Prospectus dated 16 October 2018

PROSPECTUS

for the public offering

of

8,781,250 newly issued ordinary shares with no-par value (*Stückaktien*) from the capital increase against cash contributions from authorised capital with indirect subscription rights resolved by the management board on 16 October 2018 with approval of the supervisory board on the same day

and for admission to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) **(General Standard)**

of

up to 8,800,000 newly issued ordinary shares with no-par value (*Stückaktien*) from the capital increase against cash contributions from authorised capital with indirect subscription rights resolved by the management board on 16 October 2018 with approval of the supervisory board on the same day

and

3,475,000 existing ordinary shares with no-par value (*Stückaktien*) from the holdings of the Selling Shareholders

each such share with a calculated notional amount of €1.00 per share in the share capital and with the same dividend rights as all other outstanding ordinary shares of TTL Beteiligungs- und Grundbesitz-AG, including full dividend rights from 1 January 2018

of

TTL Beteiligungs- und Grundbesitz-AG

(a German stock corporation, registered with the commercial register of the local court (*Amtsgericht*) of Munich, Germany
under HRB 125559)

International Securities Identification Number (ISIN): DE0007501009
German Securities Code (Wertpapierkennnummer) (WKN): 750100
Trading Symbol: TTO

International Securities Identification Number (ISIN) of subscription rights: DE000A2NBTR9
German Securities Code (Wertpapierkennnummer) (WKN) of subscription rights: A2NBTR
Trading Symbol: TTOR

Sole Bookrunner and Global Coordinator

Bankhaus Lampe KG

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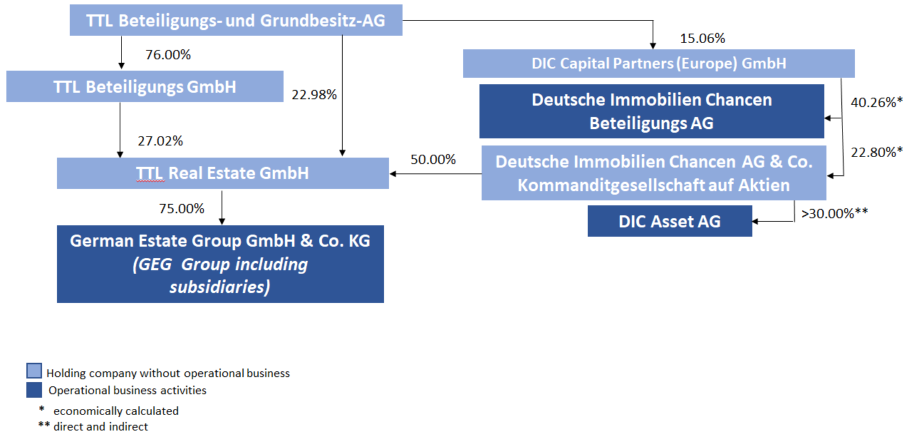
2. SUMMARY

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".*

A – Introduction and Warnings		
A.1	Introduction and warnings	This Summary should be read as an introduction to this prospectus (the **"Prospectus"**). Any decision to invest in the Offer Shares (as defined below in C.1) should be based on a consideration of this Prospectus as a whole by the investor. TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany (the **"Issuer"** or the **"Company"** or **"TTL AG"** and, together with its (according to IAS 28) associated entities, and its – as of the date of this Prospectus non-operational – fully consolidated subsidiaries, excluding DIC Capital Partners (Europe) GmbH and any direct or indirect shareholdings by DIC Capital Partners (Europe) GmbH, the **"TTL Group"** or the **"Group"**) and Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Germany (**"Bankhaus Lampe"**, **"Sole Bookrunner"** or **"Sole Global Coordinator"**), assume responsibility for the content of this summary, including the translation thereof, pursuant to Section 5(2b) no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). The persons who have assumed responsibility for this summary and its translation, or have caused its publication (*von denen der Erlass ausgeht*), can be held liable for the information contained in this summary and its translation, but only insofar as the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, all necessary key information. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant member states of the European Economic Area, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
A.2	Information regarding the subsequent use of the Prospectus	Not applicable. Consent of the Company regarding the use of the Prospectus for a subsequent resale or placement of the securities by financial intermediaries has not been granted.

B – The Issuer		
B.1	Legal and commercial name	The Issuer's legal name is TTL Beteiligungs- und Grundbesitz-AG. The Company and its subsidiaries and affiliates operate in business transactions under various commercial names, most notably **"TTL"**, **"TTL Group"** or **"GEG Group"**.
B.2	Domicile, legal form, legislation under which the issuer operates, country of incorporation	The Issuer has its registered seat in Munich, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under docket number HRB 125559. The Issuer is a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany and governed by German law.

B.3	Description of, and key factors relating to, the nature of the issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes	The Issuer, TTL Beteiligungs- und Grundbesitz-AG is a holding company that currently operates via the German Estate Group GmbH & Co. KG (**"GEG"**, and together with its subsidiaries the **"GEG Group"**) in the commercial real estate market in Germany. The Issuer's current main activity is, through a material stake in the GEG Group, to allocate equity and debt capital for the further rapid growth of the GEG Group's operations. The Issuer also holds an indirect minority participation in the Deutsche Immobilien Chancen Group and hereby gains an indirect income from investment through its indirect shareholder position at DIC Asset AG. **"Deutsche Immobilien Chancen Group"** means Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien including its subsidiaries and affiliated companies, in particular DIC Asset AG. The Issuer's main strategy is to expand and further strengthen in the future its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets.
B.4a	Description of the most significant recent trends affecting the issuer and the industries in which it operates	With regard to the commercial real estate market in Germany, in particular the office market, market participants, like Savills, consider the current market situation as excellent, and never before has so much capital flowed into German commercial real estate, and never has the latter been so expensive as it is today (*Source: Savills World Research, Germany: Commercial property market - Germany, March 2018*). This is a concern insofar as downside risks are obviously greater than the prospects of further upside. This situation is particularly challenging for the risk averse majority of investors (*Source: Savills World Research, Germany: Commercial property market - Germany, March 2018*). This situation may have the effect on the Issuer and the industry the Issuer operates in that commercial real estate may become more expensive for investors and may therefore result in lower returns for them. At the same time, the GEG Group may increase its business in its division "Opportunistic Investments" (office, retail and upmarket residential projects and, from time to time, hotels).
B.5	Description of the group and the issuer's position within the group	The Issuer is the holding company of the TTL Group. The TTL Group's operational business is primarily conducted by the GEG Group (in which it holds an indirect stake). The following chart provides an overview (in simplified form) of the TTL Group, as of the date of the Prospectus, including further direct and indirect minority interests of TTL AG in DIC Capital Partners (Europe) GmbH and other entities (based on voting rights, unless stated otherwise).



(Source: Unaudited information of the Issuer)

B.6

Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital or voting rights or have control over the issuer

Voting rights

Whether the issuer is directly or indirectly owned or controlled and by whom and description of the nature of control

The following table sets forth the number of existing shares (the **"Existing Shares"**) and voting rights beneficially owned by the Company's principal shareholders.

Shareholders	Prior to the Offering		After the Offering*	
	Number of voting rights	**Share of Voting rights[1)]**	**Number of voting rights**	**Share of Voting rights**
Prof. Dr. Gerhard Schmidt[2)]	14,083,545	66.83%	12,763,045	42.72%
Klaus-Jürgen Sontowski[3)]	1,320,500	6.27%	0	0.00%
Ulrich Höller[4)]	834,000	3.96%	0	0.00%
Klaus W. Schäfer[5)]...	818,940	3.89%	818,940	2.74%
Free float	4,018,015	19.07%	16,293,015	54.54%
Total	**21,075,000**	**100.00%**	**29,875,000**	**100.00%**

(Source: Unaudited internal information of the Issuer)

* Assuming the issue of all 8,800,000 New Shares (as defined below), the waiver of the Assigning Shareholders (as defined below) to subscribe for New Shares and the placement of all 3,475,000 Old Shares (as defined below).

1) The percentage of voting rights has been calculated based on the Company's outstanding share capital and voting rights as of the date of the Prospectus.

2) Voting rights attributed to Prof. Dr. Gerhard Schmidt according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Prof. Dr. Schmidt is the ultimate controlling shareholder of the following undertakings holding directly or indirectly an interest in the Company: GCS Verwaltungs GmbH, GR Capital GmbH, AR Holding GmbH, as well as Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts and Rhein-Main Beteiligungsgesellschaft mbH and Vermögensverwaltung der Familie Gerhard Schmidt KG and SPG Verwaltungs GmbH. AR Holding GmbH (58.08%) and SPG Verwaltungs GmbH (6.27%) are undertakings holding directly 3% or more of voting rights in the Company.

3) Voting rights attributed to Klaus-Jürgen Sontowski according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Klaus-Jürgen Sontowski is the ultimate controlling shareholder of the following undertakings holding directly or indirectly an interest in the Company: Sontowski & Partner GmbH, Sontowski & Partner Beteiligungsgesellschaft mbH and S&P Beteiligungs ZWEI GmbH. S&P Beteiligungs ZWEI GmbH holds directly 6.27% of voting rights in the Company.

4) Voting rights attributed to Ulrich Höller according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Ulrich Höller is the ultimate controlling shareholder of HVC Beteiligungs GmbH holding directly 3.96% of voting rights in the Company.

5) Voting rights held directly by Klaus W. Schäfer as informally given notice to the Company on 5 October 2018.

Except as set out in the above table, to the Company's knowledge, no other shareholder beneficially owns more than 3% of the Existing Shares and voting rights as of the date of this Prospectus. All Existing Shares have the same vot-

		ing rights. The Company is indirectly controlled by Prof. Dr. Gerhard Schmidt who is attributed, *inter alia,* via AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH and SPG Verwaltungs GmbH currently 66.83% of the voting rights of the Existing Shares prior to the Offering (as defined below). Following the Offering, Prof. Dr. Gerhard Schmidt will be attributed approximately 42.72% of the voting rights in the Company (assuming that all New Shares are issued, all Old Shares are sold and the Assigning Shareholders waive their Subscription Rights (all as defined below) and do not participate in the Offering).
B.7	Selected financial and business information. Significant changes to the issuer's financial condition and operating results	The financial information contained in the following tables is taken or derived from the Issuer's audited consolidated financial statements as of and for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015 respectively (together the **"Audited Consolidated Financial Statements"**), the Issuer's unaudited interim consolidated financial statements as of and for the six months period ended 30 June 2018 (the **"Interim Consolidated Financial Statements"**), including comparative financial information for the six months ended 30 June 2017 as well as from accounting records and internal reporting system of the Company. The Issuer's Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (**"IFRS"**). The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (**"IAS"**) 34: interim reporting prepared and in accordance with IFRS. *Warth & Klein Grant Thornton Wirtschaftsprüfungsgesellschaft, Munich, Germany, has audited the Audited Consolidated Financial Statements and therefore issued unrestricted audit opinions of the independent auditor. The before mentioned Audited Consolidated Financial Statements of the Company as well as the respective audit opinions of the independent auditors are included in this Prospectus.* *Where financial data are labelled "audited" in this Prospectus, this means that they were taken from the before mentioned Audited Consolidated Financial Statements. The label "unaudited" is used in this Prospectus to indicate financial data that has not been taken from the before mentioned Audited Consolidated Financial Statements, but rather has been taken from the above-mentioned Interim Consolidated Financial Statements, the Company's accounting records, its internal reporting system, or has been calculated based on financial data from the above-mentioned sources, including the above-mentioned Audited Consolidated Financial Statements. All financial data presented in the Prospectus are shown in millions of euro (in € million) or in thousands of euro (in € thousand or T€). Certain financial data (including percentages) in the Prospectus have been rounded in accordance with established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation to other amounts) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the tables in the Prospectus may not correspond in all cases to the corresponding rounded amounts contained in the tables in the Prospectus. Furthermore, in those tables, the rounded figures may not add up exactly to the totals contained in those tables. With respect to financial data set out in the Prospectus, a dash ("-") signifies that the relevant figure is not available or equals zero, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.* *Some of the measurements used in this summary are not measurements of financial performance under IFRS, but have been prepared on the basis of IFRS amounts, and should not be considered as alternatives to cash flow from operating activities as measures of liquidity or as alternatives to profit/loss or*

		earnings before interest and taxes as indicators of the Issuer's operating performance or any other measure of performance derived in accordance with IFRS.

Consolidated financial information of TTL AG and its subsidiaries and group companies

Selected consolidated income statement data

	Six months ended		Financial year ended		
	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited, unless otherwise stated)	31 December 2016 (audited, unless otherwise stated)	31 December 2015 (audited, unless otherwise stated) *
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Revenue	305	0	10	0	0
Result of operating activities	-456	2	-367	-160	-128
Income from investments	350	126	300	0	0
Profit Share from companies accounted using the equity method	2,208	0	911	0	0
Interest result	-594	20	16 [1)]	1 [1)]	0 [1)]
Earnings before tax (EBT)	1,508	148	860	-159	-128
Profit for the period	1,508	119	860	-159	-128
Profit for the period attributable to TTL AG's shareholders	1,141	119	525	-159	-128
Earnings per share (in €)	0.07	0.01	0.05	-0.02	-0.02

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements; * selected items may deviate from the Audited Consolidated Financial Statements 2015 due to an adjustment following a review by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*), which was reflected in the Audited Consolidated Financial Statements 2016; [1)] Unaudited sum of "Other interest and similar income" (audited) and "Interest and similar expenses" (audited).)

Selected data from the consolidated statement of financial position

	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited)*
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Non-current assets	***74,993***	***4,879***	***46,201***	***4,879***	***0***
Current assets	***3,286***	***1,720***	***941***	***25***	***21***
thereof cash and cash equivalents	621	159	619	20	13
Total assets	**78,279**	**6,599**	**47,142**	**4,904**	**21**
Equity	***44,827***	***6,523***	***31,055***	***4,719***	***-128***
Attributable to TTL AG's shareholders	36,660	6,523	23,255	4,719	-128
Non-controlling interests	8,167	0	7,800	0	0
Non-current liabilities	***25,615***	***0***	***8,396***	***0***	***25***
Bonds	8,320	0	8,053	0	0
Long-term financial liabilities	17,295	0	343	0	25
Current liabilities	***7,837***	***76***	***7,691***	***185***	***124***
Total Equity and Liabilities	**78,279**	**6,599**	**47,142**	**4,904**	**21**

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements; * selected items may deviate from the Audited Consolidated Financial Statements 2015 due to an adjustment following a review by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*), which was reflected in the Audited Consolidated Financial Statements 2016)

Selected data from the consolidated cash flow statement

	Six months ended		Financial year ended		
	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited)
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Cash flow from operating activities	-669	-45	-394	-144	-120
Cash flow from investment activities	-89	-1,400	-657	0	0
Cash flow from financing activities	760	1,584	1,629	150	50

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements)

Six months ended 30 June 2018

As of 30 June 2018, the Issuer's equity (including minorities) had amounted to T€44,827, compared to T€31,055 as of 31 December 2017 and T€6,523 as of 30 June 2017. These increases in equity (including minorities) are mainly a result of a series of capital increases, both by way of cash contribution and by way of contribution in kind.

The Issuer's assets had increased to T€78,279 as of 30 June 2018 (compared to T€47,142 as of 31 December 2017 and to T€6,599 as of 30 June 2017). These increases are mainly attributable to the increases in non-current assets which result from the acquisitions of stakes (and the increases of such stakes) in TTL Real Estate GmbH and in DIC Capital Partners (Europe) GmbH.

In the six months ended 30 June 2018, the TTL Group recorded revenues of T€305 which resulted from management services of the Issuer to DIC Capital Partners (Europe) GmbH as well as to TTL Real Estate GmbH, compared to no revenues in the same period in 2017. Since the Company only started to set up corporate structures and personnel in the second half of 2017, significantly lower operating expenses were incurred in the first half 2017 compared to the same period in 2018.

With regard to profit shares from companies accounted for under the equity method, the Issuer had an income of T€2,208 as of 30 June 2018, attributable to its shareholding in TTL Real Estate GmbH compared to T€0 in the same period of the previous year as the Company still held no shares in TTL Real Estate GmbH. The income from investments has grown considerably to T€350 in the period ended 30 June 2018, compared to T€126 to the period ended 30 June 2017. This increase results from dividends which the Issuer is entitled to on the basis of a corresponding dividend resolution in June 2018.

The change in interest result from T€20 in the first six months 2017 to T€-594 is attributable to the issuance of the Issuer's Bond in December 2017 and the financing of acquisitions of stakes in TTL Real Estate GmbH in the first half of 2018.

The increase of the financial result to T€1,964 and the EBT to T€1,508 in the first six months ended 30 June 2018 compared to T€146 and T€148 respectively in the period ended 30 June 2017 mainly results from the increase in profit shares from companies accounted for under the equity method.

The profit for the period attributable to TTL AG's shareholders increased to T€1,141 in the first six months ended 30 June 2018 compared to T€119 in the period ended 30 June 2017.

Comparison of the financial years ended 31 December 2017, 2016 and 2015

The Issuer's equity (including minorities) has steadily increased from T€-128 as of 31 December 2015, to T€4,719 as of 31 December 2016, and to T€31,055 as of 31 December 2017. These increases in equity (including minorities) are mainly a result of a series of capital increases, both by way of cash contribution and by way of contribution in kind.

The Issuer's assets had increased to T€4,904 as of 31 December 2016 (compared to T€21 as of 31 December 2015), and further to T€47,142 as of 31 December 2017. These increases are mainly attributable to the increases in non-current assets which result from the acquisitions of stakes (and the increases of such stakes) in TTL Real Estate GmbH and in DIC Capital Partners (Europe) GmbH.

For the financial year ended 31 December 2017, the Issuer had recorded revenues of T€10 which resulted from services provided by the Issuer to DIC Capital Partners (Europe) GmbH. Due to its operational inactivity, the Issuer had not recorded any revenues for the financial years ended 31 December 2015 and 2016.

In 2017 the Company earned an income from investments (dividends from DIC Capital Partners (Europe) GmbH) of T€300 and a profit of T€911 attributable to the indirect shareholding in TTL Real Estate GmbH accounted for under the equity-method, whereas no such income was earned in the years 2015 and 2016, where those shares still not where held by the issuer. The financial result of T€1,227 in the financial year 2017 is mainly a result of the profits shares received from companies accounted for under the equity method. Since the Issuer had neither companies accounted for under the equity method nor investments in 2015 or 2016, there is no equivalent income for these years.

The EBT (T€860 in 2017 compared to T€-159 and T€-128 for the financial years ended 31 December 2016 and 2015 respectively) corresponded to the net income for the period, since the taxes on income were always T€0.

The profit for the period attributable to TTL AG's shareholders increased in 2017 to T€525 compared to T€-159 and T€-128 for the financial years ended 31 December 2016 and 2015 respectively.

B.8	Selected key pro forma financial information	Not applicable. No pro-forma financial information has been included into this Prospectus.
B.9	Profit forecast and estimate	On 25 September 2018, the Issuer has announced that, based on the positive development of the business in the first half-year of 2018, recent developments after 30 June 2018 as well as an increase in participations, it expects for the year 2018 a consolidated profit of about €4.1 million.
B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit reports included in the Prospectus have been issued without qualifications.
B.11	Insufficiency of the issuer's working capital for its present requirements	Not applicable. The Issuer is of the opinion that the TTL Group is in a position to meet the payment obligations that become due within the next twelve months.

C – Securities		
C.1	A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number	The Offering (as defined below) relates to in total 8,800,000 no-par value ordinary bearer shares, to be issued following a share capital increase from authorised capital (the **"New Shares"**), and 3,475,000 existing no-par value ordinary bearer shares, currently held by the Selling Shareholders (as defined below) (the **"Old Shares"**, and together with the New Shares, the **"Offer Shares"**), each with a calculated notional amount of €1.00 per share in the share capital and each carrying full dividend rights from 1 January 2018 (the Existing Shares together with the Offer Shares, the **"Shares"**). New Shares will be offered in accordance with the subscription ratio to the existing shareholders of the Company by way of indirect subscription rights (the **"Subscription Offering"**) and in a potential rump placement, both as further described below. Prior to the beginning of the subscription period a number of 7,125,827 New Shares and the Old Shares will be offered in a private placement (the **"Pre-placement"**). The Offer Shares shall be admitted to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). International Securities Identification Number (ISIN): • Existing Shares* and New Shares: DE0007501009 • Subscription Rights: DE000A2NBTR9

		German Securities Code (*Wertpapierkennnummer*) (WKN): • Existing Shares* and New Shares: 750100 • Subscription Rights: A2NBTR Trading Symbol • for the Existing Shares and New Shares: TTO • for the Subscription Rights: TTOR * Currently and until the admission of the Old Shares to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Old Shares are deposited in collective custody (*Girosammelverwahrung*) under the ISIN DE000A2NBWM4 / German Securities Code A2NBWM. The Old Shares allotted to investors will only be delivered after admission to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under the same ISIN and German Securities Code as the Existing Shares and New Shares (ISIN DE0007501009 / German Securities Code 750100).
C.2	Currency of the securities issue	The Offer Shares are denominated in euro.
C.3	The number of shares issued and fully paid and issued but not fully paid The par value per share, or that the shares have no par value	As of the date of the Prospectus, and prior to the capital increase in connection with the Offering (as defined below), the share capital of the Company amounts to €21,075,000.00 and is divided into 21,075,000 ordinary shares with no-par value (*Stückaktien*), each with a calculated notional amount of €1.00 per share in the share capital. The share capital has been fully contributed.
C.4	A description of the rights attached to the securities	All Shares, including the Offer Shares, are and will be issued under German law. **Voting rights**: Each share, including each Offer Share, entitles its holder to attend the shareholders' meeting and to one vote at the shareholders' meeting. **Dividend rights**: The Existing Shares, including the Old Shares, carry full dividend rights from the financial year which started on 1 January 2018. The New Shares will also carry full dividend rights from the financial year which started on 1 January 2018.
C.5	A description of any restrictions on the free transferability of the securities	Not applicable. There are no restrictions on the free transferability of the Shares of the Issuer.
C.6	An indication as to whether the securities offered are or will be the object of an application for admission to trading on a regulated market and the identity of all the	The Company will apply to admit all Offer Shares, both the Old Shares and the New Shares, to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The New Pre-placement Shares (the New Shares which are sold prior to the Subscription Period (as defined below) by way of a Pre-

	regulated markets where the securities are or are to be traded	placement) (as defined below) and the Old Shares are expected to be admitted to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) as of 29 October 2018. The New Shares sold and placed in the Subscription Offering and the Rump Placement (if any) are expected to be admitted to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) as of 9 November 2018.
C.7	Dividend policy	The Issuer has not paid any dividends in the previous years. On 11 October 2018, the Issuer has announced its plans for intended dividend payments for the current and next financial year. Accordingly, it is planned to pay a dividend of €0.10 per Share for the financial year 2018. The Issuer intends to offset its loss carried forward under commercial law by the release of free reserves as part of the preparation of the annual financial statements for 2018. For the financial year 2019, the Issuer aims for an increased dividend payout of €0.20 to €0.25 per Share. Any future dividend payments will be subject to the availability of distributable profits (*Bilanzgewinn*) of the Issuer; the respective annual shareholders' meeting decides on the appropriation of the balance sheet profit based on proposals by the Management Board and the Supervisory Board.

D – Risks		
D.1	Key information on the key risks that are specific to the issuer or its industry	**Risks Related to the Markets in which the TTL Group operates:** • The demand for real estate depends on the economic situation. A change in the economic situation may have a negative impact on the business, financial position and results of operations of the Issuer. • The TTL Group operates through its affiliates and associated companies in a highly competitive market. Increasing competition could lead to a worsening of their market position. This may have negative effects on the business, financial condition and results of operations of the Issuer. • One of the TTL Group's main sources of income is fee generation for asset management services. Should the TTL Group not be in a position to source new projects for which services can be offered, this may have negative effects on the business, financial condition and results of operations of the Issuer. **Risks in Connection with the Business of the TTL Group:** • As a holding company without substantial operational activity with third parties the Issuer relies to a large extent on profits distributed by the subsidiaries and affiliates of the TTL Group. Their default may have a negative impact on the business, financial condition and results of operations of the Issuer. • The Issuer holds no majority interest in the GEG Group. Should the Issuer be unable to exercise its influence for the benefit of the Issuer with respect to the GEG Group, this may have a negative effect on the business, financial condition and results of operations of the Issuer. • The TTL Group, via the GEG Group, usually acquires properties for subsequent placement with investors. Should the TTL Group be unable to accomplish the placement of the proper-

ties after a short period of time, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

- The TTL Group, via the GEG Group, usually places properties with investors. Should the respective investors be unable to obtain third party financing in order to acquire the respective properties, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

- The Issuer may be unable to effectively implement or manage any growth strategy to the extent contemplated at all.

- The TTL Group may be unable to identify all risks associated with real estate properties as well as the managing of commercial real estate properties and real estate companies.

- The GEG Group's minority shareholder KKR Fund Holdings L.P. has agreed on exclusive cooperation with the GEG Group in connection with direct commercial real estate investments in Germany in office and retail buildings. In case of a termination of this cooperation, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

- The TTL Group may be unable to raise sufficient funds to refinance existing acquisitions or finance future acquisitions of real estate properties.

- The Issuer and the TTL Group depend on their management executives and their key personnel.

- The TTL Group's real estate business is dependent upon the availability, skills and performance of contractors, including possible sub-contractors, and service providers at economically viable costs.

- The Issuer is subject to regulatory requirements as a regulated market listed company. If the Issuer fails to meet or has not met all regulatory requirements in time or in a timely manner, the Company may be subject to prudential proceedings or substantial fines or penalties. This may have negative effects on the business, financial condition and results of operations of the Issuer. Also, compliance with applicable legal norms is costly and future changes to legal norms could have a negative impact on the TTL Group.

- The TTL Group is exposed to risks associated with real estate development activities.

- The TTL Group's real estate activities may be affected as a result of failures or interruptions in the IT systems.

- Unfavourable media reporting could adversely affect the Issuer's and the TTL Group's reputation.

- The TTL Group may incur liabilities that are not covered by, or which exceed the coverage limits of insurance policies.

- The companies of the TTL Group are subject to tax risks

		whose realisation may have negative effects on the business, financial condition and results of operations of the Issuer. • The TTL Group is exposed to risks associated with its involvement in joint ventures. In case of joint ventures, the TTL Group may have joint and several liability together with its joint venture partner. **Risks Relating to the TTL Group's Structure and its Shareholder Structure:** • The Issuer is the holding company of the TTL Group without substantial operational activity with third parties and relies on operating subsidiaries and affiliates to provide the Company with the required funding. • The current principal shareholder of the Issuer may significantly influence the business policy of the TTL Group, possibly against the interests of the minority shareholders. This may have negative effects on the business, financial condition and results of operations of the Issuer. • The members of the Issuer's Management Board and Supervisory Board also hold management and supervisory board positions in related companies which may cause a conflict of interest. **Risks Related to Regulatory, Legal and Tax Matters:** • Changes to the legal environment in Germany may adversely affect the TTL Group's business. • The TTL Group may fail to comply with applicable or future compliance laws and regulations or such laws and regulations may change in a manner that is unfavourable to the TTL Group's business. • The TTL Group may be prevented from invoking tax-loss carry forwards. • In case of a termination of existing asset management agreements with third party asset management companies (*Kapitalverwaltungsgesellschaften*) of real estate funds, the GEG Group could no longer generate property management fees in relation to the properties held by the funds affected and managed by third party parties.
D.3	Key information on the key risks that are specific to the securities	**Risks Related to the Offering and the Shares:** • The Issuer's ability to pay dividends depends on various factors and the Issuer may not pay any dividends in the foreseeable future. • Any future equity offerings or offerings of instruments convertible into equity or any merger with another entity may dilute investors' shareholdings in the Issuer. • The Issuer's Shares, including the Offer Shares, may be subject to a mandatory offer and shareholders of the Issuer may be required to sell their Shares at a price below the price at which shareholders acquired Shares of the Issuer.

		• The sale of larger blocks of Shares by individual shareholders of the Issuer or the expectation of the market that larger blocks of Shares are sold by shareholders of the Issuer or the sale of shares in the Issuer's operating subsidiaries and/or affiliates by their direct partners may adversely affect the Issuer's Share price. • The Offering may not be implemented in an amount of 12,275,000 shares and investors could therefore become shareholders in the Company even though the share capital of the Issuer after completion of the Offering may be substantially lower than anticipated by investors at the time investors decide to purchase Offer Shares in the Pre-placement or to exercise their Subscription Rights for New Shares or the free float may be lower than anticipated. • Trading suspensions, interruptions or terminations may restrict the ability of shareholders to trade in the Issuer's Shares and adversely affect the value of the Issuer's Shares. • The market price of the Shares may be volatile and there is no certainty that a liquid market in the Shares will further develop. • Fluctuations in the actual or projected performance results of the TTL Group or its competitors, changes in earnings estimates or failure to meet earnings expectations, or other significant changes and factors could influence the share price volatility. • Rights of shareholders in a German corporation may differ from rights of shareholders in a corporation organised under the laws of another jurisdiction. • In the event of the insolvency of the Issuer, the Issuer's shareholders could suffer a total loss in the value of their Shares. • Unexercised subscription rights will expire without compensation and the interests of shareholders who elect not to participate in the Offering will be diluted. International investors may suffer dilution if they are unable to participate in the Offering. • There can be no assurance that a market for the Subscription Rights (*Bezugsrechte*) will develop or that the Subscription Rights will not be subject to greater price fluctuations than the Shares of the Company.

