property, plant and equipment, and intangible assets

in k€	**2018**	**2017**
Land and buildings	2,925	2,208
Intangible assets	650	642
Office and operating equipment	1,466	1,027
Total	**5,041**	**3,877**

In the 2019 financial year, we plan to realise investments in property, plant and equipment, and in intangible assets, which will be around one third lower than in the previous year. This includes investments in expanding and restructuring our existing showhouses, purchasing IT equipment, (third-party) software programming and the replacement of vehicles.

Corporate responsibility - Non-financial performance indicators

Innovation and sustainability characterise the HELMA Group strategy. As a growth-oriented company, we bear our share of responsibility for society and the environment. At the same time, we are aware that we can only further expand our market position and corporate success in the medium term if we work continuously on our products and services, and further develop them through innovations.

Attractive working environment

We greatly depend on our employees' commitment and inspiration to achieve the aforementioned objectives. As a consequence, our goal is to present ourselves sustainably as an attractive and responsible employer, to provide appropriate working conditions for our staff and to consequently maintain our staff turnover rate at a low, single-digit percentage level, as in previous years.

Professional further training / teambuilding
We offer our staff a highly varied range of training options. To this end, at annual meetings held between staff members and managers in the first quarter of each year, we gauge each individual's requirement for technical and personal further training, collect these requests and requirements, and use these as the basis to prepare an extensive range of further training measures for the coming twelve months. These range from in-house group refresher seminars for computer programs in daily use through to specific further training and the expansion of individual staff members' expertise at multi-day external training sessions. Teambuilding activities are also held at regular intervals in order to strengthen interaction within departmental teams and interdivisional understanding. Furthermore, we offer our employees the opportunity to attend and observe daily work processes in other departments as part of so-called "job visits", with the aim of fostering cooperation across different departments.

Social expertise
The ability to work as part of a team, as well as verbal and non-verbal communication are some of the requirements that confront us daily. Handling conflicts – whether in a professional or personal context – constantly presents many of us with major challenges. Should we supress our feelings, or manage them, or express them in an unfiltered manner? How does successful interaction occur within groups, or in society at large? Together with external trainers, our staff can work on answers to these questions, and develop fresh ways of thinking. To this end, we offer regular social skills seminars that are held in small groups outside the working environment. In this way, each participant can discover new approaches and personal development paths.

Health management / corporate sports
Healthy, motivated and fit employees form the basis of our daily work. For this reason, in addition to the working environment and further training options, we support our staff with healthcare opportunities. We promote preventative healthcare both in-house and externally through measures ranging from nutrition advice and seminars on progressive muscular relaxation that are specially tailored to the requirements and challenges of everyday working life, through to supporting regular sporting activities for employees, such as our running, yoga, beach-volleyball, and badminton.

Social commitment
As a service provider in the private housing sector, it is an essential part of our daily work to create a common space for people who love each other and a new home for children and their parents. With our social commitment and involvement, however, we are active quite intentionally around life's centrepoint – the home. Our special concern in this context is to support, with appropriate measures, the development of children in different life stages and situations.

For instance, we regard some of our corporate events, such as the opening of new showhouses, project-related events or important company anniversaries not only as happy business events, but also as an opportunity to pass on and share such joys. The latter can occur through both financial and non-financial activities at regional level for specially selected projects such as integrative kindergartens, facilities that enable parents of severely ill children to live together with them during their treatment, or the creation of playrooms in hospitals.

Supporting children's and youth projects at the Group headquarters in Lehrte forms a constant focus of our social commitment. Here, HELMA participates in the refurbishment and renovation of school playgrounds with its construction activities, or in the creation of joint-use areas for primary schools and neighbouring kindergartens. Moreover, HELMA supports programs to help children from immigrant backgrounds to improve their language skills, as well as a violence prevention project for primary schoolchildren to promote problem-solving skills.

Sustainable energy concepts

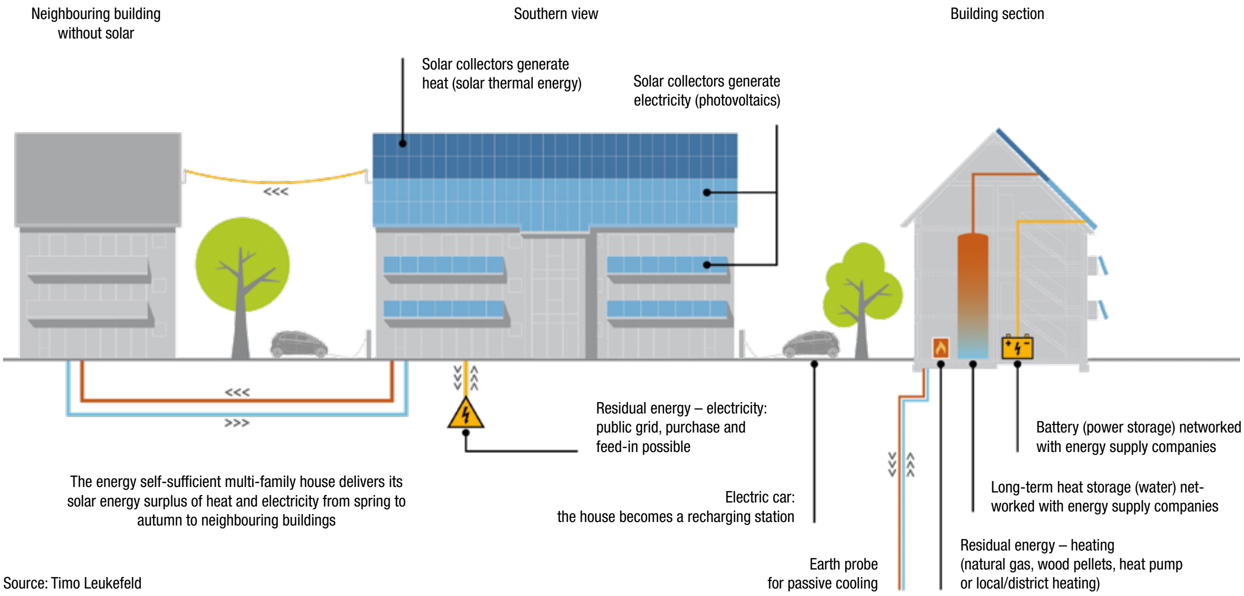
As the result of our early focus on the area of energy-efficient construction methods, we have not only created a significant competitive advantage over the past fifteen years, but we also have made an important contribution to cutting resource consumption and CO_2 emissions. For many years in our individually planned detached homes area we offer our customers attractive opportunities to make significant savings on ovearheads with the help of efficient heating technologies and well insulated houses and thereby actively promote climate protection.

Solar innovation

HELMA is also one of the pioneers in developing sustainable energy concepts for multi-storey residential buildings. In recent years, we have optimised the basic energy concept of the solar energy house and implemented it for the first time in 2018 with the construction of two multi-family houses in Cottbus. The two four-storey buildings comprising a total of 14 apartments each have large collector areas on one half of the roof and can thereby largely supply themselves with solar electricity and heat. The photovoltaic modules and solar thermal collectors integrated into the houses' architecture on roof surfaces and balcony parapets absorb solar energy and convert it into electricity or heat. Energy not required for the inhabitants' everyday use flows into a storage unit integrated into the house, where it is stored temporarily, making it possible to live self-sufficiently and independently of external suppliers even during less sunny months. Furthermore, the electricity generated is not only suitable for household appliances and plant technology, but is also available for electromobility or electrical garden equipment. Excess energy can also be delivered directly to neighbouring buildings or fed into the public grid, thereby relieving the burden on regional energy suppliers and offering customers an inexpensive alternative.

HELMA has created another showcase project for structural change by applying the basic energy concept of the solar energy house to the multi-storey apartment building and by constructing the first two largely energy self-sufficient apartment buildings. The tenants of the two four-storey buildings in Cottbus will benefit from a fixed flat-rate rent and an energy flat rate for the next five years due to this high level of energy self-sufficiency. The project also received funding from the German Federal Ministry for Economic Affairs and Energy (BMWi). As a special recognition, the Cottbus project was awarded the German Solar Prize in the "Solar Architecture and Urban Development" category.

Functionality of an energy self-sufficient apartment building



Source: Timo Leukefeld

Energy self-sufficient apartment buildings in Cottbus

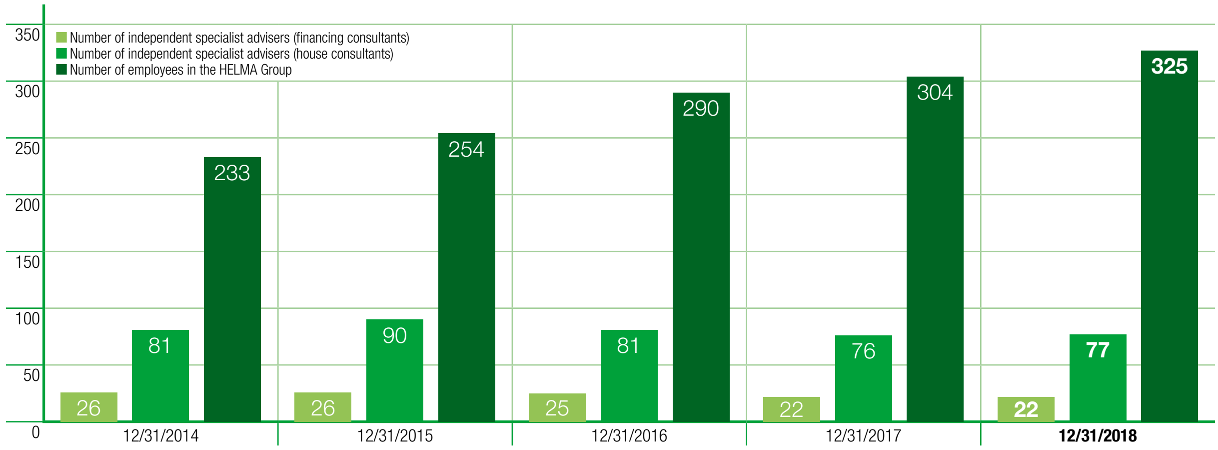
Employees, sales partners and the company's boards

Development of staff and specialist advisers in the HELMA Group

Compared with the end of the 2017 financial year, the number of staff employed by the company underwent a 7 % increase from 304 to 325 as of December 31, 2018. Besides this, the HELMA Group employed 8 individuals on a minor part-time basis as of the reporting date (previous year: 8). Hiring occurred in both the building services and property development business.

In the house consulting area, the number of independent specialist advisers with whom we work together in the sales area on a commission basis at various locations stood at 77 (previous year: 76), slightly above the previous year's level. As in the previous year, the number of independent financing advisers amounted to 22 as of December 31, 2018.

Number of employees and independent specialist advisers in the HELMA Group



Training

We regard the training of young and motivated people as an important component of our personnel policy. We aim to thereby meet the challenges of demographic shift, and partly cover our requirement for qualified and up-and-coming young staff ourselves. We currently have three trainees within our company.

The company's boards

With effect as of the end of the ordinary AGM on July 6, 2018 the company founder Mr. Karl-Heinz Maerzke switched from his position as Chairman of the Management Board of HELMA Eigenheimbau AG to the company’s Supervisory Board. At its subsequent meeting, the Supervisory Board elected Karl-Heinz Maerzke to be its Chairman and Sven Aßmann to be its Deputy Chairman.

Furthermore, the Supervisory Board had passed a resolution on April 12, 2018 to appoint Mr. Gerrit Janssen, who has been the Chief Financial Officer of HELMA Eigenheimbau AG since July 1, 2009, to be the Chairman of the

Management Board (CEO) with effect as of July 6, 2018. In addition, at the Supervisory Board meeting on July 6, 2018 Mr. Janssen's contract was extended early by a further three years until June 30, 2022.

Moreover, on July 1, 2018, Mr. André Müller started his role as a member of the Management Board of HELMA Eigenheimbau AG, after the Supervisory Board had already decided on June 28, 2017 concerning his appointment to the company's Management Board.

Accordingly, the boards of HELMA Eigenheimbau AG consist of the following members:

Management Board
- Gerrit Janssen (Chairman); appointed until June 30, 2022
- Max Bode; appointed until June 30, 2020
- André Müller, appointed until June 30, 2023

Supervisory Board
- Karl-Heinz Maerzke (Chairman)
- Sven Aßmann (Deputy Chairman)
- Dr. Peter Plathe
- Paul Heinrich Morzynski

The Supervisory Board members' period of office ends with the conclusion of the AGM that approves the discharge of the Supervisory Board members for the 2018 financial year.

Net assets, financial position and results of operations of the parent company

The separate development of the parent company is presented below by way of supplementary information to the Group report. The separate annual financial statements of HELMA Eigenheimbau AG are prepared according to the regulations of the German Commercial Code (HGB), and the German Stock Corporation Act (AktG). Pursuant to § 315 (5) of the German Commercial Code, the management report for HELMA Eigenheimbau AG is aggregated with that of the HELMA Group.

Net assets and financial position

The total assets of HELMA Eigenheimbau AG amounted to € 126.6 million as of December 31, 2018 (December 31, 2017: € 124.1 million). On the assets side of the balance sheet, this increase arises particularly from a marked rise in current assets from € 105.8 million to € 107.4 million, which chiefly reflects a € 0.7 million increase in receivables from associated companies. Non-current assets stood at € 18.8 million as of the balance sheet date, around € 0.9 million above the previous year's € 17.9 million.

Balance sheet structure of HELMA Eigenheimbau AG: assets (according to HGB)

in k€	12/31/2018	12/31/2017
Non-current assets	18,803	17,870
Current assets	107,405	105,840
- of which cash and cash equivalents	8,575	7,901
Prepayments and accrued income	361	350
Total assets	**126,569**	**124,060**

On the equity and liabilities side of the balance sheet, a year-on-year comparison as of the reporting date shows a considerable rise in equity from € 80.0 million to € 85.1 million, especially reflecting the € 10.7 million of net income that was generated (previous year: € 16.3 million). The equity ratio amounted to 67.2 % as of the balance sheet date (previous year: 64.5 %), well above the average for the building services sector. Provisions amounted to € 9.1 million at the end of the financial year under review (December 31, 2017: € 12.9 million).

Liabilities amounted to a total of € 32.4 million as of December 31, 2018, slightly above the previous year's level of € 31.1 million.

In the 2015 financial year, compliance with covenants was agreed in the promissory note contracts. As of December 31, 2018, the HELMA Group complies with all covenants (equity of at least € 21 million and an equity ratio ofat least 15.0 %). The HELMA Group has also agreed to a restriction on its dividends whereby dividends can be paid to its shareholders only up to a maximum of 50 % of the unappropriated profit for the year as derived from the separate financial statements of HELMA Eigenheimbau AG prepared according to the accounting standards of the German Commercial Code (HGB).

HELMA Eigenheimbau AG commands liquidity of € 8.6 million as of the end of 2018, as well as in a low double-digit amount in millions of euros of free credit lines. HELMA's financial position remains very solid as a consequence.

Balance sheet structure of HELMA Eigenheimbau AG: equity and liabilities (according to HGB)

in k€	12/31/2018	12/31/2017
Equity	85,066	80,010
Provisions	9,089	12,908
Liabilities	32,414	31,140
Prepayments and accrued income	0	2
Total equity and liabilities	**126,569**	**124,060**

Profitability

The total output of HELMA Eigenheimbau AG amounted to € 99.9 million in the year under review (previous year: € 104.1 million).

Total output of HELMA Eigenheimbau AG (according to HGB)

in k€	2018	2017
Sales revenue	101,337	102,065
Change in stocks of finished goods and work in progress	-1,392	2,022
Total output	**99,945**	**104,087**

Gross profit amounted to € 33.0 million (previous year: € 38.7 million), equivalent to an approximately 33.0 % gross profit margin in relation to total output (previous year: 37.1 %). It should be noted in this context that the revenue of HELMA Eigenheimbau AG also includes payments from the subsidiaries for business procurements, which are not offset by any notable cost of materials.

With earnings before interest and taxes (EBIT) of € 7.3 million (previous year: € 14.3 million) and a net financial result of € 8.3 million (previous year: € 9.6 million), HELMA Eigenheimbau AG achieved net income of € 10.7 million (previous year: € 16.4 million) in the 2018 financial year, which was in line with the forecast.

For 2019, in the separate financial statements for HELMA Eigenheimbau AG prepared according to German Commercial Code (HGB) accounting standards, we anticipate further high profitability with earnings in the low double-digit range in millions of euros.

HELMA Eigenheimbau AG: key income statement figures (according to HGB)

in k€	2018	Share	2017	Share
Total output	**99,945**	**100.0 %**	**104,087**	**100.0 %**
Materials expense	-66,975	-67.0 %	-65,429	-62.9 %
Gross profit	**32,970**	**33.0 %**	**38,658**	**37.1 %**
Other operating income	762	0.8 %	947	0.9 %
Personnel expense	-15,137	-15.1 %	-13,541	-13.0 %
Depreciation/amortisation	-1,718	-1.7 %	-2,157	-2.1 %
Other operating expenses	-9,556	-9.6 %	-9,595	-9.2 %
EBIT	**7,321**	**7.3 %**	**14,312**	**13.7 %**
Net financial result	8,280	8.3 %	9,590	9.2 %
Earnings before income tax	**15,601**	**15.6 %**	**23,902**	**22.9 %**
Profit for the year	**10,656**	**10.7 %**	**16,338**	**15.7 %**

Risk report

Risk management

We are naturally exposed to various risks in the course of our corporate activity. We only enter into risks that simultaneously offer the opportunity of appropriate value-enhancement, and where we can manage such risks within our organisation using recognised methods and measures. As part of our risk management system, we continuously monitor and evaluate identified risks in order to control and manage them, and to transparently present related opportunities.

To this end, the risk-relevant factors in the areas of sales, contract management, technology, finance, project development, personnel and legal affairs are continuously reviewed, taking into consideration the expected event probabilities, damage levels and interactions, in order to identify negative developments at an early juncture. This provides the factors required for the Management Board – particularly as part of monthly reporting – to reach decisions that allow them to introduce prompt and appropriate measures. The Management Board is informed regularly about any potential excess beyond fixed risk limits.

Relevant risk factors

Macroeconomic risk

The economic situation in Germany is gauged as positive overall, especially due to the high employment rate and increasing income levels. The flight to physical assets, and the historically low interest rate level, are also currently fostering greater demand for home-ownership and investments in residential and holiday properties. Despite the currently good general conditions, we are aware of the potential risk of a sudden and unexpected downturn in the economy, and we are intensively monitoring and analysing current market circumstances in order to be prepared to meet future trends as best as possible, and to rapidly implement measures necessitated by the relevant situation.

Regulatory risks

Legal and tax regulations define the regulatory framework for the real estate sector, and affect the business activities of companies operating in the sector. We constantly monitor changes in regulatory conditions that affect our operating activities in order to quickly launch measures where required.

As legislation is equally valid for all market participants, we did not identify any significant risks for our business deriving from the current regulatory environment.

It should nevertheless be noted that this is only valid without qualification assuming that interest rate levels continue to remain low. For instance, many new or more onerous building regulations, accompanied by an increase in land purchase tax across almost all of Germany over the past years, have made buying newbuild properties considerably more expensive. Due to the good economic situation in Germany and low interest rates, demand has nevertheless continued at a high level, despite a marked rise in land, construction and incidental purchase costs. For this reason, a significant increase in interest rates could result in a tangible reduction in market demand if the regulations and levies that are currently comprising strong cost-drivers are not reduced again in parallel, or mitigated by further subsidies or tax incentives.

Project risks

The operating activities of HELMA Wohnungsbau GmbH and HELMA Ferienimmobilien GmbH regularly require new land plots for development and sale following project management. Here, we set great store by a sufficient diversification of our projects in terms of number, size, type of structure, and location in various German metropolitan regions, thereby achieving a reduction in the overall risks deriving from the project business.

During the acquisition phase, we conduct very thorough investigations of the development potentials offered by the land plots in which we are interested, and we perform highly prudent evaluations of the earnings prospects of the potential projects with which they are connected. For the most varied reasons, however, it cannot be excluded that in individual projects, and for a wide range of different reasons, unexpected cost increases and/or revenue reductions may occur compared with calculated values. In these cases, such a project would be concluded with lower-than-expected income, which would exert a correspondingly negative effect on the HELMA Group's results of operations. To manage this risk as best as possible, we ensure that we always have extensive expertise in the property development and land business, as well as in the marketing of the respective units, in the target regions concerned.

In addition, high demand for real estate can trigger capacity bottlenecks for the market participants and government institutions involved in projects. Depending on specific projects, this can lead to project processing delays. In particular, we have only very limited influence over processing times at building and land registry authorities. Processing times are evaluated continuously to model the risk entailed in delays to planning and are reflected in corresponding time windows when preparing project schedules. Any delays extending beyond the selected safety buffers can lead to tangible revenue and earnings shifts into following years, however.

In the case of detached houses, we only purchase the land in advance, and we do not commence with specific building projects until the customer has signed a corresponding notarised purchase agreement, and the customer's financing has been confirmed. By contrast, when building terraced and multi-family homes, construction in our project business starts already after we have received predetermined pre-sales quotas, so that such projects entail a higher level of sales risk, despite intensive analysis of market potential.

Purchasing risks

High demand for real estate can create supply bottlenecks in building services and in new land plots for the project business.

Through long-term partnership cooperation, we have established a wide network of partner firms over the past decades to which we make frequent recourse when purchasing building services. We are also constantly expanding our network to include new general contractors or subcontractors with relevant track records. In terms of the availability of qualified general contractors and subcontractors, some bottlenecks can nevertheless occur – especially during periods of high demand for real estate – accompanied by delays and unexpected increases in construction costs, which would exert a correspondingly negative impact on the HELMA Group's results of operations.

We counter the risk of shortages of land through sustained and forward-looking land acquisition, which enables us to draw up plans based on secured land purchases. Moreover, we are not focused on individual target regions, but instead distribute our projects across different German metropolitan regions. This diversification enables us to shift into other regions should available supply in specific areas temporarily fail to match our requirements.

Materials cost risk

We also calculate expected changes in materials prices, and take them into account in our calculations as part of ongoing planning. Based on forward-looking determination of the sales prices for our houses and apartments we counter the risk of rising material prices. We also mitigate the risk of rising raw materials prices in the detached house business area with corresponding price adjustment clauses after expiry of the fixed price agreements. These are coupled to the construction price index trend. Unexpected jumps in costs on the supplier side precipitated by materials price rises and/or an increase in demand for subcontractor and general contractor services would nevertheless exert a negative effect on the profitability of the HELMA Group.

Investment risks

Following the conclusion of our geographic expansion, we have reduced our investments in new showhouses and locations to a moderate level over the past years. We will nevertheless continue to proceed with the greatest possible care when considering the potential creation of individual locations or replacement investments, in order to minimise the risk of a misinvestment as far as possible.

Personnel risks

We monitor personnel risks with a high degree of attention, and counter such risks using numerous personnel development measures. The focus in this context is the qualification of our employees, a low staff turnover rate, and the long-term loyalisation of managers to the company. Our employees' expertise is a decisive element in the high quality of the services we offer. We provide our employees and specialist advisers with a broad range of introductory qualification, and further training programmes in order to secure this quality. These programmes continued to attract very enthusiastic interest in 2018.

Reputation risk

Negative media reporting on our projects or business activities can negatively affect the reputation of the HELMA Group. The Internet and social media can disseminate such information and opinions quickly and far afield. Through targeted and sustained reputation management, we consequently plan, manage and control our company's reputation in relation to all relevant stakeholders.

New technologies

We constantly analyse innovations in the house construction area resulting from technological progress, which we then integrate into our product portfolio following an assessment of their suitability. Close contact and the exchange of experience with the most varied types of manufacturers, associations and business partners, as well as visits to specialist trade fairs and conferences, promotes our company's innovative spirit in this respect. We have recently expanded our product portfolio to include promising innovations, particularly in the energy-efficient construction method area. In doing so, we endeavour to ensure that the opportunities connected with innovations significantly outweigh related risks, and that start-up costs bear a reasonable relationship to sales potential.

IT risks

We regularly invest in modern hardware and software infrastructure, and perform frequent data backups, in order to prevent unauthorised access or data loss, and to ensure the constant availability of our IT systems. We employ leading manufacturers' products in this context. We constantly adjust our applicable security guidelines to the latest technical developments.

Legal risks

There are no identifiable major legal risks from today's perspective.

Financial risks

We monitor financial risks, including liquidity, interest, and default risks, using tried and tested controlling and steering tools, which facilitate prompt and transparent reporting. The Group reporting system ensures the regular recording, analysis, measurement and steering of financial risks.

Liquidity risks are monitored and managed centrally within the Group, based on rolling liquidity planning. The Group's sourcing of liquidity is ensured through sufficient cash holdings and free credit lines to exclude the occurrence of liquidity bottlenecks as good as possible.

Legal regulations and contractual agreements with purchasers or sub- and general contractors require the HELMA Group to provide security in the form of guarantees both in its building services business and in its property development business. The HELMA Group guarantees the availability of the requisite collateral by maintaining a sufficient number of free guarantee credit lines with guarantee insurers and banks. Issued guarantees are monitored continuously and returned promptly in accordance with legal requirements and contractual agreements.

As the HELMA Group has committed itself to complying with covenants as part of the promissory notes, these covenants are checked regularly. A failure to comply with the covenants as of the year-end comprises a reason for extraordinary termination. The covenants are complied with as of December 31, 2018, and no reason exists to expect a breach of covenant within the planning period. This risk is gauged as low as a consequence.

Interest-rate risk within the HELMA Group results mainly from variable-rate liabilities. A rise in the interest-rate level would feed through to a worsening of the net financial result. A significant interest-rate risk that could significantly negatively affect the HELMA Group's results of operations is nevertheless not apparent given the current level of variable interest-rate liabilities. Interest rate derivatives are not deployed.

As a result of our business model, and our tried and tested form of cooperation with subcontractors and general contractors, the risk arising from receivables defaults, or non-transferable warranty claims, may continue to be regarded as relatively low compared to the level of our revenue.

No exchange rate risks exist as HELMA Group companies operate exclusively in Germany, and all annual financial statements are denominated in euros.

Overall assessment

The overall risk situation at the HELMA Group is analysed and managed as part of the risk management system presented above. In the financial year elapsed, we identified no specific risks that might jeopardise our company as a going-concern, either individually or taken together. An effect on business performance and earnings trends cannot be excluded in the event of unforeseeable and extraordinary risks. No risks are identified from today's position that might jeopardise the HELMA Group as a going-concern, either individually or in combination.

Related parties report

Pursuant to § 312 of the German Stock Corporation Act (AktG), the Management Board has prepared a related parties report, which contains the following concluding statement: "In the case of the legal transactions and measures listed in the related parties report, and according to the circumstances known to the Management Board at the time when legal transactions were performed, or measures were taken or not taken, HELMA Eigenheimbau Aktiengesellschaft received an appropriate consideration for each legal transaction, and has not been disadvantaged by the fact that measures were taken, or not taken.”

Report on events subsequent to the reporting date

No events of particular significance occurred after the balance sheet date.

Dividend

In its single-entity financial statements prepared according to the accounting principles of the German Commercial Code (HGB), HELMA Eigenheimbau AG reports unappropriated retained earnings of € 10,656,131.02 for the 2018 financial year. As part of adopting the separate annual financial statements as part of the Supervisory Board meeting on March 29, 2019, the Management Board proposes to the Supervisory Board that it proposes to the Shareholders' General Meeting on July 5, 2019 that it distributes a dividend of € 1.30 per dividend-entitled ordinary share, consequently € 5,200,000.00, and to transfer the remaining amount of € 5,456,131.02 to the other revenue reserves. The total dividend amount and the amount to be transferred to the other revenue reserves in this proposed resolution relating to the application of unappropriated retained earnings is based on dividend-entitled share capital of € 4,000,000.00, which is divided into 4,000,000 ordinary shares.

The annual financial statements of HELMA Eigenheimbau AG prepared according to the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), as well as the aggregated management report, are published in the electronic Federal Gazette (Bundesanzeiger).