E – Offer		
E.1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror	Assuming the sale of all 12,275,000 Offer Shares and an Offer Price (as defined below) of €7.00 per share, corresponding to the maximum subscription price, the gross proceeds from the Offering (as defined below) would be €85.9 million. The Issuer estimates that the total costs (including commissions of the Sole Bookrunner), based on the assumed sale of all 12,275,000 Offer Shares at an Offer Price of €7.00 per share, corresponding to the maximum subscription price, will amount to approximately €5.1 million, of which €3.6 million are attributable to the Company and €1.4 million are attributable to the Selling Shareholders. Therefore, the aggregate net proceeds would

		amount to approximately €80.8 million. Accordingly, the Issuer would receive net proceeds from the Offering of approximately €58.0 million and the Selling Shareholders would receive net proceeds from the Offering of approximately €22.9 million.
E.2a	Reasons for the offer, use of proceeds, estimated net amount of the proceeds	The Issuer intends to use the net proceeds from the Offering for the further strengthening of its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets, as well as for the optimisation of the Issuer's financing structure on an opportunistic basis. Assuming that all 8,800,000 New Shares are sold and subscribed for at the Maximum Offer Price (as defined below) of €7.00 per New Share, the Issuer expects that the net proceeds from the Offering would amount to €58.0 million (being the result of the gross proceeds of €61.6 million reduced by costs of about €3.6 million). In the event the final Offer Price per Offer Share is below the Maximum Offer Price of €7.00 or the number of Offer Shares actually sold is lower than the maximum number of 12,275,000 Offer Shares, the gross proceeds, total costs (including commissions of the Sole Bookrunner) and the net proceeds shall be calculated on the basis of such lower final Offer Price or lower issue volume and reduced accordingly.
E.3	A description of the terms and conditions of the offer	***Subject Matter of the Offering*** The Offering (as defined below) relates to in total 8,800,000 New Shares and 3,475,000 Old Shares from the holdings of the Selling Shareholders (as defined below), each with a calculated notional amount of €1.00 in the share capital and carrying full dividend rights from 1 January 2018. New Shares will be offered in accordance with the subscription ratio to the existing shareholders of the Company by way of indirect subscription rights (the "**Subscription Offering**") and in a potential rump placement, both as further described below. Prior to the beginning of the subscription period a number of 7,125,827 New Shares and the Old Shares will be offered in a private placement (the **"Pre-placement"**). The New Shares will be issued from the capital increase against cash contribution out of authorised capital with Subscription Rights (as defined below) for shareholders in accordance with Article 6a of the Company's articles of association (the **"Articles of Association"**) and entered into the commercial register of the local court (*Amtsgericht*) of Munich, Germany, (the **"Commercial Register"**) on 20 June 2018. In accordance with Article 6a of the Articles of Association, the Management Board of TTL AG is authorised to increase the share capital at any time prior to 14 June 2023, with the approval of the Supervisory Board, through the issuance of new bearer shares against cash contribution by up to a nominal amount of €8,800,000.00 (the **"Authorised Capital 2018/II"**). The authorisation can be utilised in several tranches. The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' statutory subscription rights in the cases described in Article 6a of the Articles of Association. The Management Board, with the consent of the Supervisory Board, decides on the further details of the rights attaching to the shares and the conditions applicable to the issuance of the shares. The Management Board of the Company resolved on 16 October

		2018, utilising this authorisation, with the approval on the same day of the Supervisory Board, to increase the share capital of the Company from authorised capital by up to €8,800,000.00 by issuing up to 8,800,000 new no-par value bearer shares with a calculated notional amount of €1.00 per share in the share capital against cash contribution, to exclude Subscription Rights for up to 18,750 New Shares to avoid fractions (the **"Residual Shares"**) (the **"Utilisation Resolution"**) and to offer the New Shares to investors in the Pre-placement and to the Company's existing shareholders by way of indirect subscription rights at a subscription ratio of 12 : 5 (the **"Subscription Ratio"**). The Old Shares stem from the holdings of S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH and HVC Beteiligungs GmbH (the **"Selling Shareholders"**). The Old Shares have not yet been admitted to trading on the stock exchange. The implementation of the capital increase is expected to be registered in the Commercial Register in two tranches on 29 October 2018 (the **"Capital Increase Tranche I"**) and 9 November 2018 (the **"Capital Increase Tranche II"**). After registration of the implementation of the respective capital increase in the Commercial Register, the share capital of the Company will be increased by the aggregate amount determined in the Determination Resolutions (as defined below). ***The Pre-placement*** The New Shares that are offered in the Pre-placement encompass (i) 7,107,077 New Shares that are attributable to 17,056,985 subscription rights (the "**Assigned Subscription Rights**") which certain existing shareholders (AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH, SPG Verwaltungs GmbH, S&P Beteiligungs ZWEI GmbH, Klaus W. Schäfer and HVC Beteiligungs GmbH (jointly referred to as the **"Assigning Shareholders"**)) of the Company agreed to assign immediately after the Subscription Rights have been booked in the Company's existing shareholders accounts to the Sole Global Coordinator with the purpose to enable the settlement of the shares allocated in the Pre-placement and (ii) the 18,750 Residual Shares (together the "**New Pre-placement Shares**"). Bankhaus Lampe KG in its capacity as the Sole Global Coordinator agreed on the basis of an underwriting and placement agreement (the **"Underwriting Agreement"**), which was entered into on 16 October 2018 between the Company, the Selling Shareholders and the Sole Global Coordinator, to offer, prior to the commencement of the Subscription Offering, the New Pre-placement Shares and the 3,475,000 Old Shares (together, the **"Pre-placement Shares"**) for purchase in the Pre-placement which will be directed exclusively to selected investors in Germany and in other countries (other than in the United States of America in accordance with Regulation S of the U.S. Securities Act dated 1933 as amended from time to time (the **"U.S. Securities Act"**)). The Pre-placement will take the form of a bookbuilding procedure. The offer period for the Pre-placement is expected to run from 23 October 2018 to 24 October 2018. There are neither conditions to the termination of the Pre-placement nor a certain point in time to which the Pre-placement may be terminated at the earliest with the consequence the Pre-placement may begin earlier and terminate earlier than expected. The offer price per share (the **"Offer Price"**) in the Pre-placement will be determined on the basis of the results of the bookbuilding procedure at the end of the Pre-placement. The Offer

Price will correspond to the subscription price in the Subscription Offering (the "**Subscription Price**"). The maximum Offer Price will amount to €7.00 (the **"Maximum Offer Price"**).

After the end of the offer period of the Pre-placement, the Management Board will determine by way of resolution the final number of New Pre-placement Shares to be allotted, the Offer Price and the Subscription Price and the final number of Old Shares to be allotted in the Pre-placement. Such resolution is expected to be adopted on 24 October 2018, with the approval of the Supervisory Board of the Company on the same day (the **"Determination Resolution I"**). The Offer Price and the final number of Old Shares to be allotted in the Pre-placement will be determined together with the Selling Shareholders after consultation with the Sole Global Coordinator.

It is expected that the Offer Price and the Subscription Price and the number of New Shares and Old Shares allotted in the Pre-placement will be published on 24 October 2018 as an ad hoc announcement over an electronic information system as well as on the website of the Company (www.ttl-ag.de/investor-relations/finanzmitteilungen/ad-hoc-mitteilungen.html).

The Subscription Offering and Subscription Period

The Sole Global Coordinator has agreed on the basis of the Underwriting Agreement, to offer 8,781,250 New Shares (the total number of New Shares excluding the Residual Shares) to the existing shareholders in the Subscription Offering during the Subscription Period (as defined below), in accordance with the Subscription Ratio and at the Subscription Price per New Share. The final Subscription Offer (*Bezugsangebot*) is expected to be published on 24 October 2018 in the German Federal Gazette (*Bundesanzeiger*). The subscription period is expected to run from and including 25 October 2018 to and including 7 November 2018 (the **"Subscription Period"**). As set out above, there are neither conditions to the termination of the Pre-placement nor a certain point in time to which the Pre-placement may be terminated at the earliest with the consequence the Pre-placement may begin earlier and terminate earlier than expected. The dates for beginning and termination of the Subscription Period may change accordingly.

After the end of the Subscription Period, the Management Board will determine by way of resolution the final number of New Shares subscribed for in the Subscription Offering and allotted to investors in the Rump Placement, if any (the **"New Subscription Offering Shares"**) (the **"Determination Resolution II"** and together with the Determination Resolution I, the **"Determination Resolutions"**).

The Rump Placement

The Sole Global Coordinator may offer any New Shares and any Old Shares not placed by way of the Pre-placement and not subscribed for in the Subscription Offering (the **"Rump Placement Shares"**) to selected investors in Germany and outside Germany in jurisdictions other than the United States of America in accordance with the exemptions under Regulation S of the U.S. Securities Act and Canada, Australia and Japan at a price at least as high as the Subscription Price (the **"Rump Placement"**, together with the Pre-placement and the Subscription Offering, the **"Offering"**).

Subscription rights trading

The Subscription Rights (ISIN DE000A2NBTR9/WKN A2NBTR) for

		the New Shares are expected to be traded in the period from and including 25 October 2018 up to and including 5 November 2018 in the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on XETRA Frankfurt Specialist and XETRA. The Subscription Agent (as defined below) is prepared to act as the broker in the buying and selling of Subscription Rights on the stock exchange, if possible. No compensation will be awarded for Subscription Rights which are not exercised. After expiration of the Subscription Period, Subscription Rights which are not exercised will expire and become worthless. It is expected that as of 25 October 2018, the then existing shares of the Company will be listed "ex subscription rights". The Subscription Rights will be available for continuous trading. The stock exchange price of the Subscription Rights depends, amongst others, on the development of the stock exchange price of the shares in the Company, but may also be subject to considerably stronger price fluctuations. Subscription agent is Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Germany. ***Subscription Ratio and Subscription Rights*** Pursuant to the Subscription Ratio of 12 : 5, 12 existing shares of the Company entitle their holder to subscribe for 5 New Shares. Shareholders may only subscribe for one share or multiples thereof. The notice of the exercise of subscription rights is binding upon receipt by the subscription agent and cannot be altered afterwards. However, the exercise of the subscription rights is subject to the registration of the implementation of the capital increase with the commercial register. ***Certification and delivery of the Offer Shares*** The Old Shares are and the New Shares (ISIN DE0007501009 / WKN 750100) will be represented by several global share certificates, which are or will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany. Any right of the shareholders to request certification of their respective individual interests is excluded unless such certification is required by the rules of a stock exchange where the shares are listed. The Pre-placement Shares allotted to investors in the Pre-placement are expected to be delivered on 30 October 2018. The New Shares subscribed under the Subscription Offering or the New Shares and Old Shares allotted to investors in the Rump Placement (if any) are, to the extent the subscription period is not extended, expected to be delivered on 12 November 2018. The delivery of the Offer Shares will take place through collective safe custody deposit.
E.4	A description of any interest that is material to the issue/offer including conflicting interests	Subject to the placement of the Old Shares, the Selling Shareholders will receive the proceeds from the sale of the Old Shares. Accordingly, the Selling Shareholders have an interest in the success of the Offering at the best possible terms. The Sole Global Coordinator has a contractual relationship with the Company and the Selling Shareholders in relation to the Offering and the admission of the Offer Shares of the Company to trading on the stock exchange. The Sole Global Coordinator will receive a commission if the transaction is completed successfully. The Sole Global Coordinator or its respective affiliated companies may, from time to time, enter into business relations with TTL AG or may render services to it

		in the ordinary course of TTL AG's business. The Sole Global Coordinator, or its respective affiliated companies, is currently engaged in various business relationships with TTL AG. Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering or the listing of the Offer Shares.
E.5	Name of the person or entity offering to sell the security Lock-up agreement: the parties involved and indication of the period of the lock-up	The Offer Shares are being offered for sale and subscription by the Sole Global Coordinator. The Company has agreed with the Sole Global Coordinator that, as of the date of the Underwriting Agreement, for the period of up to six months following delivery of the New Shares acquired under the Subscription Offering and without the prior written consent of the Sole Global Coordinator, (A) it will not offer or sell or enter into any obligations in this respect for the sale or disposal of (i) bonds which are convertible into shares of the Company or which can be exchanged for such, (ii) shares of the Company or (iii) other securities convertible into or exchangeable for shares of the Company or with a right to subscribe or receive such shares and (B) it will not enter into any swaps or other agreements under which the economic consequences of ownership of shares of the Company are transferred in whole or in part to another party, regardless of whether the transaction is settled through delivery of securities, in cash or in any other manner. This obligation does not apply to the issuance of the New Shares. The Selling Shareholders and the existing shareholders AR Holding GmbH and Rhein-Main Beteiligungsgesellschaft mbH have agreed with the Sole Global Coordinator that, as of the date of the Underwriting Agreement, for the period of up to 6 months following delivery of the New Shares subscribed under the Subscription Offering, they will not – neither themselves nor through one of their dependent companies – without the prior written consent of the Sole Global Coordinator, (x) offer or sell or enter into any obligations in this respect for the sale or transfer of shares of the Company (including New Shares) or other securities convertible into or exchangeable for shares of the Company (including New Shares) or with a right to subscribe or receive such shares (including New Shares) or (y) enter into any swaps or other agreements under which the economic consequences of ownership of shares of the Company (including New Shares) are transferred in whole or in part to another party, regardless of whether the transaction is settled through delivery of securities, in cash or in any other manner. Such shareholders are, however, allowed, following the registration of the implementation of the Capital Increase Tranche I and the Capital Increase Tranche II with the Commercial Register, to sell shares without the approval of the Sole Global Coordinator outside of the stock exchange, if the purchaser undertakes vis-à-vis the Sole Global Coordinator, similar to the previous undertaking of these shareholders, to comply with the aforementioned limitations with respect to the shares in the Company which are to be acquired until expiry of the 6 months-period.
E.6	The amount and percentage of immediate dilution resulting from the offer. In case of a subscription offer to the existing equity holders, the amount and percentage of immediate dilution if	The rights of the shareholders to subscribe for the New Shares from the capital increases ensure that each existing shareholder exercising its Subscription Rights will continue to hold its original, nearly unchanged percentage shareholding in the Company's share capital. The shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by 41.76% if such existing shareholder does not exercise any of its Subscription Rights. If the economic value of the Subscription Rights is not taken into account, a

	they do not subscribe to the new offer.	capital accretion for the existing shareholder of €1.31 per share would result. The book value of the shareholders' equity of the Company on a consolidated basis (total assets in the amount of €85.4 million less total non-current liabilities in the amount of €17.5 million and total current liabilities in the amount of €14.9 million less non-controlling interest in the amount of €8.2 million, each as of 31 August 2018) was €44.8 million therefore, €2.13 per share of the Company, calculated on the basis of the number of 21,075,000 issued shares as of 31 August 2018. Assuming that all of the 8,800,000 New Shares are sold and subscribed for at the subscription price of €7.00 per New Share, the Company expects that the net proceeds from the Offering would amount to €58.0 million (being the result of the gross proceeds of €61.6 million reduced by costs of about €3.6 million). Based on the foregoing, following the implementation of the capital increase by €8,800,000.00 from €21,075,000.00 to €29,875,000.00 by issuing 8,800,000 New Shares against contributions in cash in connection with the Offering, which is expected to be registered with the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, on or about 29 October 2018 and on or about 9 November 2018, the book value of the shareholders' equity of the Company on a consolidated basis as of 31 August 2018, would have been €102.8 million or €3.44 per share (calculated on the basis of the number of 29,875,000 Shares of the Company issued after consummation of the capital increase in connection with the Offering). This corresponds to an accretion in net equity of the Company by €1.31 or 61.8% per share for the previous shareholders. For purchasers of New Shares or Old Shares, this results in an indirect dilution of €3.56 or 50.9% per share, as the adjusted shareholders' equity of the Company per share undercuts the subscription price of €7.00 per New Share (which will correspond to the offer price for the Pre-placement) by this amount or this percentage.
E.7	Estimated expenses charged to the investor by the issuer or the offeror	Not applicable. None of the expenses incurred by the Company or the Sole Global Coordinator will be charged to investors. However, investors may be required to bear the fees charged by their custodian bank for the purchase and holding of securities.

GERMAN TRANSLATION OF THE SUMMARY

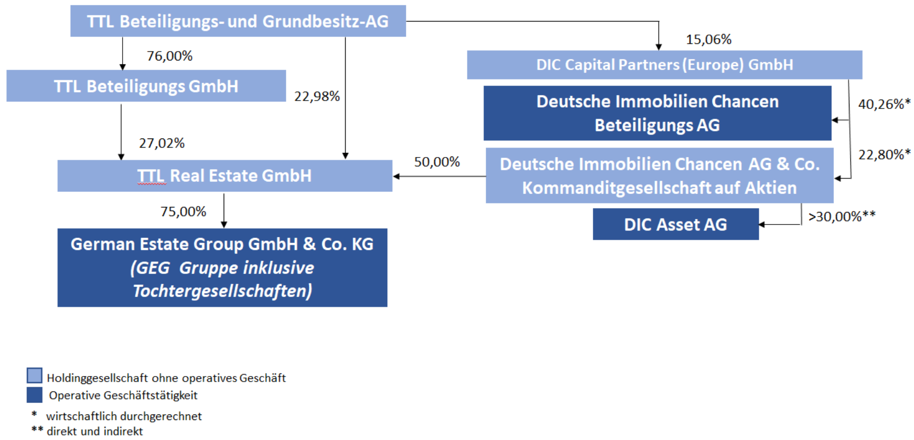
ZUSAMMENFASSUNG

*Prospektzusammenfassungen liegen Offenlegungspflichten zugrunde, die als "Angabe" (die **"Angabe"**) bezeichnet werden. Diese Angaben sind in die nachstehenden Abschnitte A – E (A.1 – E.7) gegliedert. Diese Zusammenfassung enthält alle Angaben, die in eine Prospektzusammenfassung für diese Art von Wertpapier und Emittent aufzunehmen sind. Für den Fall, dass das Aufführen einer Angabe nicht erforderlich ist, sind Lücken in der Nummerierungsreihenfolge der Angaben vorhanden. Wenn eine Angabe in die Zusammenfassung aufgenommen werden muss, aber diesbezüglich keine relevanten Informationen zur Verfügung stehen, wird eine kurze Beschreibung der Angabe mit dem Hinweis "entfällt" angegeben.*

A – Einleitung und Warnhinweise		
A.1	Einleitung und Warnhinweise	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt (der **"Prospekt"**) verstanden werden. Anleger sollten sich bei jeder Entscheidung, in Angebotsaktien (wie unten in C.1 definiert) zu investieren, auf die Berücksichtigung des gesamten Prospekts stützen. Die TTL Beteiligungs- und Grundbesitz-AG, München, Deutschland (die **"Emittentin"** oder die **"Gesellschaft"** oder **"TTL AG"** und, gemeinsam mit ihren (gemäß IAS 28) verbundenen Unternehmen, und ihren – zum Datum dieses Prospekts nicht operativ tätigen – vollkonsolidierten Tochtergesellschaften, ausgenommen die DIC Capital Partners (Europe) GmbH sowie direkte und indirekte Beteiligungen der DIC Capital Partners (Europe) GmbH, die **"TTL Gruppe"** oder die **"Gruppe"**) übernimmt gemeinsam mit der Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Deutschland (**"Bankhaus Lampe"**, **"Sole Bookrunner"** oder **"Sole Global Coordinator"**), gemäß § 5 Absatz 2b Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung einschließlich der Übersetzung hiervon. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können für den Inhalt der Zusammenfassung einschließlich der Übersetzung hiervon haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, hat der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Mitgliedstaaten des Europäischen Wirtschaftsraums möglicherweise die Kosten für die Übersetzung des Prospekts zu tragen, bevor das Verfahren eingeleitet werden kann.
A.2	Information zur Verwendung des Prospekts	Entfällt. Die Zustimmung der Gesellschaft zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder Platzierung der Wertpapiere durch Finanzintermediäre wurde nicht erteilt.

B – Emittentin		
B.1	Gesetzliche und kommerzielle Bezeichnung der Emittentin	Die juristische Bezeichnung der Gesellschaft lautet TTL Beteiligungs- und Grundbesitz-AG. Die Gesellschaft und ihre Tochter- und Beteiligungsgesellschaften üben ihre Geschäftstätigkeit unter verschiedenen kommerziellen Bezeichnungen aus, vor allem unter den Bezeichnungen **"TTL"**, **"TTL Gruppe"** oder **"GEG Grup-**

		pe".
B.2	Sitz und Rechtsform, das für die Emittentin geltende Recht und Land der Gesellschaftsgründung	Die Emittentin hat ihren Sitz in München, Deutschland, und ist im Handelsregister des Amtsgerichts München unter der Nummer HRB 125559 eingetragen. Die Emittentin ist eine nach deutschem Recht gegründete Aktiengesellschaft, die deutschem Recht unterliegt.
B.3	Beschreibung und wesentliche Faktoren im Zusammenhang mit der Art der derzeitigen Geschäftstätigkeit und der Haupttätigkeiten der Emittentin unter Angabe der Hauptkategorien der verkauften Produkte und/oder erbrachten Dienstleistungen und der wichtigsten Märkte, auf denen die Emittentin im Wettbewerb steht	Die Emittentin, TTL Beteiligungs- und Grundbesitz-AG, ist eine Holdinggesellschaft, die gegenwärtig über die German Estate Group GmbH & Co. KG (**"GEG"**, und zusammen mit ihren Tochtergesellschaften die **"GEG Gruppe"**) im deutschen Markt für Gewerbeimmobilien tätig ist. Die gegenwärtige Hauptgeschäftstätigkeit der Emittentin besteht darin, über ihre wesentliche Beteiligung an der GEG Gruppe Eigen- und Fremdkapital für das weitere starke Wachstum der Geschäftstätigkeit der GEG Gruppe zur Verfügung zu stellen. Die Emittentin hält darüber hinaus eine indirekte Minderheitsbeteiligung an der Deutsche Immobilien Chancen Gruppe und erwirtschaftet dabei indirekte Mittelzuflüsse aus ihrem Investment an der DIC Asset AG. **"Deutsche Immobilien Chancen Gruppe"** bezeichnet die Deutsche Immobilien Chancen Beteiligungs AG, die alleinige Komplementärin der Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, und die Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien einschließlich ihrer Tochtergesellschaften und verbundenen Unternehmen, insbesondere der DIC Asset AG. Die wesentliche Strategie der Emittentin besteht darin, ihre Aktivitäten im Bereich Immobilien-Investmentmanagement und Asset Management (Anlagenverwaltung) sowohl durch organisches Wachstum als auch durch Akquisitionen (mit regionaler und strategischer Komplementarität zum Geschäft der GEG Gruppe), insbesondere im Bereich der gewerblichen Objekte, weiter auszubauen und zu stärken.
B.4 a	Beschreibung der wichtigsten jüngsten Trends, die sich auf die Emittentin und auf die Branchen, in denen sie tätig ist, auswirken	Die derzeitige Marktlage für gewerbliche Immobilien in Deutschland, insbesondere für Büroräume, ist nach Einschätzung der Marktteilnehmer, wie Savills, exzellent und nie zuvor ist so viel Kapital in deutsche Gewerbeimmobilien geflossen, und nie zuvor waren die Preise für deutsche Gewerbeimmobilien so hoch wie heute (*Quelle: Savills World Research, Germany, Commercial property market - Germany, March 2018*). Dies ist insofern bedenklich, als die Abwärtsrisiken offensichtlich größer sind als die Aussichten auf eine weitere Aufwärtsentwicklung. Diese Situation ist für die risikoaverse Mehrheit der Anleger besonders herausfordernd (*Quelle: Savills World Research, Germany, Commercial property market - Germany, March 2018*). Diese Situation könnte für die Emittentin und die Branchen, in denen sie tätig ist, dazu führen, dass Gewerbeimmobilien für Investoren teurer werden und dies zu geringeren Erträgen für diese führt. Gleichzeitig könnte die GEG Gruppe ihre Geschäftstätigkeit in der Division „Opportunistische Investments" (Büro, Handel, höherklassige Wohnimmobilien, und teilweise auch Hotels) verstärken.
B.5	Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe	Die Emittentin ist die Holdinggesellschaft der TTL Gruppe. Das operative Geschäft der TTL Gruppe wird im Wesentlichen von der GEG Gruppe (an der sie indirekt beteiligt ist) betrieben. Die folgende Darstellung gibt einen Überblick (in vereinfachter Form) über die TTL Gruppe, einschließlich weiterer direkter und indirekter Minderheitsbeteiligungen der TTL AG an der DIC Capital Partners (Europe) GmbH und anderen Gesellschaften (basierend auf Stimmrechten, sofern nicht anders angegeben) zum Datum des Prospekts.



(Quelle: Ungeprüfte Information der Emittentin)

B.6 Personen, die eine direkte oder indirekte meldepflichtige Beteiligung am Grundkapital oder den Stimmrechten der Emittentin haben oder die Kontrolle über die Emittentin haben

Stimmrechte

Die folgende Tabelle zeigt die Anzahl der bestehenden Aktien (die **"Bestehenden Aktien"**) und die Stimmrechte der wesentlichen Aktionäre der Gesellschaft.

Aktionäre	Vor Durchführung des Angebot		Nach Durchführung des Angebot*	
	Anzahl Stimmrechte	Anteil an Stimmrechten[1)]	Anzahl Stimmrechte	Anteil an Stimmrechten
Prof. Dr. Gerhard Schmidt[2)]	14.083.545	66,83%	12.763.045	42,72%
Klaus-Jürgen Sontowski[3)]	1.320.500	6,27%	0	0,00%
Ulrich Höller[4)]	834.000	3,96%	0	0,00%
Klaus W. Schäfer[5)]...	818.940	3,89%	818.940	2,74%
Streubesitz	4.018.015	19,07%	16,293,015	54,54%
Gesamt	**21.075.000**	**100,00%**	**29.875.000**	**100,00%**

(Quelle: nicht geprüfte interne Informationen der Emittentin)

* Unter der Annahme der Ausgabe sämtlicher 8.800.000 Neuen Aktien (wie unten definiert), des Verzichts der Abtretenden Aktionäre (wie unten definiert) auf den Bezug der Neuen Aktien und der Platzierung sämtlicher 3.475.000 Alt-Aktien (wie unten definiert).

Ob unmittelbare oder mittelbare Beteiligungen oder Beteiligungsverhältnisse bestehen, wer diese Beteiligungen hält bzw. diese Beherrschung ausübt und welcher Art die Beherrschung ist

1) Der Prozentsatz der Stimmrechte wurde auf der Grundlage des ausstehenden Grundkapitals und der Stimmrechte der Gesellschaft zum Datum des Prospekts berechnet.

2) Stimmrechte, die Herrn Prof. Dr. Gerhard Schmidt gemäß § 34 Wertpapierhandelsgesetz zugerechnet werden, wie mit Konzernmeldung per 30. August 2018 mitgeteilt. Prof. Dr. Schmidt ist der oberste kontrollierende Anteilsinhaber an den nachstehenden Gesellschaften, die an der Gesellschaft direkt oder indirekt beteiligt sind: GCS Verwaltungs GmbH, GR Capital GmbH, AR Holding GmbH, sowie Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts und Rhein-Main Beteiligungsgesellschaft mbH und Vermögensverwaltung der Familie Gerhard Schmidt KG und SPG Verwaltungs GmbH. AR Holding GmbH (58,08%) und SPG Verwaltungs GmbH (6,27%) sind Unternehmen, die direkt mehr als 3% der Stimmrechte an der Gesellschaft halten.

3) Stimmrechte, die Herrn Klaus-Jürgen Sontowski gemäß § 34 Wertpapierhandelsgesetz zugerechnet werden, wie mit Konzernmeldung per 30. August 2018 mitgeteilt. Klaus-Jürgen Sontowski ist der oberste kontrollierende Anteilsinhaber an den nachstehenden Gesellschaften, die an der Gesellschaft direkt oder indirekt beteiligt sind: Sontowski & Partner GmbH, Sontowski & Partner Beteiligungsgesellschaft mbH und S&P Beteiligungs ZWEI GmbH. S&P Beteiligungs ZWEI GmbH hält direkt 6,27% der Stimmrechte an der Gesellschaft.

4) Stimmrechte, die Herrn Ulrich Höller gemäß § 34 Wertpapierhandelsgesetz zugerechnet werden, wie mit Konzernmeldung per 30. August 2018 mitgeteilt. Ulrich Höller ist der oberste kontrollierende Anteilsinhaber der HVC Beteiligungs GmbH, die direkt 3,96% der Stimmrechte an der Gesellschaft hält.

5) Stimmrechte, die von Herrn Klaus W. Schäfer der Gesellschaft am 5. Oktober 2018 informell mitgeteilt worden sind.

Mit Ausnahme der in der obigen Tabelle aufgeführten Fälle besitzt nach Kenntnis der Gesellschaft zum Datum dieses Prospekts kein anderer Aktionär mehr als 3% der Bestehenden Aktien und Stimmrechte. Alle Bestehenden Ak-

		tien haben das gleiche Stimmrecht. Die Gesellschaft wird mittelbar von Herrn Prof. Dr. Gerhard Schmidt kontrolliert, dem unter anderem über die AR Holding GmbH, die Rhein-Main Beteiligungsgesellschaft mbH und die SPG Verwaltungs GmbH derzeit 66,83% der Stimmrechte an den Bestehenden Aktien vor dem Angebot (wie unten definiert) zugerechnet werden. Nach dem Angebot werden Prof. Dr. Gerhard Schmidt rund 42,72% der Stimmrechte an der Gesellschaft zugerechnet (unter der Annahme, dass alle Neuen Aktien ausgegeben, alle Alt-Aktien verkauft werden und die Abtretenden Aktionäre auf ihre Bezugsrechte (jeweils wie unten definiert) verzichten und nicht an dem Angebot teilnehmen.
B.7	Ausgewählte wesentliche Finanzinformationen. Erhebliche Änderungen der Finanzlage und des Betriebsergebnisses der Emittentin	Die in den nachstehenden Tabellen enthaltenen Finanzinformationen sind den geprüften Konzernabschlüssen der Emittentin für die jeweils zum 31. Dezember 2017, 31. Dezember 2016 und 31. Dezember 2015 endenden Geschäftsjahre (zusammen die **"Geprüften Konzernabschlüsse"**), dem ungeprüften Konzern-Zwischenabschluss der Emittentin für den zum 30. Juni 2018 endenden Sechsmonatszeitraum (der **"Konzernzwischenabschluss"**), einschließlich vergleichender Finanzinformationen für den zum 30. Juni 2017 endenden Sechsmonatszeitraum sowie den Rechnungslegungsunterlagen und dem internen Berichtswesen der Gesellschaft entnommen bzw. daraus abgeleitet. Die Geprüften Konzernabschlüsse der Emittentin wurde in Übereinstimmung mit den vom International Accounting Standards Board herausgegebenen und von der Europäischen Union übernommenen internationalen Rechnungslegungsstandards (**"IFRS"**) aufgestellt. Der Konzernzwischenabschluss der Emittentin wurde in Übereinstimmung mit dem International Accounting Standard (**"IAS"**) 34: Zwischenberichterstattung aufgestellt und steht im Einklang mit IFRS. *Die Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, München, Deutschland, hat die Geprüften Konzernabschlüsse der Gesellschaft geprüft und hierfür jeweils uneingeschränkte Bestätigungsvermerke des unabhängigen Abschlussprüfers erteilt. Die vorstehend genannten Geprüften Konzernabschlüsse der Gesellschaft sowie die diesbezüglichen Bestätigungsvermerke des unabhängigen Abschlussprüfers sind in dem Prospekt enthalten.* *Finanzdaten, die in dem Prospekt als "geprüft" bezeichnet werden, sind den vorgenannten Geprüften Konzernabschlüssen entnommen. Der Hinweis "ungeprüft" in dem Prospekt bedeutet, dass die Finanzdaten nicht aus den vorgenannten Geprüften Konzernabschlüssen stammen, sondern dem vorstehend genannten Konzernzwischenabschluss, den Buchführungsunterlagen der Gesellschaft oder ihrem internen Berichtswesen entnommen wurden oder auf der Grundlage von Finanzdaten aus den vorstehenden Quellen, einschließlich der vorgenannten Geprüften Konzernabschlüssen, berechnet wurden. Alle Finanzdaten in dem Prospekt werden in Millionen Euro (in Mio. €) oder in Tausend Euro (in Tausend € oder T€) dargestellt. Bestimmte Finanzdaten (einschließlich Prozentangaben) in dem Prospekt wurden kaufmännisch gerundet, wobei die Summen (Gesamtsummen, Zwischensummen, Differenzen oder Beträge im Verhältnis zu anderen Beträgen) anhand der zugrunde liegenden ungerundeten Beträge berechnet werden. Aus diesem Grund ist es möglich, dass die Summen in den Tabellen in dem Prospekt nicht immer mit den entsprechenden gerundeten Beträgen in den Tabellen in dem Prospekt übereinstimmen. Außerdem ergeben die gerundeten Zahlen in diesen Tabellen nicht unbedingt exakt die ebenfalls in diesen Tabellen genannten Summen. Für die in dem Prospekt enthaltenen Finanzdaten bedeutet ein Gedankenstrich ("–"), dass der betreffende Wert nicht verfügbar ist oder Null entspricht, während eine Null ("0") bedeutet, dass der betreffende Wert verfügbar ist, aber auf null gerundet wurde.* *Einige in dieser Zusammenfassung verwendete Kennzahlen sind keine Finanzkennzahlen gemäß IFRS, wurden aber auf Grundlage von IFRS-Finanzinformationen berechnet. Diese Kennzahlen sind nicht als Alternativen zum Cashflow aus der betrieblichen Tätigkeit, als Maßstab für die Liquidität oder als Alternativen für den Gewinn/Verlust oder das Ergebnis vor Zinsen und*

		Steuern als Indikatoren für die betriebliche Ertragskraft der Emittentin oder eine andere Ertragskennzahl, die gemäß IFRS abgeleitet wurde, zu verstehen.

Konsolidierte Finanzinformationen der TTL AG und ihrer Tochter- und Konzerngesellschaften

Ausgewählte Daten aus der Konzern-Gewinn- und Verlustrechnung

	Sechsmonatszeitraum endend zum		Geschäftsjahr endend zum		
	30. Juni 2018 (ungeprüft)	30. Juni 2017 (ungeprüft)	31. Dezember 2017 (geprüft, sofern nicht anders angeführt)	31. Dezember 2016 (geprüft, sofern nicht anders angeführt)	31. Dezember 2015 (geprüft, sofern nicht anders angeführt) *
	in Tausend €	in Tausend €	in Tausend €	in Tausend €	in Tausend €
Umsatzerlöse	305	0	10	0	0
Ergebnis der betrieblichen Geschäftstätigkeit	-456	2	-367	-160	-128
Erträge aus Beteiligungen	350	126	300	0	0
Gewinnanteile von Unternehmen, die nach der Equity-Methode bilanziert werden	2.208	0	911	0	0
Zinsergebnis	-594	20	16 [1)]	1 [1)]	0 [1)]
Ergebnis vor Ertragsteuern (EBT)	1.508	148	860	-159	-128
Periodenergebnis	1.508	119	860	-159	-128
davon auf die Aktionäre der TTL AG entfallend	1.141	119	525	-159	-128
Ergebnis je Aktie (in €)	0,07	0,01	0,05	-0,02	-0,02

(Quelle: Geprüfte Konzernabschlüsse und Konzernzwischenabschluss; * einige Positionen können von jenen im Geprüften Konzernabschluss 2015 aufgrund einer Anpassung nach einer Prüfung durch die Deutsche Prüfstelle für Rechnungslegung abweichen, wobei diese Anpassungen im Geprüften Konzernabschluss 2016 dargestellt sind; [1)] Ungeprüfte Summe aus "Sonstige Zinsen und ähnliche Erträge" (geprüft) und "Zinsen und ähnliche Aufwendungen" (geprüft).)