Medium-term growth strategy

The aim of the HELMA Group is to expand its own market position through further organic growth, acquire additional market shares and maintain profitability at its currently high level.

Boosting recognition of the HELMA brand

Growth in our building services business (HELMA Eigenheimbau AG) is to be realised mainly through a constant rise in the degree of recognition of the HELMA brand. The ongoing establishment of the HELMA brand is to be achieved in this context especially through high-quality market profiling as well as the annually growing number of new building projects realised. Here, the company aims to generate an ever-greater number of customer recommendations. These have always represented one of the most important factors in acquiring new customers. While achieving solid margins, the building services business is to contribute at least € 100.0 million per year to consolidated revenue medium-term.

Secured land plots as the growth engine for the property development business

Over the past years, the HELMA Group has succeeded in purchasing many attractive land plots for its property developer business (see the following overview). The resultant revenue potential at HELMA Wohnungsbau GmbH amounts to a total of € 996.0 million as of December 31, 2018 (December 31, 2017: € 859.0 million), and is distributed among the four core regions of Berlin/Potsdam, Hamburg/Hanover, Leipzig, and Munich, whereby the largest revenue contributions are to be expected from the first-mentioned region over the coming years, entailing a potential of € 486.0 million.

Along with diversification among different regions, the project pipeline also exhibits a very healthy allocation to the different business areas. For example, the large-scale "Havelmarina" project in Berlin-Spandau includes around 180 building plots for individually planned detached houses, many with direct access to the adjoining Teufelsseekanal. In the area of individually planned detached houses, the sale of the "Am Erdbeerhof" project in Hanover-Laatzen, which comprises a total of around 110 plots close to the city, was launched last year with great success. With the building areas in Blankenfelde-Mahlow, Dallgow-Döberitz and Nauen, each located in Brandenburg, as well as Leipzig-Naunhof and numerous smaller property areas, HELMA Wohnungsbau GmbH has a total of around 975 attractive building plots for development with individually planned HELMA houses. As a consequence, this division offers revenue potential of around € 414.5 million (December 31, 2017: € 352.5 million).

In addition, the HELMA Group will in future expand its division of individually planned detached houses including land to the Frankfurt, Cologne/Dusseldorf/Bonn and Würzburg regions. The HELMA Group is thereby giving itself the opportunity of also especially benefiting and achieving attractive margins in the new target regions from the current market environment, which is characterised by high influx rates and a very limited supply of suitable building plots for private individuals. Initial land plot purchases in the new target regions are anticipated to be realised during the course of 2019.

In addition to the properties secured for development with individual detached houses, HELMA Wohnungsbau GmbH has further revenue potential of € 581.5 million (€ 430.0 million as of December 31, 2017), which derives from the properties secured as of December 31, 2018 for preplanned residential units in semi-detached, terraced and multi-family houses. This division comprises construction projects with a few units such as the Stockflethweg project in Hamburg-Langenhorn with two semi-detached houses and five terraced houses, the "Wiesenblick" project in Dallgow-Döberitz with ten terraced houses and the "Michael-Seidl-Strasse", "Eigerstrasse" and "Gilching" projects in the Munich region with ten to twelve owner-occupier apartments each. In addition, HELMA Wohnungsbau GmbH also implements multi-storey housing projects with up to one hundred units distributed over several buildings. For example, the "Bosse See" project in the Hanover region is currently being planned with a construction of seven apartment buildings with a total of 58 residential units within an attractive landscape. A further 90 residential units, distributed over 18 buildings, form part of the aforementioned major project "Havelmarina" in Berlin-Spandau.

HELMA Ferienimmobilien GmbH also owns very attractive land plots and consequently enjoys the best preconditions to sustainably continue its significant success over recent years. For example, the OstseeResort Olpenitz and NordseeResort Büsum projects offer a wide range of holiday apartments and houses in the immediate vicinity of the water. In addition, HELMA Ferienimmobilien GmbH has succeeded in securing further land plots at locations of touristic interest such as the winter sports resort of Winterberg and the Oder-Havel Canal just outside Berlin. The revenue potential of the secured land plots at HELMA Ferienimmobilien GmbH stands at € 373.0 million as of the balance sheet date (December 31, 2017: € 320.0 million).

Both property development subsidiaries thereby exhibit € 1,369.0 million of revenue potential (December 31, 2017: € 1,179.0 million). It is to be assumed that most of this can be realised within the next five years. The company also plans to acquire further land plots at both subsidiaries in the future objective of profitable business expansion.

For the property development business, continuous revenue growth is aimed for medium-term, while achieving above-average margins.

Information about many current projects at HELMA Wohnungsbau GmbH and HELMA Ferienimmobilien GmbH, which are already in the marketing stage, can be downloaded from www.HELMA-WB.de and www.HELMA-FI.de, where they are continuously updated.

Detailed information on the revenue potential of HELMA Wohnungsbau GmbH and HELMA Ferienimmobilien GmbH is presented in the following overview. In comparison with the previous year, the column "project land plots not built upon" was not presented. With a share of revenue in the mid single-digit percentage range, the revenue volume of developed project properties without a building obligation in 2018 again played a subordinate role with average gross profit margins, which can also be assumed in the coming years.

Revenue potential from realised land purchases as of December 31, 2018*

	Total		Individually planned detached houses		Preplanned semi-detached, terraced and multi-family houses	
	Number of units	Revenue volume in k€	Number of units	Revenue volume in k€	Number of units	Revenue volume in k€
HELMA Wohnungsbau GmbH Berlin / Potsdam region	1,150	486,000	575	256,000	575	230,000
HELMA Wohnungsbau GmbH Hamburg / Hanover region	540	226,000	165	70,000	375	156,000
HELMA Wohnungsbau GmbH Leipzig region	295	119,000	235	88,500	60	30,500
HELMA Wohnungsbau GmbH Munich region	215	165,000	0	0	215	165,000
Total HELMA Wohnungsbau GmbH	**2,200**	**996,000**	**975**	**414,500**	**1,225**	**581,500**
Total HELMA Ferienimmobilien GmbH	**1,165**	**373,000**	**0**	**0**	**1,165**	**373,000**
Total HELMA Wohnungsbau GmbH & HELMA Ferienimmobilien GmbH	**3,365**	**1,369,000**	**975**	**414,500**	**2,390**	**954,500**

* The figures presented above are based on the respective current assumptions relating to potential land utilisation and building law situation and aim to provide a rough overview of the existing revenue potential from land plot purchases the HELMA Group has realised. The actual figures as well as the grouping into the different business areas of HELMA Wohnungsbau GmbH can change during the course of subsequent realisation and differ from the figures presented above. Successful implementation of the respective products also presupposes an intact market environment as of the realisation date.

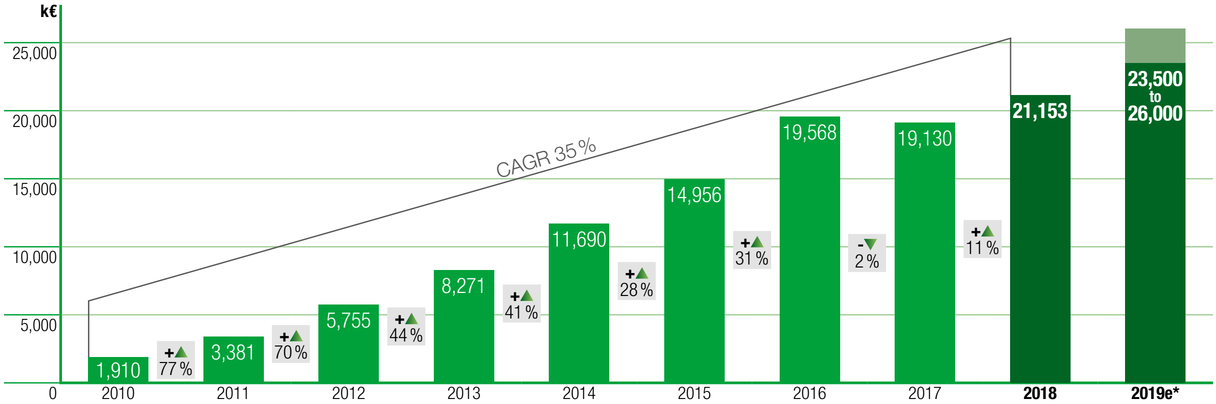
Summary

In the medium term, the HELMA Group aims to achieve annual revenue of well over € 300.0 million while maintaining a high level of profitability. In the medium term, the building services business is expected to contribute at least € 100.0 million per year and the property development business at least € 200.0 million. The prerequisite for achieving the above figures is a market environment that remains intact, in which the limited availability of capacities as a limiting factor is not even more pronounced than over the last two financial years. Based on these premises, a good chance exists of continuing to set new earnings records in the coming years.

Forecast report

The forecast the company made in January 2018 for the 2019 financial year is confirmed, and it thereby continues to envisage earnings before taxes (EBT) in a range between € 23.5 million and € 26.0 million.

Group EBT 2010-2019e (according to IFRS)



* The EBT forecast for the 2019 financial year includes expected capital income and other income deriving from VAT refund applications for the 2011 to 2013 financial years in the low seven-digit range in euros.

After earnings stagnated in 2017 for the first time in a long time, the HELMA Group resumed its long-term growth path in the past 2018 financial year and increased earnings before taxes (EBT) by 10.6 % to the record level of € 21.2 million. With a look to the existing project pipeline and the sales launches of HELMA Wohnungsbau GmbH and HELMA Ferienimmobilien GmbH in 2018 and 2019 or imminent in the near future, we also aim to achieve a double-digit percentage increase in EBT for the 2019 financial year.

Lehrte, March 8, 2019

Signed Gerrit Janssen
Management Board Chairman

Signed Max Bode
Management Board member

Signed André Müller
Management Board member


Semi-detached houses in Hamburg • Visualisation

Semi-detached houses in Olching (Munich region) • Visualisation


Consolidated Financial Statements
for the period January 1, 2018 to December 31, 2018 according to IFRS

Consolidated balance sheet

ASSETS in k€	Note	12/31/2018	12/31/2017
Non-current assets			
Other intangible assets	(1)	1,614	1,195
Goodwill	(2)	1,380	1,380
Property, plant and equipment	(3)	19,065	16,621
Investment property	(4)	179	0
Other non-current assets	(5)	1	1
Non-current assets, total		**22,239**	**19,197**
Current assets			
Inventories	(6)	220,152	199,891
Receivables arising from construction orders	(7)	47,516	45,144
Trade receivables	(8)	29,696	31,640
Other current receivables	(9)	5,509	4,635
Cash and cash equivalents	(10)	16,328	16,656
Non-current assets available for sale	(11)	0	490
Current assets, total		**319,201**	**298,456**
Total assets		**341,440**	**317,653**

EQUITY & LIABILITIES in k€	Note	12/31/2018	12/31/2017
Equity	(12)		
Issued share capital		4,000	4,000
Capital reserves		41,533	41,533
Revenue reserves		30,890	20,152
Balance sheet profit		21,172	23,023
Equity attributable to HELMA Eigenheimbau AG owners		97,595	88,708
Minority interests		121	121
Equity, total		**97,716**	**88,829**
Non-current liabilities			
Pension provisions and similar obligations	(13)	10	11
Other non-current provisions	(14)	1,055	977
Non-current financial liabilities	(15)	142,622	133,738
Trade payables	(16)	3,701	3,276
Other non-current liabilities		171	171
Deferred taxes	(17)	5,149	3,469
Non-current liabilities, total		**152,708**	**141,642**
Current liabilities			
Other current provisions	(18)	24,400	16,060
Tax liabilities	(19)	3,094	7,009
Current financial liabilities	(20)	33,018	32,154
Trade payables	(21)	5,806	5,270
Other current liabilities	(22)	24,698	26,689
Current liabilities, total		**91,016**	**87,182**
Total equity and liabilities		**341,440**	**317,653**

Consolidated statement of total comprehensive income

in k€	Note	2018	2017
Revenue	(23)	**253,276**	**267,418**
Change in stocks of finished goods and work in progress	(24)	25,758	15,901
Other operating income	(25)	1,634	1,664
Expense for materials and third-party services	(26)	-217,104	-226,365
Personnel expense	(27)	-23,853	-20,911
Other operating expenses	(28)	-15,935	-15,178
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**23,776**	**22,529**
Depreciation / amortisation	(29)	-1,992	-2,297
Operating earnings (EBIT)		**21,784**	**20,232**
Finance expenses	(30)	-685	-1,182
Other financial income	(31)	54	80
Earnings before taxes (EBT)		**21,153**	**19,130**
Income tax	(32)	-6,635	-6,106
Net income before minority interests		**14,518**	**13,024**
Minority interests’ share of earnings		-31	-31
Net income after minority interests		**14,487**	**12,993**

The company has refrained from presenting a reconciliation between net income for the year and total comprehensive income pursuant to IAS 1.81 ff. since the net income for the year corresponds to the total comprehensive income.