Ausgewählte Daten aus der Konzernbilanz

	Zum		Zum		
	30. Juni 2018 (ungeprüft)	30. Juni 2017 (ungeprüft)	31. Dezember 2017 (geprüft)	31. Dezember 2016 (geprüft)	31. Dezember 2015 (geprüft) *
	in Tausend €	in Tausend €	in Tausend €	in Tausend €	in Tausend €
Langfristige Vermögenswerte	***74.993***	***4.879***	***46.201***	***4.879***	***0***
Kurzfristige Vermögenswerte	***3.286***	***1.720***	***941***	***25***	***21***
Zahlungsmittel	621	159	619	20	13
Summe der Aktiva	**78.279**	**6.599**	**47.142**	**4.904**	**21**
Eigenkapital	***44.827***	***6.523***	***31.055***	***4.719***	***-128***
davon auf die Aktionäre der TTL AG entfallend	36.660	6.523	23.255	4.719	-128
nicht beherrschende Anteile	8.167	0	7.800	0	0
Langfristige Schulden	***25.615***	***0***	***8.396***	***0***	***25***
Anleihen	8.320	0	8.053	0	0
Langfristige Darlehensverbindlichkeiten	17.295	0	343	0	25
Kurzfristige Schulden	***7.837***	***76***	***7.691***	***185***	***124***
Summe Eigenkapital und Schulden	**78.279**	**6.599**	**47.142**	**4.904**	**21**

(Quelle: Geprüfte Konzernabschlüsse und Konzernzwischenabschluss; * einige Positionen können von jenen im Geprüften Konzernabschluss 2015 aufgrund einer Anpassung nach einer Prüfung durch die Deutsche Prüfstelle für Rechnungslegung abweichen, wobei diese Anpassungen im Geprüften Konzernabschluss 2016 dargestellt sind)

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Sechsmonatszeitraum endend zum		Geschäftsjahr endend zum		
	30. Juni 2018 (ungeprüft)	30. Juni 2017 (ungeprüft)	31. Dezember 2017 (geprüft)	31. Dezember 2016 (geprüft)	31. Dezember 2015 (geprüft)
	in Tausend €	in Tausend €	in Tausend €	in Tausend €	in Tausend €
Cashflow aus betrieblicher Geschäftstätigkeit	-669	-45	-394	-144	-120
Cashflow aus Investitionstätigkeit	-89	-1.400	-657	0	0
Cashflow aus Finanzierungstätigkeit	760	1.584	1.629	150	50

(Quelle: Geprüfte Konzernabschlüsse und Konzernzwischenabschluss)

Sechsmonatszeitraum endend zum 30. Juni 2018

Zum 30. Juni 2018 betrug das Eigenkapital (einschließlich Minderheitsanteile) der Emittentin T€44.827, im Vergleich zu T€31.055 zum 31. Dezember 2017 und T€6.523 zum 30. Juni 2017. Die Steigerungen im Eigenkapital sind im Wesentlichen das Ergebnis einer Reihe von Kapitalerhöhungen, sowohl durch Bareinlagen als auch durch Sacheinlagen.

Die Bilanzsumme der Emitentin hat sich zum 30. Juni 2018 auf T€78.279 erhöht (im Vergleich zu T€47.142 zum 31. Dezember 2017 und zu T€6.599 zum 30. Juni 2017). Diese Steigerungen sind im Wesentlichen eine Folge der Erhöhungen bei den langfristigen Vermögenswerten, die aus dem Erwerb von Anteilen (und den Erhöhungen solcher Anteile) bei der TTL Real Estate GmbH und bei der DIC Capital Partners (Europe) GmbH resultieren.

In den sechs Monaten bis zum 30. Juni 2018 erzielte die TTL-Gruppe Umsatzerlöse in Höhe von T€305, die aus Managementleistungen der Emittentin an die DIC Capital Partners (Europe) GmbH sowie an die TTL Real Estate GmbH resultierten, im Vergleich zu keinem Umsatz im gleichen Zeitraum im Jahr 2017. Da die Gesellschaft erst im zweiten Halbjahr 2017 mit dem Aufbau von Unternehmensstrukturen und Personal begonnen hat, sind im ersten Halbjahr 2017 im Vergleich zum selben Zeitraum 2018 deutlich geringere operative Aufwendungen angefallen.

Bei den Gewinnanteilen von Unternehmen, die nach der Equity-Methode bilanziert werden, weist die Emittentin zum 30. Juni 2018 Erträge in Höhe von T€2.208 aus, die auf die Beteiligung an der TTL Real Estate GmbH entfallen, gegenüber T€0 im Vergleichszeitraum des Vorjahres als das Unternehmen noch keine Anteile an der TTL Real Estate GmbH hielt. Die Erträge aus Beteiligungen haben sich zum 30. Juni 2018 deutlich auf T€350, gegenüber T€126 zum 30. Juni 2017, erhöht. Dieser Anstieg resultiert aus Dividenden, die der Emittentin aufgrund eines entsprechenden Gewinnverwendungsbeschlusses vom Juni 2018 zustehen.

Die Veränderung des Zinsergebnisses von T€20 in den ersten sechs Monaten 2017 auf T€-594 ist auf die Begebung der Anleihe der Emittentin im Dezember 2017 und auf die Finanzierung des Erwerbs von Beteiligungen an der TTL Real Estate GmbH im ersten Halbjahr 2018 zurückzuführen.

Der Anstieg des Finanzergebnisses auf T€1.964 und des EBT auf T€1.508 in den ersten sechs Monaten bis zum 30. Juni 2018, gegenüber T€146 bzw T€148 im Zeitraum bis zum 30. Juni 2017, resultiert im Wesentlichen aus dem Anstieg der Gewinnanteile von Unternehmen, die nach der Equity-Methode bilanziert werden.

Das auf die Aktionäre der TTL AG entfallende Periodenergebnis erhöhte sich in den ersten sechs Monaten bis zum 30. Juni 2018 auf T€1.141 im Vergleich zu T€119 im Zeitraum bis zum 30. Juni 2017.

Vergleich der Geschäftsjahre zum 31. Dezember 2017, 2016 und 2015

Das Eigenkapital (einschließlich Minderheitsanteile) der Emittentin hat sich stetig erhöht von T€-128 zum 31. Dezember 2015 auf T€4.719 zum 31. Dezember 2016 und auf T€31.055 zum 31. Dezember 2017. Die Steigerungen im Eigenkapital (einschließlich Minderheitsanteile) sind im Wesentlichen das Ergebnis einer Reihe von Kapitalerhöhungen, sowohl durch Bareinlagen als auch durch Sacheinlagen.

Die Bilanzsumme der Emittentin hat sich zum 31. Dezember 2016 auf T€4.904 erhöht (im Vergleich zu T€21 zum 31. Dezember 2015), und weiter auf T€47.142 zum 31. Dezember 2017. Diese Steigerungen sind im Wesentlichen eine Folge der Erhöhungen bei den langfristigen Vermögenswerten, die aus dem Erwerb von Anteilen (und den Erhöhungen solcher Anteile) bei der TTL Real Estate GmbH und bei der DIC Capital Partners (Europe) GmbH resultieren.

Für das am 31. Dezember 2017 abgelaufene Geschäftsjahr hatte die Emittentin Umsatzerlöse in Höhe von T€10 erzielt, die aus den von der Emittentin an die DIC Capital Partners (Europe) GmbH erbrachten Dienstleistungen resultierten. Mangels operativer Tätigkeit hatte die Emittentin in den Geschäftsjahren zum 31. Dezember 2015 und 2016 keine Umsatzerlöse erzielt.

Im Jahr 2017 erzielte die Gesellschaft Beteiligungserträge (aus Dividenden der DIC Capital Partners (Europe) GmbH) in Höhe von T€300 sowie einen Gewinn aus der indirekten Beteiligung an der nach der Equity-Methode bilanzierten TTL Real Estate GmbH in Höhe von T€911, wohingegen in den Jahren 2015 und 2016 keine derartigen Einkünfte erzielt wurden, da diese Anteile noch nicht von der Emittentin gehalten wurden. Das Finanzergebnis in Höhe von T€1.227 im Geschäftsjahr 2017 resultiert im Wesentlichen

aus den erhaltenen Gewinnanteilen von Unternehmen, die nach der Equity-Methode bilanziert werden. Da die Emittentin in den Jahren 2015 und 2016 weder Unternehmen nach der Equity-Methode noch Beteiligungen bilanziert hat, gibt es für diese Jahre kein entsprechendes Ergebnis. Das EBT (T€ 860 in 2017 gegenüber T€-159 bzw T€-128 in den Geschäftsjahren zum 31. Dezember 2016 bzw 2015) entsprach dem Periodenergebnis, da die Ertragsteuern stets T€ 0 betrugen. Das auf die Aktionäre der TTL AG entfallende Periodenergebnis erhöhte sich 2017 auf T€525 nach T€-159 und T€-128 in den Geschäftsjahren zum 31. Dezember 2016 und 2015.		
B.8	Ausgewählte wesentliche Pro-forma-Finanzinformationen	Entfällt. Dieser Prospekt enthält keine Pro-forma-Finanzinformationen.
B.9	Gewinnprognosen oder -schätzungen	Am 25. September 2018 hat die Emittentin bekannt gegeben, dass sie aufgrund der positiven Geschäftsentwicklung im ersten Halbjahr 2018, der jüngsten Entwicklungen nach dem 30. Juni 2018 sowie der Erhöhung der Beteiligungen für das Jahr 2018 einen Konzerngewinn von rund €4,1 Millionen erwartet.
B.10	Art etwaiger Beschränkungen im Prüfungsbericht zu den historischen Finanzinformationen	Entfällt. Die in dem Prospekt enthaltenen Bestätigungsvermerke wurden ohne Beschränkungen erteilt.
B.11	Unzulänglichkeit des Geschäftskapitals der Emittentin, um gegenwärtige Anforderungen zu erfüllen	Entfällt. Die Gesellschaft ist der Ansicht, dass die TTL Gruppe in der Lage ist, sämtliche Zahlungsverpflichtungen zu erfüllen, die in den nächsten zwölf Monaten fällig werden.

C – Wertpapiere		
C.1	Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zugelassenen Wertpapiere, einschließlich jeder Wertpapierkennung	Das Angebot (wie unten definiert) bezieht sich auf insgesamt 8.800.000 neue, nennwertlose auf den Inhaber lautende Stückaktien an, die nach einer Kapitalerhöhung aus genehmigtem Kapital ausgegeben werden (die **"Neuen Aktien"**), und 3.475.000 bestehende nennwertlose auf den Inhaber lautende Stückaktien, die derzeit von den Veräußernden Aktionären (wie unten definiert) gehalten werden (die **"Alt-Aktien"**, und zusammen mit den Neuen Aktien die **"Angebotsaktien"**), jeweils mit einem rechnerischen Anteil am Grundkapital von €1,00 und jeweils ab dem am 1. Januar 2018 begonnenen Geschäftsjahr voll dividendenberechtigt (die Bestehenden Aktien zusammen mit den Angebotsaktien, die **"Aktien"**). Neue Aktien werden gemäß dem Bezugsverhältnis bestehenden Aktionären der Gesellschaft im Wege mittelbarer Bezugsrechte (das **"Bezugsangebot"**) und in einer möglichen Restaktienplatzierung (beide wie nachstehend näher beschrieben) angeboten. Vor Beginn der Bezugsfrist werden 7.125.827 Neue Aktien und die Alt-Aktien im Rahmen einer Privatplatzierung angeboten (die **"Vorabplatzierung"**). Die Angebotsaktien sollen zum Handel im Segment General Standard des Regulierten Marktes der Frankfurter Wertpapierbörse zugelassen

		werden. International Securities Identification Number (ISIN): • Bestehende Aktien* und Neue Aktien: DE0007501009 • Bezugsrechte: DE000A2NBTR9 Wertpapierkennnummer (WKN): • Bestehende Aktien* und Neue Aktien: 750100 • Bezugsrechte: A2NBTR Börsenkürzel • für die Bestehenden Aktien und die Neuen Aktien: TTO • für die Bezugsrechte: TTOR *Die Alt-Aktien sind derzeit noch bis zu ihrer Zulassung zum Handel im General Standard Segment des Regulierten Marktes der Frankfurter Wertpapierbörse unter der ISIN DE000A2NBWM4 / WKN A2NBWM in der Girosammelverwahrung verbucht. Die Investoren zugeteilten Alt-Aktien werden erst nach Zulassung der Alt-Aktien zum Handel im General Standard Segment des Regulierten Marktes der Frankfurter Wertpapierbörse unter der gleichen ISIN und WKN wie die Bestehenden Aktien und Neuen Aktien geliefert (ISIN DE0007501009 / WKN 750100).
C.2	Währung der Wertpapieremission	Die Angebotsaktien lauten auf Euro.
C.3	Zahl der ausgegebenen und voll eingezahlten Aktien und der ausgegebenen, aber nicht voll eingezahlten Aktien Nennwert pro Aktie bzw. Angabe, dass die Aktien keinen Nennwert haben	Das Grundkapital der Gesellschaft beträgt zum Datum des Prospekts und vor der Kapitalerhöhung im Zusammenhang mit dem Angebot (wie unten definiert) €21.075.000,00 und ist eingeteilt in 21.075.000 Stückaktien, jeweils mit einem rechnerischen Anteil am Grundkapital von €1,00 je Aktie. Die Einlagen auf das Grundkapital sind vollständig erbracht.
C.4	Beschreibung der mit den Wertpapieren verbundenen Rechte	Alle Aktien, einschließlich der Angebotsaktien, sind bzw. werden nach deutschem Recht ausgegeben. **Stimmrechte:** Jede Aktie der Gesellschaft, einschließlich jeder Angebotsaktie, berechtigt den Aktionär zur Teilnahme an der Hauptversammlung und gewährt den Aktionären in der Hauptversammlung der Gesellschaft eine Stimme. **Dividendenberechtigung:** Die Bestehenden Aktien, einschließlich der Alt-Aktien, sind ab dem am 1. Januar 2018 begonnenen Geschäftsjahr voll dividendenberechtigt. Die Neuen Aktien sind ebenfalls ab dem am 1. Januar 2018 begonnenen Geschäftsjahr voll dividendenberechtigt.
C.5	Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere	Entfällt. Die Aktien der Gesellschaft sind frei übertragbar.

C.6	Angabe, ob für die angebotenen Wertpapiere die Zulassung zum Handel an einem geregelten Markt beantragt wurde bzw. werden soll, und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden oder werden sollen	Die Gesellschaft wird einen Antrag auf Zulassung aller Angebotsaktien, sowohl der Alt-Aktien als auch der Neuen Aktien, zum Handel im Segment General Standard des Regulierten Marktes der Frankfurter Wertpapierbörse stellen. Die Neuen Vorabplatzierungs-Aktien (Neue Aktien, die vor Beginn der Bezugsfrist, wie unten definiert, im Wege der Vorabplatzierung platziert werden) (wie unten definiert) und die Alt-Aktien werden voraussichtlich ab dem 29. Oktober 2018 zum Handel im Segment General Standard des Regulierten Marktes der Frankfurter Wertpapierbörse zugelassen. Die im Rahmen des Bezugsangebots und der Restaktienplatzierung (falls relevant) verkauften und platzierten Neuen Aktien werden voraussichtlich ab dem 9. November 2018 zum Handel im Segment General Standard des Regulierten Marktes der Frankfurter Wertpapierbörse zugelassen.
C.7	Beschreibung der Dividendenpolitik	Die Emittentin hat in den vergangenen Jahren keine Dividenden gezahlt. Am 11. Oktober 2018 gab die Emittentin ihre Pläne für beabsichtigte Dividendenzahlungen für das laufende und das nächste Geschäftsjahr bekannt. Dementsprechend ist geplant, für das Geschäftsjahr 2018 eine Dividende in der Höhe von €0,10 je Aktie zu leisten. Die Emittentin beabsichtigt im Rahmen der Erstellung des Jahresabschlusses 2018, ihre handelsrechtlichen Verlustvorträge mit der Auflösung freier Rücklagen auszugleichen. Für das Geschäftsjahr 2019 strebt die Emittentin eine erhöhte Dividendenzahlung von €0,20 bis €0,25 je Aktie an. Künftige Dividendenzahlungen stehen unter dem Vorbehalt der Verfügbarkeit eines ausschüttbaren Bilanzgewinns der Emittentin; über die Verwendung des Bilanzgewinns entscheidet die jeweilige Hauptversammlung auf Basis des Vorschläge von Vorstand und Aufsichtsrat.

D – Risiken		
D.1	Zentrale Angaben zu den zentralen Risiken, die der Emittentin oder ihrer Branche eigen sind	**Risiken im Zusammenhang mit den Märkten, in denen die TTL Gruppe tätig ist:** • Die Nachfrage nach Immobilien hängt von der wirtschaftlichen Situation ab. Eine Veränderung der wirtschaftlichen Lage kann sich negativ auf die Vermögens-, Finanz- und Ertragslage der Emittentin auswirken. • Die TTL Gruppe ist über ihre Beteiligungsgesellschaften und verbundenen Unternehmen in einem sehr wettbewerbsintensiven Markt tätig. Zunehmender Wettbewerb könnte zu einer Verschlechterung der Marktposition führen. Dies kann negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben. • Eine der Haupteinnahmequellen der TTL Gruppe ist die Generierung von Gebühren für Immobilienverwaltungsdienstleistungen. Sollte die TTL Gruppe nicht in der Lage sein, neue Projekte zu akquirieren, für die diese Dienstleistungen angeboten werden können, kann dies negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben. **Risiken im Zusammenhang mit der Geschäftstätigkeit der TTL Gruppe:** • Als Holdinggesellschaft ohne wesentliche operative Tätigkeit mit Dritten ist die Emittentin in hohem Maße auf die von den

Tochter- und Beteiligungsgesellschaften der TTL Gruppe ausgeschütteten Gewinne angewiesen. Ihr Ausfall kann sich negativ auf die Vermögens-, Finanz- und Ertragslage der Emittentin auswirken.

- Die Emittentin hält keine Mehrheit an der GEG Gruppe. Sollte die Emittentin ihren Einfluss gegenüber der GEG Gruppe nicht zugunsten der Emittentin ausüben können, kann dies negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben.

- Die TTL Gruppe erwirbt über die GEG Gruppe in der Regel Immobilien zur späteren Platzierung bei Investoren. Sollte die TTL Gruppe nicht in der Lage sein, Immobilien nach kurzer Zeit zu platzieren, kann dies negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben.

- Die TTL Gruppe platziert – über die GEG Gruppe – in der Regel Immobilien bei Investoren. Sollten die jeweiligen Investoren nicht in der Lage sein, für den Erwerb der jeweiligen Immobilien eine Fremdfinanzierung zu erhalten, kann dies negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben.

- Die Emittentin ist möglicherweise nicht in der Lage, eine Wachstumsstrategie in dem Maße effektiv umzusetzen oder zu managen, wie dies eigentlich beabsichtigt ist.

- Die TTL Gruppe ist möglicherweise nicht in der Lage, alle Risiken im Zusammenhang mit Immobilien sowie der Verwaltung von Gewerbeimmobilien und Immobiliengesellschaften zu identifizieren.

- Der Minderheitsgesellschafter der GEG Gruppe, KKR Fund Holdings L.P., hat mit der GEG Gruppe eine exklusive Zusammenarbeit im Zusammenhang mit direkten gewerblichen Immobilieninvestitionen in Deutschland in Büro- und Einzelhandelsimmobilien vereinbart. Im Falle einer Beendigung dieser Zusammenarbeit kann dies negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben.

- Die TTL Gruppe ist möglicherweise nicht in der Lage, ausreichende Mittel zur Refinanzierung durchgeführter Akquisitionen oder zur Finanzierung künftiger Akquisitionen von Immobilien zu beschaffen.

- Die Emittentin und die TTL Gruppe sind von ihren Führungskräften und ihren Schlüsselpersonen abhängig.

- Das Immobiliengeschäft der TTL Gruppe ist abhängig von der Verfügbarkeit, den Fähigkeiten und der Leistung von Auftragnehmern, einschließlich möglicher Subunternehmer und Dienstleister zu wirtschaftlich vertretbaren Kosten.

- Die Emittentin unterliegt als am regulierten Markt notiertes Unternehmen den diesbezüglichen regulatorischen Anforderungen. Erfüllt die Emittentin nicht oder nicht rechtzeitig alle diese Anforderungen, kann die Gesellschaft mit aufsichtsrechtlichen Verfahren oder erheblichen Bußgeldern oder Strafen belegt werden. Dies kann negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben. Auch die Einhaltung geltenden Rechts ist kostspielig und

		zukünftige Gesetzesänderungen könnten sich negativ auf die TTL Gruppe auswirken. • Die TTL Gruppe ist Risiken im Zusammenhang mit Aktivitäten im Bereich der Immobilienentwicklung ausgesetzt. • Die Immobilienaktivitäten der TTL Gruppe können durch Ausfälle oder Unterbrechungen der IT-Systeme beeinträchtigt werden. • Eine ungünstige Medienberichterstattung könnte die Reputation der Emittentin und der TTL Gruppe negativ beeinflussen. • Die TTL Gruppe kann Verbindlichkeiten eingehen, die nicht durch Versicherungspolicen gedeckt sind oder die die Deckungsgrenzen von Versicherungspolicen überschreiten. • Die Unternehmen der TTL Gruppe unterliegen steuerlichen Risiken, deren Realisierung negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben kann. • Die TTL Gruppe ist Risiken im Zusammenhang mit der Beteiligung an Joint Ventures ausgesetzt. Bei Joint Ventures kann die TTL Gruppe zusammen mit ihrem Joint-Venture-Partner gesamtschuldnerisch haften. **Risiken im Zusammenhang mit der Organisationsstruktur und der Aktionärsstruktur der TTL Gruppe:** • Die Emittentin ist die Holdinggesellschaft der TTL Gruppe ohne wesentliche operative Tätigkeit mit Dritten und ist auf operative Tochter- und Beteiligungsgesellschaften angewiesen, um der Gesellschaft die erforderlichen Finanzmittel zur Verfügung zu stellen. • Der derzeitige Mehrheitsaktionär der Emittentin kann die Geschäftspolitik der TTL Gruppe erheblich beeinflussen, möglicherweise gegen die Interessen der Minderheitsaktionäre. Dies kann negative Auswirkungen auf die Geschäfts-, Finanz- und Ertragslage der Emittentin haben. • Die Mitglieder des Vorstands und des Aufsichtsrats der Emittentin bekleiden auch Geschäftsführungs- und Aufsichtsratsmandate in verbundenen Unternehmen, was zu einem Interessenkonflikt führen könnte. **Risiken im Zusammenhang mit regulatorischen, rechtlichen und steuerlichen Angelegenheiten:** • Änderungen der rechtlichen Rahmenbedingungen in Deutschland können das Geschäft der TTL Gruppe negativ beeinflussen. • Die TTL Gruppe könnte geltende oder zukünftige Gesetze und Vorschriften in Bezug auf Compliance nicht einhalten oder solche Gesetze und Vorschriften könnten sich in einer Weise ändern, die für die Geschäftstätigkeit der TTL Gruppe ungünstig ist. • Die TTL Gruppe kann daran gehindert werden, steuerliche Verlustvorträge geltend zu machen.

		• Im Falle einer Kündigung bestehender Asset Management-Verträge (Anlagenverwaltungsverträge) mit Kapitalverwaltungsgesellschaften von Immobilienfonds könnte die GEG Gruppe keine Immobilienverwaltungsgebühren mehr für die von den betroffenen und von Dritten verwalteten Immobilien generieren.
D.3	Zentrale Risiken, die den Wertpapieren eigen sind	**Risiken im Zusammenhang mit dem Angebot und den Aktien der Gesellschaft:** • Die Fähigkeit der Emittentin zur Zahlung von Dividenden hängt von verschiedenen Faktoren ab und die Emittentin könnte in absehbarer Zeit keine Dividende zahlen. • Zukünftige Aktienemissionen oder Angebote von in Aktien umwandelbaren Instrumenten oder Fusionen mit einem anderen Unternehmen können den Anteil der Anleger an der Emittentin verwässern. • Die Aktien der Emittentin, einschließlich der Angebotsaktien, können einem Pflichtangebot unterliegen und die Aktionäre der Emittentin können aufgefordert werden, ihre Aktien zu einem Preis zu verkaufen, der unter dem Preis liegt, zu dem die Aktionäre Aktien der Emittentin erworben haben. • Der Verkauf größerer Aktienpakete durch einzelne Aktionäre der Emittentin oder die Erwartung des Marktes, dass größere Aktienpakete von Aktionären der Emittentin verkauft werden, oder der Verkauf von Aktien der operativen Tochtergesellschaften der Emittentin bzw. von verbundenen Unternehmen durch ihre direkten Partner kann sich negativ auf den Aktienkurs der Emittentin auswirken. • Das Angebot könnte nicht in einem Umfang von 12.275.000 Aktien durchgeführt werden, so dass Investoren Aktionäre der Gesellschaft werden könnten, obwohl das Grundkapital der Emittentin nach Abschluss des Angebots wesentlich geringer sein kann, als von den Investoren zum Zeitpunkt der Entscheidung der Investoren, Angebotsaktien im Rahmen der Vorabplatzierung zu erwerben oder ihre Bezugsrechte auf neue Aktien auszuüben, erwartet, oder der Streubesitz kann geringer sein als erwartet. • Aussetzungen, Unterbrechungen oder Beendigungen des Handels können die Fähigkeit der Aktionäre zum Handel mit den Aktien der Emittentin einschränken und den Wert der Aktien der Emittentin negativ beeinflussen. • Der Marktpreis der Aktien kann volatil sein und es besteht keine Gewissheit darüber, dass sich ein liquider Markt in den Aktien weiter entwickeln wird. • Schwankungen der tatsächlichen oder prognostizierten Performanceergebnisse der TTL Gruppe oder ihrer Wettbewerber, Änderungen der Gewinnschätzungen oder Nichterfüllung der Gewinnerwartungen oder andere wesentliche Änderungen und Faktoren können die Volatilität des Aktienkurses beeinflussen. • Die Rechte der Aktionäre einer deutschen Aktiengesellschaft können von den Rechten der Aktionäre einer nach dem Recht einer anderen Rechtsordnung organisierten Gesellschaft abweichen.

		• Im Falle der Insolvenz der Emittentin können die Aktionäre der Emittentin einen Totalverlust des Wertes ihrer Aktien erleiden. • Nicht ausgeübte Bezugsrechte verfallen entschädigungslos und die Beteiligungen der Aktionäre, die sich gegen eine Teilnahme am Angebot entscheiden, werden verwässert. Internationale Investoren können eine Verwässerung erleiden, wenn sie nicht an dem Angebot teilnehmen können. • Es kann nicht gewährleistet werden, dass sich ein Markt für Bezugsrechte entwickelt oder dass die Bezugsrechte nicht größeren Kursschwankungen unterliegen als die Aktien der Gesellschaft.

E – Angebot		
E.1	Gesamtnettoerlöse und geschätzte Gesamtkosten der Emission/des Angebots, einschließlich der geschätzten Kosten, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden	Unter der Annahme der Platzierung aller 12.275.000 Angebotsaktien und eines Angebotspreises (wie unten definiert) von €7,00 je Aktie, der dem maximalen Bezugspreis entspricht, würde der Bruttoerlös aus dem Angebot (wie unten definiert) €85,9 Millionen betragen. Die Emittentin schätzt, dass die Gesamtkosten (einschließlich Provisionen des Sole Bookrunner), basierend auf dem angenommenen Verkauf aller 12.275.000 Angebotsaktien zu einem Angebotspreis von €7,00 je Aktie, entsprechend dem maximalen Bezugspreis, rund €5,1 Millionen betragen werden, wovon €3,6 Millionen auf die Gesellschaft und €1,4 Millionen auf die Veräußernden Aktionäre entfallen. Der Nettoerlös der Emission würde ungefähr €80,8 betragen. Demnach würden die Emittentin einen Nettoemissionserlös von rund €58,0 Millionen und die Veräußernden Aktionäre einen Nettoemissionserlös von rund €22,9 Millionen erhalten.
E.2a	Gründe für das Angebot, Zweckbestimmung der Erlöse, geschätzte Nettoerlöse	Die Emittentin beabsichtigt, den Nettoemissionserlös für die weitere Stärkung ihrer Aktivitäten im Bereich Immobilien-Investmentmanagement und Asset Management (Anlagenverwaltung) sowohl durch organisches Wachstum als auch durch Akquisitionen (mit regionaler und strategischer Komplementarität zum Geschäft der GEG Gruppe), insbesondere im Bereich Gewerbeimmobilien, sowie für die Optimierung der Finanzierungsstruktur der Emittentin auf opportunistischer Basis zu verwenden. Unter der Annahme, dass alle 8.800.000 Neuen Aktien zum Maximalen Angebotspreis (wie unten definiert) von €7,00 je Neuer Aktie verkauft und gezeichnet werden, erwartet die Emittentin, dass sich der Nettoerlös aus dem Angebot auf €58,0 Millionen belaufen wird (dies entspricht dem Bruttoerlös in der Höhe von €61,6 Millionen, abzüglich der Kosten in der Höhe von €3,6 Millionen). Sollte der endgültige Angebotspreis unter dem Maximalen Angebotspreis (wie nachstehend definiert) von €7,00 liegen, oder die Anzahl der tatsächlich verkauften Angebotsaktien geringer sein als 12.275.000, dann werden auch der Bruttoerlös, die Gesamtkosten (einschließlich Gebühren des Sole Bookrunners) und der Nettoerlös auf der Grundlage eines solchen geringeren Angebotspreises oder einem geringeren Emissionvolumen berechnet und entsprechend geringer sein.
E.3	Beschreibung der Angebotskonditionen	***Gegenstand des Angebots*** Gegenstand des Angebots (wie nachstehend definiert) sind insgesamt 8.800.000 Neue Aktien und 3.475.000 Alt-Aktien aus dem Bestand der Veräußernden Aktionäre (wie nachstehend definiert), jeweils mit ei-

nem rechnerischen Anteil von €1,00 am Grundkapital und voller Dividendenberechtigung ab 1. Januar 2018. Neue Aktien werden gemäß dem Bezugsverhältnis bestehenden Aktionären der Gesellschaft im Wege mittelbarer Bezugsrechte (das **"Bezugsangebot"**) und in einer möglichen Restaktienplatzierung, beide wie nachstehend näher beschrieben, angeboten. Vor Beginn der Bezugsfrist werden 7.125.827 Neue Aktien und die Alt-Aktien im Rahmen einer Privatplatzierung angeboten (die **"Vorabplatzierung"**).

Die Neuen Aktien werden aus der Kapitalerhöhung gegen Bareinlage aus genehmigtem Kapital mit Bezugsrechten (wie nachstehend definiert) der Aktionäre gemäß § 6a der Satzung der Gesellschaft (die **"Satzung"**) stammen, welches am 20. Juni 2018 in das Handelsregister des Amtsgerichts München (das **"Handelsregister"**) eingetragen wurde. Gemäß § 6a der Satzung ist der Vorstand der TTL AG ermächtigt, das Grundkapital bis zum 14. Juni 2023 mit Zustimmung des Aufsichtsrats durch Ausgabe neuer, auf den Inhaber lautender Stückaktien gegen Bareinlage um bis zu €8.800.000,00 zu erhöhen (**"Genehmigtes Kapital 2018/II"**). Die Ermächtigung kann in mehreren Tranchen ausgenutzt werden. Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrats das gesetzliche Bezugsrecht der Aktionäre in den in § 6a der Satzung genannten Fällen auszuschließen. Der Vorstand entscheidet mit Zustimmung des Aufsichtsrats über die weiteren Einzelheiten der mit den Aktien verbundenen Rechte und die Bedingungen der Aktienausgabe.

Der Vorstand der Gesellschaft hat am 16. Oktober 2018 unter Ausnutzung dieser Ermächtigung mit Zustimmung des Aufsichtsrats vom gleichen Tag beschlossen, das Grundkapital der Gesellschaft aus genehmigtem Kapital um bis zu €8.800.000,00 durch Ausgabe von bis zu 8.800.000 neuer, auf den Inhaber lautender Stückaktien gegen Bareinlage zu erhöhen, die Bezugsrechte für bis zu 18.750 Neuer Aktien zur Vermeidung von Spitzenbeträgen auszuschließen (die **"Restaktien"**) (der **"Verwendungsbeschluss"**), und die Neuen Aktien Anlegern im Rahmen der Vorabplatzierung und den bestehenden Aktionären der Gesellschaft im Weg des mittelbaren Bezugsrechts zum Bezugsverhältnis von 12 : 5 anzubieten (das **"Bezugsverhältnis"**).

Die Alt-Aktien stammen aus den Beständen der S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH und HVC Beteiligungs GmbH (die **"Veräußernden Aktionäre"**). Die Alt-Aktien sind noch nicht zum Handel an der Börse zugelassen.

Die Durchführung der Kapitalerhöhungen wird voraussichtlich in zwei Tranchen am 29. Oktober 2018 (**"Kapitalerhöhung Tranche I"**) und am 9. November 2018 (**"Kapitalerhöhung Tranche II"**) in das Handelsregister eingetragen. Nach Eintragung der Durchführung der jeweiligen Kapitalerhöhung in das Handelsregister wird das Grundkapital der Gesellschaft um den in den Feststellungsbeschlüssen (wie nachstehend definiert) festgelegten Gesamtbetrag erhöht.

Vorabplatzierung

Die Neuen Aktien, die im Rahmen der Vorabplatzierung angeboten werden, umfassen (i) 7.107.077 Neue Aktien, die von 17.056.985 Bezugsrechten stammen (die **"Abgetretenen Bezugsrechte"**), hinsichtlich derer bestimmte bestehende Aktionäre der Gesellschaft (AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH, SPG Verwaltungs GmbH, S&P Beteiligungs ZWEI GmbH, Klaus W. Schäfer und HVC Beteiligungs GmbH (gemeinsam **"Abtretende Aktionäre"** genannt) vereinbart haben, sie unmittelbar nach Einbuchung der Bezugsrechte auf die Konten der bestehenden Aktionäre der Gesellschaft an den Sole Global Coordinator abzutreten mit dem Zweck, die

		Abwicklung der in der Vorabplatzierung zugeteilten Aktien möglich zu machen, und (ii) die 18.750 Restaktien (gemeinsam die **"Neuen Vorabplatzierungs-Aktien"**). Bankhaus Lampe KG, in ihrer Eigenschaft als Sole Global Coordinator, hat auf der Grundlage eines am 16. Oktober 2018 zwischen der Gesellschaft, den Veräußernden Aktionären und dem Sole Global Coordinator abgeschlossenen Übernahme- und Platzierungsvertrags (der **"Übernahmevertrag"**) vereinbart, vor Beginn des Bezugsangebots die Neuen Vorabplatzierungs-Aktien und die 3.475.000 Alt-Aktien (zusammen die **"Vorabplatzierungs-Aktien"**) in der Vorabplatzierung, die sich ausschließlich an ausgewählte Anleger in Deutschland und in anderen Ländern (außer in den Vereinigten Staaten im Einklang mit Regulation S des Securities Act von 1933 in der jeweils gültigen Fassung (der **"U.S. Securities Act"**)) richtet, anzubieten. Die Vorabplatzierung erfolgt in Form eines Bookbuilding-Verfahrens. Die Angebotsfrist für die Vorabplatzierung wird voraussichtlich vom 23. Oktober 2018 bis zum 24. Oktober 2018 laufen. Es gibt weder Bedingungen für die Beendigung der Vorabplatzierung noch einen bestimmten Zeitpunkt, zu dem die Vorabplatzierung frühestens beendet werden kann, mit der Konsequenz, dass die Vorabplatzierung früher beginnen und früher als erwartet enden könnte. Der Angebotspreis pro Aktie (der **"Angebotspreis"**) in der Vorabplatzierung wird auf Basis des Ergebnisses des Bookbuilding-Verfahrens am Ende der Vorabplatzierung festgelegt. Der Angebotspreis wird dem Bezugspreis im Bezugsangebot entsprechen (der **"Bezugspreis"**). Der maximale Angebotspreis beträgt €7,00 (der **"Maximale Angebotspreis"**) Nach dem Ende der Angebotsfrist für die Vorabplatzierung wird der Vorstand die Anzahl der zugeteilten Neuen Vorabplatzierungsaktien, den Angebotspreis und den Bezugspreis, sowie die endgültige Anzahl der Alt-Aktien, die im Rahmen der Vorabplatzierung zugeteilt werden, beschließen. Dieser Beschluss wird voraussichtlich am 24. Oktober 2018, mit Zustimmung des Aufsichtsrats der Gesellschaft vom selben Tag, gefasst werden (der **"Feststellungbeschluss I"**). Der Angebotspreis und die endgültige Anzahl der in der Vorabplatzierung zuzuteilenden Alt-Aktien wird gemeinsam mit den Veräußernden Aktionären nach Abstimmung mit dem Sole Global Coordinator festgelegt werden. Es wird erwartet, dass der Angebotspreis und der Bezugspreis und die Anzahl der Neuen Aktien und Alt-Aktien, die im Rahmen der Vorabplatzierung zugeteilt wurden, am 24. Oktober 2018 in Form einer Ad-hoc Mitteilung über elektronische Informationssysteme sowie über die Internetseite der Gesellschaft (www.ttl-ag.de/investor-relations/finanzmitteilungen/ad-hoc-mitteilungen.html) veröffentlicht wird. ***Bezugsangebot und Bezugsfrist*** Der Sole Global Coordinator hat zugestimmt, auf der Grundlage des Übernahmevertrages, die 8.781.250 Neuen Aktien (die Gesamtzahl der Neuen Aktien ohne Restaktien) während der Bezugsfrist (wie nachstehend definiert) bestehenden Aktionären der Gesellschaft im Bezugsangebot, auf der Grundlage des Bezugsverhältnisses und zum Bezugspreis je Neuer Aktie anzubieten. Das endgültige Bezugsangebot wird voraussichtlich am 24. Oktober 2018 im Bundesanzeiger veröffentlicht werden. Die Bezugsfrist wird voraussichtlich von 25. Oktober 2018 (einschließlich) bis 7. November 2018 (einschließlich) laufen (die **"Bezugsfrist"**). Wie oben dargestellt, gibt es weder Bedingungen für die Beendigung der Vorabplatzierung, noch einen bestimmten Zeitpunkt, zu dem die Vorabplatzierung frühestens beendet werden kann, mit der Konsequenz, dass die Vorabplatzierung früher beginnen

und früher als erwartet enden kann. Die Daten für Beginn und Ende der Bezugsfrist können sich auch entsprechend ändern.

Nach Ablauf der Bezugsfrist wird der Vorstand die endgültige Anzahl jener Neuen Aktien, die im Bezugsangebot gezeichnet wurden und in der Restaktienplatzierung zugeteilt wurden, falls relevant, (die **"Neuen Bezugsaktien"**) mit Beschluss festlegen (der **"Feststellungsbeschluss II"**, und gemeinsam mit dem Feststellungsbeschluss I, die **"Feststellungsbeschlüsse"**).

Die Restaktienplatzierung

Der Sole Global Coordinator kann alle nicht in der Vorabplatzierung platzierten und nicht im Rahmen des Bezugsangebots bezogenen Neuen Aktien (die **"Restplatzierungsaktien"**) ausgewählten Anlegern in Deutschland und im Ausland in anderen Jurisdiktionen als den Vereinigten Staaten im Einklang mit den Ausnahmeregelungen der Regulation S des U.S. Securities Act, und Kanada, Australien und Japan zu einem Preis anbieten, der mindestens dem Bezugspreis entspricht (die **"Restaktienplatzierung"**, zusammen mit der Vorabplatzierung und dem Bezugsangebot das **"Angebot"**).

Bezugsrechtshandel

Die Bezugsrechte (ISIN DE000A2NBTR9/WKN A2NBTR) für die Neuen Aktien werden voraussichtlich in der Zeit vom 25. Oktober 2018 bis zum 5. November 2018 (jeweils einschließlich) im Regulierten Markt der Frankfurter Wertpapierbörse in dem Segment XETRA Frankfurt Specialist und XETRA gehandelt. Die Bezugsstelle (wie unten definiert) ist bereit, als Vermittler beim Kauf und Verkauf von Bezugsrechten an der Börse zu fungieren, soweit dies möglich ist. Für nicht ausgeübte Bezugsrechte wird kein Ausgleich gewährt. Mit Ablauf der Bezugsfrist verfallen nicht ausgeübte Bezugsrechte und werden wertlos. Voraussichtlich ab dem 25. Oktober 2018 werden die dann bestehenden Aktien der Gesellschaft "ex Bezugsrecht" notieren.

Die Bezugsrechte stehen im fortlaufenden Handel zur Verfügung. Der Marktpreis der Bezugsrechte hängt unter anderem von der Entwicklung des Börsenkurses der Aktien der Gesellschaft ab, kann aber auch wesentlich stärkeren Kursschwankungen unterliegen.

Die Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Deutschland, ist die Bezugsstelle.

Bezugsverhältnis und Bezugsrechte

Gemäß dem Bezugsverhältnis 12 : 5 berechtigen 12 bestehende Aktien der Gesellschaft deren Inhaber 5 Neue Aktien zu zeichnen (das **"Bezugsverhältnis"**). Aktionäre können nur eine Aktie oder mehrere zeichnen. Die Erklärung zur Ausübung der Bezugsrechte ist ab dem Zugang bei der Bezugsstelle bindend und kann danach nicht mehr verändert werden. Allerdings ist die Ausübung der Bezugsrechte bedingt durch die Eintragung der Durchführung der Kapitalerhöhung beim Handelsregister.

Verbriefung und Lieferung der Angebotsaktien

Die Neuen Aktien und die Alt-Aktien (ISIN DE0007501009 / WKN 750100) sind bzw. werden in mehreren Globalurkunden verbrieft, die bei der Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Deutschland, hinterlegt sind oder werden. Ein Anspruch der Aktionäre auf individuelle Verbriefung ist ausgeschlossen, es sei denn, eine solche Verbriefung ist nach den Regeln einer Börse, an der die Aktien notiert sind, erforderlich. Die im Rahmen der

		Vorabplatzierung den Investoren zugeteilten Vorabplatzierungs-Aktien werden voraussichtlich am 30. Oktober 2018 geliefert. Neue Aktien, die im Rahmen des Bezugsangebots gezeichnet wurden, oder Neue Aktien und Alt-Aktien, die Investoren in der Restaktienplatzierung (falls relevant) zugeteilt wurden, werden, soweit die Bezugsfrist nicht verlängert wird, voraussichtlich am 12. November 2018 geliefert. Die Lieferung der Angebotsaktien erfolgt im Wege der Sammelverwahrung.
E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Beteiligungen	Vorbehaltlich der Platzierung der Alt-Aktien erhalten die Veräußernden Aktionäre den Erlös aus dem Verkauf der Alt-Aktien. Dementsprechend haben die Veräußernden Aktionäre ein Interesse am Erfolg des Angebots zu bestmöglichen Konditionen. Der Sole Global Coordinator hat ein Vertragsverhältnis mit der Gesellschaft und den Veräußernden Aktionären in Bezug auf das Angebot und die Zulassung der Angebotsaktien der Gesellschaft zum Handel an der Börse. Der Sole Global Coordinator erhält eine Provision, wenn die Transaktion erfolgreich abgeschlossen wurde. Der Sole Global Coordinator oder mit ihm verbundene Unternehmen können von Zeit zu Zeit Geschäftsbeziehungen mit der TTL AG aufnehmen oder für diese Dienstleistungen im Rahmen der normalen Geschäftstätigkeit der TTL AG erbringen. Der Sole Global Coordinator bzw. mit ihm verbundene Unternehmen stehen derzeit in verschiedenen Geschäftsbeziehungen zur TTL AG. Über die vorstehend beschriebenen Interessen hinaus bestehen keine wesentlichen Interessen, insbesondere keine wesentlichen Interessenkonflikte im Zusammenhang mit dem Angebot oder der Notierung der Angebotsaktien.
E.5	Name der Person/ des Unternehmens, die/das das Wertpapier zum Verkauf anbietet Bei Lock-up-Vereinbarungen die beteiligten Parteien und die Lock-up-Frist	Die Angebotsaktien werden vom Sole Global Coordinator zum Verkauf und zur Zeichnung angeboten. Die Gesellschaft hat mit dem Sole Global Coordinator vereinbart, dass sie, nach dem Abschluss des Übernahmevertrags, für die Dauer von bis zu sechs Monaten nach Lieferung der im Rahmen des Bezugsangebots erworbenen Neuen Aktien ohne vorherige schriftliche Zustimmung des Sole Global Coordinators (A) keine Verpflichtungen für den Verkauf oder die Veräußerung von (i) Schuldverschreibungen, die in Aktien der Gesellschaft wandelbar sind oder gegen solche eingetauscht werden können, (ii) Aktien der Gesellschaft oder (iii) anderen Wertpapiere, die in Aktien der Gesellschaft wandelbar oder umtauschbar sind oder ein Recht zum Bezug oder Erhalt solcher Aktien haben, eingeht oder solche anbietet oder veräußern und (B) keine Swaps oder sonstigen Vereinbarungen eingehen wird, durch die die wirtschaftlichen Folgen des Eigentums an Aktien der Gesellschaft ganz oder teilweise auf eine andere Partei übertragen werden, unabhängig davon, ob die Transaktion durch Lieferung von Wertpapieren, in bar oder auf andere Weise abgewickelt wird. Diese Verpflichtung gilt nicht für diese Ausgabe der Neuen Aktien. Die Veräußernden Aktionäre und die bestehenden Aktionäre AR Holding GmbH and Rhein-Main Beteiligungsgesellschaft mbH haben mit dem Sole Global Coordinator vereinbart, dass sie, nach Abschluss des Übernahmevertrags, für die Dauer von bis zu sechs Monaten nach Lieferung der im Rahmen des Bezugsangebots gezeichneten Neuen Aktien ohne die vorherige schriftliche Zustimmung des Sole Global Coordinators – weder selbst noch durch eine ihrer abhängigen Gesellschaften –, (x) Verpflichtungen zum Verkauf oder zur Übertragung von Aktien der Gesellschaft (einschließlich Neuer Aktien) oder anderen Wertpapieren, die in Aktien der Gesellschaft wandelbar oder in Aktien der Gesellschaft umtauschbar sind (einschließlich Neuer Aktien) oder mit einem Recht zum Bezug oder Erhalt solcher Aktien (einschließlich Neuer Aktien) verbunden sind, eingehen werden oder sol-

E.6		che anbieten oder veräußern, oder (y) Swaps oder andere Vereinbarungen eingehen werden, nach denen die wirtschaftlichen Folgen des Eigentums an Aktien der Gesellschaft (einschließlich Neuer Aktien) ganz oder teilweise auf eine andere Partei übertragen werden, unabhängig davon, ob das Geschäft durch Lieferung von Wertpapieren, in bar oder auf andere Weise abgewickelt wird. Diese Aktionäre sind jedoch berechtigt, nach Eintragung der Durchführung der Kapitalerhöhung Tranche I und der Kapitalerhöhung Tranche II in das Handelsregister Aktien ohne Zustimmung des Sole Global Coordinators außerhalb der Börse zu veräußern, wenn sich der Erwerber gegenüber dem Sole Global Coordinator, ähnlich wie bei der bisherigen Verpflichtung dieser Aktionäre, verpflichtet, die vorgenannten Beschränkungen hinsichtlich der bis zum Ablauf der sechs Monate zu erwerbenden Aktien der Gesellschaft einzuhalten.
E.6	Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung. Im Falle eines Zeichnungsangebotes an die existierenden Anteilseigner, Betrag und Prozentsatz der unmittelbaren Verwässerung, für den Fall, dass sie das neue Angebot nicht zeichnen.	Das Bezugsrecht der Aktionäre auf die Neuen Aktien aus der Kapitalerhöhung stellt sicher, dass jeder Aktionär, der sein Bezugsrecht ausübt, weiterhin seinen ursprünglichen, nahezu unveränderten prozentualen Anteil am Grundkapital der Gesellschaft hält. Der prozentuale Anteil des Aktionärs am Grundkapital und an den Stimmrechten der Gesellschaft wird um 41,76% verwässert, wenn er von seinem Bezugsrecht keinen Gebrauch macht. Wird der wirtschaftliche Wert der Bezugsrechte nicht berücksichtigt, ergibt sich für den bestehenden Aktionär ein Kapitalzuwachs von €1,31 je Aktie. Der Buchwert des Eigenkapitals der Gesellschaft auf konsolidierter Basis (Bilanzsumme in Höhe von €85,4 Millionen abzüglich langfristiger Verbindlichkeiten in Höhe von €17,5 Millionen und kurzfristiger Verbindlichkeiten in Höhe von €14,9 Millionen abzüglich nicht beherrschender Anteile in Höhe von €8,2 Millionen, jeweils zum 31. August 2018) betrug somit €44,8 Millionen, also €2,13 je Aktie der Gesellschaft, berechnet auf Basis der Anzahl von 21.075.000 zum 31. August 2018 ausgegebenen Aktien. Unter der Annahme, dass alle 8.800.000 Neuen Aktien zum Bezugspreis von €7,00 je Neuer Aktie verkauft und gezeichnet werden, geht die Gesellschaft davon aus, dass der Nettoerlös aus dem Angebot €58,0 Millionen (dies entspricht dem Bruttoerlös in der Höhe von €61,6 Millionen, abzüglich der Kosten in der Höhe von €3,6 Millionen) betragen würde. Nach Durchführung der Kapitalerhöhung um €8.800.000 von €21.075.000,00 auf €29.875.000,00 durch Ausgabe von 8.800.000 Neuen Aktien gegen Bareinlagen im Zusammenhang mit dem Angebot, das voraussichtlich am oder um den 29. Oktober 2018 und am oder um 9. November 2018 in das Handelsregister des Amtsgerichts München eingetragen wird, hätte der Buchwert des Eigenkapitals der Gesellschaft auf konsolidierter Basis zum 31. August 2018 €102,8 Millionen oder €3,44 je Aktie betragen (berechnet auf Basis der Anzahl der nach Durchführung der Kapitalerhöhung im Zusammenhang mit dem Angebot ausgegebenen 29.875.000,00 Aktien der Gesellschaft). Dies entspricht einem Zuwachs des Eigenkapitals der Gesellschaft um €1,31 bzw. 61,8% je Aktie für die bestehenden Aktionäre. Für Erwerber Neuer Aktien oder Alt-Aktien ergibt sich eine indirekte Verwässerung von €3,56 oder 50,9% je Aktie, da das bereinigte Eigenkapital der Gesellschaft je Aktie den Bezugspreis von €7,00 je Neuer Aktie (das entspricht dem Angebotspreis für die Vorabplatzierung) um diesen Betrag oder diesen Prozentsatz unterschreitet.
E.7	Schätzung der Ausgaben, die dem Anleger von der Emittentin oder Anbieter in Rechnung	Entfällt. Anlegern werden keine Kosten, die der Gesellschaft oder dem Sole Global Coordinator entstehen, in Rechnung gestellt. Die Anleger müssen jedoch solche Gebühren selbst tragen, die ihnen ihre depotführende Bank für den Kauf und das Halten von Wertpapieren in Rechnung stellt.

	gestellt werden.	

1. RISK FACTORS

Any prospective investor should carefully review and consider the following risks and other information contained in the Prospectus in evaluating the TTL Group's business and an investment in the Offer Shares. The Company considers the risks described below to be the most material risks relating to the Shares and the Company. The risks set out below might turn out not to be complete or prove not to be exhaustive. In addition to these risks, there may be risks that the Company does not yet know of or that the Company currently considers are immaterial to its business but may prove to be material at a later date. The order in which the risk factors are presented below is not an indication of the likelihood of their occurrence or their relative significance. If any of the following risks occur, individually or together with other circumstances, the TTL Group's business, results of operations, cash flows or financial condition could be materially adversely affected, the value or trading price of the Shares could decline and investors could lose all or parts of their investment. In addition, there is a risk that any of the described risks occurring in conjunction with or separate from each other could trigger or intensify other risk factors or types of risks, which could potentially lead to greater adverse effects.

The Issuer is the parent company of the TTL Group, to which the Issuer itself belongs. Subsequent references to the TTL Group therefore always have an impact on the Issuer, and vice versa.

1.1 Risks Related to the Market in which the TTL Group operates

1.1.1 The demand for real estate depends on the economic situation. A change in the economic situation may have a negative impact on the business, financial position and results of operations of the Issuer.

The TTL Group is active in the real estate investment and asset management business with no valuation exposure in relation to the real estate property, except for co-investments where the TTL Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%). The Issuer is a holding company which holds direct and indirect stakes in operational asset management companies (**"TTL AG"** together with its (according to IAS 28) associated entities and its – as of the date of this Prospectus non-operational – fully consolidated subsidiaries, excluding DIC Capital Partners (Europe) GmbH and any direct or indirect shareholdings by DIC Capital Partners (Europe) GmbH, referred to as the **"TTL Group"** or the **"Group"**). The main operational business of the TTL Group is currently located within the GEG Group: the Issuer currently operates via the German Estate Group GmbH & Co. KG (in which the Issuer holds an indirect stake) (**"GEG"**, and together with its subsidiaries the **"GEG Group"**). The GEG Group is a real estate investment and asset management group. The GEG Group acquires real estate with the intention of managing it as an asset manager for institutional investors. For this purpose, real estate is either acquired on the GEG Group's own account and structured to the needs of investors (and in order to efficiently use the GEG Group's available equity, the holding period of these real estate assets is rather short-term), or in some cases, the investor is already identified at the time the real estate is also acquired. To align interest with the respective investor, the GEG Group might hold a minor equity co-investment.

Real estate markets are affected by various economic factors, such as interest rate levels, financing conditions and economic confidence by businesses and consumers and the general interest rate environment and demographic factors, such as population, migration and household growth, and any developments in the German real estate market can have significant effects on the TTL Group's business and operations.

For this reason, the real estate industry is generally cyclical and is subject to strong and sometimes abrupt fluctuations in demand. Economic crises in the past have led to a significant increase in demand in the real estate industry, as investors regard real estate as a safe investment in such situations. On the other hand, economic upturns in the past have led to a decline in investors' interest in real estate as investors prefer other forms of investment. This means that demand for real estate investment (and for investment in certain asset classes within real estate) fluctuates significantly over time due to a number of factors, including the general economic and fiscal environment, availability of financing, investor sentiment and the relative attractiveness as compared to other investment opportunities. In this event, it may become more difficult for the TTL Group to enter into agreements with institutional purchasers or to find counterparties at all. Consequently, market prices for real estate fluctuate significantly over time.

Currently, the real estate markets substantially benefit from the continuing expansive monetary policy by central banks and extremely low interest rates. Other macro-economic indicators, such as the development of the gross domestic product (**"GDP"**), unemployment rates, purchasing power and migration developments are expected to develop differently across Germany. Any change in such macro-economic circumstances (in particular a raise of market interest rates) and central bank policies may reduce capital available for investment, render investments in real estate less attractive and thus have a material adverse effect on real estate markets.

In addition, the valuations of real estate properties are inherently connected to general market demand. Economic uncertainty and the customers' and tenants' perceptions of stagnating or weakening economic conditions could cause the demand for real estate properties to decline, thereby influencing market prices, rent levels and vacancy rates in the German real estate market. Any negative effects in the real estate markets may also cause the TTL Group to miss its growth targets which could have a material negative impact on the business, financial condition and results of operations of the TTL Group.

The global financial and economic crisis and the volatile recovery of the global economy have led to a public perception of increasing uncertainty in future economic developments. This development has been intensified by historically low interest rates in Europe, including Germany. As a result, investment opportunities that provide stable and largely predictable cash flows have been popular, including investments in the German real estate market. As a result of increased demand, partially driven by lower interest rates, prices for real estate have increased significantly. The current policy of the European Central Bank to keep the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.40% respectively may change in the future. This may also impact economic policies in Germany and lead to higher interest rates. The business, financial condition and results of operations as well as the business activities of the Issuer may be adversely affected by changes in economic and other policies in Germany or the EU.

1.1.2 The TTL Group operates through its affiliates and associated companies in a highly competitive market. Increasing competition could lead to a worsening of their market position. This may have negative effects on the business, financial condition and results of operations of the Issuer.

The German real estate market is competitive, in particular investments in real estate portfolios and individual properties in the commercial real estate sector. This trend may increase in the future. The competition to which the TTL Group is currently exposed and the potential increase of competition in the German real estate market may lead to a substantial increase in prices for the acquisition of real estate properties and portfolios, of development costs (including higher construction costs), lower sales or letting prices, or to lower fees from the investment and asset management platform, any of which could result in lower margins and/or loss of market share thus jeopardising the TTL Group's economic goals and growth strategy. In addition, increasing competition to invest in real estate properties could result in a compression of yields generated from real estate properties, which, in turn, could increase purchase prices for real estate properties.

Any increasing competition could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.1.3 One of the TTL Group's main sources of income is fee generation for asset management services. Should the TTL Group not be in a position to source new projects for which services can be offered, this may have negative effects on the business, financial condition and results of operations of the Issuer.

The TTL Group is active in the business of real estate investment and asset management. As such, one of its main sources of income is fee generation for asset management services, which includes not only the management of properties held by third parties (or partly co-held by the GEG Group), but also transaction related fees, like acquisition fees for the successful acquisition of properties, financing fees for the debt structuring for projects or set-up fees for the creation of a marketable structure (in particular from a legal, tax and financial perspective) and at the end of the investor's holding period of the property like disposition fees and potentially promote fees for executing the sale of a property. Furthermore, the TTL Group's current geographic focus is on four German metropolitan areas, namely Frankfurt am Main, Munich, Cologne and Dusseldorf. The TTL Group's in-depth market knowledge and strong network in the commercial real estate market is in particular in these German metropolitan areas. Should the TTL Group not be successful in sourcing new projects, either not in these areas or no attractive new projects at all, or should the TTL Group not be successful in expanding geographically to other German metropolitan areas, it would be reduced the management of existing properties, but would lose fee income steaming from new projects. This could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2 Risks in Connection with the Business of the TTL Group

1.2.1 As a holding company without substantial operational activity with third parties the Issuer relies to a large extent on profits distributed by the subsidiaries and affiliates of the TTL Group. Their default may have a negative impact on the business, financial condition and results of operations of the Issuer.

As a holding company which itself does not generate substantial income from direct operating activities with third parties, the Issuer relies to a large extent on the profits of its operating subsidiaries and associated companies (and fees payable by them under contracts) as well as the distribution of profits to the Issuer. If these subsidiaries and companies do not make any profits or do not distribute such profits or do not pay the respective fees under contracts with the Issuer, the Issuer will lose any significant sources of income. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.2.2 The Issuer holds no majority interest in the GEG Group. Should the Issuer be unable to exercise its influence for the benefit of the Issuer with respect to the GEG Group, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

The Issuer is the parent company of the TTL Group. However, transactions and projects of the TTL Group are not handled directly by the Issuer but by subsidiaries and affiliated companies, namely by the GEG Group. If transactions are handled directly by a subsidiary or an affiliated company, the Issuer's influence on and its supervision of these companies may be limited, particularly where the Issuer, directly or indirectly, holds no majority interest in such companies. In particular the Issuer holds an indirect minority stake in the GEG Group and 50% of the voting shares in TTL Real Estate GmbH (including the strategic lead with regard to business decisions of TTL Real Estate GmbH). Due to the Issuer's position as an (indirect) minority shareholder (i.e. a shareholder without a majority of voting rights), there is a risk that the Issuer may not be able to exert an influence on these affiliated companies for the benefit of the Issuer. Failure to effectively manage the TTL Group and its risks could have a negative impact on the business, financial condition and results of operations of the TTL Group.

1.2.3 The TTL Group, via the GEG Group, usually acquires properties for subsequent placement with investors. Should the TTL Group be unable to accomplish the placement of the properties after a short period of time, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

The TTL Group, via the GEG Group, acquires real estate with the intention of managing it as an asset manager for institutional investors. For this purpose, real estate is either acquired on the GEG Group's own account and structured to the needs of investors (and in order to efficiently use the GEG Group's available equity, the holding period of these real estate assets is rather short-term), or in some cases, the investor is already identified at the time the real estate is acquired. To align interest with the respective investor, the GEG Group might hold a minor equity co-investment with (typically) a stake of up to 5% in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%). In the event that the real estate is first acquired on the GEG Group's own account in order to create a product marketable for institutional investors (e.g. by letting, refurbishment, establishing an investment-suitable corporate structure or similar), most of the acquisition financing is on a short-term basis, usually up to 18 months. Should the TTL Group not be able to accomplish the placement of the respective properties within the timeframe of the acquisition financing, TTL Group may be confronted with additional costs from the financial restructuring. In addition, its fee income may be reduced resulting from failure on project delivery on time. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.2.4 The TTL Group, via the GEG Group, usually places properties with investors. Should the respective investors be unable to obtain third party financing in order to acquire the respective properties, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

The TTL Group, via the GEG Group, acquires real estate with the intention of managing it as an asset manager for institutional investors. Therefore, the GEG Group usually places the respective properties (i.e. sells the respective properties or transfers them in another way) to investors. The investors often obtain third party financing themselves in order to acquire the respective property. Should the respective investors not be able to obtain the required financing on time for the acquisition of the respective properties, TTL Group may be confronted with additional costs from the financial restructuring. In addition, its fee income may be reduced resulting from failure on project delivery on time. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.2.5 The Issuer may be unable to effectively implement or manage any growth strategy to the extent contemplated at all.

The Issuer may decide to expand and to grow its business activities in the future, for example by commencing operations directly by the Issuer or by further acquiring interests in operational companies. The Issuer is not limited to its existing shareholdings, but could also seek investments in other real estate investment and asset management or development companies. The contemplated growth strategy could impose significant additional demands on personnel, systems and financial resources of the Issuer. Any growth strategy relating to the TTL Group's business exposes the Issuer to operating risks typically associated with an increasing scale of operations. The Issuer may be unable to capitalise on such growth strategy or may incur significantly greater costs than expected. In addition, management resources that would otherwise be focused on developing the existing business could be diverted, which could, in turn, disrupt the ongoing business.

Should the Issuer misjudge the expansion of its business, pay too much for the acquisition of such interests, or initiate immediate operations, or improperly evaluate market opportunities, this may have an adverse effect on the business, financial condition and results of operations of the Issuer. Any failure to effectively implement or manage the Issuer's growth strategy could adversely affect its ability to achieve its strategic goals and could have a material adverse effect on its business, financial condition and results of operations.

1.2.6 The TTL Group may be unable to identify all risks associated with real estate properties as well as the managing of commercial real estate properties and real estate companies.

Real estate properties, including opportunistic investments and developments, the managing of commercial real estate properties and real estate companies in general are subject to risks caused by, including, the condition of the real estate property, the inaccurate assessment of any of the investments, unfavourable financing conditions, and changes in the legislative and regulatory environment or any other factor, including those beyond the TTL Group's control.

The Issuer, the operating subsidiaries (e.g. the GEG Group) or in the future acquired real estate companies may not be able to identify all material risks in connection with the due diligence processes prior to an acquisition of a real estate properties (including development projects) that are conducted by companies of the TTL Group. Due to market competition and limited time frames between introduction of an acquisition opportunity onto the market and the transaction closing date, the ability to evaluate acquisition opportunities and engage in a diligent analysis of the specifics and constraints imposed by the sellers can be limited. There can be no assurance that the TTL Group has always been or will always be in a position to accurately identify, examine and evaluate all risks associated with any acquisition. For example, the TTL Group may not be able to assess whether the original owners of the acquisition target or any potential successors have obtained, maintained or renewed all required permits, satisfied all permit conditions and obtained all necessary licenses (e.g., fire and safety certificates) or obtain building permits (*Baugenehmigungen*) within a reasonable time frame or at all. Any acquisition target may suffer from hidden defects or damage that the TTL Group were not able to discover in the course of the acquisition process. For example, the TTL Group may be unable to identify a contamination of a land plot or real estate property. The TTL Group may not be able to carry out follow-up investigations, inspections and appraisals (or receive the results of such inquiries) prior to signing binding agreements. Consequently, there can be no assurance that all risks related to the acquisition of real estate have been identified, evaluated and addressed accordingly. Legal, tax and/or economic liabilities may be, or may have been, insufficiently or inaccurately evaluated.