Earnings per share in €	2018	2017
undiluted	3.62	3.25
diluted	3.62	3.25

Consolidated cash flow statement

in k€			2018	2017
1.		Earnings after tax	14,518	13,024
2.	+/-	Depreciation/amortisation	1,992	2,297
3.	+/-	Change in non-current provisions	77	96
4.	+/-	Interest expenses / interest income	631	1,102
5.	+/-	Income tax expense / income tax income	6,635	6,106
6.	+/-	Income tax payments	-8,870	-4,660
7.	**=**	**Cash earnings (sum of 1 to 6)**	**14,983**	**17,965**
8.	-/+	Change in inventories	-16,885	-23,345
9.	-/+	Change in receivables and other assets	-1,302	-7,016
10.	+/-	Change in current provisions	8,340	-7,921
11.	+/-	Change in liabilities (excluding financial liabilities)	-1,030	7,004
12.	**+/-**	**Change in working capital (sum of 8 to 11)**	**-10,877**	**-31,278**
13.	-/+	Gain/loss on disposal of assets	-16	-31
14.	-/+	Gain/loss on disposal of non-current assets	-29	0
15.	**=**	**Cash flow from operating activities (sum of 7, 12 to 14)**	**4,061**	**-13,344**
16.	+	Payments received from disposal of property, plant and equipment	223	499
17.	+	Payments received from disposal of investment property	319	0
18.	-	Cash outflow for investments in property, plant and equipment	-4,391	-3,235
19.	-	Outgoing payments for investments in intangible assets	-650	-642
20.	+	Interest received	54	80
21.	**=**	**Cash flow from investing activities (sum of 16 to 20)**	**-4,445**	**-3,298**
22.	-	Cash outflows to other shareholders	-31	-31
23.	-	Dividend	-5,600	-4,400
24.	+/-	Cash inflows from issuance/redemption of bonds	0	-1,000
25.	+/-	Issuing/repayment of promissory notes	18,000	27,000
26.	+/-	Drawing down/redemption of other financial liabilities	-8,252	4,310
27.	-	Interest paid	-4,061	-3,912
28.	**=**	**Cash flow from financing activities (sum of 22 to 27)**	**56**	**21,967**
29.	**Net change in cash and cash equivalents (sum of 15, 21 and 28)**		**-328**	**5,325**
30.	**Cash and cash equivalents at the start of the period**		**16,656**	**11,331**
31.	**Cash and cash equivalents at the end of the period**		**16,328**	**16,656**

Consolidated statement of changes in equity

in k€	Issued share capital	Capital reserves	Revenue reserves	Balance sheet profit	Shares of owners of HELMA Eigenheim-bau AG	Shares of minority interests	Equity Total
Status January 1, 2017	**4,000**	**41,533**	**14,682**	**19,900**	**80,115**	**121**	**80,236**
Dividend	0	0	0	-4,400	-4,400	0	-4,400
Withdrawals/deposits	0	0	5,470	-5,470	0	-31	-31
Net income for the year	0	0	0	12,993	12,993	31	13,024
Status December 31, 2017	**4,000**	**41,533**	**20,152**	**23,023**	**88,708**	**121**	**88,829**
Dividend	0	0	0	-5,600	-5,600	0	-5,600
Withdrawals/deposits	0	0	10,738	-10,738	0	-31	-31
Net income for the year	0	0	0	14,487	14,487	31	14,518
Status December 31, 2018	**4,000**	**41,533**	**30,890**	**21,172**	**97,595**	**121**	**97,716**

Notes to the Consolidated Financial Statements

1. General information

1.1. General notes concerning the company, basic information

The Group parent company is HELMA Eigenheimbau Aktiengesellschaft (referred to below as HELMA AG), Lehrte, Germany. The company is entered in the commercial register of the local court of Hildesheim under number HRB 201182 with the address "Zum Meersefeld 4, 31275 Lehrte".

HELMA AG's main area activity is the planning and construction management of turnkey and partly turnkey detached (focus) and semi-detached houses on the basis of customer orders.

HELMA Wohnungsbau GmbH, Lehrte, a subsidiary of HELMA AG, operates in the classic property development business. Besides building detached, semi-detached and terraced houses, the area of activity also includes the construction of multi-floor residential buildings. Each individual unit is sold including its related land plot to the respective purchaser.

HELMA Ferienimmobilien GmbH, Lehrte, a subsidiary of HELMA AG, operates in the classic property development business for holiday homes. The product portfolio comprises both freestanding holiday homes as well as holiday apartments. Each individual unit is sold including its related land plot to the respective purchaser.

Hausbau Finanz GmbH, Lehrte, a subsidiary of HELMA AG, operates in the area of building-related financing and insurances.

On January 17, 2013, a control-and-profit-and-loss transfer agreement was concluded between HELMA AG and Hausbau Finanz GmbH, and a profit-and-loss transfer agreement between HELMA AG and HELMA Wohnungsbau GmbH, which were expanded on December 11, 2013 to include a dynamic reference to Section 302 of the German Stock Corporation Act (AktG). The ordinary Shareholders' General Meeting approved both of these agreements on July 5, 2013, and the supplements on July 4, 2014. They were entered in the commercial register, consequently becoming effective the first time for the 2013 financial year.

With a notary agreement dated November 11, 2013, a control-and-profit-and-loss transfer agreement was concluded between HELMA Ferienimmobilien GmbH and HELMA AG. The shareholder meeting of HELMA Ferienimmobilien GmbH unanimously approved this agreement on November 11, 2013. This agreement became effective for the 2014 financial year after it had been approved by the ordinary Shareholders' General Meeting of HELMA Eigenheimbau AG on July 4, 2014, and after it was entered in the commercial register on July 22, 2014.

As the parent company of the HELMA Group, HELMA AG has been listed in the open market of the Frankfurt Securities Exchange (Scale) since September 2006 (ISIN DE000A0EQ578).

The 2018 consolidated financial statements were prepared in euros (€). Unless stated otherwise, all amounts are presented in thousands of euros (k€). Please note that minor differences can occur in the formation of totals due to the commercial rounding of amounts and percentages.

The December 31, 2018 consolidated financial statements of HELMA AG were prepared according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, valid as of the financial reporting date, and taking into account the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC), and as applicable in the EU.

All companies included in the consolidated financial statements use the calendar year as their financial year.

The consolidated financial statements include the consolidated balance sheet, consolidated statement of total comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, and notes to the consolidated financial statements including a consolidated statement of changes in fixed assets and segment reporting.

1.2. Standards and interpretations requiring application in the current financial year

New standards, amendments to existing standards, and new interpretations were approved in 2018.

These include:

a) Published standards and interpretations that require mandatory first-time application for the IFRS financial statements as of December 31, 2018:

- **Amendments to standards:**
  - Amendments to IFRS 4 "Insurance Contracts": Consequences from the first-time adoption dates for IFRS 9 and IFRS 17 (comes into force January 1, 2018)
  - Amendments to IFRS 2 "Share-based Payment": Various clarifications (comes into force January 1, 2018)
  - Amendments to IAS 40 "Investment Property": Changes in use (comes into force January 1, 2018)
  - Various amendments: IASB's 2014-2016 Annual Improvements Project (comes into force on January 1, 2018)
- **New standards:**
  - IFRS 9 "Financial Instruments" (comes into force on January 1, 2018)
  - IFRS 15 "Revenue from Contracts with Customers" (comes into force on January 1, 2018)

- **New interpretations:**
  - IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (comes into force January 1, 2018)

b) Published standards and interpretations that do not yet require mandatory first-time application for the IFRS financial statements as of December 31, 2018:

- **Amendments to standards:**
  - Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (comes into force January 1, 2019) *
  - Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures": Long-term participations (comes into force January 1, 2019) *
  - Amendments to IFRS 9 "Financial Instruments": Prepayment Features with Negative Compensation (comes into force January 1, 2019)
  - Various amendments: IASB's 2015-2017 Annual Improvements Project (comes into force on January 1, 2019) *
  - Amendments to IFRS 3: Clarification of the definition of a Business (comes into force January 1, 2020) *
  - Amendments to IAS 1 and IAS 8: Definition of Material (comes into force January 1, 2020) *
  - Amendments to References to the Conceptual Framework in IFRS Standards (comes into force January 1, 2020) *
- **New standards:**
  - IFRS 16 “Leases” (comes into force on January 1, 2019)
  - IFRS 17 "Insurance Contracts" (comes into force on January 1, 2021) *
- **New interpretations:**
  - IFRIC 23 "Uncertainty over Income Tax Treatments" (comes into force January 1, 2019)

* Not yet endorsed by EU.

The company has, and will, apply the new standards and interpretations once their application is mandatory within the EU. The new regulations for IFRS 9 and IFRS 15 have not led to any significant effects for the balance sheet and income statement. The new regulations of IFRS 16 are expected to lead to a higher level of intangible assets and financial liabilities in a low seven-digit amount in euros. In the income statement, other operating expenses will be reduced by a low six-digit amount in euros, while amortisation of intangible assets will increase by a low six-digit amount in euros and interest expenses by a five-digit amount in euros. This will not affect lending covenants based on the minimum equity ratio, as such loan covenants take as their reference the equity ratio based on the IFRS accounting regulations applicable on the loan disbursement date. Amendments and extended disclosures arise for mandatory disclosures in the notes.

2. Key accounting methods

These consolidated financial statements have been prepared in compliance with IFRS, as applicable in the EU.

The preparation of consolidated financial statements according to IFRS requires the Management Board to make estimates and assumptions that have effects on the amounts reported in the consolidated balance sheet, as well as on the disclosure of contingent claims and liabilities as of the reporting date, and on the reported income and expenses during the reporting period. The assumptions and estimates reflect assumptions based on the relevant current status of knowledge. Actual outcomes may differ from these estimates and assumptions.

2.1. Assets

Intangible assets
Intangible assets (licenses, IT software, customer relationships) are recognised at cost less amortisation. Amortisation is performed on a straight-line basis over the economic useful life, which amounts to up to five years.

Expected useful lives and amortisation methods are reviewed at the end of the financial year.

The carrying amounts of intangible assets are reviewed at each reporting date in order to determine whether indications exist that impairment has occurred.

Development costs for newly developed building types for which technical and marketing feasibility studies are available are capitalised using their directly and indirectly attributable production costs to the extent that expenses can be clearly allocated, and the newly developed products are viable from both a technical and marketing perspective (IAS 38). It must also be sufficiently likely that such development activities will result in future cash inflows. Borrowing costs that are attributable to the production process are capitalised if they are significant. Amortisation is applied on the basis of the products' planned technical useful life. The useful life amounts to five years. Pursuant to IAS 38, research costs cannot be capitalised, and are consequently expensed directly in the consolidated statement of total comprehensive income.

Goodwill
Goodwill arising on a business combination is recognised at the time when control is transferred (acquisition date). It corresponds to the amount by which the purchase costs exceed the Group share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company at the acquisition date.

For the impairment test, goodwill is distributed among all the Group's cash generating units where it is expected that they can generate benefits from the synergies resulting from the merger. Cash generating units to which a portion of goodwill is allocated are tested at least once annually for impairment. These tests are performed more regularly if indications exist that the value of a unit is impaired.

The impairment test is based on a calculation of the recoverable amount. This is derived from the higher of either fair value less costs to sell or value in use. If a cash generating unit's carrying amount exceeds its recoverable amount, IAS 36.104 f. requires the recognition of an impairment loss.

The carrying amount of the cash generating unit comprises its so-called net assets, which are composed of its operating assets, in other words, the assets required for operating activities, plus disclosed hidden reserves (especially goodwill), and less liabilities arising from operating activities.

Whereas the calculation of fair value less costs to sell is based on procedures primarily referring to market prices, the calculation of value in use makes recourse to procedures based on capital values.

The concept of the weighted average cost of capital (post-tax WACC approach) is used for procedures based on capital values.

The following assumptions were made in this context:

- Equity costs are calculated on the basis of the capital asset pricing model, and amount to 7.6 % (previous year: 7.85 %). This interest rate was calculated on the basis of a risk-free rate of 1.0 % (previous year: 1.25 %), a risk premium of 6.0 % (previous year: 6.0 %) and a beta factor of 1.1 (previous year: 1.1).

- The value in use was calculated using the present value of cash flow during two growth phases. Detailed planning that has been approved by the Management Board was used as the basis for the financial years comprising Phase 1 (two years). A perpetual return is used as the basis for Phase 2. The growth assumed in this instance amounts to 1.0 %.

Property, plant and equipment

Property, plant and equipment (with the exception of land) is reported at cost less cumulative depreciation and impairment losses. Besides directly attributable unit costs, cost in this respect also reflects appropriate portions of production-related overhead costs.

Depreciation is performed in such a way that the assets' costs less their residual values are depreciated on a scheduled basis over their useful lives. The expected useful lives, residual values and depreciation methods are reviewed annually, and all necessary modifications to estimates are taken into account prospectively.

Property, plant and equipment is depreciated on a straight-line basis over the following useful lives:

Prospective useful lives	Years
Showhouses	up to 33
Office buildings	up to 33
Outdoor plant	10 to 35
Other plant, operating and office equipment	1 to 15

Economic useful lives are determined taking into account prospective physical wear and tear, technical obsolescence, and legal and contractual restrictions.

A useful life of up to 33 years is assumed for showhouses situated on the company's own land. Where shorter, rental duration is used as the useful life for showhouses situated on third-party land.

Assets under construction are recognised at cost. Borrowing costs are capitalised if they are significant. Depreciation of these assets commences when they are completed, or when they reach an operationally ready condition.

Depreciation is not applied to land.

Leasing

Leases are classified as finance leases if all essential opportunities and risks connected with ownership are transferred to the lessee as a result of the lease agreement. All other leases are classified as operating leases.

Assets held as part of a finance lease are reported as Group assets at fair value at the start of the lease, or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessee is shown in the consolidated balance sheet as an obligation arising from a finance lease.

Assets held under finance leases are depreciated over their expected useful life in the same way as assets held as Group property or, if shorter, the duration of the underlying lease.

Lease payments are split into interest expenses and capital repayments of the lease obligation in such a way that the remaining liability is subject to a constant rate of interest. Interest expenses are reported directly in the consolidated statement of total comprehensive income.

Rental payments arising from operating leases are reported as expenditure on a straight-line basis over the duration of the lease unless another systematic basis better corresponds to the periodic progression of usage for the lessee. Conditional rental payments made as part of an operating lease are expensed in the period in which they arise.

Investment property

Investment property is property held to generate rent and/or for capital appreciation. Investment property is initially recognised at cost, including transaction costs. Subsequently, investment properties are measured at amortised cost in accordance with the cost model. Depreciation is applied straight-line over a period of up to 50 years.

An investment property is derecognised on disposal or when it is no longer expected to be used and no future economic benefits are expected from its disposal. The gain or loss on disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income in the period of disposal.

Inventories

Inventories are recognised at the lower of individual cost as per IAS 2.23, and net realisable value.

Cost essentially represents services invoiced by subcontractors as well as the costs for land purchases. A premium is allocated to this cost to reflect overhead costs, which are composed of administration costs. Overhead cost premiums are based on actual overhead costs for the period.

Borrowing costs are capitalised if they are significant.

Impairment losses are recognised if the net realisable value of individual assets falls below their carrying amount.

Receivables arising from construction orders

If the result of a construction order can be gauged reliably, the order income and order costs connected with this construction order are reported according to the degree of completion of output as of the reporting date compared to the total order output. Expected losses arising from construction contracts are expensed immediately in their entirety.