Similar risks could arise if the Issuer or affiliated companies acquire shares in real estate companies, including competitors of the TTL Group. There can be no assurance that the Issuer will be able to accurately estimate the earning potential and synergies associated with the targeted acquisition, or that the Issuer is able to accurately judge all liability and risks inherent in the targeted real estate company. Consequently, the Issuer may pay a purchase price higher than the actual value of the shares.

Furthermore, acquisitions, especially of large-volume properties, may occupy management resources of the Issuer, the GEG Group or in the future acquired real estate companies more than expected. This would in turn limit the managements' ability to dedicate the resources required for day-to-day operations and may ultimately have an adverse effect on the performance of the TTL Group.

The realisation of any risk described above could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.7 The GEG Group's minority shareholder KKR Fund Holdings L.P. has agreed on exclusive cooperation with the GEG Group in connection with direct commercial real estate investments in Germany in office and retail buildings. In case of a termination of this cooperation, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

75% of the shares in German Estate Group GmbH & Co. KG, the parent company of the GEG Group, are held by TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), the remaining 25% of the shares are held by group companies of the US investment firm KKR. German Estate Group GmbH & Co. KG and KKR have entered into an investment agreement according to which KKR will work exclusively with the GEG Group in connection with direct commercial real estate investments in Germany in office and retail buildings. The right to ordinarily terminate the investment agreement before 31 December 2029 has been excluded. Should the investment agreement between the GEG Group and KKR be terminated before 31 December 2029 for extraordinary reason, this may have a negative effect on the business, financial condition and results of operations of the Issuer.

1.2.8 The TTL Group may be unable to raise sufficient funds to refinance existing acquisitions or finance future acquisitions of real estate properties.

The real estate industry is capital-intensive and requires significant up-front expenditures to acquire appropriate real estate properties. The GEG Group's companies may incur considerable costs with respect to real estate properties (including development projects). In addition, the availability of external funding may be limited and lenders may impose several requirements for any financing to be granted. There can be no assurance that the TTL Group will be able to enter into agreements at the same level in the future. In addition, lenders may require companies of the TTL Group to provide increased amounts of equity-investments for new loans and/or the extension of existing loans. TTL Group's fundraising ability and the related costs are subject to the volatility of, among others, the capital markets. In the event that companies of the TTL Group are unsuccessful in obtaining sufficient funding or refinance existing debt, the TTL Group may be unable to acquire real estate properties.

Furthermore, if the TTL Group is unable to obtain financing sufficient to fund the acquisition of real estate properties under current purchase agreements, companies of the TTL Group may incur contractual penalties, fees and/or increased expenses, including from write-off of due diligence and pre-acquisition costs.

The realisation of risks related to the TTL Group's ability to raise sufficient funds for the acquisition of real estate properties could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.9 The Issuer and the TTL Group depend on their management executives and their key personnel.

The Issuer significantly depends upon the continued services and performance of the members of the Company's management board (*Vorstand*) (the **"Management Board"**) and supervisory board (*Aufsichtsrat*) (the **"Supervisory Board"**), the management of affiliated companies of the TTL Group and other key personnel.

The current members of the Management Board and the Supervisory Board of the Issuer, as well as the management of GEG Group, have substantial experience in the real estate industry and/or other key senior management positions. Should one or more members of the Management Board, the Supervisory Board or the management boards of the group companies leave the TTL Group, there can be no assurance that the TTL Group, within a reasonable period of time and at reasonable cost, will be in a position to find adequate replacements at the management level in order to successfully meet the challenges of managing the TTL Group's activities.

Next to management executives, the business success of the TTL Group depends to a significant extent on its other key employees. Qualified employees are of major importance to the success of the TTL Group mainly because they are in a position, due to their past experience, to identify and avoid potential risks relating to the initiation and implementation of projects at an early stage. There can be no assurance that the TTL Group will succeed in retaining key employees in the long term or, in the event of any loss of one or several of such employees, in recruiting suitable successors on reasonable terms. Any failure to recruit or retain management members and key employees could have a negative impact on the financial condition and results of operations of the TTL Group.

From time to time, there may be changes in the TTL Group's key personnel that may be disruptive to the Group's business operations. Also, if the key personnel fail to work together efficiently and to execute the Group's strategies, the TTL Group's business and results could be adversely affected. In addition, the TTL Group relies on the ability of its management and key personnel to identify, acquire and develop real estate properties and to rent and sell real estate properties in order to create value and constant cash flows. However, the past performance of the Issuer's and the Group's management cannot be used as a benchmark or be indicative of the future performance or future results. Therefore, it is particularly important for TTL Group's growth strategy to hire additional qualified employees whose skills and real estate expertise are comparable to those of the current personnel. As a result of, among others, severe competition for suitable personnel in the real estate industry, including experienced executives and senior managers, there can be no assurance that the TTL Group will be successful in recruiting additional personnel at economically acceptable terms, or at all. If the Issuer and the Group's companies fail to retain the members of the management boards or any of the key personnel or fail to recruit additional key personnel, such failure could adversely affect the Issuer's and the TTL Group's growth strategy and results.

Any risk related to the ability to retain and/or recruit key personnel could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.10 The future business activities of the TTL Group may require hiring employees with certain skills. Should the Issuer be unable to find such employees on reasonable terms or replace them with other persons on equivalent terms, this may adversely affect the financial condition and performance of the Issuer.

The future business activities of the TTL Group may require hiring employees with certain skills. It is not guaranteed that the TTL Group will succeed in finding employees with the required skills, to retain these employees through long-term contracts or, in the event of loss of one or more of these employees, to find suitable successors on reasonable terms. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.2.11 The TTL Group's real estate business is dependent upon the availability, skills and performance of contractors, including possible sub-contractors, and service providers at economically viable costs.

The TTL Group's ability to successfully complete its real estate projects on time, at the anticipated quality or at all, is limited as a result of the TTL Groups' reliance on contractors, service providers or sub-contractors.

The TTL Group may fail to meet standards and/or deadlines agreed with contractors, sub-contractors and service providers and there can be no assurance that companies of the TTL Group will be able to hire qualified and reliable contractors, sub-contractors and service providers for their business. Contractors, sub-contractors and service providers may be adversely affected by economic downturns, insolvencies or any other risks inherent to the provision of any such services. These risks include damages caused by severe weather (e.g., fires, floods or natural disasters) and construction-related delays due to personnel shortages, strikes, building site safety, governmental permits, adverse weather conditions, shortage of or inability to source building materials and transportation issues, any of which may be influenced by the respective parties' reliance on third parties. Among others, any of the aforementioned risks may entail significant cost overruns and project delays, ultimately increasing the TTL Group's risk to not perform its business as planned or at all. Furthermore, there can be no assurance that contractors, sub-contractors or service providers do not terminate agreements with companies of the TTL Group or enter into default. The TTL Group's ability to continue business operations upon any termination, default or similar circumstances caused by contractors, sub-contractors or service providers is limited by, among others, the availability of qualified replacement contractors, sub-contractors or service providers and/or the ability to enter into favourable agreements with them. Subsequently, following any termination, default or similar circumstance, the TTL Group may no longer be able to develop, manage, operate, and maintain real estate properties or to assess or manage its transactions.

In addition, the availability of contractors, sub-contractors and service providers and the compliance of such contractors, sub-contractors and service providers with their contractual obligations is essential for the TTL Group's ability to meet the agreed development milestones under potential agreements with investors in order to receive sufficient funding and fees for the initiation and completion of development projects. If development milestones or financial parameters are not achieved, the fees payable to the TTL Group may be lower than anticipated.

Any of the aforementioned risks could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.12 The Issuer is subject to regulatory requirements as a regulated market listed company. If the Issuer fails to meet or has not met all regulatory requirements in time or in a timely manner, the Company may be subject to prudential proceedings or substantial fines or penalties. This may have negative effects on the business, financial condition and results of operations of the Issuer. Also, compliance with applicable legal norms is costly and future changes to legal norms could have a negative impact on the TTL Group.

The Shares of the Issuer are admitted to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). This is accompanied by numerous capital market regulatory approval requirements and regulatory requirements, including provisions of the MAR, the WpHG and the WpÜG. Ensuring compliance with all regulatory requirements requires greater administrative effort. It cannot be ruled out that the Issuer will not be able to meet all regulatory requirements on a case-by-case basis, given the low level of human resources. If the Issuer fails to comply with applicable rules, the Issuer may be subject to prudential proceedings or substantial fines or penalties. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.2.13 The TTL Group is exposed to risks associated with real estate development activities.

The TTL Group, via the GEG Group, develops to a small extent real estate. Development activities typically include the acquisition of a property, its refurbishment and/or modernisation, and the subsequent sale. The TTL Group cannot exclude risks from such development activities, e.g. cost and time overruns. This could result in reduced dividends from co-investments, reduced gains from exit of co-investments and reduced fees such as promote and disposition fees or the total loss of dividends, gains and fees. Should any of the risks associated with real estate development materialise, this could have a material adverse effect on the business, results of operations and financial condition of the TTL Group.

1.2.14 The TTL Group's real estate activities may be affected as a result of failures or interruptions in the IT systems.

IT systems play an integral part in the performance of the TTL Group's business. Any interruption, failure, manipulation or damage (e.g., outage of computer systems) to these IT systems could lead to delays or interruptions in the TTL Group's business processes.

A range of factors beyond the TTL Group's control, such as telecommunication problems, software errors, inadequate capacity at IT centres, fire, power outages, attacks by third parties, and the delayed or failed implementation of new computer systems, could interfere with the availability of the TTL Group's IT systems. In particular, the TTL Group's IT systems could fail to operate properly or become disabled as a result to unauthorised access and data loss (from within or outside of the Issuer's business), computer viruses, malicious codes, cyber-attacks that have a security impact, and the interception or misuse of information transmitted or received by companies of the TTL Group.

Any material disruption or slowdown of the TTL Group's systems, particularly of the computer systems, could cause information to be lost. The TTL Group's existing safety precautions, data backups, access protection, user management and IT emergency planning may not be sufficient to prevent the IT system from suffering an outage or from the theft or loss of information. In addition, if changes in technology cause the TTL Group's IT systems to become obsolete, or if the IT systems are inadequate to handle the TTL Group's growth, this may cause additional unplanned expenses. Future technological developments may require the TTL Group to spend substantial funds to prevent and repair malfunctions of its IT systems. There can be no assurance that any of the detected malfunctions will not be repetitive in the future despite the installation of additional security measures. Furthermore, the integration of IT systems of newly acquired real estate companies may cause the incurrence of additional costs and, simultaneously, lead to malfunctions of the TTL Group's IT systems, which, in turn, may disrupt the TTL Group's real estate activities in multiple ways.

The realisation of any of the risks related to the TTL Group's information technology could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.15 Unfavourable media reporting could adversely affect the Issuer's and the TTL Group's reputation.

Favourable reputation is integral to the Issuer's and the TTL Group's business. Management believes that one of the TTL Group's competitive advantage is the strong reputation in transaction management. Unfavourable media reporting related to the Issuer and the TTL Group (notably the GEG Group), the shareholders, the management and personnel, third-party contractors, operations, business performance, or prospects could have a material adverse effect on the business, financial condition and results of operations, regardless of its accuracy or inaccuracy. Social media and electronic communication, among others, have significantly influenced the pace of information circulation and the Issuer may be unable to retain negative publicity promptly, if at all.

The realisation of any of the aforementioned risks could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.2.16 The TTL Group may incur liabilities that are not covered by, or which exceed the coverage limits of insurance policies.

The insurance, including building insurance (e.g., for fire, natural hazards and loss of rent), liability insurance (e.g., building owner and landowner liability insurance policies), third party liability insurance and directors' and officers' insurance that the Issuer and the Group's companies have obtained, may prove to be insufficient, and not cover risks related to the TTL Group's business operations. However, not all risks that the TTL Group's companies are exposed to are insured or insurable. Insurance coverage is subject to constraints, exclusions of liability and maximum limits with regard to pay-offs and may come with significant deductibles. Consequently, the TTL Group faces the risk that companies of the Group may face liability for loss or damage that they have caused and/or be subject to a claim by a third party that is not covered by insurance at all or that may exceed the insurance coverage limits. Moreover, certain risks, such as terrorist attacks and natural disasters, may not be insurable or may only be insurable at high costs which, in turn, make their insurance uneconomical. Furthermore, the TTL Group may not succeed in obtaining appropriate insurance coverage at all or at economically reasonable terms, and existing insurance contracts may be terminated or be invalid.

The realisation of any such risk could have a material adverse effect on the Issuer's business, financial condition and results of operations.

1.2.17 The companies of the TTL Group are subject to tax risks whose realisation may have negative effects on the business, financial condition and results of operations of the Issuer.

There is no assurance that in instances of external tax audits there will be no subsequent modifications of tax assessment notices or additional tax amounts payable due to differences in the appraisal of tax matters (for example, due to an incorrect assessment of tax consequences relating to any corporate restructuring, incorrect calculation of deductible amounts or insufficient documentation of intercompany transfer prices for prior years). There can be no assurance that the companies of the TTL Group have adequately identified prior year tax risks or will be able to identify such risks in the future (which, in individual cases, may result in additional tax amounts being payable). Should any one or more of such risks materialise, this may have a negative impact on the business, financial condition and results of operations of the TTL Group.

1.2.18 The TTL Group is exposed to risks associated with its involvement in joint ventures. In case of joint ventures, the TTL Group may have joint and several liability together with its joint venture partner.

In the real estate industry, in particular in case of developments, joint ventures are formed from time to time in relation to a project in order to distribute the project contributions and risks among the partners. Typically, the parties of the joint venture also contribute to the financing of the project on a pro rata basis. As partner in a joint venture, the TTL Group may under certain circumstances also be in a minority position and therefore have little or no influence on the project implementation. The TTL Group may therefore be exposed to the risk of shareholder disputes and defaults by other joint venture partners on their obligations. Should any of the risks associated with the involvement in joint ventures materialise, this could have a material adverse effect on the business, results of operations and financial condition of the TTL Group.

1.3 Risks Relating to the TTL Group's Structure and its Shareholder Structure

1.3.1 The Issuer is the holding company of the TTL Group without substantial operational activity with third parties and relies on operating subsidiaries and affiliates to provide the Company with the required funding.

The Issuer is the holding company of the TTL Group with no substantial business operations with third parties. The principal assets of the Company are the indirect minority shareholding in the GEG Group and the direct minority shareholding in DIC Capital Partners (Europe) GmbH. As a result, the Issuer is to a large extent dependent on dividends, in particular from the GEG Group, interest payments and certain other payments from these affiliates and minority shareholdings in order to generate the funds required to meet the Issuer's financial obligations and make dividend payments in the future, if any. (See also Risk factor 1.2.1 "*As a holding company without substantial operational activity with third parties the Issuer relies to a large extent on profits distributed by the subsidiaries and affiliates of the TTL Group. Their default may have a negative impact on the business, financial condition and results of operations of the Issuer*".)

The ability of the Issuer's consolidated, associated and affiliated companies to make distributions and other payments to the Issuer in accordance with its shareholdings depends on the Issuer's consolidated, associated and affiliated companies' earnings and is subject to contractual and statutory limitations. As a shareholder in its consolidated, associated and affiliated companies, the Issuer's right to receive assets upon liquidation or reorganisation of such subsidiaries will be effectively subordinated to the claims of their respective creditors. Even if the Issuer is recognised as a creditor of its consolidated, associated and affiliated companies, the Issuer's claims will still be subordinated to any security interests that are senior to the Issuer's claims.

If the Issuer does not receive sufficient distributions and other payments from its consolidated, associated and affiliated companies, it may be unable to meet its financial obligations, if any, from operational activities or make dividend payments.

There can also be no guarantee that dividends will be paid at all, either because the currently intended release of reserves is not executed or, even if executed, because there are no distributable profits, or because the Issuer decides to invest its distributable profits, in whole or in part, into the expansion of the TTL Group.

1.3.2 The current principal shareholder of the Issuer may significantly influence the business policy of the TTL Group, possibly against the interests of the minority shareholders. This may have negative effects on the business, financial condition and results of operations of the Issuer.

To the knowledge of the Issuer, Prof. Dr. Gerhard Schmidt is attributed about 66.83% of the voting rights in the Issuer at the date of this Prospectus. Following the Offering, and assuming the issue of all 8,800,000 New Shares, the waiver to subscribe for New Shares of the Assigning Shareholders, and the sale and placement of all 3,475,000 Old Shares, Prof. Dr. Gerhard Schmidt will still be attributed approximately 42.72% of the voting rights in the Issuer. Furthermore, Prof. Dr. Gerhard Schmidt is also the majority (indirect) shareholder of Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and the largest single (indirect) shareholder of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien. Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien is the largest single shareholder in listed DIC Asset AG, as more than 30% of voting rights are held directly and are attributed to Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, representing a factual majority in DIC Asset AG's shareholders' meetings. Due to the size of this shareholdings and the respective voting rights, the majority shareholder is currently in a position to exercise significant influence over all significant decisions of the shareholders' meeting of the Issuer, irrespective of the voting behaviour of the other shareholders, in particular the election and composition of the Supervisory Board (and thus indirectly also the composition of the Management Board). Even if Prof. Dr. Gerhard Schmidt's shareholding in the Issuer falls to 42.72%, i.e. below 50%, he still may have the absolute majority of voting rights in a respective shareholders' meeting (depending on the shareholders' presence in the respective shareholders' meeting). As a result, despite the Offering, it is possible that the business policy will be largely determined by this major shareholder and may conflict with the interests of the minority shareholders.

The Issuer did not enter into a domination agreement (*Beherrschungsvertrag*) with AR Holding GmbH and its direct or indirect controlling shareholders. As a consequence, the Issuer and AR Holding GmbH and its direct and indirect controlling shareholders form a "factual group" (*faktischer Konzern*) under the German Stock Corporation Act (*Aktiengesetz*). In principle, the ability of a company or person to assert influence in a "factual group" is limited to the influence the shareholder can assert by exercising voting rights in the shareholders' meeting. However, if AR Holding GmbH and its direct and indirect controlling shareholders exerted their influence to the detriment of the Company, only the regulations of the "factual group" (*faktischer Konzern*) under the German Stock Corporation Act (*Aktiengesetz*) apply.

1.3.3 The members of the Issuer's Management Board and Supervisory Board also hold management and supervisory board positions in related companies which may cause a conflict of interest.

The members of the Issuer's Management Board and Supervisory Board also hold management and supervisory board positions in related companies. The Issuer's CFO, Thomas Grimm, is also a member of the management board of Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, as well as a managing director of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH). Prof. Dr. Gerhard Schmidt is the chairman of the Issuer's Supervisory Board and also performs functions as chairman of the Supervisory Board *inter alia* in Deutsche Immobilien Chancen Beteiligungs AG, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, DIC Asset AG and GEG German Estate Group AG. As a result, there is the risk that the individuals who hold different board positions with the Issuer and its related parties are confronted with conflicts of interest. This may have negative effects on the business, financial condition and results of operations of the Issuer.

1.4 Risks Related to Regulatory, Legal and Tax Matters

1.4.1 Changes to the legal environment in Germany may adversely affect the TTL Group's business.

The TTL Group's business is subject to the general legal and regulatory environment that applies to real estate (e.g., tax laws, construction and planning laws, building codes, heritage protection laws, environmental laws and safety regulations) and lease agreements. Any changes in European Union (**"EU"**), German Federal or State Laws or the interpretation or application thereof could force the TTL Group to amend or adapt its business activities. The TTL Group may also be required to incur significant additional expenses in order to comply with more restrictive laws or regulations in the future. The use of real estate properties is subject to local zoning laws and might be subject to other urban planning restrictions determining, among others, whether and to what extent certain use of the real estate property is permissible. Local zoning laws and other urban planning restrictions are subject to changes and may interfere with the TTL Group's intended use of real estate property or affect its ability to obtain building permits.

Taxes and duties in connection with the acquisition of residential real estate properties are a contributing factor to the acquisition costs. Any increase in taxes related to real estate property acquisitions or disposals may have a material impact on the demand for such real estate.

In addition, the accounting standards under IFRS currently applicable may be amended or change. This could require the TTL Group's companies to change their accounting policies, which in turn could negatively affect the business.

The demand for commercial real estate properties may be directly or indirectly affected by a number of laws, regulations and government policies with regard to lending, appraisal, foreclosure and short sales practices, leases, eviction of illegal occupants, government loan programs, down payment assistance programs and taxes.

Most German states have already raised real estate transfer tax (RETT - *Grunderwerbsteuer*) rates in the past few years and changes to regulations concerning what are known as RETT-blocker structures have become effective. These changes limit the opportunities for real estate transfer tax-neutral transactions significantly. Such changes in taxation or comparable ones, e.g., a change in the taxes levied on real property, can adversely affect the demand for real estate or the market environment for investments.

On 31 June 2018 the Finance Ministers of the 16 Federal States (*Landesfinanzministerkonferenz*) agreed on a proposal to amend the German RETT regime for so-called "share deals". Based on this proposal the Federal Parliament (*Deutscher Bundestag*) may reduce the legal or economic ownership threshold of currently 95% of the shares or interests in a real-estate holding company upon which RETT is triggered or introduce other amendments to the German RETT regime which may increase the number of transactions which would fall within the scope of the German RETT regime in the future. This would increase the acquisition costs for the purchase of certain properties acquired by way of a share deal.

As a result, the TTL Group's business activities may be directly and indirectly affected by changes in the legal environment, including tax, in particular RETT, which could, in turn, have a material adverse effect on the TTL Group's business, financial condition and results of operations.

1.4.2 The TTL Group may fail to comply with applicable or future compliance laws and regulations or such laws and regulations may change in a manner that is unfavourable to the TTL Group's business.

As a result of its business, the TTL Group is subject to a number of compliance laws and regulations, including, but not limited to, privacy and data protection, the various sanctions regimes, in particular imposed by the United States of America and the EU, competition law, or anti-money-laundering (**"AML"**) compliance.

For example, the collection, use and storing of personal data is subject to regulation under German data protection law. In addition, the EU recently enacted the General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and of the Council of 27 April 2016) (**"GDPR"**). The GDPR automatically came into effect in all EU member states as of 25 May 2018, and imposed stricter conditions and limitations in relation to the processing, use and transmission of personal data. The GDPR introduced extensive documentation obligations and considerably higher transparency requirements, which affect not only initial data collection but also the monitoring and investigation once personal data has been collected. The TTL Group may not have prepared for these changes to the extent necessary and the preparations may not yield the expected results. Additionally, although the TTL Group strive to comply with all applicable laws, regulations and legal obligations relating to data usage and data protection, it is possible that these laws, regulations and other obligations may be interpreted and applied in a manner that is inconsistent with the Group's practices.

Furthermore, there can be no assurance that the TTL Group's practices have complied, comply or will comply fully with all such laws, regulations and other legal obligations. Any non-compliance by the Group's companies with the applicable regulations could lead to fines and other sanctions. For example, the GDPR provides that violations can be fined, depending on the circumstances, by up to the higher of €20 million and 4% of the annual global turnover of the non-compliant company.

The materialisation of any of the risks described above could have a material adverse effect on the business, financial condition or operations of the Issuer.

1.4.3 The TTL Group may be prevented from invoking tax-loss carried forwards.

German tax laws provide that tax-loss carry forwards will generally expire if more than 50% of the subscribed capital, membership rights, participation rights or voting rights of a legal entity are transferred, directly or indirectly, to an acquirer or to related parties of an acquirer (or a group of acquirers with common interests) or in a comparable event within a period of five years (so-called "harmful acquisition"). The TTL Group has tax-loss carried forwards, but has not provided for deferred taxes in its annual financial statements.

Any loss of tax-loss carried forwards could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

1.4.4 In case of a termination of existing property management agreements with third party asset management companies (Kapitalverwaltungsgesellschaften) of real estate funds, the GEG Group could no longer generate property management fees in relation to the properties held by the funds affected and managed by third party parties.

The GEG Group manages real estate properties which are held by funds, and such funds are managed by third party asset management companies (*Kapitalverwaltungsgesellschaften*). Third party asset management companies focus on the issuance and administration of property funds for third parties. The GEG Group enters into agreements for the management of the affairs of others (*Geschäftsbesorgungsvertrag*) with such third party asset management companies and according to such agreements carries out the purchase process, arranges the financial and legal structure, and performs the property management and the sale process of the properties held by the relevant fund. The agreements entered into with such third party asset management companies can usually be terminated with a 12 month period of notice. In case any of these agreements are terminated, the GEG Group could no longer generate asset management fees in relation to the properties held be the funds affected and managed by the GEG Group. The reduction or cancellation of asset management fees could have a material adverse effect on the TTL Group's business, financial condition and results of operations.

1.5 Risks Related to the Offering and the Shares

1.5.1 The Issuer's ability to pay dividends depends on various factors and the Issuer may not pay any dividends in the foreseeable future.

The Issuer's ability to pay dividends is based on its non-consolidated financial statements prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) and the German Stock Corporation Act (*Aktiengesetz*). Dividends may be paid only from the retained earnings (*Bilanzgewinn*) recorded in the Issuer's non-consolidated financial statements as approved by the Issuer's Supervisory Board (or, in certain circumstances, at the Issuer's general shareholders' meeting. The Issuer currently still has losses carried-forward which make the distribution of dividend impossible (in case no reserves are released). There can be no guarantee that dividends will be paid at all, either because the currently intended release of reserves is not executed or because the Issuer decides to invest its distributable profits, in whole or in part, in the expansion of the TTL Group.

1.5.2 Any future equity offerings or offerings of instruments convertible into equity or any merger with another entity may dilute investors' shareholdings in the Issuer.

The Issuer may in the future seek to raise capital through public or private debt or equity financings by issuing additional ordinary shares or other shares, debt or equity securities convertible into shares or rights to acquire these securities, or may potentially seek to merge with another entity and exclude pre-emptive rights pertaining to the then outstanding shares. Any additional capital raised through the issue of additional shares may dilute an investor's shareholding interest in the Issuer if the investor does not exercise, or is excluded from exercising, subscription rights. Any additional offering of shares or of instruments giving similar commercial rights by the Issuer, or the public perception that an offering may occur, could also have a negative impact on the trading price of the Shares or increase the volatility in the trading price of the Shares.

1.5.3 The Issuer's Shares, including the Offer Shares, may be subject to a mandatory offer and shareholders of the Issuer may be required to sell their Shares at a price below the price at which shareholders acquired Shares of the Issuer.

As a German stock corporation whose Shares are admitted to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Issuer is subject to the scope of the WpÜG (*Wertpapiererwerbs- und Übernahmegesetz*). Among other things, the WpÜG provides that a shareholder who directly or indirectly acquires at least 30% of the voting rights in a German stock corporation whose shares are admitted to trading on the regulated market of a stock exchange must submit a mandatory offer, unless an exception applies.

Should a mandatory offer be made, this may – possibly in conjunction with further corporate law actions following such a mandatory offer – may result in a delisting of the Issuer's Shares on the stock exchange. This would limit the tradability of the Shares and/or initiate a process of exclusion of minority shareholders, at the end of which shareholders of the Issuer may be required to sell their Shares at a price lower than the price at which shareholders acquired Shares of the Issuer.

1.5.4 The sale of larger blocks of Shares by individual shareholders of the Issuer or the expectation of the market that larger blocks of Shares are sold by shareholders of the Issuer or the sale of shares in the Issuer's operating subsidiaries and/or affiliates by their direct partners may adversely affect the Issuer's Share price.

Should the principal shareholder of the Issuer sell Shares of the Issuer in considerable quantities on the secondary market or should any conviction arise on the market that such sales will occur, this may have a material adverse effect on the stock market price of the Issuer's Shares. Under such circumstances it is possible that the Share price will drop. Likewise, it may have a negative effect on the market price of the Shares of the Issuer, if shareholdings in operative affiliated companies of the Issuer are sold by the direct shareholders of these operating subsidiaries.

1.5.5 *The Offering may not be implemented in an amount of 12,275,000 shares and investors could therefore become shareholders in the Company even though the share capital of the Issuer after completion of the Offering may be substantially lower than anticipated by investors at the time investors decide to purchase Offer Shares in the Pre-placement or to exercise their Subscription Rights for New Shares or the free float may be lower than anticipated.*

There is no firm commitment of the Sole Bookrunner to subscribe for a certain number of the Offer Shares and the placement of Offer Shares will only be implemented in the amount that (i) Offer Shares have been sold in the Pre-placement, (ii) Subscription Rights have been exercised during the Subscription Period and (iii) Offer Shares have been sold in a potential Rump Placement. As the final amount of the placed Offer Shares (including the placed New Shares) will depend on the investor demand during the Pre-placement and as part of the rights offering there is no guarantee that the capital increases for the New Shares will be implemented in an amount of 8,800,000 shares and the placement of the Offer Shares in an amount of 12,275,000 shares. Consequently, the final amount of the capital increase and the final number of New Shares and the free float will only be determined at the end of the Offering. As a result thereof, investors will not have certainty as to the final number of New Shares and the free float.

1.5.6 *Trading suspensions, interruptions or terminations may restrict the ability of shareholders to trade in the Issuer's Shares and adversely affect the value of the Issuer's Shares*

The Issuer's Shares are listed on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Depending on the rules applicable to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), trading in the Issuer's Shares may be suspended, interrupted or terminated by the stock exchange or a regulatory authority for a variety of reasons including breach of price limits or statutory provisions, operational problems, or if otherwise deemed to be required for purposes of safeguarding the market or the interests of shareholders. In any such event, the holders of the Issuer's Shares may be restricted or unable to trade in the Issuer's Shares and the market price of the Issuer's Shares may be adversely affected and not adequately reflected by the stock market quotation.

The Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) may, on its own initiative or at the request of BaFin, suspend securities from trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) if, in its opinion, the respective issuer's situation is such that continued trading would be detrimental to investors' interests as well as to the interests of a properly functioning market (for example with respect to market manipulation and insider trading). The Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) must suspend trading in securities which no longer comply with the rules of the regulated market unless such a step would likely cause significant damage to investors' interests or orderly functioning of the market. In addition, if the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) does not do so, the BaFin could demand the suspension of trading in securities if it is in the interest of the orderly functioning of the market and does not impair investors' interests. Existing orders are deemed void if trading is suspended. Any suspension of trading in the Shares (other than for protecting investors' interest) could adversely affect the price and the liquidity of the Shares and, consequently, could have a negative effect on investors' ability to sell the Shares at a satisfactory price.

1.5.7 *The market price of the Shares may be volatile and there is no certainty that a liquid market in the Shares will further develop.*

In the past, prices of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) have been subject to considerable fluctuations. There may also be fluctuations in the future. The trading price of the Shares could be subject to higher than-normal volatility, for example as a result of variations in the TTL Group's actual or projected operating results, changes in projected earnings, failure to meet earnings expectations of securities analysts, changes in general economic conditions or other factors. General volatility in stock prices occurring independently of the TTL Group's business activities may also put pressure on the price of the Shares.

1.5.8 *Fluctuations in the actual or projected performance results of the TTL Group or its competitors, changes in earnings estimates or failure to meet earnings expectations, or other significant changes and factors could influence the share price volatility.*

The Share price of the Issuer may be subject to fluctuations in the actual or projected performance results of the Issuer or its competitors, changes in earnings estimates or failure to meet security analysts' earnings expectations, changes in general economic conditions, changes in the shareholder base, as well as other factors that could influence price volatility. In addition, price fluctuations in the stocks of particular companies within the same industry can lead to pressure on the price of the Shares, notwithstanding sound business operations and prospects of the Issuer itself, and could limit required or desirable future capital raisings which might be required to finance further growth. There may be particularly high fluctuations in share prices in case of low trade volumes, as well as changes in the number of publicly-held shares.

1.5.9 Rights of shareholders in a German corporation may differ from rights of shareholders in a corporation organised under the laws of another jurisdiction.

The Issuer is a German stock corporation (*Aktiengesellschaft*) organised under the laws of Germany. The rights of the Issuer's shareholders are governed by the Issuer's Articles of Association (as defined below) and by German law. These rights may differ in some respects from the rights of shareholders in corporations organised in jurisdiction other than Germany. In addition, it may be difficult for investors to enforce the securities laws of other jurisdictions, or to prevail with a claim against the Issuer based on those laws.

1.5.10 In the event of the insolvency of the Issuer, the Issuer's shareholders could suffer a total loss in the value of their Shares.

Under the German Insolvency Act (*Insolvenzordnung*), in the event of insolvency, a company's financial and trade creditors are generally entitled to receive payment from its assets before any assets are distributed among the company's shareholders. Thus, if the Issuer were to be declared insolvent, it is likely that all or substantially all of the Issuer's assets would be used to satisfy the claims of its creditors and investors in the Shares would suffer a partial or complete loss of their investment.

1.5.11 Unexercised Subscription Rights will expire without compensation and the interests of shareholders who elect not to participate in the Offering will be diluted. International investors may suffer dilution if they are unable to participate in the Offering.

If shareholders or holders of Subscription Rights fail to duly exercise their Subscription Rights prior to the end of the Subscription Period, the Subscription Rights will expire and such shareholders or holders of Subscription Rights will receive no compensation for them. Shareholders or holders of Subscription Rights who do not, or only partially, exercise their Subscription Rights will experience a decrease in the percentage interest they hold in the Issuer's nominal share capital and in the percentage of voting rights they are entitled to exercise. International investors may suffer dilution if they are unable to participate in the Offering due to regulatory restrictions, in particular if they are not allowed to exercise their Subscription Rights.

1.5.12 There can be no assurance that a market for the Subscription Rights (Bezugsrechte) will develop or that the Subscription Rights will not be subject to greater price fluctuations than the Shares of the Company.

The Issuer intends for the Subscription Rights to be traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the period from 25 October 2018 to 5 November 2018 (both inclusive). No application will be made for the Subscription Rights to be traded on any other stock exchange. It is not certain that an active and sufficiently liquid market for trading of the Subscription Rights will develop during this time period. The market price for the Subscription Rights depends on, among other things, the development of the Share price of the Issuer but may also be more volatile than the Share price.

2. GENERAL INFORMATION

2.1 Responsibility Statement

The Issuer with its registered office at Theresienhöhe 28/I, 80339 Munich, Germany, a stock corporation (*Aktiengesellschaft*) governed by the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under HRB 125559, together with Bankhaus Lampe KG (**"Bankhaus Lampe"**, **"Sole Bookrunner"** or **"Sole Global Coordinator"**), have assumed responsibility for the contents of the Prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (**"WpPG"**), and declare that the information contained in the Prospectus is, to the best of their knowledge, accurate and does not contain any material omissions.

If any claims are asserted before a court of law based on the information contained in the Prospectus, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the **"EEA"**).

The information in the Prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in the Prospectus that may affect an assessment of the securities and that occurs or comes to light following the approval of the Prospectus, but before the inclusion of the securities to trading. These updates must be disclosed in a prospectus supplement (*Nachtrag*) in accordance with Section 16 para. 1 sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

2.2 Purpose of the Prospectus

This Prospectus relates to the public offering in Germany of 8,781,250 newly issued ordinary bearer shares and the admission of in total up to 8,800,000 newly issued ordinary bearer shares (the **"New Shares"**) as well as 3,475,000 existing ordinary bearer shares of the Issuer (the **"Old Shares"**, and together with the New Shares the **"Offer Shares"**), each with no-par value (*Stückaktien*) and with a calculated notional amount of €1.00 per share in the share capital and with the same dividend rights as all other outstanding ordinary shares of the Issuer, including full dividend rights from 1 January 2018 (the Company's existing no-par value ordinary bearer shares, each with a calculated notional amount of €1.00 per share in the share capital, the **"Existing Shares"**, and together with the New Shares, the **"Shares"**) to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Prospectus constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC, as amended from time to time (the **"Prospectus Directive"**), and has been filed with and approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**"BaFin"**) pursuant to Section 13 of the WpPG after having performed an assessment of the coherence and comprehensibility of the information presented in the Prospectus.

No person is or has been authorised to give any information or to make any representation in connection with the offer or sale of the Offer Shares, other than as contained in this Prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorised by the Company, the management board of the Company (*Vorstand*) or Bankhaus Lampe. The delivery of this Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the TTL Group since the date hereof or that the information set out in this Prospectus is correct as of any time since its date.

Any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Shares and which arises or is noted between the approval of the Prospectus by the BaFin and the later of completion of the Offering and commencement of trading in the Offer Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), will be published in a supplement to the Prospectus in accordance with Section 16 of the WpPG. Such supplement must be published in the same manner as this Prospectus and be approved by the BaFin.

This Prospectus has been prepared to enable investors to evaluate a purchase of the Offer Shares and to comply with the listing requirements of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). In making an investment decision regarding the Offer Shares, investors must rely on their own examination of the Company, the TTL Group and the terms of the Offering, including, without limitation, the merits and risks involved. The Offering is being made solely on the basis of this Prospectus.

2.3 Notice to Distributors

Solely for the purposes of the product governance requirements contained within (i) EU Directive 2014/65/EU on markets in financial instruments, as amended (**"MiFID II"**), (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (iii) local implementing measures (together, the **"MiFID II Product Governance Requirements"**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Subscription Rights (as defined below) to the New Shares, the New Shares and the Old Shares have been subject to a product approval process. As a result, it has been determined that such Subscription Rights, the New Shares and such Old Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **"Target Market Assessment"**). Notwithstanding the Target Market Assessment, distributors (for the purposes of the MiFID II Product Governance Requirements) should note that: the value of the Subscription Rights and the price of the New Shares and Old Shares may decline and investors could lose all or part of their investment. The New Shares and Old Shares offer no guaranteed income and no capital protection; and an investment in the Subscription Rights, the New Shares and Old Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Subscription Rights, the New Shares or the Old Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Subscription Rights, the New Shares and the Old Shares and determining appropriate distribution channels.

2.4 Information from Third Parties and Sources of Information

To the extent not otherwise indicated, the information contained in the Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates are based on the Company's assessments. These assessments, in turn, are based in part on internal observations of the markets and on various market studies.

The following sources were used in the preparation of the Prospectus:

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- Fact Sheet "Business Campus am Park", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_BCP_Factsheet_ENG.pdf

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- Fact Sheet "Harenberg City Center", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_Harenberg_Center_Dortmund_E.pdf

- Fact Sheet "Börsencenter", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_Boersencenter_EN.pdf

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- Fact Sheet "Global Tower", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_GlobalTower_Factsheet_E.pdf

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- Fact Sheet "Villa Kennedy", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_VillaKennedy_Factsheet_E.pdf

- Fact Sheet "Triforum", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_TriForum_E.pdf

- Fact Sheet "Sapporobogen", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_SapporoBogen_Factsheet_E.pdf

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- Fact Sheet "Japan Center", accessible under: https://www.geg.de/files/GEG/Factsheets/GEG_JapanCenter_EN.pdf

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Among the types of third-party information to be found in this Prospectus is, in addition to market data, certain information (including, but not limited to, property size, occupancy rate and project volume) relating to companies belonging to the GEG Group in which the Company has holdings either directly or indirectly but which are not among the fully consolidated subsidiaries of the TTL Group (the "GEG Information"). The GEG Information has been compiled and published by the relevant GEG companies and has been accurately included in the Prospectus. As far as the Company is aware and has been able to ascertain, no facts in the GEG Information have been falsified that would render the included data inaccurate or misleading. However, neither the Company nor the Sole Global Coordinator were able to verify the GEG Information. The Company and the Sole Global Coordinator therefore assume no responsibility for, nor can they guarantee the correctness of, the GEG Information or for the validity of data on which the GEG Information is based.

The Issuer confirms that any information sourced from a third party has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2.5 Documents Available for Inspection

Copies of the articles of association (*Satzung*) of the Company (**"Articles of Association"**), the Consolidated Financial Statements (as defined below), the Interim Consolidated Financial Statements (as defined below) and this Prospectus (including any supplements thereto) are available free of charge for inspection at the registered office of the Issuer at its address Theresienhöhe 28/I, 80339 Munich, Germany, during regular business hours. These documents may also be inspected on the Company's website under the section "Investor Relations" at www.ttl-ag.de. Documents and other information displayed on such website or any other websites to which reference is made in this Prospectus are neither part of this Prospectus nor are they incorporated by reference in this Prospectus.

2.6 Presentation of Financial Information

The financial statements presented in this Prospectus include the audited consolidated financial statements of the Company as of and for the financial years ended 31 December 2015 (**"Consolidated Financial Statements 2015"**), 31 December 2016 (**"Consolidated Financial Statements 2016"**) and 31 December 2017 (**"Consolidated Financial Statements 2017"**) (together the **"Audited Consolidated Financial Statements"**) as well as the unaudited semi-annual consolidated financial statements for the six months ended 30 June 2018 (with comparable information for the six months ended 30 June 2017) (the **"Interim Consolidated Financial Statements"** or **"Condensed Consolidated Financial Statements"**, and together with the Audited Consolidated Financial Statements, the **"Consolidated Financial Statements"**). The Consolidated Financial Statements comprise in each case the consolidated income statement (including the consolidated statement of comprehensive income), the consolidated cash flow statement, the consolidated statement of financial position and the consolidated statement of changes in group equity, along with the notes to the Consolidated Financial Statements and the auditor's reports on the Audited Consolidated Financial Statements for each respective financial year or the review report on the Interim Consolidated Financial Statements. The Consolidated Financial Statements and the respective auditor's reports or the review report (with regard to the Interim Consolidated Financial Statements) included in this Prospectus are translations of the original German-language documents.

Furthermore, this Prospectus includes the audited non-consolidated financial statements of the Issuer as of and for the financial year ended 31 December 2017 as well as the audited non-consolidated annual financial statements of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) as of and for the years ended 31 December 2017 and 2016, both prepared under the German Commercial Code (*Handelsgesetzbuch; HGB*).

The Company prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards, as adopted by the European Union (the reporting standards being referred to as

"IFRS"). The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (**"IAS"**) 34: the financial statements published in the interim report are prepared in accordance with IFRS.

As used in this Prospectus, **"euro"** or **"€"** means the currency of the member states of the European Union participating in the third stage of the European Economic and Monetary Union.

Where financial data are labelled "audited" in this Prospectus, this means that they were taken from the before mentioned Audited Consolidated Financial Statements. The label "unaudited" is used in this Prospectus to indicate financial data that has not been taken from the before mentioned Audited Consolidated Financial Statements, but rather has been taken from the above-mentioned Interim Consolidated Financial Statements, the Company's accounting records, its internal reporting system, or has been calculated based on financial data from the above-mentioned sources, including the above-mentioned Audited Consolidated Financial Statements. All financial data presented in the Prospectus are shown in millions of euro (in € million) or in thousands of euro (in € thousand or T€). Certain financial data (including percentages) in the Prospectus have been rounded in accordance with established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation to other amounts) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the tables in the Prospectus may not correspond in all cases to the corresponding rounded amounts contained in the tables in the Prospectus. Furthermore, in those tables, the rounded figures may not add up exactly to the totals contained in those tables. With respect to financial data set out in the Prospectus, a dash ("-") signifies that the relevant figure is not available or equals zero, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

Some of the measurements used in this summary are not measurements of financial performance under IFRS, but have been prepared on the basis of IFRS amounts, and should not be considered as alternatives to cash flow from operating activities as measures of liquidity or as alternatives to profit/loss or earnings before interest and taxes as indicators of the Issuer's operating performance or any other measure of performance derived in accordance with IFRS.

2.7 Rounding Adjustments

The numerical information set forth in this Prospectus has been rounded for ease of presentation. Accordingly, in certain cases, the sum of the numbers or percentages in a column in a table may not conform to the total figure given for that column. In addition, certain figures in this document have been rounded to the nearest whole number or to one decimal place.

2.8 Forward-Looking Statements

This Prospectus contains certain forward-looking statements relating to the Company's and/or the Group's business, its financial performance and results, and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "seeks", "will", "forecasts", "anticipates" and "targets". Such statements reflect the Company's and/or the Group's current views with respect to future events and are subject to risks and uncertainties.

The forward-looking statements contained in this Prospectus include all matters that are not historical facts and include statements regarding the Company's and/or the Group's intentions, beliefs or expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industries and markets in which the Group operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Prospective investors should not place undue reliance on these forward-looking statements.

The Company bases these forward-looking statements on its current plans, estimates, projections and expectations. In addition, these statements are based on certain assumptions that, although reasonable at the time made, may prove to be erroneous. Many factors could cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include factors contained in particular in section 9: "*Profit Forecast*", in particular in section 9.3: "*Factors and Assumptions*", as well as in section 11: "*Industry*".

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, events described in this Prospectus may not occur or actual results may deviate materially from those described in this Prospectus or as currently anticipated, believed, estimated or expected, and the Group may not be able to achieve its financial targets and strategic objectives. Other than as required in accordance with the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) (**"WpHG"**), neither the Company nor the Sole Bookrunner and Global Coordinator intend, and do not assume any obligation, to update forward-looking statements set forth in this Prospectus.

2.9 Consent to use the Prospectus

Consent of the Company regarding the use of the Prospectus for a subsequent resale or placement of the securities by financial intermediaries has not been granted.

3. THE OFFERING

3.1 Subject matter of the Offering

The Offering (as defined below) relates to in total 8,800,000 New Shares and 3,475,000 Old Shares from the holdings of the Selling Shareholders (as defined below), each with a calculated notional amount of €1.00 in the share capital and carrying full dividend rights from 1 January 2018. 8,781,250 New Shares will be offered in accordance with the subscription ratio to the existing shareholders of the Company by way of indirect subscription rights (the "**Subscription Offering**"), as further described below. Prior to the beginning of the subscription period a number of 7,125,827 New Shares and the Old Shares will be offered in a private placement (the "**Pre-placement**") to selected investors, as further described below. Any New Shares and Old Shares not placed by way of the Pre-placement and not subscribed for in the Subscription Offering may be offered in a potential rump placement to selected investors.

The New Shares will be issued from the capital increase against cash contribution out of authorised capital with Subscription Rights (as defined below) for shareholders in accordance with Article 6a of the Company's Articles of Association and entered into the commercial register of the local court (*Amtsgericht*) of Munich, Germany, (the **"Commercial Register"**) on 20 June 2018. In accordance with Article 6a of the Articles of Association, the Management Board of TTL AG is authorised to increase the share capital at any time prior to 14 June 2023, with the approval of the Supervisory Board, through the issuance of new bearer shares against cash contribution by up to a nominal amount of €8,800,000.00 (the **"Authorised Capital 2018/II"**). The authorisation can be utilised in several tranches. The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' statutory subscription rights in the cases described in Article 6a of the Articles of Association. The Management Board, with the consent of the Supervisory Board, decides on the further details of the rights attaching to the shares and the conditions applicable to the issuance of the shares.

The Management Board of the Company resolved on 16 October 2018, utilising this authorisation, with the approval on the same day of the Supervisory Board, to increase the share capital of the Company from authorised capital by up to €8,800,000.00 by issuing up to 8,800,000 new no-par value bearer shares with a calculated notional amount of €1.00 per share in the share capital against cash contribution and to exclude Subscription Rights for up to 18,750 New Shares to avoid fractions (the **"Residual Shares"**) (the **"Utilisation Resolution"**) and to offer the New Shares to investors in the Pre-placement and to the Company's existing shareholders by way of indirect subscription rights at a subscription ratio of 12 : 5 (the **"Subscription Ratio**").

The Old Shares stem from the holdings of S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH and HVC Beteiligungs GmbH (the **"Selling Shareholders"**). The Old Shares have not yet been admitted to trading on the stock exchange.

The implementation of the capital increase is expected to be registered in the Commercial Register in two tranches on 29 October 2018 (the **"Capital Increase Tranche I"**) and 9 November 2018 (the **"Capital Increase Tranche II"**). After registration of the implementation of the respective tranche of the capital increase in the Commercial Register, the share capital of the Company will be increased by the aggregate amount determined in the Determination Resolutions (as defined below). Multiple purchase orders are permitted.

3.2 Pre-placement

Bankhaus Lampe KG (the **"Sole Global Coordinator"**) agreed on the basis of an underwriting agreement (the **"Underwriting Agreement"**), which was entered into on 16 October 2018 between the Company, the Selling Shareholders and the Sole Global Coordinator, to offer prior to the commencement of the Subscription Offering, the New Pre-placement Shares (as defined below) and the 3,475,000 Old Shares (together, the **"Pre-placement Shares"**) for purchase in the Pre-placement which will be directed exclusively to selected investors in Germany and outside Germany in jurisdictions other than the United States of America in accordance with the exemptions under Regulation S of the U.S. Securities Act dated 1933 as amended from time to time (the **"U.S. Securities Act"**) and Canada, Australia and Japan. The Pre-placement will take the form of a bookbuilding procedure. The New Shares that are offered in the Pre-placement encompass (i) 7,107,077 New Shares that are attributable to 17,056,985 subscription rights (the "**Assigned Subscription Rights**") which certain existing shareholders (AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH, SPG Verwaltungs GmbH, S&P Beteiligungs ZWEI GmbH, Klaus W. Schäfer and HVC Beteiligungs GmbH (jointly referred to as the **"Assigning Shareholders"**)) of the Company agreed in writing by way of an assignment agreement dated 15 October 2018 (the **"Assignment Agreement"**) to assign immediately after the Subscription Rights have been booked in the Company's existing shareholders' accounts (as further described below) to the Sole Global Coordinator with the purpose to enable the settlement of the shares allocated in the Pre-placement and (ii) the 18,750 Residual Shares (together the "**New Pre-placement Shares**").

The offer period for the Pre-placement is expected to run from 23 October 2018 to 24 October 2018. There are neither conditions to the termination of the Pre-placement nor a certain point in time to which the Pre-placement may be terminated at the earliest with the consequence the Pre-placement may begin earlier and terminate earlier than expected. The offer price per share (the **"Offer Price"**) in the Pre-placement will be determined on the basis of the results of the bookbuilding procedure at the end of the Pre-placement and will determine the subscription price in the Subscription Offering (the **"Subscription Price"**). The maximum Offer Price will amount to €7.00 (the **"Maximum Offer Price"**).

After the end of the offer period of the Pre-placement, the Management Board will determine by way of resolution the final number of New Pre-placement Shares to be allotted, the Offer Price and the Subscription Price and the final number of Old Shares to be allotted in the Pre-placement. Such resolution is expected to be adopted on 24 October 2018, with the approval of the Supervisory Board of the Company on the same day (the **"Determination Resolution I"**). The Offer Price and the final number of Old Shares to be allotted in the Pre-placement will be determined together with the Selling Shareholders after consultation with the Sole Global Coordinator.

It is expected that the Offer Price and the Subscription Price and the number of New Shares and Old Shares allotted in the Pre-placement will be published on 24 October 2018 as an ad hoc announcement over an electronic information system as well as on the website of the Company (www.ttl-ag.de/investor-relations/finanzmitteilungen/ad-hoc-mitteilungen.html).

3.3 Subscription Offering

The Sole Global Coordinator has agreed on the basis of the Underwriting Agreement, to offer 8,781,250 New Shares (the total number of New Shares excluding the Residual Shares) to the existing shareholders in the Subscription Offering during the Subscription Period (as defined below), in accordance with the Subscription Ratio and at the Subscription Price per New Share. The final Subscription Offer (*Bezugsangebot*) is expected to be published on 24 October 2018 in the German Federal Gazette (*Bundesanzeiger*). The subscription period is expected to run from and including 25 October 2018 to and including 7 November 2018 (the **"Subscription Period"**). As set out under 3.2, there are neither conditions to the termination of the Pre-placement nor a certain point in time to which the Pre-placement may be terminated at the earliest with the consequence the Pre-placement may begin earlier and terminate earlier than expected. The dates for beginning and termination of the Subscription Period may change accordingly.

After the end of the Subscription Period, the Management Board will determine by way of resolution the final number of New Shares subscribed for in the Subscription Offering and allotted to investors in the Rump Placement, if any (the **"New Subscription Offering Shares"**) (the **"Determination Resolution II"** and together with the Determination Resolution I, the **"Determination Resolutions"**).

3.4 Rump Placement

The Sole Global Coordinator may offer any New Shares and any Old Shares not placed by way of the Pre-placement and not subscribed for in the Subscription Offering (the **"Rump Placement Shares"**) to selected investors in Germany and outside Germany in jurisdictions other than the United States of America in accordance with the exemptions under Regulation S of the U.S. Securities Act and Canada, Australia and Japan at a price at least as high as the Subscription Price (the **"Rump Placement"**, together with the Pre-placement and the Subscription Offering, the **"Offering"**).

3.5 Timetable for the Offering

The Offering is based on the following prospective timetable:

Date	Event
16 October 2018	Resolution of the Management Board that the share capital of the Company is to be increased, subject to the adoption of further Determination Resolutions, approving resolution of the Supervisory Board and that the Offer Shares are to be offered by way of the Subscription Offering and the Pre-placement; announcement of the

Date	Event
	decisions by way of an ad-hoc announcement and start of management road-show
	Execution of Underwriting Agreement between the Company, the Selling Shareholders and the Sole Global Coordinator
	Approval of the Prospectus by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**"); publication of the Prospectus on the Internet page of the Company (www.ttl-ag.de/en/investor-relations)
23 October 2018	Start of the Pre-placement
24 October 2018	End of the Pre-placement and end of bookbuilding; determination of the Offer Price and Subscription Price
	Determination Resolution I of the Management Board and approval of the Supervisory Board; allocation under the Pre-placement; announcement of the results of the Pre-placement and of the Offer and Subscription Price
	Publication of the Subscription Offer in the German Federal Gazette (*Bundesanzeiger*)
25 October 2018	Commencement of Subscription Period and of the subscription rights trading
29 October 2018	Registration of the implementation of the Capital Increase Tranche I with regard to the final number of New Pre-placement Shares with the Commercial Register
	Decision of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) concerning the admission to trading of the New Pre-placement Shares and the Old Shares
	Delivery of the New Pre-placement Shares and the Old Shares in the collective safe custody system
30 October 2018	Inclusion of the New Pre-placement Shares and the Old Shares in the existing quotation of shares of the Company on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
	Settlement of the Pre-placement Shares to investors in the Pre-placement
5 November 2018	End of subscription rights trading
7 November 2018	End of Subscription Period
	Announcement of the results of the Subscription Offering
	Rump Placement
8 November 2018	Determination Resolution II (as defined below) of the Management Board and approval of the Supervisory Board; allocation under the Rump Placement (as defined below)
9 November 2018	Registration of the implementation of the Capital Increase Tranche II with regard to the final number of New Subscription Offering Shares with the Commercial Register
	Decision of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) concerning the admission to trading of the New Subscription Offering Shares
	Delivery of the New Subscription Offering Shares in the collective safe custody system
12 November 2018	Inclusion of the New Subscription Offering Shares in the existing quotation of shares of the Company on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
	Settlement of the New Subscription Offering Shares and Old Shares allotted to investors in the Rump Placement

3.6 Subscription Offer

The Subscription Offer (*Bezugsangebot*) is described below on the assumption that it will be carried out in accordance with the prospective dates and periods set out in the timetable above. Dates which are in the future at the date of this Prospectus, but which will have passed by the time the Subscription Offer is published in the German Federal Gazette (*Bundesanzeiger*), are therefore described in the past tense. The Subscription Offer (*Bezugsangebot*), which is expected to be published on 24 October 2018 in the German Federal Gazette (*Bundesanzeiger*) will contain the Subscription Price. The relevant sections of text are indicated in the Subscription Offer set out below.

To the extent that there are deviations from the dates set out in the timetable, these will be contained in the Subscription Offer which is expected to be published on or about 24 October 2018.

TTL Beteiligungs- und Grundbesitz-AG
Munich, Germany
(ISIN DE0007501009 / WKN 750100)
(ISIN DE000A2NBWMA / WKN A2NBWM)

Subscription Offer

By resolution of the shareholders' meeting of TTL Beteiligungs- und Grundbesitz-AG (the **"Company"**) of 15 June 2018, amending the Company's articles of association and registered in the commercial register of the local court (*Amtsgericht*) of Munich, Germany, on 20 June 2018, the management board of the Company (the **"Management Board"**) is authorised to increase the share capital of the Company at any time prior to 14 June 2023, with the approval of the Company's supervisory board (the **"Supervisory Board"**), by up to a nominal amount of €8,800,000.00 through the issuance of new no-par value bearer shares against cash contribution (Authorised Capital 2018/II). The shareholders are to be granted subscription rights in such issuance. The Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' statutory subscription rights in the cases described in Article 6a of the Company's Articles of Association and to determine any further rights attached to the shares as well as the terms and conditions of the share issuance.

The Management Board resolved on 16 October 2018, utilising this authorisation, with the approval of the same day of the Supervisory Board, to increase the share capital of the Company by up to €8,800,000.00 by issuing up to 8,800,000 new no-par value bearer shares against cash contribution (the **"New Shares"**) and to exclude subscription rights for up to 18,750 New Shares to avoid fractions (the **"Residual Shares"**). The New Shares carry full dividend rights from 1 January 2018.

Bankhaus Lampe KG (the **"Sole Global Coordinator"**) agreed in an underwriting agreement (the **"Underwriting Agreement"**), which was entered into on 16 October 2018 between the Company, the Sole Global Coordinator, S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH and HVC Beteiligungs GmbH (S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH and HVC Beteiligungs GmbH, together the **"Selling Shareholders"**), subject to certain conditions, including but not limited to the conditions mentioned below under the section "Important notices", to offer New Shares to the existing shareholders of the Company for subscription. The New Shares will be offered to the shareholders at the subscription ratio of 12 : 5, 12 existing shares in the Company entitle their holder to subscribe for 5 New Shares (the **"Subscription Ratio"**) at the subscription price of €(◆) (*the Subscription Price will be contained in the final Subscription Offer which is expected to be published on or about 24 October 2018* (the **"Subscription Price"**)).

Prior to the start of the Subscription Offer, 7,107,077 New Shares attributable to the subscription rights which certain existing shareholders of the Company agreed to assign to the Sole Global Coordinator (the "**Assigned Subscription Rights**") once the subscription rights are booked into the existing shareholders' accounts with the purpose to enable the settlement of the Pre-placement, 18,750 Residual Shares for which subscription rights had been excluded (together, the "**New Pre-placement Shares**") and 3,475,000 existing shares in the Company from the holdings of the Selling Shareholders (the **"Old Shares"**) were offered for purchase in a private placement exclusively to selected investors in Germany and in other countries (other than the United States of America) in accordance with Regulation S of the United States Securities Act of 1933, as amended from time to time (the **"U.S. Securities Act"**) (the **"Pre-placement"**). The price per share in the Pre-placement (the **"Offer Price"**) was determined on the basis of the results of a bookbuilding procedure and is identical to the Subscription Price.

Following termination of the Pre-placement, on 24 October 2018, the Management Board, with the approval of the same day of the Supervisory Board, determined the final number of New Pre-placement Shares and of Old Shares allotted to investors and the Offer and Subscription Price.

The implementation of the capital increase is expected to be registered in the commercial register in two tranches. The implementation of the first tranche of the capital increase in relation to the New Shares allotted in the Pre-placement is expected to be registered in the commercial register of the local court (*Amtsgericht*) of Munich, Germany, on 29 October 2018. The implementation of the second tranche of the capital increase in relation to the final number of New Shares subscribed for by existing shareholders in the course of the Subscription Offering as well as any New Shares allotted following a potential private placement to selected investors in Germany and in other countries (other than the United States of America) in accordance with Regulation S of the U.S. Securities Act after the end of the Subscription Period is expected to be registered in the commercial register of the local court (*Amtsgericht*) of Munich, Germany, on 9 November 2018.

It is expected that the subscription rights (ISIN DE000A2NBTR9, WKN A2NBTR) which are attributable to the shares of the Company (ISIN DE0007501009 / WKN 750100; ISIN DE000A2NBWMA / WKN A2NBWM) will automatically be booked on the evening of 24 October 2018 to the custodial banks through Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany. The custodial banks are responsible for booking of the subscription rights to the shareholders' securities accounts.

We request that our shareholders, in order to avoid exclusion from participation in the capital increase, exercise their subscription rights to the New Shares during the period (the "Subscription Period") from and including

25 October 2018, up to and including 7 November 2018

through their custodial banks at the subscription agent mentioned below during ordinary business hours. Subscription rights which are not exercised within the relevant time limit will expire. No compensation will be awarded for subscription rights which are not exercised.

Subscription agent is Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Germany.

Subscription Ratio and Subscription Rights

Pursuant to the Subscription Ratio, 12 existing shares of the Company entitle their holder to subscribe for 5 New Shares. Shareholders may only subscribe for one share or multiples thereof. The notice of the exercise of subscription rights is binding upon receipt by the subscription agent and cannot be altered afterwards. However, the exercise of the subscription rights is subject to the registration of the implementation of the the two tranches of the capital increase with the commercial register and is also subject to the further restrictions described in the section "**Important Notices**".

Subscription Price

The Subscription Price is €(◆). The Subscription Price must be paid by 7 November 2018, the last day of the Subscription Period, at the latest.

Subscription rights trading

The Subscription Rights (ISIN DE000A2NBTR9/WKN A2NBTR) for the New Shares will be traded in the period from and including 25 October 2018 up to and including 5 November 2018 in the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on XETRA Frankfurt Specialist and XETRA. The subscription agent is prepared to act as the broker in the buying and selling of Subscription Rights on the stock exchange, if possible. No compensation will be awarded for Subscription Rights which are not exercised. After expiration of the Subscription Period, Subscription Rights which are not exercised will expire and become worthless. As of 25 October 2018, the then existing shares of the Company will be listed "ex subscription rights".

The Subscription Rights will be available for continuous trading. The stock exchange price of the Subscription Rights depends, amongst others, on the development of the stock exchange price of the shares in the Company, but may also be subject to considerably stronger price fluctuations.

Bankhaus Lampe KG may take appropriate measures in order to provide liquidity for the orderly subscription rights trading or to perform other activities customary for a subscription rights coordinator, in particular, the buying and selling of Subscription Rights for New Shares. In this respect, Bankhaus Lampe KG reserves the right to conduct hedging transactions in shares of the Company or corresponding derivatives. Such measures and hedging transactions can influence the stock market price and the market price of the Subscription Rights and the shares of the Company. However, it is not certain that active trading in the Subscription Rights will develop and that sufficient liquidity will be available within the Subscription Period.

Important notices

Shareholders and investors are advised to read the Prospectus dated 16 October 2018 (the "Prospectus") carefully prior to making a decision concerning the exercise, acquisition or sale of Subscription Rights and, in particular, to consider the risks described in the section "Risk Factors" of the Prospectus when making their investment decision.

The Sole Global Coordinator is entitled to withdraw from the Underwriting Agreement under certain circumstances. These circumstances include in particular material adverse changes in TTL Group's net assets, financial position or result of operations, unless set out in this Prospectus, substantial restrictions on stock exchange trading or banking business in Frankfurt am Main, London or New York; material adverse changes in the national or international financial, political or economic conditions which could have or are expected to have a material adverse effect on the financial markets in the Federal Republic of Germany, the United Kingdom or the United States of America; the outbreak or escalation of hostilities with the consequence of a national state of emergency or war in the Federal Republic of Germany, Great Britain or the United States of America, or terrorist attacks, other catastrophes, crises or other material adverse changes in the financial, political or economic conditions of the Federal Republic of Germany, Great Britain or the United States of America.

Furthermore, the obligation of the Sole Global Coordinator terminates, if the implementation of the first tranche of the capital increase has not been registered with the commercial register of the local court (*Amtsgericht*) of Munich, Germany, until 30 October 2018, 14:00 CET, and the implementation of the second tranche of the capital increase has not been registered with the commercial register of the local court (*Amtsgericht*) of Munich, Germany, until expiry of 12 November 2018, 14:00 CET, and the Company and the Sole Global Coordinator, in each case, could not agree on a later date.