Financial assets and liabilities

Financial assets are composed primarily of receivables, and of cash and cash equivalents. Financial assets are recognised on the consolidated balance sheet if the company enjoys a contractual right to receive cash or other financial assets from another party. Normal market purchases and sales of financial assets are generally entered in the balance sheet as of the settlement date. A financial asset is generally initially recognised at fair value plus transaction costs.

Financial assets are derecognised if the contractual rights to payments arising from financial assets expire, or the financial assets are transferred along with all key risks and opportunties.

Financial assets are tested for impairment at each balance sheet date. Financial assets are deemed to be impaired if, as a consequence of one or several events occurring following first-time recognition of the asset, there is an objective indication that the expected future cash flows from the financial asset have undergone a negative change.

For some categories of financial assets, for example, trade receivables, impairment tests are conducted on a portfolio basis for assets where no impairment is established on an individual basis.

Assets available for sale

Assets and groups of assets for sale are classified as available for sale if it is intended that their carrying amount will be realised predominantly by disposal rather than by further use. This precondition is not regarded as satisfied until the sale is highly likely, and the asset is available for immediate disposal. The relevant responsible governing bodies of the company must also have approved the disposal, and the intention must be that the sale will be performed within one year of its qualification as available for sale. Furthermore, an active search to find a purchaser must have already started.

Non-current assets available for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Cash and cash equivalents

Cash and cash equivalents are recognised at nominal value.

Cash and cash equivalents used to collateralise bank borrowings, and which are not at the company's disposal, are not included in cash and cash equivalents, but are instead reported among other current or non-current assets.

2.2. Equity and liabilities

Equity capital procurement costs

Equity capital procurement costs are deducted from the capital reserves after taking into account any tax that they incur.

Financial liabilities

Financial liabilities are recognised in the consolidated balance sheet if the company is contractually obligated to transfer cash or other financial assets to another party. A primary liability is initially recognised at cost. Financial liabilities are measured at amortised cost in subsequent years.

Pension provisions

Pension provisions and similar obligations are measured applying the projected unit cost method for pension benefit commitments in line with IAS 19.

Other provisions

Other provisions are formed to an appropriate extent for all identifiable risks and uncertain obligations. The precondition for recognition is that utilisation is likely, and the extent of the obligation can be calculated reliably.

Provisions for warranty expenses are recognised at the time of completion of production or the time of sale according to the management's best estimation relating to the Group's satisfaction of the obligation.

Non-current provisions are mainly recognised at their discounted fulfilment amount as of the balance sheet date.

2.3. Consolidated statement of comprehensive income

The consolidated statement of comprehensive income is structured according to the nature of expense method.

Sales revenues and other operating income are realised when services are rendered or when claims arise. Interest income and expenses are reported in the periods to which they relate.

If the corresponding requirements of IFRS 15 are met, revenue is recognised for a specific period. This entails reporting costs incurred during the financial year, and revenue attributable to the financial year, through profit or loss according to the degree of completion of construction. The degree of completion of construction is calculated using the ratio of output achieved relative to total output.

2.4. Currency translation

Foreign-currency receivables, cash, and liabilities are measured according to the exchange rate prevailing on the reporting date.

2.5. Income tax

Taxes on income are reported and measured according to IAS 12. Apart from a few exceptions determined in the standard, deferred tax is formed for all temporary differences between IFRS and fiscal valuations (balancesheetoriented approach). Deferred tax assets based on unutilised tax loss carryforwards are recognised to the extent permitted by IAS 12. The measurement of deferred tax is based on tax rates as currently applicable. Impairment losses are applied to deferred tax assets depending on the extent to which they can be realised in the future. Deferred tax assets and deferred tax liabilities are reported on a net basis.

3. Consolidation

3.1. Principles of consolidation

The financial statements of the individual companies were prepared according to uniform accounting principles for the purposes of inclusion in the consolidated financial statements. All companies included in the consolidated financial statements use the same reporting date.

Shares in equity attributable to third parties not forming part of the Group are reported as "minority interests" within equity in the consolidated balance sheet. The carrying amount of minority interests is adjusted to reflect equity changes (distributions/capital contributions, and share of earnings) that are attributable to them. The shares of minority interests are attributable to non-controlling interests (non-controlling shareholders).

All Group-internal business transactions, balances and results of intra-group transactions are fully eliminated as part of consolidation.

3.2. Scope of consolidation

Besides the HELMA AG parent company, the scope of consolidation includes three fully consolidated associated companies in which the company holds majority interests. During the year under review, no changes occurred to the interests held in the companies.

The following list of shareholdings shows the scope of consolidation:

Name and head office of the company	Share of capital (indirectly and directly)
Subsidiaries of HELMA AG, Lehrte	
HELMA Wohnungsbau GmbH, Lehrte	93.94 %
HELMA Ferienimmobilien GmbH, Lehrte	95.10 %
Hausbau Finanz GmbH, Lehrte	100.00 %

4. Notes to the consolidated balance sheet

Non-current assets

The consolidated statement of changes in fixed assets shows the changes in intangible assets, property, plant and equipment, and investment property.

Intangible assets

(1) Other intangible assets		k€ 1,614
	12/31/2017	k€ 1,195

This balance sheet item changed as follows:

Recognised amount in k€	Additions in k€	Disposals in k€	Reclassifications in k€	Amortisation / write-downs in k€	Recognised amount in k€
01/01/2018	2018	2018	2018	2018	12/31/2018
1,195	650	0	0	231	1,614

Other intangible assets essentially comprise licenses and IT software.

No indications existed of any impairment.

(2) Goodwill		k€ 1,380
	12/31/2017	k€ 1,380

The reported goodwill results from the acquisition of the interest in HELMA Wohnungsbau GmbH, and is consequently allocated to the "Property development business" segment. The IAS 36 impairment test performed as of the reporting date took into account IDW RS HFA 16, and resulted in a reconfirmation of the previous year's valuation.

(3) Property, plant and equipment		k€ 19,065
	12/31/2017	k€ 16,621

This balance sheet item changed as follows:

Recognised amount in k€	Additions in k€	Disposals in k€	Reclassifications in k€	Depreciation / write-downs in k€	Recognised amount in k€
01/01/2018	2018	2018	2018	2018	12/31/2018
16,621	4,391	207	0	1,740	19,065

Property, plant and equipment is composed as follows:

in k€	12/31/2018	12/31/2017
Land rights and equivalent rights, and constructions including constructions on third-party land	16,101	12,457
Prepayments rendered and plant under construction	30	1,545
Other plant, operating and office equipment	2,934	2,619
Total	**19,065**	**16,621**

No indications existed of any impairment.

Land is generally encumbered using mortgages. With the exception of certain debt-financed vehicles, the item "other plant, operating and office equipment" is essentially subject to no access restrictions due to assignment as security or pledging.

(4) Investment properties		**k€ 179**
	12/31/2017	k€ 0

HELMA AG classified two showhouses no longer used by HELMA as investment properties in the 2018 financial year, as these could be rented on a long-term basis. In the 2017 financial year, these two showhouses continued to be reported as non-current assets held for sale and reclassified in the 2018 financial year, as the intention to sell was abandoned. The rental income of the two properties and the corresponding expenses are in the low five-digit euro range. The carrying amount at the balance sheet date corresponds to the fair value.

(5) Other non-current assets		**k€ 1**
	12/31/2017	k€ 1

Mainly long-term deposits were reported among other non-current assets.

Non-current assets, total		**k€ 22,239**
	12/31/2017	k€ 19,197

Current assets

(6) Inventories		**k€ 220,152**
	12/31/2017	k€ 199,891

This balance sheet item is composed as follows:

in k€	12/31/2018	12/31/2017
Raw materials and supplies (advertising materials)	74	225
Semifinished services	210,632	181,498
Prepayments rendered for inventories	9,446	18,168
Total	**220,152**	**199,891**

Obligations typical for the sector exist with respect to reported inventories.

The reported inventories include land with a value of k€ 185,853 (previous year: k€ 172,429), building and ancillary building costs with a value of k€ 26,469 (previous year: k€ 21,738) and capitalised interest expenses with a value of k€ 7,724 (previous year: k€ 5,455).

Interest expenses of k€ 3,376 were capitalised in the year under review and reported under semifinished services (previous year: k€ 2,730). Reported semifinished services were also reduced by k€ 1,107 (previous year: k€ 1,904) due to the disposal of capitalised interest expenses.

(7) Receivables arising from construction orders		**k€ 47,516**
	12/31/2017	k€ 45,144

This balance sheet item is composed as follows:

in k€	12/31/2018	12/31/2017
Revenue realised on a proportional basis	99,620	105,518
Prepayments received relating to long-term construction order receivables	-52,104	-60,374
Total	**47,516**	**45,144**

Receivables from construction contracts include receivables from the period-based revenue recognition for long-term construction contracts (IFRS 15). They are calculated based on output achieved relative to total output.

Period-based revenue recognition in accordance with IFRS 15 had the following effects on earnings:

in k€	12/31/2018	12/31/2017
Revenue realised on a proportional basis	99,620	105,518
Acquisition and production costs realised on a proportional basis	-82,598	-93,927
Result from application of the PoC method	17,022	11,591

In the case of the tables above, the cumulative value of long-term construction orders existing as of the balance sheet date were reported under the current financial year. The change compared with the previous year's cumulative value is reflected in the current consolidated statement of total comprehensive income.

(8) Trade receivables		**k€ 29,696**
	12/31/2017	k€ 31,640

Trade receivables reported are measured at amortised cost.

No impairment losses existed as of the balance sheet date (previous year: k€ 0). No further significant credit risks exist.

Existing trade receivables should be regarded as retaining their full value due to house agreements for which there are financing confirmations provided by financing partners selected by customers. Some of the remaining open amounts are also covered by deposits on notary trust accounts. In both the year under review and in prior years, there were no notable receivables defaults that would have required valuation adjustments to trade receivables extending beyond those already applied.

(9) Other current receivables		**k€ 5,509**
	12/31/2017	k€ 4,635

This balance sheet item is composed as follows:

in k€	12/31/2018	12/31/2017
Creditor accounts in debit	1,439	740
Commissions for commercial representatives	2,767	2,144
Prepayments and accrued income	780	784
Miscellaneous current receivables	523	967
Total	**5,509**	**4,635**

(10) Cash and cash equivalents		**k€ 16,328**
	12/31/2017	k€ 16,656

This balance sheet item contains cash holdings and bank accounts in credit.

(11) Non-current assets held for sale		k€ 0
	12/31/2017	k€ 490

Non-current assets held for sale as of the previous year's balance sheet date related to three showhouses which were allocable to the "Building Services Business" segment. One of these showhouses was sold at the beginning of 2018. This resulted in a gain of k€ 29. The two other showhouses were reclassified as investment properties due to long-term rental (see also explanations to (4)).

Current assets, total		k€ 319,201
	12/31/2017	k€ 298,456

Total assets		k€ 341,440
	12/31/2017	k€ 317,653

(12) Equity

The change in consolidated equity is presented in detail in the consolidated statement of changes in equity.

Issued share capital		k€ 4,000
	12/31/2017	k€ 4,000

The subscribed capital of HELMA AG amounts to k€ 4,000, and is divided among 4,000,000 no par value ordinary shares. The shares are bearer shares. One share grants the right to one vote.

As a result of a resolution of the Shareholders' General Meeting of July 3, 2015, the Management Board is authorised, with Supervisory Board assent, to increase the share capital until July 2, 2020, once or on several occasions, by a total of up to k€ 1,850 (Approved Capital 2015). The approved capital authorisation that existed until that date was cancelled. Following partial utilisation of k€ 300 due to the capital increase implemented in October 2015, the approved capital of July 3, 2015 (Approved Capital 2015) still amounted to k€ 1,550.

The Shareholders' General Meeting of July 3, 2015, passed a resolution for a conditional increase of issued capital up to an amount of k€ 1,850 (Conditional Capital 2015). The conditional capital serves to grant ordinary bearer shares to bearers or creditors of convertible and/or warrant debentures, profit participation rights and/or profitsharing bonds, which can be issued on the basis of the authorisation approved by the Shareholders' General Meeting of July 3, 2015. The conditional capital authorisation that existed until that date was cancelled.

Capital reserves		**k€ 41,533**
	12/31/2017	k€ 41,533

Revenue reserves		**k€ 30,890**
	12/31/2017	k€ 20,152

Balance sheet profit		**k€ 21,172**
	12/31/2017	k€ 23,023

Minority interests		**k€ 121**
	12/31/2017	k€ 121

This balance sheet item changed as follows:

in k€	12/31/2018	12/31/2017
Status as of January 1	121	121
Sum of distributions/capital contributions	-31	-31
Minority interests' share of earnings	31	31
Status as of December 31	121	121

Equity, total		**k€ 97,716**
	12/31/2017	k€ 88,829

Economic equity

The targets of the company's capital management lie

- in securing the company's continued existence,
- in ensuring an adequate return on equity, and
- in maintaining an optimal capital structure that keeps capital costs as low as possible.

The capital structure is monitored on the basis of gearing and the equity ratio. The company's strategy consists of entering into a level of gearing that is expedient from the perspective of the company's valuation, and which ensures continued access to debt financing at reasonable costs while retaining a good credit rating. In addition, minimum equity ratios are agreed in part as covenants in the lending agreements that the company has entered into.

in k€	12/31/2018		12/31/2017	
		in relation to total assets		in relation to total assets
Finance debt	175,640		165,892	
Cash and cash equivalents	-16,328		-16,656	
Net debt	**159,312**	**46.7 %**	**149,236**	**47.0 %**
Equity	**97,716**	**28.6 %**	**88,829**	**28.0 %**
Total assets	**341,440**	**100.0 %**	**317,653**	**100.0 %**

During the course of the year under review, the company complied with the financial covenants required in the context of its lending agreements.

Non-current liabilities

(13) Pension provisions and similar obligations		**k€ 10**
	12/31/2017	k€ 11

HELMA AG has issued pension commitments to a minor extent. These relate to pension commitments granting fixed benefit entitlements, and which require recognition as defined benefit plans pursuant to IAS 19. The pension provisions are measured as of the reporting date on an actuarial basis using the projected unit credit method and taking into account future changes. The calculations are essentially based on the following assumptions:

in %	12/31/2018	12/31/2017
Interest rate	1.7	1.7
Salary trend	0.0	0.0
Pension trend	2.0	2.0
Staff turnover rate	0.0	0.0

These calculations do not reflect cost trends in the medical care area. No plan assets pursuant to IAS 19 exist.

Payments of k€ 2 were made from pension provisions in the year under review (previous year: k€ 2).

(14) Other non-current provisions		k€ 1,055
	12/31/2017	k€ 977

This balance sheet item changed as follows:

in k€	Status as of 01/01/2018	Utilisation 2018	Release 2018	Addition 2018	Status as of 12/31/2018
Type of provision					
Storage costs for business documents	23	0	0	0	23
Guarantees	954	954	0	1,032	1,032
Total	**977**	**954**	**0**	**1,032**	**1,055**

(15) Non-current financial liabilities		k€ 142,622
	12/31/2017	k€ 133,738

This balance sheet item changed as follows:

in k€	12/31/2018	12/31/2017
Liabilities to finance partners		
Residual term between 1 and 5 years	55,630	64,050
Residual term > 5 years	1,492	2,188
Promissory note		
Residual term between 1 and 5 years	75,000	52,500
Residual term > 5 years	10,500	15,000
Total	**142,622**	**133,738**

Non-current liabilities to finance partners relate particularly to the financing of land, showhouses, the administration building in Lehrte, and the vehicle park. Of the non-current and current liabilities to finance partners, an amount of k€ 60,873 (previous year: k€ 81,551) was secured by mortgages and carried interest rates of between 0.0 % and 4.55 % p. a. as of the reporting date.

In 2015, two promissory notes in amounts of k€ 5,000 and k€ 10,000 were placed. The first promissory note is divided into a 5-year tranche of k€ 3,000 at an interest rate of 2.914 % p. a., and a 7-year tranche for k€ 2,000 at an interest rate of 3.587 % p. a., and a term that begins for both tranches on April 30, 2015. The second promissory note for k€ 10,000 has a term that starts on December 15, 2015, a 5-year maturity and an annual coupon of 3.075 %.

In July 2016, a promissory note with a volume of k€ 25,500 was issued for HELMA Wohnungsbau GmbH guaranteed by HELMA AG. This promissory note is divided into two fixed interest tranches with a 5-year maturity for k€ 17,500 and a 2.5 % p. a. coupon as well as a 7-year tranche for k€ 8,000 and a 2.915 % p. a. coupon, both of which start on August 1, 2016. In addition, HELMA Wohnungsbau GmbH already concluded a k€ 10,000 fixed interest KfW financing facility in the second quarter of 2016, with a 5-year maturity up until June 30, 2021 and an interest rate of 2.3 % p. a. This financing volume carries an average term of around three years as a result of ongoing repayment while taking a repayment-free year into account.

In May 2017, a further promissory note with a volume of k€ 27,000 was issued for HELMA Wohnungsbau GmbH guaranteed by HELMA AG. This promissory note is divided into two fixed interest tranches with a 5-year maturity for k€ 20,000 and a 2.5 % p. a. coupon as well as a 7-year tranche for k€ 7,000 and a 3.1 % p. a. coupon.

In July 2018, a further promissory note with a volume of k€ 18,000 was issued for HELMA Wohnungsbau GmbH guaranteed by HELMA AG. This promissory note is divided into two fixed interest tranches with a 5-year maturity for k€ 14,500 and a 2.477 % p. a. coupon as well as a 7-year tranche for k€ 3,500 and a 3.051 % p. a. coupon.

(16) Trade payables		**k€ 3,701**
	12/31/2017	k€ 3,276

Non-current trade payables represent collateral retentions.

(17) Deferred tax		**k€ 5,149**
	12/31/2017	k€ 3,469

Deferred tax liabilities are composed as follows:

in k€	12/31/2018	12/31/2017
HELMA AG		
- relating to semifinished services	-6.075	-6.523
- relating to receivables arising from construction orders	8.657	9.153
- relating to costs for long-term orders	-2.075	-1.990
- relating to other assets	-313	-321
HELMA Wohnungsbau GmbH		
- relating to semifinished services	-10.521	-14.698
- relating to receivables arising from construction orders	20.258	19.833
- relating to costs for long-term orders	-4.997	-2.526
- relating to other assets	-147	-205
- relating to capitalised interest	-27	-41
HELMA Ferienimmobilien GmbH		
- relating to semifinished services	-874	-2.145
- relating to receivables arising from construction orders	1.564	3.297
- relating to costs for long-term orders	-235	-281
- relating to other assets	-34	-49
- relating to capitalised interest	-32	-35
Total	**5.149**	**3.469**

Deferred tax assets and liabilities are offset against each other if the preconditions of IAS 12.74 have been satisfied.

Non-current liabilities, total		**k€ 152,708**
	12/31/2017	k€ 141,642

Current liabilities

(18) Other current provisions		**k€ 24,400**
	12/31/2017	k€ 16,060

This balance sheet item changed as follows:

in k€	Status as of 01/01/2018	Utilisation 2018	Release 2018	Addition 2018	Status as of 12/31/2018
Type of provision					
Costs for long-term orders / PoC	15,679	15,679	0	23,884	23,884
Miscellaneous other provisions	381	381	0	516	516
Total	**16,060**	**16,060**	**0**	**24,400**	**24,400**

The provisions for long-term construction order costs contain costs for subcontractors for which the company has not yet been fully invoiced according to the degree of completion.

(19) Tax liabilities		**k€ 3,094**
	12/31/2017	k€ 7,009

This item includes liabilities relating to trade tax, corporation tax and the Solidarity Surcharge.

(20) Current financial liabilities		**k€ 33,018**
	12/31/2017	k€ 32,154

This balance sheet item contains exclusively current liabilities to financial partners.

(21) Trade payables		**k€ 5,806**
	12/31/2017	k€ 5,270

(22) Other current liabilities		**k€ 24,698**
	12/31/2017	k€ 26,689

This balance sheet item is composed as follows:

in k€	12/31/2018	12/31/2017
Subcontractor invoices outstanding	20,664	23,640
Personnel	1,483	1,211
VAT	589	0
Wage and church taxes	342	299
Miscellaneous other liabilities	1,620	1,539
Total	**24,698**	**26,689**

The liabilities to personnel result primarily from employee vacation and bonus claims that are still outstanding.

Current liabilities, total		**k€ 91,016**
	12/31/2017	k€ 87,182

Total equity and liabilities		**k€ 341,440**
	12/31/2017	k€ 317,653

5. Notes to the consolidated statement of total comprehensive income

(23) Revenue		k€ 253,276
	2017	k€ 267,418

Revenues were generated exclusively in Germany (previous year: k€ 555 in other European countries).

(24) Change in stocks of finished goods and work in progress		k€ 25,758
	2017	k€ 15,901

The change in stocks of finished goods and work in progress includes the disposal of capitalised interest expenses with a value of k€ -1,107 (previous year: k€ -1,904).

(25) Other operating income		k€ 1,634
	2017	k€ 1,664

This item is composed as follows:

in k€	2018	2017
Income relating to the monetary benefit from the use of cars	539	542
Income from the disposal of fixed assets	116	282
Insurance compensation payments	171	222
Miscellaneous	808	618
Total	**1,634**	**1,644**

(26) Expense for materials and third-party services		k€ -217,104
	2017	k€ -226,365

Third-party services represent services procured from subcontractors.

(27) Personnel expense		k€ -23,853
	2017	k€ -20,911

This item is composed as follows:

in k€	2018	2017
Wages and salaries	-20,294	-17,755
Social contributions (of which expenses for pensions and benefit k€ -143, previous year: k€ -141)	-3,559	-3,156
Total	**-23,853**	**-20,911**

(28) Other operating expenses		**k€ -15,935**
	2017	k€ -15,178

This item is composed as follows:

in k€	2018	2017
Sales commissions	-6,898	-6,283
Marketing costs, trade fairs and exhibitions	-2,435	-2,143
Expense for guarantees	-425	-315
Legal and consultancy expenses	-763	-790
Administration costs (telephone, post, office requirements)	-572	-574
Third-party services	-305	-446
Premises costs	-1,093	-1,069
Vehicle costs	-669	-656
Operating and repair expenses	-518	-502
Entertainment and travel costs	-452	-331
Office equipment rental costs	-162	-189
Insurance, fees, contributions	-168	-168
Losses on fixed asset disposals	-71	-251
Miscellaneous expenses	-1,404	-1,461
Total	**-15,935**	**-15,178**

Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**k€ 23,776**
	2017	k€ 22,529

(29) Depreciation / amortisation		k€ -1,992
	2017	k€ -2,297

This item is composed as follows:

in k€	2018	2017
Intangible assets	-231	-239
Buildings, rental plant and outdoor plant	-672	-1,110
Other plant, operating and office equipment	-1,068	-948
Investment property	-21	0
Total	**-1,992**	**-2,297**

No impairment losses arose in the financial year under review. In the previous year, buildings, rental plant and outdoor plant included k€ -391 of impairment losses.

Operating earnings (EBIT)		k€ 21,784
	2017	k€ 20,232

(30) Financing expenses		k€ -685
	2017	k€ -1,182

Financing expenses in connection with the promissory note amounted to k€ -2,209 (previous year: k€ -1,674).

Financing expenses were offset with the sum of capitalised interest expenses of k€ 3,376 (previous year: k€ 2,730).

(31) Other financial income		k€ 54
	2017	k€ 80

This item exclusively reflects interest income.

Earnings before taxes (EBT)		k€ 21,153
	2017	k€ 19,130

(32) Income tax		**k€ -6,635**
	2017	k€ -6,106

This item is composed as follows:

in k€	2018	2017
Current income tax	-4,955	-7,584
Deferred taxes	-1,680	1,478
- of which due to the origination and reversal of temporary differences	-1,680	1,478
Total	**-6,635**	**-6,106**

The following presentation explains the key differences between the arithmetic tax expense arising from corporation tax plus the Solidarity Surcharge, and trade tax, for the years 2018 and 2017, and actual tax expenditure:

in k€	2018	2017
Earnings before taxes (EBT)	21,153	19,130
Group tax rate	30.60 %	30.60 %
Arithmetic income tax expense	-6,473	-5,854
Increase (decrease) in tax expenditure due to:		
Non-deductible operating expenses	-55	-31
Trade tax additions	-63	-78
Previous years' tax expense	-71	-102
Miscellaneous	27	-41
Income tax	**-6,635**	**-6,106**
Effective tax rate	31.37 %	31.91 %

Earnings after taxes		**k€ 14,518**
	2017	k€ 13,024

6. Notes to the consolidated statement of changes in equity

The consolidated statement of changes in equity is presented separately.

7. Notes to the cash flow statement

The consolidated cash flow statement is presented using the indirect method.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash holdings and bank accounts in credit.

The following table shows the changes in liabilities from financing activities.

in k€	Status as of 01/01/2018	Cash outflows	Payment received	Reclassifications	Status as of 12/31/2018
Non-current financial liabilities	133,738	0	44,389	-35,505	142,622
Current financial liabilities	32,154	-60,241	25,600	35,505	33,018
Other non-current liabilities	171	0	0	0	171
Total	**166,063**	**-60,241**	**69,989**	**0**	**175,811**

8. Other notes to the financial statements

8.1. Financial risks and opportunities

The HELMA Group has established a centrally oriented risk management system to systematically report and measure risks arising from financial instruments (market risks (currency, interest-rate and other price risks), liquidity risks, and default risks). This is structured so that risks can be identified at an early stage, and countermeasures be launched. Reporting is conducted on a continuous basis.

Currency risks:
No currency risks exist because the HELMA Group operates only within the Eurozone. No currency risks arise since HELMA AG has no subsidiaries whose annual financial statements are denominated in foreign currencies.

Interest-rate risks:
Interest-rate risk within the HELMA Group results from variable-rate liabilities. Interest rate derivatives are not deployed.

Pursuant to IFRS 7, interest-rate risks are presented using sensitivity analyses. These present the effects of changes in market interest rates on interest payments, interest income and expenses, other portions of earnings and, if applicable, equity. The sensitivity analyses are based on the following assumptions:

- Changes in market interest rates for primary financial instruments with fixed rates of interest only affect earnings if they are measured at fair value. Consequently, all financial instruments with fixed interest rates that are measured at amortised cost are subject to no interest-rate risks in the meaning of IFRS 7.

- Changes in market interest rates only have an impact on the interest result from primary financial instruments with variable rates of interest whose interest payments are not designated as hedged items as part of cash flow hedges against interest-rate changes, and are consequently taken into account in the earnings-related sensitivity calculations.

- Changes in the market interest rates of interest-rate derivatives that are not integrated into a hedging relationship have effects on the interest result, and are consequently reflected in the earnings-related sensitivity calculations.

An increase or decrease in the market interest rate level of 100 basis points in the year under review would have resulted in an approximately k€ 483 higher, respectively lower, interest expenses (previous year: approximately k€ 653 higher or lower respectively).

Other price risks:
HELMA AG is not exposed to other price risks such as stock market prices or indices.

Liquidity risk:
Liquidity planning is based on a rolling preview of all important monthly planning and earnings quantities. This liquidity planning is discussed in regular conversations with the finance partners that provide funding for the HELMA Group, and serves to secure financing requirements and credit commitments.

Information about capital management within the HELMA Group is presented in the remarks relating to the "Equity" balance sheet item.

The notes concerning the "non-current financial liabilities" balance sheet item contain a term analysis of the financial liabilities with contractually agreed residual maturities.

Default risks:
The company's default risks are limited to normal business risk, which is reflected by the formation of valuation adjustments.

The carrying amounts of the financial assets recognised in the consolidated balance sheet essentially reflect maximum default risk. As of the reporting date, there were no key agreements mitigating maximum default risk (such as offset agreements).

None of the receivables in the receivables portfolio exhibit significant payment problems. As in the previous year, no valuation adjustments were required as a consequence.