There will also be a right of termination if the New Pre-placement Shares and the Old Shares have not been admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) by 30 October 2018 and if the New Shares from the second tranche of the capital increase have not been admitted to trading on the stock exchange by 12 November 2018, or, in each case, a later time agreed between the Company and the Sole Global Coordinator.

In the event of a withdrawal from the Underwriting Agreement prior to registration of the implementation of the second tranche of the capital increase with the commercial register of the local court (*Amtsgericht*) of Munich, Germany, excepted to take place

on 9 November 2018, the Subscription Rights of the shareholders will expire. In such a case, subscription rights trading transactions will not be reversed by the brokers. Investors who acquired the Subscription Rights through a stock exchange could, in such a case, suffer a total loss of their investment.

To the extent the Sole Global Coordinator terminates the Underwriting Agreement following the registration of the implementation of the second tranche of the capital increase with the commercial register of the local court (*Amtsgericht*) of Munich, Germany, – scheduled for 12 November 2018 (at the latest) – this shall only affect those New Shares and Old Shares allotted to investors in the Rump Placement, if any, and shall not affect New Shares which were subscribed by the holders of Subscriptions Rights during the Subscription Period. As such, agreements to purchase unsubscribed New Shares, are subject to condition. In the event the shares have already been sold short as of the date of the cancellation of share entries, the seller of these shares shall bear the risk that it will not be able to satisfy its obligations by delivering the New Shares. The shareholders who exercised and did not revoke their Subscription Rights may acquire the New Shares at the Subscription Price.

Shareholders should consider information on the current share price of the Company before they exercise their Subscription Rights at the Subscription Price.

Certification and delivery of New Shares

The New Shares (ISIN DE0007501009 / WKN 750100) will be represented by global share certificates, which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany. Any right of the shareholders to request certification of their respective individual interests is excluded unless such certification is required by the rules of a stock exchange where the shares are listed. The New Shares subscribed under the Subscription Offering are, to the extent the subscription period is not extended, expected to be delivered on 12 November 2018. The delivery of the New Shares will take place through collective safe custody deposit.

Commission

The depositary banks will charge customary commissions for the subscription of the New Shares.

Trading of New Shares on stock exchanges

Admission of the New Shares from the first tranche of the capital increase and Old Shares to trading on the General Standard segment of the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will presumably take place on 29 October 2018. Such shares will presumably be included in the existing listing for the shares of the Company (ISIN DE0007501009 / WKN 750100) on 30 October 2018. Admission of the New Shares from the second tranche of the capital increase to trading on the General Standard segment of the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will presumably take place on 9 November 2018. Such shares will presumably be included in the existing listing for the shares of the Company (ISIN DE0007501009 / WKN 750100) on 12 November 2018.

Publication of the Prospectus

Following a review of the completeness, including the coherence and comprehensibility, of the information provided, the Prospectus was approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the **"BaFin"**) on 16 October 2018, and was published by the Company on its website (www.ttl-ag.de). Printed copies of the Prospectus are available during ordinary business hours free of charge at TTL Beteiligungs- und Grundbesitz-AG, Theresienhöhe 28/I, 80339 Munich, Germany.

Selling restrictions

The New Shares and the Subscription Rights and the Old Shares are not and will not be registered under the U.S. Securities Act, or with the securities supervisory authorities in any of the individual states of the United States of America. The New Shares and Subscription Rights and the Old Shares must not be offered, exercised or sold in or delivered directly or indirectly to the United States of America, other than in reliance on an exemption from the registration requirements of the U.S. Securities Act and the securities laws of the relevant individual states of the United States of America.

In this regard, subject to such exceptions as expressly approved by the Company from time to time, it will be assumed with respect to each person who acquires the New Shares and/or Subscription Rights and/or Old Shares that, in accepting the Prospectus, the New Shares and/or Subscription Rights and/or Old Shares, such person has represented and agreed that it is acquiring the New Shares and/or Subscription Rights and/or Old Shares in a transaction outside the United States of America (offshore transaction), as defined in Regulation S of the U.S. Securities Act.

Stabilisation

In connection with the offer of the New Shares and the Old Shares, Bankhaus Lampe KG is acting as stabilisation manager and may undertake measures, including through companies affiliated with it, with a view to supporting the quoted market or market price of the shares of the Company and the Subscription Rights in order to offset any existing pressure to sell (stabilisation measures).

In connection with the Subscription Offering, the Pre-placement and the Rump Placement, if any, Bankhaus Lampe KG may undertake measures outside of the stock exchanges or by other means for the purpose of supporting the market price of the existing shares or the New Shares of the Company or the Subscription Rights at a level higher than it would otherwise be. Bankhaus Lampe KG may take measures in order to provide liquidity for orderly subscription rights trading or to perform other activities customary for a subscription rights coordinator, in particular, the buying and selling of Subscription Rights for New Shares. In this respect, Bankhaus Lampe KG reserves the right to conduct hedging transactions in shares of the Company or corresponding derivatives.

The stabilisation manager is not obliged to undertake stabilisation measures. There is therefore no assurance that stabilisation measures will be undertaken at all. If stabilisation measures are undertaken, they may be discontinued at any time without prior announcement.

Such stabilisation measures may be undertaken from the time of publication of the Subscription Price and must end no later than on the 30th calendar day after expiration of the subscription period, i.e. expected to be on 7 December 2018 at the latest (stabilisation period).

Stabilisation measures can result in a quoted market or market price of the shares of the Company or of the Subscription Rights that is higher than it would be in the absence of such measures. Furthermore, the quoted market or market price may temporarily reach a level that is not maintained permanently.

Within one week after the end of the stabilisation period, an announcement will be made stating whether or not a stabilisation measure was undertaken, the date on which such stabilisation began, the date on which the last stabilisation measure was undertaken and the price range within which such stabilisation was conducted, specifically for each date on which a stabilisation measure was undertaken.

Munich, 24 October 2018

TTL Beteiligungs- und Grundbesitz-AG
The Management Board"

3.7 Allotment of Subscription Rights

Each existing share of the Company (ISIN DE0007501009, WKN 750100; ISIN DE000A2NBWMA, WKN A2NBWM) entitles to one subscription right. It is expected that as of 25 October 2018, the existing shares of the Company will be quoted "ex-rights" on Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The subscription rights (ISIN DE000A2NBTR9, WKN A2NBTR) relating to the existing shares of the Company (ISIN DE0007501009, WKN 750100; ISIN DE000A2NBWMA, WKN A2NBWM) will automatically be credited by Clearstream Banking Aktiengesellschaft to the depositary banks based on the number if existing shares held as of the evening of the day before the existing shares will be quoted "ex-rights" on the Frankfurt Stock exchange (*Frankfurter Wertpapierbörse*).

3.8 Sale of Subscription Rights

The subscription rights are freely transferable in accordance with applicable laws, subject to the transfer restrictions set forth herein. To the extent the terms and conditions of the depositary banks provide so, these banks will attempt to sell the subscription rights at the best possible price, unless the shareholder entitled to the subscription issues an instruction regarding the exercise of its subscription rights.

3.9 Subscription Rights Remaining Unexercised

Subscription rights remaining unexercised will expire and be of no value.

3.10 Lock-up agreements

The Company has agreed with the Sole Global Coordinator that, as of the date of the Underwriting Agreement, for the period of up to six months following delivery of the New Shares acquired under the Subscription Offering and without the prior written consent of the Sole Global Coordinator, (A) it will not offer or sell or enter into any obligations in this respect for the sale or disposal of (i) bonds which are convertible into shares of the Company or which can be exchanged for such, (ii) shares of the Company or (iii) other securities convertible into or exchangeable for shares of the Company or with a right to subscribe or receive such shares and (B) it will not enter into any swaps or other agreements under which the economic consequences of ownership of shares of the Company are transferred in whole or in part to another party, regardless of whether the transaction is settled through delivery of securities, in cash or in any other manner. This obligation does not apply to the issuance of the New Shares.

The Selling Shareholders and the existing shareholders AR Holding GmbH and Rhein-Main Beteiligungsgesellschaft mbH have agreed with the Sole Global Coordinator that, as of the date of the, Assignment Agreement, for the period of up to 6 months following delivery of the New Shares subscribed under the Subscription Offering, they will not – neither themselves nor through one of their dependent companies – without the prior written consent of the Sole Global Coordinator, (x) offer or sell or enter into any obligations in this respect for the sale or transfer of shares of the Company (including New Shares) or other securities convertible into or exchangeable for shares of the Company (including New Shares) or with a right to subscribe or receive such shares (including New Shares) or (y) enter into any swaps or other agreements under which the economic consequences of ownership of shares of the Company (including New Shares) are transferred in whole or in part to another party, regardless of whether the transaction is settled through delivery of securities, in cash or in any other manner. Such shareholders are, however, allowed, following the registration of the implementation of the Capital Increase Tranche I and the Capital Increase Tranche II with the Commercial Register, to sell shares without the approval of the Sole Global Coordinator outside of the stock exchange, if the purchaser undertakes vis-à-vis the Sole Global Coordinator, similar to the previous undertaking of these shareholders, to comply with the aforementioned limitations with respect to the shares in the Company which are to be acquired until expiry of the 6 months-period.

3.11 Selling restrictions

The New Shares and the Subscription Rights and the Old Shares are not and will not be registered under the U.S. Securities Act, or with the securities supervisory authorities in any of the individual states of the United States of America. Except in reliance on an exemption from the registration and notification requirement of the US securities and stock exchange laws and to the extent that any other applicable US regulations are complied with, the New Shares, Subscription Rights and the Old Shares must not be offered, exercised or sold in or directly or indirectly delivered to the United States of America. In accordance with the Underwriting Agreement, the Sole Global Coordinator, and any persons acting on its behalf, is prohibited from having made or engaged in (i) *Directed Selling Efforts* in the meaning of Regulation S of the United States Securities Act or (ii) *General Advertising* or *General Solicitation*, each within the meaning of Regulation D of the U.S. Securities Act, with regard to the New Shares and Subscription Rights and the Old Shares in the United States of America, or from engaging in such activities in the future.

The Company does not intend to register the Offering or a part thereof in the United States of America or to conduct a public offering of Shares or Subscription Rights in the United States of America.

There are also selling restrictions in the United Kingdom. The Sole Global Coordinator has represented to the Company that

(i) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (**"FSMA"**)), or do so in the future, in connection with the issue or sale of any New Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the New Shares in, from, or otherwise involving the United Kingdom.

The Sole Global Coordinator has further warranted and undertaken in the Underwriting Agreement that it has not and will not publicly offer the New Shares and the Old Shares in any of the Member States of the European Economic Area (EEA) which have implemented the Prospectus Directive (Directive 2003/71/EC) from the date of the implementation of the Prospectus Directive, unless

(i) a prospectus for the New Shares and the Old Shares has been previously published which was approved by the competent authority in such Member State or was approved in another Member State of the EEA which has implemented the Prospectus Directive and the responsible authority in the Member State in which the offer takes place has been informed thereof in compliance with the Prospectus Directive;

(ii) the Offering is extended to legal entities which with respect to their activity are admitted to the financial markets or are supervised or, in the event they are not admitted or supervised, whose sole corporate purpose is to invest in securities;

(iii) the Offering is extended to companies that fulfil at least two of the following three criteria according to their latest annual financial statements or consolidated financial statements: (x) an average number of employees in the last fiscal year of 250 or more, (y) total assets of more than €43,000,000.00 and (z) total net sales revenue of more than €50,000,000.00; or

(iv) the Offering takes place under other circumstances in which the publication of a prospectus by the Company is not required under Section 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*, "**WpPG**") in connection with Article 3 of the Prospectus Directive.

3.12 Underwriting Agreement

The Company, the Selling Shareholders and the Sole Global Coordinator entered into an Underwriting Agreement. In this Underwriting Agreement, the Sole Global Coordinator agreed to offer the New Shares for subscription to the shareholders of the Company.

In accordance with the Underwriting Agreement, the Company is required to pay the Sole Global Coordinator a commission of in total up to €3.1 million based on the assumption that the maximum number of New Shares will be sold at the maximum subscription price and that the additional incentive fee which is payable at the discretion of the Company is fully paid. The commissions to be paid will be lower to the extent to which the Subscription Price is lower than the maximum subscription price and/or to which the actual number of New Shares is lower than the maximum number of New Shares and/or to which the additional incentive fee is not or not fully paid.

In accordance with the Underwriting Agreement, the Selling Shareholders are required to pay the Sole Global Coordinator a commission of in total up to €3.1 million based on the assumption that the maximum number of Old Shares will be sold at the Maximum Offer Price and that the additional incentive fee which is payable at the discretion of the Selling Shareholders is fully paid. The commissions to be paid will be lower to the extent to which the Offer Price is lower than the Maximum Offer Price and/or to which the actual number of sold Old Shares is lower than the maximum number of Old Shares and/or to which the additional incentive fee is not or not fully paid.

The Sole Global Coordinator is entitled to terminate, under certain circumstances, the Underwriting Agreement.

These circumstances include in particular material adverse changes in TTL Group's net assets, financial position or result of operations, unless set out in this Prospectus, substantial restrictions on stock exchange trading or banking business in Frankfurt am Main, London or New York; material adverse changes in the national or international financial, political or economic conditions which could have or are expected to have a material adverse effect on the financial markets in the Federal Republic of Germany, Great Britain or the United States of America; the outbreak or escalation of hostilities with the consequence of a national state of emergency or war in the Federal Republic of Germany, Great Britain or the United States of America; or terrorist attacks, other catastrophes, crises or other material adverse changes in the financial, political or economic conditions of the Federal Republic of Germany, Great Britain or the United States of America.

Furthermore, the obligation of the Sole Global Coordinator terminates, if the implementation of the Capital Increase Tranche I and / or Capital Increase Tranche II have not been entered into the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, until expiry of 30 October 2018, 14:00 CET or 12 November 2018, 14:00 CET, respectively, and the Company and the Sole Global Coordinator could not agree on a later date.

The shareholders who have exercised and not revoked their Subscription Rights may acquire the New Shares at the Subscription Price if the Sole Global Coordinator terminates the Underwriting Agreement following the registration of the implementation of the Capital Increase Tranche II with the Commercial Register.

If the Underwriting Agreement was terminated following the delivery of the New Pre-placement Shares and the Old Shares which have been allotted to investors under the Pre-placement, such termination would only relate to the New Subscription Offering Shares and Old Shares allotted to investors in the Rump Placement, if any.

The right to terminate the Underwriting Agreement can also be exercised following the inclusion of the New Shares in the current quotation. For more information regarding the possibility of the withdrawal of the Sole Global Coordinator from the Underwriting Agreement see section 3.6 "*Subscription Offer*".

3.13 Information on the New Shares offered

3.13.1 Form, voting rights, currency

The New Shares of the Company will be issued in the form of no-par value bearer shares with a calculated notional amount of €1.00 each in the Company's share capital under German law. Each share confers one vote. The New shares are denominated in euro.

For a detailed description of the share capital and of the shares of the Company see section 18.1 *"Share capital and shares".*

3.13.2 Dividend rights, participation in liquidation proceeds

The New Shares carry full dividend rights from 1 January 2018, *i.e.* for the entire financial year 2018 and for all subsequent financial years. In accordance with Section 6 of the Articles of Association of the Company, dividend rights of shares that are issued in a capital increase may also diverge from the provisions of the German Stock Corporation Act (*Aktiengesetz*).

The New Shares participate in any liquidation proceeds in accordance with their notional share in share capital.

3.13.3 ISIN, WKN, stock market symbol

International Securities Identification Number (ISIN):

For the Existing Shares and the New Shares: DE0007501009
For the Subscription Rights to the New Shares: DE000A2NBTR9

Wertpapierkennnummer (WKN – Securities Identification Number)

For the Existing Shares and the New Shares: 750100
For the Subscription Rights to the New Shares: A2NBTR

Stock market symbol

For the Existing Shares and the New Shares: TTO
For the Subscription Rights: TTOR

WKN and ISIN of the New Shares are the same as of the Old Shares and the other Existing Shares of the Company. Currently and until the admission of the Old Shares to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Old Shares are currently deposited in collective custody (*Girosammelverwahrung*) under the ISIN DE000A2NBWMA / German Securities Code A2NBWM. The Old Shares allotted to investors will only be delivered after admission to trading on the General Standard segment of the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under the same ISIN and German Securities Code as the Existing and New Shares (ISIN DE0007501009 / German Securities Code 750100).

3.13.4 Transferability, selling restrictions

The Offer Shares are freely transferable. There are no legal restrictions to trading in them other than those mentioned under sections 3.11 *"Selling restrictions"* and 3.10 *"Lock-up agreements"*.

3.13.5 Announcements

The Articles of Association provide that announcements of the Company will be made in the German Federal Gazette (*Bundesanzeiger*).

3.13.6 Paying agent

The paying agent for the shares of the Company is Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin, Germany.

3.14 Interests of persons involved in the Offering

Subject to the placement of the Old Shares, the Selling Shareholders will receive the proceeds from the sale of the Old Shares. Accordingly, the Selling Shareholders have an interest in the success of the Offering at the best possible terms.

The Sole Global Coordinator has a contractual relationship with the Company and the Selling Shareholders in relation to the Offering and the admission of the New Shares of the Company and the Old Shares to trading on the stock exchange. The Sole Global Coordinator will receive a commission if the transaction is completed successfully. The Sole Global Coordinator or its respective affiliated companies may, from time to time, enter into business relations with TTL AG or may render services to it in the ordinary course of TTL AG's business. The Sole Global Coordinator, or its respective affiliated companies, is currently engaged in various business relationships with TTL AG.

Other than the interests described above, there are not material interests, in particular not material conflicts of interest, with respect to the Offering or the listing of the Offer Shares.

3.15 Expenses charged to the investor

None of the expenses incurred by the Company or the Sole Global Coordinator will be charged to investors. However, investors may be required to bear the fees charged by their custodian bank for the purchase and holding of securities.

4. USE OF PROCEEDS

The Issuer will receive the net proceeds from the Offering resulting from the sale of the New Shares less the commissions of the Sole Bookrunner and other Offering related expenses incurred by the Company. The net proceeds the Issuer will receive from the Offering depend on the actual number of New Shares sold, the Offer Price, the commissions and the Offering related costs.

The Company will not receive any proceeds from the sale of the Sale Shares. The Selling Shareholders will receive the net proceeds from the sale of the Sale Shares less the commissions of the Sole Bookrunner and other Offering related expenses incurred by the Selling Shareholders.

Assuming the sale of all 12,275,000 Offer Shares and an Offer Price of €7.00 per share, corresponding to the maximum subscription price, the gross proceeds from the Offering would be €85.9 million. The Issuer estimates that the total costs (including commissions of the Sole Bookrunner), based on the assumed sale of all 12,275,000 Offer Shares at an Offer Price of €7.00 per share, corresponding to the maximum subscription price, will amount to approximately €5.1 million, of which €3.6 million are attributable to the Company and €1.4 million are attributable to the Selling Shareholders. Accordingly, the Issuer would receive net proceeds from the Offering of approximately €58.0 million and the Selling Shareholders would receive net proceeds from the Offering of approximately €22.9 million.

In the event the final Offer Price per Offer Share is below the Maximum Offer Price of €7.00 or the number of Offer Shares actually sold is lower than the maximum number of 12,275,000 Offer Shares, the gross proceeds, total costs (including commissions of the Sole Bookrunner) and the net proceed shall be calculated on the basis of such lower final Offer Price or lower issue volume and reduced accordingly.

For illustrative purposes: If the maximum number of all Offer Shares is placed, on the assumption of a final Subscription Price of €4.32 per share, corresponding to the XETRA closing price of the shares of the Issuer on 12 October 2018, the gross proceeds from the Offering would be €53.0 million, the estimates costs would €3.4 million (including €2.7 million commissions of the Sole Bookrunner) and the net proceed would be €49.6 million, of which €35.6 million would be attributable to the Company and €14.0 would be attributable to the Selling Shareholders.

The Issuer intends to use the net proceeds from the Offering for the further strengthening of its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets, as well as for the optimisation of the Issuer's financing structure on an opportunistic basis.

5. DIVIDEND POLICY

5.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of profits is determined based on their respective interests in the Issuer's share capital. In a German stock corporation (*Aktiengesellschaft*), resolutions concerning the distribution of dividends for a given financial year, and the amount and payment date thereof, are adopted by the general shareholders' meeting (*ordentliche Hauptversammlung*) of the subsequent financial year upon a joint proposal by the management board (*Vorstand*) and the supervisory board (*Aufsichtsrat*). The shareholders' meeting must be held within the first eight months of each financial year.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company. The distributable profit is calculated based on the Company's annual non-consolidated financial statements prepared in accordance with the requirements of the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) and other applicable German law.

5.2 Dividend Policy

The Issuer has not paid any dividends in the previous years. On 11 October 2018, the Issuer has announced its plans for intended dividend payments for the current and next financial year. Accordingly, it is planned to pay a dividend of €0.10 per Share for the financial year 2018. The Issuer intends to offset its loss carried forward under commercial law by the release of free reserves as part of the preparation of the annual financial statements for 2018. For the financial year 2019, the Issuer aims for an increased dividend payout of €0.20 to €0.25 per Share. Any future dividend payments will be subject to the availability of distributable profits (*Bilanzgewinn*) of the Issuer; the respective annual shareholders' meeting decides on the appropriation of the balance sheet profit based on proposals by the Management Board and the Supervisory Board.

6. DILUTION

The rights of the shareholders to subscribe for the New Shares from the capital increases ensure that each existing shareholder exercising its Subscription Rights will continue to hold its original, nearly unchanged percentage shareholding in the Company's share capital. The shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by 41.76% if such existing shareholder does not exercise any of its Subscription Rights. If the economic value of the Subscription Rights is not taken into account, a capital accretion for the existing shareholder of €1.31 per share would result.

The book value of the shareholders' equity of the Company on a consolidated basis (total assets in the amount of €85.4 million less total non-current liabilities in the amount of €17.5 million and total current liabilities in the amount of €14.9 million less non-controlling interest in the amount of €8.2 million, each as of 31 August 2018) was €44.8 million therefore, €2.13 per share of the Company, calculated on the basis of the number of 21,075,000 issued shares as of 31 August 2018.

Assuming that all of the 8,800,000 New Shares are sold and subscribed for at the subscription price of €7.00 per New Share, the Company expects that the net proceeds from the Offering would amount to €58.0 million (being the result of the gross proceeds of €61.6 million reduced by costs of about €3.6 million). Based on the foregoing, following the implementation of the capital increase by €8,800,000.00 from €21,075,000.00 to €29,875,000.00 by issuing 8,800,000 New Shares against contributions in cash in connection with the Offering, which is expected to be registered with the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, on or about 29 October 2018 and on or about 9 November 2018, the book value of the shareholders' equity of the Company on a consolidated basis as of 31 August 2018, would have been €102.8 million or €3.44 per share (calculated on the basis of the number of 29,875,000 Shares of the Company issued after consummation of the capital increase in connection with the Offering).

This corresponds to an accretion in net equity of the Company by €1.31 or 61.8% per share for the previous shareholders. For purchasers of New Shares or Old Shares, this results in an indirect dilution of €3.56 or 50.9% per share, as the adjusted shareholders' equity of the Company per share undercuts the subscription price of €7.00 per New Share (which will correspond to the offer price for the Pre-placement) by this amount or this percentage.

7. CAPITALISATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables show the capitalisation (including financial debt) of the Company as of 31 August 2018.

Capitalisation	As of 31 August 2018 (unaudited)	As of 31 August 2018 Adjusted for the Offering (unaudited) *
	(in € thousand)	
Current financial liabilities	**14,860**	**14,860**
thereof secured	0	0
thereof guaranteed	0	0
thereof unsecured/unguaranteed	14,860	14,860
Non-current financial liabilities	**17,528**	**17,528**
thereof secured	0	0
thereof guaranteed	0	0
thereof unsecured/unguaranteed	17,528	17,528
Other interest bearing debt	**0**	**0**
Shareholders' funds	**52,991**	**110,958**
thereof share capital	21,075	29,875
thereof capital reserves	49,019	98,186
thereof other reserves	-25,277	-25,277
thereof non-controlling interests	8,174	8,174
Total capitalisation	**85,379**	**143,346**

(Source: unaudited internal information of the Company)
* Assuming all 8,800,000 New Shares had been placed as of 31 August 20108 at the Maximum Offer Price of €7.00 per Share.

Net Financial Indebtedness	As of 31 August 2018 (unaudited)	As of 31 August 2018 Adjusted for the Offering (unaudited) *
	(in € thousand)	
A. Cash	601	58,568
B. Cash equivalents	0	0
C. Trading securities	0	0
D. Liquidity (A+B+C)	**601**	**58,568**
E. Current financial receivables	**2,459**	**2,459**
F. Current bank debt	0	0
G. Current portion of non-current debt	7,204	7,204
H. Other current financial debt	7,655	7,655
I. Current financial debt (F+G+H)	**14,859**	**14,859**
J. Net current financial indebtedness (I-E-D)	**11,799**	**-46,168**
K. Non-current bank loans	0	0
L. Bonds issued	132	132
M. Other non-current financial indebtedness	17,396	17,396
N. Non-current financial indebtedness (K+L+M)	**17,528**	**17,528**
O. Net financial indebtedness (J+N)	**29,327**	**-28,640**

(Source: unaudited internal information of the Company)
* Assuming all 8,800,000 New Shares had been placed as of 31 August 20108 at the Maximum Offer Price of €7.00 per Share.

Since 31 August 2018, there has been no material change to the information contained in the tables above.

7.1 Working Capital Statement

In the Company's opinion, cash flow from operating activities and cash and other liquid resources from existing sources of financing available to it are sufficient to cover the TTL Group's foreseeable payment obligations for a period of at least 12 months following the date of this Prospectus.

7.2 Contingent and indirect liabilities

As set out in the interim consolidated financial statements as of 30 June 2018, there exist contingent liabilities towards GR Capital GmbH in the amount of T€1,311 and to AR Holding GmbH in the amount of T€102 which are conditionally waived. Such liabilities re-emerge, if according to the latest agreement on conditional waivers of 2 October 2018, amending an agreement of 2 January 2017, the relevant threshold of €100 million of TTL AG's equity (pursuant to Section 266 para. 3 A. German Commercial Code) is reached or exceeded (see also section 15.2.3: "*Transactions with AR Holding GmbH, former TR Asset Management and GR Capital GmbH*").

There are no indirect liabilities.

8. SELECTED FINANCIAL DATA

The following tables provide selected financial information as of and for the financial years ended 31 December 2015, 2016 and 2017 derived from the Audited Consolidated Financial Statements, which are included in this Prospectus. The German language originals of the Audited Consolidated Financial Statements were audited by Warth & Klein and each received an unqualified audit opinion by Warth & Klein. The Audited Consolidated Financial Statements included in this Prospectus are translations of the original German language documents. In addition, the tables include unaudited interim financial information for the six months ended 30 June 2017 and 2018.

Prospective investors are encouraged to read the information contained in this section in conjunction with the section entitled "Management's Discussion and Analysis of Financial Results and Operations".

8.1 Selected consolidated income statement data

	Six months ended		Financial year ended		
	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited, unless otherwise stated)	31 December 2016 (audited, unless otherwise stated)	31 December 2015 (audited, unless otherwise stated) *
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Revenue	305	0	10	0	0
Result of operating activities	-456	2	-367	-160	-128
Income from investments	350	126	300	0	0
Profit Share from companies accounted using the equity method	2,208	0	911	0	0
Interest result	-594	20	16 [1]	1 [1]	0 [1]
Earnings before tax (EBT)	1,508	148	860	-159	-128
Profit for the period	1,508	119	860	-159	-128
Profit for the period attributable to TTL AG's shareholders	1,141	119	525	-159	-128
Earnings per share (in €)	0.07	0.01	0.05	-0.02	-0.02

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements; * selected items may deviate from the Audited Consolidated Financial Statements 2015 due to an adjustment following a review by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*), which was reflected in the Audited Consolidated Financial Statements 2016; [1] Unaudited sum of "Other interest and similar income" (audited) and "Interest and similar expenses" (audited).)

8.2 Selected data from the consolidated statement of financial position

	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited) *
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Non-current assets	***74,993***	***4,879***	***46,201***	***4,879***	***0***
Current assets	***3,286***	***1,720***	***941***	***25***	***21***
thereof cash and cash equivalents	621	159	619	20	13
Total assets	**78,279**	**6,599**	**47,142**	**4,904**	**21**
Equity	***44,827***	***6,523***	***31,055***	***4,719***	***-128***
Attributable to TTL AG's shareholders	36,660	6,523	23,255	4,719	-128
Non-controlling interests	8,167	0	7,800	0	0
Non-current liabilities	***25,615***	***0***	***8,396***	***0***	***25***
Bonds	8,320	0	8,053	0	0
Long-term financial liabilities	17,295	0	343	0	25
Current liabilities	***7,837***	***76***	***7,691***	***185***	***124***
Total Equity and Liabilities	**78,279**	**6,599**	**47,142**	**4,904**	**21**

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements; * selected items may deviate from the Audited Consolidated Financial Statements 2015 due to an adjustment following a review by the German Financial Reporting Enforcement Panel (*Deutsche Prüfstelle für Rechnungslegung*), which was reflected in the Audited Consolidated Financial Statements 2016)

8.3 Selected data from the consolidated cash flow statement

	Six months ended		Financial year ended		
	30 June 2018 (unaudited)	30 June 2017 (unaudited)	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited)
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Cash flow from operating activities	-669	-45	-394	-144	-120
Cash flow from investment activities	-89	-1,400	-657	0	0
Cash flow from financing activities	760	1,584	1,629	150	50

(Source: Audited Consolidated Financial Statements and Interim Consolidated Financial Statements)

9. PROFIT FORECAST

9.1 Profit forecast for the Issuer for the current financial year 2018

On 25 September 2018, the Issuer has announced that, based on the positive development of the business in the first half-year of 2018, recent developments after 30 June 2018 as well as an increase in participations, it expects for the year 2018 a consolidated profit of about €4.1 million.

The profit forecast in this section contains no statements of fact and should not be construed as such by potential investors. Rather, it only contains expectations of the Issuer's management in relation to the outcome of the Issuer. The assumptions and expectations of the management for the future are based on experience from past events and actions and are naturally subject to considerable uncertainty. Potential investors should not rely unreasonably on these assumptions and expectations.

The forecasted profit is the annual result of the Issuer and its group, including minority interests after income taxes accounted for under IFRS.

For the purpose of determining the profit forecast, the result was calculated as follows:

- revenues from service contracts
- minus personnel expenses
- less income from other operating income / expenses
- plus at-equity earnings TTL Real Estate GmbH, including the GEG Group
- plus other investment income
- less net interest result
- net of income taxes

Based on current earnings and business development in the financial year 2018 up to the date of this Prospectus, the Issuer expects a consolidated net income including the income of non-controlling shareholders after taxes without taking into account effects of the capital measure described in this Prospectus.

9.2 The Underlying Principles

The profit forecast for the financial year 2018 was prepared in accordance with the principles of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, **"IDW"**) IDW Accounting Practice Statement: Preparation of Profit Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses and Profit Estimates on the basis of Preliminary Figures (IDW AcPS HFA 2.003) (*IDW Rechnungslegungshinweis: Erstellung von Gewinnprognosen und –schätzungen nach den besonderen Anforderungen der Prospektverordnung sowie Gewinnschätzungen auf Basis vorläufiger Zahlen (IDW RH HFA 2.003)*).

The profit forecast for the financial year 2018 was based on the accounting principles of IFRS and the presentation, accounting and valuation methods used by the Issuer in the Consolidated Financial Statements 2017 has applied. In this regard, please refer to the presentation in the notes to the Consolidated Financial Statements 2017.

The profit forecast for the financial year 2018 is influenced by a number of factors and is based on certain assumptions made by the Issuer's management which are listed below.

9.3 Factors and Assumptions

9.3.1 Factors beyond the Issuer's control and related assumptions

The Issuer's profit forecast for the financial year 2018 is generally subject to factors that are completely beyond the control of any or all of the Issuer's subsidiaries. The factors and related assumptions of the Company are described below:

Factor: Unforeseen events such as force majeure.

For the purposes of the profit forecast, the Issuer assumes that there will be no material unforeseen events that could result in material or permanent restrictions to the Issuer's ongoing operations, such as force majeure (e.g. fires, floods, earthquakes or terrorist attacks), strikes, extraordinary macroeconomic events or war.