Concentration of business risks:
No concentration of business risks exists. The company has suffered only minor defaults on the part of its individual customers in the past. All Group companies operate active receivables management. Risk management includes the review and monitoring of risks on the basis of liquidity defaults, and the concentration of business risks on both the customer and supplier sides.

Income opportunities from VAT refund applications:
In the assessment periods 2011 to 2013, HELMA Wohnungsbau GmbH paid VAT in accordance with § 13b of the German VAT Act (UStG) to the tax authorities as the recipient of so-called construction services. In its ruling of August 22, 2013 (V R 37/10), the German Federal Fiscal Court (BFH) clarified that a property developer does not provide construction services and consequently cannot be a tax debtor as a recipient of construction services within the meaning of § 13b UStG. For this reason, HELMA Eigenheimbau AG, as the parent company of HELMA Wohnungsbau GmbH for VAT purposes, has applied for reimbursement of any VAT paid in error in the amount of a high seven-digit amount in euros as well as of related accrued interest in the amount of a low seven-digit amount in euros.

The Burgdorf tax office had not taken a final decision on the applications at the time when this report was drawn up.

Should a positive decision be made on the application by HELMA Eigenheimbau AG, the VAT paid to the Burgdorf tax office in the assessment periods 2011 to 2013 would have to be refunded to HELMA Eigenheimbau AG. However, this claim for reimbursement would in principle be offset by claims from subcontractors in the same amount, so that uncertainty continues to exist as to the extent to which any existing claim for reimbursement can be expected to have a positive effect on earnings.

8.2. Notes relating to earnings per share

Undiluted earnings per share is calculated by dividing consolidated annual net income by the average number of shares in circulation during the financial year, totalling 4,000,000 shares (previous year: 4,000,000 shares), and consequently amounts to € 3.62 per share (previous year: € 3.25).

in k€	2018	2017
Earnings after taxes	14,518	13,024
Minority interests' share of earnings	31	31
Earnings attributable to HELMA Eigenheimbau AG shareholders	14,487	12,993

Diluted earnings per share correspond to undiluted earnings per share since the company has issued no options or equity-equivalent rights.

8.3. Segment reporting

The Group has established its operating segment on the basis of the internal management of Group areas where the company's main decision-makers regularly review these business segments' operating results when making decisions concerning the allocation of resources to the segments, and when evaluating their profitability.

The information reported to the Management Board of the HELMA Group for decision-making concerning the distribution of resources to the segments, and the assessment of their profitability, relate to the following main products and services:

- Building services business
- Property development business
- Other

The main area of operations of the building services business lies in the planning and construction management of turnkey detached and semi-detached houses on the basis of customer orders. In the property development business, constructions are realised and marketed on the company's own land. The Other segment comprises the broking business for building-related financing and insurance.

Information relevant for decision-making purposes is reported to the Management Board on IFRS basis.

No instances exist of revenue generated with an individual customer exceeding 10 % of total revenue.

Revenue generated between segments exists mainly in the building services business segment (k€ 14,002; previous year: k€ 18,510).

Please refer to the notes to the consolidated statement of comprehensive income, section (23) Revenue, for information relating to the regional distribution of revenue. The company does not hold assets outside Germany.

Segment report

	Building services business		Property development business		Other		Total	
in k€	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Segment revenue (with external customers)	85,560	84,516	166,599	182,023	1,117	879	253,276	267,418
Depreciation and amortisation	1,718	2,157	266	132	8	8	1,992	2,297
Segment operating earnings (EBIT) including earnings-dependent portion of business procurement **	6,931	13,518	14,486	6,429	367	285	21,784	20,232
Segment operating earnings (EBIT) including earnings-dependent portion of business procurement adjusted for the disposal of capitalised interest *	6,931	13,518	15,593	8,333	367	285	22,891	22,136
Segment assets ***	**16,812**	**15,369**	**3,975**	**2,423**	**71**	**24**	**20,858**	**17,816**
Additions to segment assets	**3,168**	**1,662**	**1,817**	**2,215**	**56**	**0**	**5,041**	**3,877**

* Please refer to the marks in the section (6) Inventories for more information about figures adjusted for the disposal of capitalised interest.
** The earnings-dependent business procurement compensation is measured based on the annual financial statements for the company prepared according to German Commercial Code (HGB) accounting standards, which can make it less easy to analyse the operating segments' results, especially in the year-on-year comparison. The earnings-dependent business procurement compensation for the Property Development segment decreased by k€ 4,123 compared with to previous year.
*** Intangible assets (excluding goodwill), property, plant and equipment, investment property.

8.4. Particular events following the reporting date

No transactions of particular significance occurred after the balance sheet date.

8.5. Approval of the financial statements

The Supervisory Board approved the audited consolidated financial statements as of December 31, 2017, on March 28, 2018. The Supervisory Board will approve the audited consolidated financial statements as of December 31, 2018 prospectively on March 29, 2019.

8.6. Other financial liabilities

Other financial obligations are composed as follows:

Rental and lease agreements

Rental agreements exist for developed and undeveloped land with a duration of up to 10 years.

Leases

Operating lease objects essentially relate to operating and office equipment.

The financial obligations arising from these agreements amount to the following in total:

in k€	Up to 1 year	1 to 5 years	More than 5 years	Total (previous year)
Obligations from rental and leasing agreements	369	1.003	187	1.559 (1.997)
Obligations arising from operating leases for operating and office equipment	12	8	0	20 (107)
Total	**381**	**1.011**	**187**	**1.579 (2.104)**

Lease expenses of k€ 169 connected with operating leasing were expensed in 2018 (previous year: k€ 197).

Contingencies

No liability obligations exist to the benefit of third parties.

Commercial representatives

The company employs various commercial representatives. After their contracts expire, the company could be required to make compensation payments pursuant to Section 89b of the German Commercial Code (HGB).

8.7. Key business transactions with related parties

Mr. Karl-Heinz Maerzke received compensation for his Management Board activities as well as for his work as Supervisory Board Chairman in 2018. HELMA AG incurred annual rent expenses of k€ 63 in 2018 to rent land subplots for showhouses in Lehrte from HINDENBURG Immobilien GmbH & Co. KG, Lehrte, which is attributable to Mr. Karl-Heinz Maerzke. In 2018, HELMA AG acquired these partial areas of land from HINDENBURG Immobilien GmbH & Co. KG for a purchase price of k€ 1,000, so that the related annual rental expenses will no longer apply from the 2019 financial year.

Besides his compensation for his work as a Supervisory Board member, Mr. Sven Aßmann also received k€ 43 of payments for legal advices that he had rendered.

The audit, tax advisory, legal and notary practice Morzynski, Löbke, Koenemann, Bauer, Braun GbR, Hanover, in which Mr. Paul Heinrich Morzynski holds an interest, received payments of k€ 126 in 2018 mainly for holding customer payments on notary escrow accounts as well as for services rendered in connection with authentications and powers of attorney.

All business transactions with related companies and individuals were performed on standard market terms.

8.8. Management and Supervisory boards

Management Board
In the 2018 financial year, the management of the company was performed by the Management Board which was composed of the following members in the January 1, 2018 to July 6, 2018 period:

- Mr. Karl-Heinz Maerzke, Hanover, Management Board Chairman
- Mr. Gerrit Janssen, Hanover, Management Board member
- Mr. Max Bode, Hanover, Management Board member
- Mr. André Müller, Cologne, Management Board member (since July 1, 2018)

With effect from the end of the Annual General Meeting on July 6, 2018, company founder Karl-Heinz Maerzke resigned from his position as Chairman of the Management Board of HELMA Eigenheimbau AG and joined the company's Supervisory Board.

On April 12, 2018, the Supervisory Board passed a resolution to appoint Mr. Gerrit Janssen as Chairman of the Management Board (CEO) with effect from July 6, 2018. At its meeting on July 6, 2018, the Supervisory Board also approved an early extension of Mr. Janssen's contract by a further three years until June 30, 2022.

On July 1, 2018, Mr. André Müller took up his position as a member of the Management Board of HELMA Eigenheimbau AG.

As a consequence, the company's Management Board has been composed as follows since July 6, 2018:

- Mr. Gerrit Janssen, Hanover, Management Board Chairman
- Mr. Max Bode, Hanover, Management Board member
- Mr. André Müller, Cologne, Management Board member

Mr. Gerrit Janssen is appointed to the Management Board until June 30, 2022, Mr. Max Bode until June 30, 2020, and Mr. André Müller until June 30, 2023.

If only one Management Board member is appointed, this member represents the company on a sole basis. Where several Management Board members are appointed, the company is preresented either by two Management Board members or by one Management Board member together with a company officer.

Mr. Gerrit Janssen is authorised on a sole representation basis to conclude legal transactions on the company's behalf as a third-party representative.

Mr. Karl-Heinz Maerzke holds 25.1 % of the issued share capital of HELMA Eigenheimbau AG; HINDENBURG Immobilien GmbH & Co. KG, Lehrte, holds a further 14.5 %, which is attributable to Mr. Karl-Heinz Maerzke.

Total remuneration for the Management Board

The total compensation for Management Board amounted to k€ 1,235 in the 2018 financial year (previous year: k€ 1,075).

No receivables were due from the Management Board as of December 31, 2018.

There are no further payments that have been committed to Management Board members in the instance of the termination of their activities.

No payments were made to former Management Board members in the period under review.

Supervisory Board

With effect from the end of the Annual General Meeting on July 6, 2018, company founder Karl-Heinz Maerzke joined the company's Supervisory Board. In its subsequent meeting, the Supervisory Board elected Karl-Heinz Maerzke as Chairman and Sven Aßmann as Deputy Chairman of the Supervisory Board.

The Supervisory Board was composed as follows as of December 31 of the reporting year:

- Mr. Karl-Heinz Maerzke, Hanover (Chairman), (profession: businessman),
- Mr. Sven Aßmann, Hoisdorf (Deputy Chairman), (profession: lawyer),
- Mr. Paul Heinrich Morzynski, Hanover, (profession: auditor and tax consultant)
- Mr. Dr. Peter Plathe, Hanover, (profession: presiding judge - in retirement)

The period of office of the Supervisory Board members ends with the conclusion of the Shareholders' General Meeting that passes a resolution concerning the discharge of Supervisory Board members for the 2018 financial year.

Total remuneration for the Supervisory Board

Total remuneration for the Supervisory Board was k€ 161 in the year under review (previous year: k€ 114).

No payments were made to former Supervisory Board members in the period under review.

8.9. Number of employees

The HELMA Group employed an average workforce of 328 employees (previous year: 301) and an average of 9 individuals were employed to a minor extent (previous year: 10).

8.10. List of shareholdings

Name	Head-quarters	Shareholding level	Equity as of December 31, 2018	Share capital as of December 31, 2018	Net result before profit-and-loss transfer 2018
HELMA Wohnungsbau GmbH	Lehrte	93.94* %	€ 1,275,400.00	€ 1,275,400.00	€ 2,675,478.16
HELMA Ferienimmobilien GmbH	Lehrte	95.10 %	€ 250,000.00	€ 250,000.00	€ 3,148,822.89
Hausbau Finanz GmbH	Lehrte	100.00 %	€ 26,000.00	€ 26,000.00	€ 383,943.32

* Of which 4.01% held indirectly through Hausbau Finanz GmbH

The net result after profit-and-loss transfer amounted to € 0.00 for all companies listed.

8.11. Exemption pursuant to Section 264 (3) of the German Commercial Code (HGB)

The subsidiaries HELMA Wohnungsbau GmbH, HELMA Ferienimmobilien GmbH and Hausbau Finanz GmbH utilise the exemptions contained in Section 264 (3) of the German Commercial Code (HGB) for the 2018 fiscal year.

8.12. Auditor's fee

The auditor's total fee for the reporting year, including the companies included in the consolidated financial statements, amounted to k€ 133. Of this amount, k€ 77 is attributable to services for the auditing of financial statements, k€ 8 is attributable to certification services and k€ 48 is attributable to tax advisory services.

Lehrte, March 8, 2019

Signed Gerrit Janssen
Management Board Chairman

Signed Max Bode
Management Board member

Signed André Müller
Management Board member

Consolidated statement of changes in fixed assets 2018 (component of notes to the financial statements)

	Cost			
in k€	**01/01/2018**	**Additions**	**Transfers**	**Disposals**
I. Intangible assets				
1. Concessions, industrial trade rights, customer relationships, and similar rights and assets, and licences to such rights and assets	2,270	186	0	0
2. Internally generated intangible assets	391	0	0	0
3. Goodwill	4,038	0	0	0
4. Prepayments rendered	563	464	0	0
Total intangible assets	**7,262**	**650**	**0**	**0**
II. Property, plant, and equipment				
1. Land rights and equivalent rights and buildings including buildings on third-party land	18,336	806	3,634	139
2. Other plant, operating and office equipment	6,943	1,292	174	788
3. Prepayments rendered and plant under construction	1,545	2,293	-3,808	0
Total property, plant, and equipment	**26,824**	**4,391**	**0**	**927**
III. Investment property				
1. Buildings	0	0	690	0
Total Investment property	**0**	**0**	**690**	**0**
Total fixed assets	**34,086**	**5,041**	**690**	**927**

		Cumulative depreciation / amortisation					Carrying amount	
	12/31/2018	01/01/2018	Depreciation/ amortisation financial year + other additions	Transfers	Disposals	12/31/2018	12/31/2018	12/31/2017
	2,456	1,638	231	0	0	1,869	587	632
	391	391	0	0	0	391	0	0
	4,038	2,658	0	0	0	2,658	1,380	1,380
	1,027	0	0	0	0	0	1,027	563
	7,912	**4,687**	**231**	**0**	**0**	**4,918**	**2,994**	**2,575**
	22,637	5,879	672	0	15	6,536	16,101	12,457
	7,621	4,324	1,068	0	705	4,687	2,934	2,619
	30	0	0	0	0	0	30	1,545
	30,288	**10,203**	**1,740**	**0**	**720**	**11,223**	**19,065**	**16,621**
	690	0	21	490	0	511	179	0
	690	**0**	**21**	**490**	**0**	**511**	**179**	**0**
	38,890	**14,890**	**1,992**	**490**	**720**	**16,652**	**22,238**	**19,196**

Consolidated statement of changes in fixed assets 2017 (component of notes to the financial statements)

	Cost			
in k€	01/01/2017	Additions	Transfers	Disposals
I. Intangible assets				
1. Concessions, industrial trade rights, customer relationships, and similar rights and assets, and licences to such rights and assets	2,100	132	102	64
2. Internally generated intangible assets	391	0	0	0
3. Goodwill	4,038	0	0	0
4. Prepayments rendered	155	510	-102	0
Total intangible assets	**6,684**	**642**	**0**	**64**
II. Property, plant, and equipment				
1. Land rights and equivalent rights and buildings including buildings on third-party land	19,307	632	-1,149	454
2. Other plant, operating and office equipment	6,900	1,027	31	1,015
3. Prepayments rendered and plant under construction	0	1,576	-31	0
Total property, plant, and equipment	**26,207**	**3,235**	**-1,149**	**1,469**
Total fixed assets	**32,891**	**3,877**	**-1,149**	**1,533**

	Cumulative depreciation / amortisation					Carrying amount	
12/31/2017	01/01/2017	Depreciation/ amortisation financial year + other additions	Transfers	Disposals	12/31/2017	12/31/2017	12/31/2016
2,270	1,468	230	0	60	1,638	632	632
391	382	9	0	0	391	0	9
4,038	2,658	0	0	0	2,658	1,380	1,380
563	0	0	0	0	0	563	155
7,262	**4,508**	**239**	**0**	**60**	**4,687**	**2,575**	**2,176**
18,336	5,487	1,110	-659	59	5,879	12,457	13,820
6,943	4,322	948	0	946	4,324	2,619	2,578
1,545	0	0	0	0	0	1,545	0
26,824	**9,809**	**2,058**	**-659**	**1,005**	**10,203**	**16,621**	**16,398**
34,086	**14,317**	**2,297**	**-659**	**1,065**	**14,890**	**19,196**	**18,574**

Independent audit opinion

To HELMA Eigenheimbau Aktiengesellschaft, Lehrte

Audit results

We have audited the consolidated financial statements of **HELMA Eigenheimbau Aktiengesellschaft, Lehrte**, and its subsidiaries (the Group), consisting of the consolidated balance sheet as of December 31, 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the financial year from January 1 to December 31, 2018, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the aggregated management report of HELMA Eigenheimbau Aktiengesellschaft, Lehrte, for the financial year from January 1 to December 31, 2018.

In our opinion based on the findings of our audit,

- the accompanying consolidated financial statements comply in all material respects with IFRSs as adopted by the EU, the additional requirements of German law pursuant to § 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the net assets and financial position of the Group as of December 31, 2018, and of its results of operations for the financial year from January 1 to December 31, 2018, in accordance with these requirements, and

- the accompanying aggregated management report provides a suitable understanding of the Group's position as a whole. In all material respects, this aggregated management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks pertaining to future development.

In accordance with § 322 (3) Clause 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the aggregated management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the aggregated management report in accordance with § 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements as promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]). Our responsibility under these rules and principles is described further in the section "Auditor's responsibility for the audit of the consolidated financial statements and the aggregated management report" of our audit opinion. We are independent of the Group companies in accordance with German commercial law and professional regulations, and have fulfilled our other German professional obligations in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the aggregated management report.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the aggregated management report

The legal representatives are responsible for the preparation of the consolidated financial statements corresponding in all significant matters to IFRS as applicable in the EU and the supplementary German statutory regulations pursuant to § 315 (1) of the German Commercial Code (HGB), and for ensuring that the consolidated financial statements in compliance with such regulations convey a true and fair view of the Group's net assets, financial position, and performance. In addition, the legal representatives are responsible for the internal controls they deem necessary for the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters relating to the company as a going concern, if relevant. In addition, they are responsible for financial accounting under the going concern assumption unless an intention exists to liquidate the Group or to discontinue operations, or no realistic alternative exists.

Furthermore, the legal representatives are responsible for the preparation of the aggregated management report, which as a whole provides a suitable view of the Group's position and is consistent with the consolidated financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks pertaining to future development. Moreover, the legal representatives are responsible for the precautions and measures (systems) they deem necessary to enable the preparation of a aggregated management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the aggregated management report.

The Supervisory Board is responsible for monitoring the Group's accounting process relating to the preparation of the consolidated financial statements and the aggregated management report.

Auditor's responsibility for the audit of the consolidated financial statements and the aggregated management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements, whether intentional or unintentional, and whether the aggregated management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the findings of our audit, complies with German legal requirements, and suitably presents the opportunities and risks of future development, as well as to express an opinion that includes our audit opinion on the consolidated financial statements and the aggregated management report.

Sufficient assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB) and German generally accepted standards for the auditing of financial statements as promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]) will always reveal a material misstatement. Misstatements can arise from violations or inaccuracies, and are regarded as material if it could reasonably be expected that they would individually or collectively influence the economic decisions of users made on the basis of these consolidated financial statements and the aggregated management report.

During the audit, we exercise our best judgement and maintain a critical attitude. In addition

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the consolidated financial statements and the aggregated management report, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater for violations than for inaccuracies, as violations may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or the overriding of internal controls.

- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the procedures and measures relevant to the audit of the aggregated management report in order to plan audit procedures that are appropriate in the circumstances, albeit not for the purpose of expressing an opinion on the effectiveness of those systems.

- we evaluate the appropriateness of the accounting policies applied and the reasonableness of accounting estimates made by the management, as well as the reasonableness of accounting estimates and related disclosures made.

- we draw conclusions concerning the appropriateness of the accounting principles applied by the legal representatives in relation to the company as a going concern and, on the basis of the audit evidence obtained, whether a material uncertainty exists in connection with events or circumstances that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to express an opinion on the related consolidated financial statements and on the aggregated management report, or, if the information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. Future events or circumstances may, however, result in the Group no longer being able to continue its business activities.

- we have assessed the overall presentation, the structure and content of the consolidated financial statements, including the disclosures, as well as whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the Group's net assets, financial position, and performance in accordance with IFRSs as adopted by the EU, and the additional requirements of German law pursuant to § 315e (1) of the German Commercial Code (HGB).

- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the Group to express an opinion on the consolidated financial statements and the aggregated management report. We are responsible for the direction, monitoring, and performance of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

- we assess the consistency of the aggregated management report with the consolidated financial statements, its legal pronouncements and the Group management report as a whole.

- we perform audit procedures on the forward-looking statements presented by the legal representatives in the aggregated management report. On the basis of sufficient and suitable audit evidence, we particularly verify the significant assumptions on which the legal representatives' forward-looking statements are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. A significant unavoidable risk exists that future events will differ materially from the forward-looking statements.

Among other matters, we discuss the planned scope with those responsible for monitoring and the timing of the audit and significant findings of the audit, including any deficiencies in the internal control system identified during our audit.

Hanover, March 11, 2019

Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft

Hans-Peter Möller	**Steffen Südmersen**
Auditor	Auditor

Single Entity Financial Statements of HELMA Eigenheimbau AG
according to HGB (Condensed)*

Income Statement

in k€	2018	2017
Sales revenue	**101,337**	**102,065**
Change in stocks of finished goods and work in progress	-1,392	2,022
Other operating income	762	947
Cost of materials	-66,975	-65,429
Personnel expense	-15,137	-13,541
Depreciation and amortisation of property, plant, and equipment, and intangible assets	-1,718	-2,157
Other operating expenses	-9,556	-9,595
Operating result (EBIT)	**7,321**	**14,312**
Financial result	8,280	9,590
Earnings before income tax	**15,601**	**23,902**
Profit for the year	10,656	16,338
Balance sheet profit	**10,656**	**16,338**

In its single-entity financial statements prepared according to the accounting principles of the German Commercial Code (HGB), HELMA Eigenheimbau AG reports unappropriated retained earnings of € 10,656,131.02 for the 2018 financial year on net income of € 10,656,131.02.

The Management and Supervisory boards will propose to the Shareholders' General Meeting to be held on July 5, 2019, that it approves the distribution of a dividend of € 1.30 per dividend-entitled ordinary share, consequently € 5,200,000.00, and that the remaining amount of € 5,456,131.02 be carried forward to the other revenue reserves.

The total amount of dividends and the amount to be transferred to the other revenue reserves in the preceding resolution proposal for the application of unappropriated retained earnings is based on dividend-entitled share capital of € 4,000,000.00, split into 4,000,000 ordinary shares.

* The complete annual financial statements of HELMA Eigenheimbau AG, Lehrte prepared according to the German Commercial Code (HGB), including the unqualified audit opinion, is available in German on the Internet at www.ir.HELMA.de, as well as being published in the electronic Federal Gazette, and filed in the companies register.

Balance Sheet - Assets

in k€	12/31/2018	12/31/2017
Non-current assets	**18,803**	**17,870**
of which: Intangible assets	1,515	1,105
of which: Property, plant, and equipment	15,295	14,754
of which: Financial investments	1,993	2,011
Current assets	**107,405**	**105,840**
of which: Inventories	88	239
of which: Receivables and other assets	98,742	97,700
of which: Cash and cash equivalents	8,575	7,901
Prepayments and accrued income	**361**	**350**
Total Assets	**126,569**	**124,060**

Balance Sheet - Equity and Liabilities

in k€	12/31/2018	12/31/2017
Equity	85,066	80,010
Provisions	9,089	12,908
Liabilities	32,414	31,140
Prepayments and accrued income	0	2
Total equity and liabilities	**126,569**	**124,060**

Editorial

Publisher
HELMA Eigenheimbau AG
Zum Meersefeld 4
D-31275 Lehrte
Registration: Local Court Hildesheim, HRB 201182

General concept and editor
HELMA Eigenheimbau AG, Lehrte

Layout
HELMA Eigenheimbau AG, Lehrte

Photographs
HELMA Eigenheimbau AG, Lehrte

Comment on forward-looking statements

The information published in this report relating to the future development of HELMA Eigenheimbau AG refers only to forecasts and estimates and thus not to given historic facts. This merely serves for information purposes and may contain words such as “intend”, “aim”, “expect”, “plan”, “forecast”, “assume” or “appraise”. These forward-looking statements rely on the information, facts and expectations available to us at present, and therefore only apply at the point in time of their publishing.

Forward-looking statements are generally prone to uncertainties and risk factors difficult to estimate in their impact. The actual results and development of the company could therefore materially deviate from the forecasts. HELMA Eigenheimbau AG intends to monitor and update the published data at all times. Nevertheless, the company is not responsible for adapting the forward-looking statements to later events and developments. As a result, it is neither expressly nor actually liable for and does not assume any guarantee for the timeliness, accuracy and completeness of this data and information.

Investor Relations Contact

Phone: +49 (0) 51 32 / 88 50 - 345
Fax: +49 (0) 51 32 / 88 50 - 111
E-mail: ir@HELMA.de

Elaine Heise, MBA
Team management
Investor Relations

Daniel Weseloh
Investor Relations

Financial Calendar 2019

March 14, 2019	Preliminary figures for the 2018 financial year
April 3, 2019	2018 Annual Report
April 8, 2019	Roadshow M.M. Warburg, Frankfurt am Main
April 10, 2019	Roadshow Berenberg, London
May 7 - 8, 2019	Munich Capital Market Conference, Munich
July 5, 2019	Annual General Meeting, Lehrte
August 20, 2019	2019 Half-year Report
August 22, 2019	3rd Hamburg Investors‘ Day - HIT, Hamburg
September 23, 2019	Berenberg and Goldman Sachs German Corporate Conference, Munich
November 25 - 27, 2019	German Equity Forum, Frankfurt am Main

HELMA code of v

In our code of values – which guides us in our daily ideas and activities – we summarise the values that are particularly important to us in how we interact with each other, and with our customers and partners.

Transparency

Honesty and forward-looking communication are important to us. We ensure that our customers, employees, business partners, investors and other stakeholder groups are informed comprehensively. This also includes stating openly where we have made errors.

Sustainability

We take responsibility:
A balanced approach to economic, ecological, social, cultural and social resources forms the basis of our business activity.

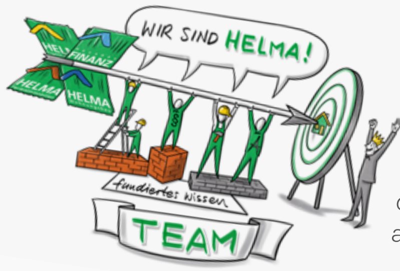
Quality

We offer high-quality services to our customers. Our projects are generated together with our customers and business partners within a positive working environment. This, too, comprises quality for us.

values

Customer

he customer stands at the centre of ur activity. Our customers' satisfaction s what matters to us, and it informs our ision: „We love to build for your life!"



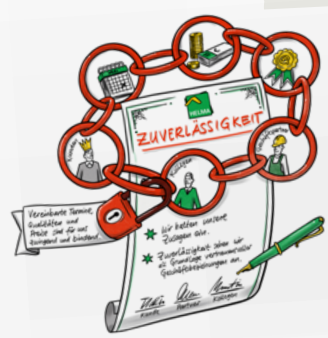
Team

We are HELMA: our expert teams make recourse to a well-founded base of knowledge, and work together constructively – because we aim always to achieve the best results for our customers.

Safety

afety comes first.

or this reason, we offer our customers n extensive range of additional safety neasures. We also invest in occupational afety: with us, our employees enjoy a vorking environment that offers above-average safety.



Reliability

We keep our promises. Our customers, business partners and colleagues can rely on the fact that the deadlines, qualities and prices to which we agree are mandatory and binding for us. We regard reliability as the basis of our trusting business relationships.

erformance

nake (dream) homes become y. We give our best for this – with learly defined working structures, ent working practices, and in close dination with our customers and nal partners.

Expertise

Our staff comprise our capital. Their knowledge and ability to engage with our customers and business partners on a personal basis is what drives our business forward. We ensure they always have sufficient opportunities to develop themselves further professionally.

HELMA Eigenheimbau AG
Zum Meersefeld 4
D-31275 Lehrte

Phone: +49 (0) 51 32 / 88 50 - 0
Fax: +49 (0) 51 32 / 88 50 - 111
E-mail: info@HELMA.de

www.HELMA.de

HELMA®
Eigenheimbau AG