Factor: Legislative and other regulatory measures.

For the purposes of the profit forecast, the Issuer assumes that there will be no or only insignificant changes to the current regulatory framework and that no significant changes in the legal framework, e.g. of investment and tax law occur.

Factor: Economic development of the real estate industry.

The Issuer assumes for the purposes of the profit forecast that

- at least there will be no negative economic development in and for Germany;
- the labour market remains robust and the rental market is stable;
- at least there will be no negative development in the commercial real estate market;
- the Issuer and its related companies can at least maintain their competitive position.

Factor: Result of the TTL Real Estate GmbH/German Estate Group.

The Issuer has used the current profit forecasts of the German Estate Group for its planning, which is included pursuant to IAS 28 in the forecast for the profit forecast of the Issuer. For this reason, the result of the Issuer is determined by the cost and revenue situation of the GEG Group and its achievement of objectives.

TTL Real Estate GmbH / the GEG Group's earnings are dependent on the conclusion of corresponding contracts with customers by the GEG Group. Whether these contracts are actually concluded, cannot be influenced by the Issuer.

9.3.2 Factors over which the Issuer has limited control

In addition, other factors may influence the result for the financial year 2018, on which the Issuer may exert limited influence. The relevant assumptions are presented below. The assumptions relate to the assets of the Issuer at the time of the Prospectus, without taking into account effects of the capital measure described in this Prospectus:

Factor: Result of the GEG Group and TTL Real Estate GmbH

The Issuer has used the current earnings forecasts of the TTL Real Estate GmbH, including the GEG Group, for its planning, which is included pursuant to IAS 28 in the forecast for the consolidated earnings of the Issuer. For this reason, the result of the Issuer is determined by the cost and revenue situation of TTL Real Estate GmbH including the GEG Group and its achievement of objectives.

In addition to current income from asset and property management, the achievement of transaction based fees is an essential part of the business model of the GEG Group. The earnings forecast for the financial year 2018 of the GEG Group is significantly influenced by such income. Achieving the profit forecast of the Issuer for the financial year 2018 thus depends on the generation of these revenues by the GEG Group.

Due to the Issuer's increased shareholding in the GEG Group during the financial year 2018, the Issuer expects a higher share of earnings in comparison to the financial year 2017.

Factor: Operational effort.

Due to the operational development of the company, which was not started until the end of the 2017 financial year, the company expects an increase in personnel expenses and other operating expenses compared to the year 2017

Factor: Share of earnings of the GEG Group.

Due to the higher shareholding in the German Estate Group during the financial year 2018, the Issuer expects a higher share of earnings in comparison to the financial year 2017.

Factor: Interest expense.

Overall, the Issuer expects that interest expense for the financial year 2018 will be higher than in previous years, mainly due to the financing of the Issuer's acquisition of stakes in TTL Real Estate GmbH.

Factor: Costs of capital increase.

The capital increase described in this Prospectus will incur costs for the Issuer. The Issuer assumes that these costs for the most part are to be recognized directly in equity according to IAS 32.35 and therefore do not affect the forecasted profit after tax.

Factor: Tax expenses.

The Issuer expects stable corporate and trade tax rates, and that there will be no further changes in the tax environment or in the tax laws in the current financial year 2018. For the most part, the Issuer generates investment income that is not or only slightly taxable, and therefore assumes that there will be no income tax expenses.

9.4 Other explanatory notes

Exceptional results or results from non-recurring activities within the meaning of the IDW Accounting Guidelines (IDW RH HFA 2.003, item 21) are included in the profit forecast as described above. This guidance for financial year 2018 is derived from the results for financial year 2018 previously communicated in the Issuer's report for the first half year of 2018.

With regard to the other factors underlying the profit forecast that are not material within the meaning of IDW AcPS AAB 2.003, the Issuer assumes developments similar to the previous year's business development.

Since the profit forecast relates to an unfinished period and has been prepared on the basis of assumptions about future uncertain events and actions, it is naturally subject to considerable uncertainty. Due to these uncertainties, it is possible that the actual result of the Issuer for financial year 2018 will deviate significantly from the forecasted result.

The profit forecast was prepared on 25 September 2018.

9.5 Auditor's report on the profit forecast of the Issuer for the current financial year 2018

To TTL Beteiligungs- und Grundbesitz-AG, Munich:

We have audited whether the consolidated profit forecast prepared by TTL Beteiligungs- und Grundbesitz-AG for the period from 1 January 2018 to 31 December 2018 was prepared in accordance with the bases of preparation described in the notes to the consolidated profit forecast, as well as whether these bases of preparation are in accordance with the accounting principles and the reporting and accounting policies applied by the Company. The consolidated profit forecast comprises the forecasted consolidated profit for the period from 1 January 2018 to 31 December 2018 and the notes to the consolidated profit forecast.

The preparation of the consolidated profit forecast, as well as the factors and assumptions presented in the notes to the consolidated profit forecast are the responsibility of the Company's management.

Our responsibility is to express an opinion, based on our audit, as to whether the consolidated profit forecast was prepared in accordance with the bases of preparation described in the notes to the consolidated profit forecast, as well as whether these bases of preparation are in accordance with the accounting principles and the reporting and accounting policies applied by the Company. Our engagement did not include the audit of the assumptions identified by the Company which formed the basis for the consolidated profit forecast, or to audit the historical financial information contained in the notes.

*We performed our audit in accordance with IDW Auditing Practice Statement: The Audit of Profit Forecasts and Estimates in accordance with IDW AcPS HFA 2.003 and Confirmation regarding Profit Estimates on the basis of Preliminary Figures (IDW AuPS 9.960.3) issued by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V., IDW*). Those standards require that we plan and perform the audit such that material errors in the preparation of the consolidated profit forecast on the bases stated in the notes to the consolidated profit forecast and in the preparation of these bases* *in accordance with the accounting principles and the reporting and accounting policies applied by the Company are detected with reasonable assurance.*

Since the consolidated profit forecast has been prepared for a period which has not yet ended on the basis of assumptions about uncertain future events and actions, it is by its nature subject to considerable uncertainty. Due to this uncertainty, it is possible that the Company's actual consolidated profit for the period from 1 January 2018 to 31 December 2018 will differ significantly from the forecasted consolidated profit.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on the findings of our audit, the consolidated profit forecast has been prepared in accordance with the bases of preparation described in the notes to the consolidated profit forecast. These bases for preparation are in accordance with the accounting principles and the reporting and accounting policies applied by the Company.

Nuremberg, 25 September 2018

Rödl & Partner GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann	*Luce*
Wirtschaftsprüfer	*Wirtschaftsprüfer*
(German Public Auditor)	*(German Public Auditor)*

10. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of TTL Group's financial condition and results of operations is based on, and should be read in conjunction with the Consolidated Financial Statements and other financial information contained in this Prospectus. The review includes forward-looking statements, which are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those expressed or implied herein. For a discussion of some of those risks and uncertainties, see section 2.8: "General Information – Forward-Looking Statements" and section 1: "Risk Factors". For an overview on important selected financial data, see "Selected Financial Data".

10.1 Overview

The TTL Group is active in the real estate investment and asset management business with valuation exposure limited to co-investments where the TTL Group is exposed to a risk with regard to its (typically) up to 5% stake in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%). The Issuer is a holding company which holds direct and indirect stakes in operational investment and asset management companies. The main operational business of the TTL Group is currently located within the GEG Group (in which the Issuer holds an indirect stake). The GEG Group acquires real estate with the intention of managing it as an asset manager for institutional investors. For this purpose, real estate is either acquired on the GEG Group's own account and then structured to the needs of investors, with a rather short-term (typically 6 to 18 months at a maximum) holding period for of these real estate assets, or in other cases, the investor is already identified at the time the real estate is acquired. To align interest with the respective investor, the GEG Group might hold a minor equity co-investment.

The GEG Group runs on the one hand, as a service and consulting company for real estate owners, an "asset light" business, as it does not hold real estate assets as investment property on its own balance sheet. On the other hand, the GEG Group is, in its capacity as management services provider, responsible for the developments of the project for their clients, but not involved in the financial risks of real estate development itself (except, as stated above, for co-investments where the TTL Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property, in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%).

In setting up a structure for the GEG Group's institutional investors and placing the real estate into this, GEG Group generates, depending on the deal-structure and negotiations with investors an acquisition fee (usually calculated as a percentage of the purchase price of the respective property) and/or a financing fee (usually calculated as a percentage of the debt in the financing structure). GEG Group may also generate income in connection with the placement of the respective property and setting up of a regulated structure.

During the following management phase of usually five to ten years GEG Group generates ongoing fee income for asset and property management services (whereas property management is executed by a third party provider) based on the value of the assets under management (AuM) or the rent-income related to the property (where the GEG Group considers for AuM the expected project volume after project finalisation, even for projects currently under development). These Fees may in addition also include remuneration for (re-)letting of the property or managing Capex and Tenant Improvement-Measures.

For executing of the sale of the property after the management phase, GEG Group earns a disposition fee as a percentage of the sales proceeds and may also obtain a Promote Fee depending on the total return of the project.

GEG Group as Co-Investor also benefits from the property's net current income in the management phase and the gain from the sale of the property according to the amount of its participation.

Due to the fact that the TTL Group's consolidated annual financial statements for the last three years are hardly comparable and that the TTL Group's most important participation is its stake in the GEG Group (which is held via TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), the Issuer has decided to include into the Prospectus also the audited annual financial statements of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) as of 31 December 2017 and 2016 (see F-114 et seqq), both under the German Commercial Code (*Handelsgesetzbuch; HGB*).

10.2 Key Factors Affecting Results of Operations

In the Management's view, the following are the key factors that have affected the TTL Group's results of operations over the past three years, and are likely to continue to affect its results of operations:

10.2.1 No or limited operational activity

In 2015 and 2016, the TTL Group had neither direct nor indirect operational activities. The Issuer itself is a mere holding company. Furthermore, the profit/loss from investments accounted for at equity was a key factor in the results of operations of the TTL Group in 2017. In addition, the TTL Group expects that profit/loss from investments accounted for at equity will continue to have a material effect on the results of operations in the future as long as relevant investments are held by TTL and are accounted for using the equity method.

On 21 December 2016, AR Holding GmbH contributed and transferred a 12.56% of the outstanding share capital in DIC Capital Partners (Europe) GmbH with a value of €4.8 million as part of the Issuer's reorganisation. Therefore, the indirect operational activities only started effectively as in 2017. From July 2017 to August 2018 the Issuer acquired several indirect stakes in GEG, resulting in a book value of around €69.0 million per end of June 2018 and more than €70 million at the date of this Prospectus, which currently is the Issuer's main income and business stream. The Issuer holds 50% of TTL Real Estate GmbH's voting shares, the TTL Real Estate is the 75% shareholder of GEG, therefore the Issuer holds no majority interest in the GEG Group.

10.2.2 Demand and market conditions

The TTL Group's business is highly dependent on the German commercial real estate markets. Demand for commercial real estate units, sales prices and the ability of investors to invest in real estate projects are affected by macroeconomic factors such as the state of the economy, interest rates, the unemployment rate, as well as by demographic factors such as population growth and urbanisation. The TTL Group mainly intends to invest in the Top 7 German Cities for commercial real estate as well as in metropolitan areas and has its current emphasis on the metropolitan areas of Frankfurt am Main, Munich, Cologne and Dusseldorf which Management beliefs to be the most attractive commercial real estate markets in Germany.

10.2.3 Availability of real estate projects

The TTL Group is dependent on the availability of real estate projects. In the financial year 2017, the TTL Group, via the GEG Group, has been successful in sourcing real estate projects and investors. The TTL Group typically acquires real estate only on a project-related basis where the later use and placement to the final management structure is in many cases pre-determined prior to the respective acquisition. In order to efficiently use the GEG Group's available equity, the purchase price is usually not financed with equity only, but rather by a financing mix, usually consisting of debt, provided by both banks and TTL Real Estate GmbH as mezzanine finance provider as well as well as equity financing provided by the GEG Group. The GEG Group may hold the respective property on its own account for a short period of time (typically 6 to maximum 18 months) before it is placed to the final investment- and management structure, e.g. a fund.

10.2.4 No segment reporting and limited direct operational activities

The Issuer, TTL Beteiligungs-und Grundbesitz-AG, is a holding company with no substantial income from direct operating activities with third parties (except consulting services in holding functions, e.g. in management, controlling and financing issues). The Issuer holds no majority stakes in any of its operational subsidiaries and associated companies, therefore, only non-operational companies are fully consolidated in the consolidated annual financial statements for the last three years. As a result, the consolidated annual financial statements for the last three years do not differentiate the different streams of income, but rather show income related to investment and financing activities which mainly consists of returns from DIC Capital Partners (Europe) GmbH and the GEG Group and interest expenses.

10.2.5 Types of asset management fees

The TTL Group, via the GEG Group, acquires real estate with the intention of managing it as an asset manager for institutional investors on a long-term basis. In the course of the real estate asset management, different types of fees are charged to investors. These fees are not standardised in the same amounts or percentage numbers, but do vary, depending on the respective individual real estate project. The fee structure may vary by different projects. Therefore, it is hardly possible to provide fee ranges in this Prospectus which will allow for a serious analysis. In addition, Management believes that the success of the GEG Group is also based on its fee structures, and that therefore, the presentation of such fees in detail would result in a competitive disadvantage for the GEG Group and consequently the TTL Group. (For details on the types of fees generated by the GEG Group, see section 12.8.3 "*Phases of the value chain*"; for details on selected financial information relating to the GEG Group see section 10.12 "*Selected financial information from the consolidated annual financial statements of the GEG Group*".)

10.3 Factors Affecting the Comparability of Financial Information

The TTL Group has undergone substantial change in the last years: taking into account that the TTL Group's consolidated financial statements as of 31 December 2015 had shown a balance sheet total of T€21, it has grown to T€47,142 as of 31 December 2017, and even to T€78,279 as of 30 June 2018. In 2015, the TTL Group has not had any operational activities at all, and no stakes, neither directly nor indirectly, in any operational companies or businesses. As of the date of this Prospectus, the Issuer, in its capacity as the parent company of the TTL Group, does not generate substantial income from direct operating activities with third parties, however, it generates on the one hand income from its stake in the GEG Group and on the other hand from its indirect minority participation in the Deutsche Immobilien Chancen Group and hereby gains an indirect income from investment through its indirect shareholder position at DIC Asset AG. (For details of the corporate changes, in particular the capital increases either by contributions in kind or by cash contribution, please see section 17.3 "*Capital Measures in the last three financial years*").

As a result, the comparability of the financial information contained in this Prospectus is rather low.

10.4 Critical Accounting Policies

The following section summarizes such of the TTL Group's accounting policies which, in the opinion of the Management, are important for the presentation of the financial condition and results of operations of the TTL Group, and whose application necessarily entails judgments, assumptions or estimates, which require subjective or complex assessments to be made. These assessments could subsequently prove to be inaccurate and therefore result in changes in the relevant financial information.

TTL Beteiligungs- und Grundbesitz-AG reports financial assets accounted for using the equity method of €40.3 million in its consolidated financial statements as at 31 December 2017 and of €69.0 million as at 30 June 2018, respectively. These include profit shares in companies accounted for under the equity-method (IAS 28) in the amount of €0.9 million for the year 2017 and €2.2 million for the first half-year 2018. This results from the shares acquired in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH, an associated company of TTL Beteiligungs- und Grundbesitz-AG).

In the 2017 financial year the Issuer acquired by ways of a contribution in kind against the issuance of shares in the Issuer as well as the subscription of a convertible bond from the Company, an indirect shareholding in TTL Real Estate GmbH in the amount of a €39.4 million in total. In the first half-year 2018, the Issuer acquired additional shares for €28.4 million in TTL Real Estate GmbH. The shares were recognised at cost in accordance with IAS 28.10. In order to determine the fair value, the Issuer relied on company values determined by their own assumptions and accompanied results of an independent expert. In both cases, they were assessed according to the net income value method (discounted cash flow).

The result of the assessment is strongly dependent on the planning assumptions and the capitalisation interest rate used and is therefore associated with significant valuation uncertainty. These facts are of particular significance given the amount of the valuations and the effects of the significant valuation uncertainty on the share acquisition costs and therefore on the company's consolidated financial statements. Should the planning assumptions and the capitalisation interest rate used have to be amended, it could be necessary for the Issuer to re-asses those valuations and to recognise an impairment loss on the current book-value of its investments.

As the associated company, TTL Real Estate GmbH, is itself a parent company, profit or loss, other comprehensive income and net assets must be considered in the same way that they are shown in the consolidated financial statements of the associated company after adjustments to the application of uniform accounting methods across the Group according to IAS 28.27 when applying the equity method. TTL Real Estate GmbH is not obliged to prepare consolidated financial statements and did not prepare such statements voluntarily. The Issuer therefore determined a consolidated result for the update of the equity valuation approach based on the information available to the Issuer. As the Issuer did not have all of the information necessary to prepare a consolidated financial statement, the Management Board delineated the scope of consolidation, made an adjustment to Group-uniform accounting methods, determined and carried forward the acquired dormant reserves and determined a consolidated result based on the available statements under German commercial law and its own assumptions and estimations. These facts were of particular significance given the dependence of the valuation of the financial assets in question on the assumptions and estimations of the Management Board and their amount.

10.5 Results of Operations

The following table sets forth certain of the TTL Group's historical revenue and expense items for each of the periods indicated:

	Six months ended	
	30 June 2018 (unaudited)	**30 June 2017 (unaudited)**
	€ thousand	**€ thousand**
Revenues	305	0
Personnel expenses	-459	0
Other operating expenses	-302	2
Result of operating activity	**-456**	**2**
Share of the profit or loss from companies accounted for under the equity method	2,208	0
Income from investments	350	126
Interest result	-594	20
Financial result	**1,964**	**146**
Earnings before taxes	1,508	**148**
Income taxes	0	-29
Profit for the period	**1,508**	**119**
attributable to TTL AG's shareholders	1,141	119
Earnings per share (diluted and undiluted being the same)	€0.07	€0.01

(Source: Interim Consolidated Financial Statements)

10.5.1 Comparison of the Six Months ended 30 June 2018 and 30 June 2017

In the six months ended 30 June 2018, the TTL Group recorded revenues of T€305 which resulted from management services of the Issuer to DIC Capital Partners (Europe) GmbH as well as to TTL Real Estate GmbH, compared to no revenues in the same period in 2017. Since the company only started to set up corporate structures and personnel in the second half of 2017, significantly lower operating expenses were incurred in the first half 2017 compared to the same period in 2018.

With regard to profit shares from companies accounted for under the equity method, the Issuer had an income of T€2,208 as of 30 June 2018, attributable to its shareholding in TTL Real Estate GmbH compared to T€0 in the same period of the previous year as the company still held no shares in TTL Real Estate GmbH. The income from investments has grown considerably to T€350 in the period ended 30 June 2018, compared to T€126 to the period ended 30 June 2017. This increase results from dividends which the Issuer is entitled to on the basis of a corresponding dividend resolution in June 2018.

The change in interest result from T€20 in the first six months 2017 to T€-594 is attributable to the issuance of the Issuer's Bond in December 2017 and the financing of acquisitions of stakes in TTL Real Estate in the first half of 2018.

The increase of the financial result to T€1,964 and the EBT to T€1,508 in the first six months ended 30 June 2018 compared to T€146 and T€148 respectively in the period ended 30 June 2017 mainly results from the increase in profit shares from companies accounted for under the equity method.

The profit for the period attributable to TTL AG's shareholders increased to T€1,141 in the first six months ended 30 June 2018 compared to T€119 in the period ended 30 June 2017.

10.5.2 Comparison of the financial years ended 31 December 2017, 2016 and 2015

	Financial year ended		
	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited)
	€ thousand	€ thousand	€ thousand
Revenues	10	0	0
Other operating income	62	28	5
Personnel expenses	-124	0	0
Depreciations	-1	0	0
Other operating expenses	-315	-188	-133
Result of operating activity	**-367**	**-160**	**-128**
Income from investments	300	0	0
Profit shares from companies accounted for under the equity method	911	0	0
Other interest and similar income	266	1	0
Interest and other expenses	-250	0	0
Financial result	**1,227**	**0**	**0**
Earnings before taxes	860	-159	-128
Taxes on income	0	0	0
Net income for the period	**860**	**-159**	**-128**
Total comprehensive income	**860**	**-159**	**-128**
of which due to TTL AG shareholders	525	-159	-128
of which due to other shareholders	335	0	0
Earnings per share			
Undiluted earnings/diluted earnings per share (in €)	0.05	-0.02	-0.02

(Source: Consolidated Financial Statements)

Due to its operational inactivity, the Issuer had not recorded any revenues for the financial years 2015 and 2016. For the financial year 2017, the Issuer had recorded revenues of T€10 which resulted from services provided by the Issuer to DIC Capital Partners (Europe) GmbH.

Other operating income in the amount of T€62 in the financial 2017 includes mainly proceeds from the sale of financial assets of T€56, compared to T€28 in the financial year 2016 which is mainly attributable to the derecognition of liabilities in the amount of T€25. In the financial year 2015, other operating income of T€5 resulted from the release of provisions.

Since the Issuer had no employees in 2016 or 2015, personnel expenses are only recorded for the financial year 2017 in the amount of T€124.

The increased other operating expenses in 2017 (T€315), compared to T€188 and T€133 in 2016 and 2015 result mainly from increased costs for the preparation of the annual financial statements as well as legal and consultation fees, mainly attributable to the changes in the Issuer's share capital and the issuance of new shares in 2017.

The financial result of T€1,227 in the financial year 2017 is a result of the profits shares received from companies accounted for under the equity method. Since the Issuer had neither companies accounted for under the equity method nor investments in 2015 or 2016, there is no equivalent income for these years.

In 2017 the company earned an income from investments (dividends from DIC Capital Partners (Europe) GmbH) of T€300 and a profit of T€911 attributable to the indirect shareholding in TTL Real Estate GmbH accounted for under the equity-method, whereas no such income was earned in the years 2015 and 2016, where those shares still not where held by the issuer. The Financial result of T€1,227 in the financial year 2017 is mainly a result of the profits shares received from companies accounted for under the equity method. Since the Issuer had neither companies accounted for under the equity method nor investments in 2015 or 2016, there is no equivalent income for these years.

In the last three financial years, the EBT corresponded to the net income for the period, since the taxes on income were always T€0. While there were no taxes on income in 2015 and 2016 due to the fact that losses were generated, the amount of T€0 in 2017 results from the fact that income from participations mainly arises tax-free.

The profit for the period attributable to TTL AG's shareholders increased in 2017 to T€525 compared to T€-159 in 2016 and T€-128 for the financial years 2016 and 2015 respectively.

The earnings per share have increased to €0.05 in 2017, compared to €-0.02 both in 2016 and 2015. Undiluted earnings per share are calculated by forming the ratio from the profits in 2017 or the losses for the 2016 and 2015 to which the equity provider is entitled and the average number of shares issued during the financial year.

If the average number of shares outstanding is increased by all conversion and options rights, this shall lead to diluted earnings per share. It is assumed that convertible bonds will be exchanged for shares and net profits will be adjusted by interest expenses.

No dilution effects resulted from conversion rights in the financial year. As a result, diluted earnings per share are identical to undiluted earnings per share.

10.6 Liquidity and Capital Resources

10.6.1 Overview of Capital Resources

The Issuer's primary sources of liquidity are cash from investing activities (dividends received), intra-group loans as well as proceeds from the issuance of securities, i.e. shares and convertible bonds.

As of 30 June 2018 the Issuer had cash of T€621, mainly as a result from the Issuer's capital increases for cash in the first half year of 2018.

As of 31 December 2017, the Issuer had cash of T€619, compared to T€20 as of 31 December 2016 and T€13 as of 31 December 2015. The increase in the cash position is mainly a result from the Issuer's capital increases for cash in 2017.

10.6.2 Cash flow of the six months' period ended 30 June 2018 and 30 June 2017

The following table shows certain information related to the cash flows of the Issuer in the indicated periods (cash and cash equivalents as of the end of the indicated periods):

	30 June 2018	**30 June 2017**
	€ thousand	**€ thousand**
Cash flow from operating activity		
Earnings before taxes	1,508	148
Profit shares from companies accounted for under the equity method	-2,208	0
Investment income	-350	-126
Interest result..	594	-20
Other non-cash income/expenses and profit neutral changes in in operating receivables / payable	-213	-47
Cash flow from operating activity................	**-669**	**-45**
Acquisition of investment	-89	0
Payments for loans	0	-1,400
Cash flow from investment activity.............	**-89**	**-1,400**
Payments from capital increases	2,472	1,584
Repayments of liabilities	-1,712	0
Cash flow from financing activity................	**760**	**1,584**
Increase/decrease in cash and cash equivalents	2	139
Cash and cash equivalents 1 January.............	619	20
Cash and cash equivalents 30 June............	**621**	**159**

(Source: Interim Consolidated Financial Statements)

There was no outflow of funds as a result of financing the investments in TTL Real Estate GmbH through capital increases or long-term loans. Inflows from the cash capital increase were spent on debt repayment and financing ongoing business operations. The amount of cash funds remained almost the same in the first half of 2018 on balance and amounts to T€621 (start of the year: T€619).

10.6.3 *Cash flow of the financial years ended 31 December 2017, 2016 and 2015*

The following table shows certain information related to the cash flows of the Issuer in the indicated periods (cash and cash equivalents as of the end of the indicated periods):

	31 December 2017 (audited) € thousand	31 December 2016 (audited) € thousand	31 December 2015 (audited) € thousand
Cash flow from operating activity			
Earnings before taxes	**860**	**-159**	**-128**
Adjustments:			
Depreciation of property, plant and equipment	1	0	0
Increase/decrease in provisions	123	15	3
Investment income	-300	0	0
Profit shares from companies accounted for under the equity method..............................	-911	0	0
Proceeds from the sale of financial assets....	-56	0	0
Other non-cash income/expenses	-8	0	0
Interest income..	-266	0	0
Interest expenses..	250	0	0
Income tax expenditure	0	3	3
Income tax paid...	-35	0	0
Changes to assets and liabilities.................			
- Remaining (financial) assets	-46	-1	0
- Trade accounts payable and other liabilities	-7	-2	2
Cash flow from operating activity................	**-394**	**-144**	**-120**
Cash flow from investment activity			
Payments from the sale or acquisitions of property, plant and equipment	-6	0	0
Payments for purchasing other equity investments	-971	0	0
Payments for purchasing consolidated companies...	-149	0	0
Inflows for short-term loans.............................	1,400	0	0
Payments for short-term loans	-1,400	0	0
Interest received	264	0	0
Dividends received	149	0	0
Payments from the sale of financial assets	56	0	0
Cash flow from investment activity	**-657**	**0**	**0**
Cash flow from financing activity			
Inflows from capital increases	1,494	150	0
Inflows from loans received from associated companies	1,150	0	50
Repayment of loans to associated companies .	-1,000	0	0
Interest paid..	-14	0	0
Cash flow from financing activity	**1,629**	**150**	50
Changes in cash and cash equivalents........	578	6	**-70**
Changes in cash and cash equivalents caused by changes in the scope of consolidated companies...	21	0	0
Cash and cash equivalents at the start of the reporting period...	19	13	83
Cash and cash equivalents at the end of the reporting period.....................................	**619**	**19**	**13**

(Source: Consolidated Financial Statements)

Operating cash flow/cash flow from operating activities: It is based on the profit for the period, which is adjusted for non-cash income and expenses and items attributable to investing and financing activities and supplemented by non-income-related operating payments. In the financial years 2015 to 2017, operating cash flow was at T€-120, T€-144 and T€-394 respectively as the operating costs mainly for personnel, legal advice and other consultancy services were not completely covered by operational income.

Cash flow from investing activities: In 2015 there were no investing activities. Investing activities in 2016 and 2017 as far as they were related to the acquisition of shares in DIC Capital Partners (Europe) GmbH and TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) were mainly contemplated by contributions in kind with no cash payments, except for the acquisition of a stake in DIC Capital Partners (Europe) GmbH for T€971. The cash investment activities in 2017 were mainly related to issuance and repayments of loans to related companies by utilising the proceeds from financing activities.

Cash flow from financing activities: relate to cash contributions by capital increases and loans received by or repaid to related parties. In return for the issuance of the bond and the other long-term liabilities assumed, the Company received shares in TTL Real Estate GmbH without effecting the Issuer's cash and cash equivalents.

10.6.4 Liabilities

The following table summarises the Issuer's group liabilities (and current assets, which are needed for the calculation of net debt).

Net Financial Indebtedness	**30 June (unaudited)**		**31 December (audited)**		
(in T€)	**2018**	**2017**	**2017**	**2016**	**2015**
A. Cash	621	159	619	20	13
B. Cash equivalents	0	0	0	0	0
C. Trading securities	0	0	0	0	0
D. Liquidity (A+B+C)	**621**	**159**	**619**	**20**	**13**
E. Current financial receivables	**2,616**	**1,414**	**248**	**1**	**0**
F. Current bank debt	0	0	0	0	0
G. Current portion of non-current debt	0	0	0	0	0
H. Other current financial debt	7,586	0	7,349	2	52
I. Current financial debt (F+G+H)	**7,586**	**0**	**7,349**	**2**	**52**
J. Net current financial indebtedness (I-E-D)	**4,349**	**-1,573**	**6,482**	**-19**	**39**
K. Non-current bank loans					
L. Bonds issued	8,320	0	8,053	0	0
M. Other non-current financial indebtedness	17,295	0	343	0	25
N. Non-current financial indebtedness (K+L+M)	**25,615**	**0**	**8,396**	**0**	**25**
O. Net financial indebtedness (J+N)	**29,964**	**-1,573**	**14,878**	**-19**	**64**

(Source: Interim Consolidated Financial Statements)

In August 2018 the holders of the Issuer's convertible bond exercised their conversion rights. Due to this conversion, the convertible bonds issued with a book value of T€8,320 as per 30 June 2018 were replaced by 3,475,000 newly issued shares of the Issuer.

Other current financial debt as well as other non-current financial debt relate to liabilities due to TTL Real Estate Mezzanine GmbH & Co. KG (formerly: DIC Real Estate Mezzanine GmbH & Co. KG), a subsidiary of TTL Real Estate GmbH, in connection with the acquisition and financing of shares in TTL Real Estate GmbH.

10.6.5 Equity

The following table presents the equity of the Issuer's group as of 31 December 2017, 31 December 2016 and 31 December 2015, as well as of 30 June 2018 and 30 June 2017 respectively.

(in T€)	30 June 2018	31 December 2017	30 June 2017	31 December 2016	31 December 2015
Subscribed capital	17,600	14,133	9,533	6,550	6,550
Deposits made to execute the agreed capital increase	0	0	0	1,250	0
Capital reserve	44,446	35,763	23,068	23,116	19,360
Retained earnings	-25,386	-26,641	-26,078	-26,197	-26,038
TTL AG shareholder's equity	**36,660**	**23,255**	**6,523**	**4,719**	**-128**
Non-controlling interests	8,167	7,800	0	0	0
	44,827	**31,055**	**6,523**	**4,719**	**-128**

(Source: Consolidated Financial Statements)

TTL AG's shareholders' equity (including minorities) has steadily increased from T€-128 as of 31 December 2015, to T€4,719 as of 31 December 2016, and to T€31,055 as of 31 December 2017. As of 30 June 2018, the Issuer's equity (including minorities) amounted to T€44,827. These increases in equity are mainly a result of a series of capital increases, both by way of cash contribution and by way of contribution in kind.

The Issuer's assets had increased to T€4,904 as of 31 December 2016 (compared to T€21 as of 31 December 2015), and further to T€47,142 as of 31 December 2017. These increases are mainly attributable to the increases in non-current assets which result from the acquisitions of stakes (and the increases of such stakes) in TTL Real Estate GmbH and in DIC Capital Partners (Europe) GmbH.

The Issuer's assets had increased to T€78,279 as of 30 June 2018 (compared to T€47,142 as of 31 December 2017 and to T€6,599 as of 30 June 2017). These increases are mainly attributable to the increases in non-current assets which result from the acquisitions of stakes (and the increases of such stakes) in TTL Real Estate GmbH and in DIC Capital Partners (Europe) GmbH.

In August 2018 the holders of the Issuer's convertible bonds exercised their conversion rights. Due to this conversion, the convertible bonds issued with a book value of T€8,320 as per 30 June 2018 were replaced by 3,475,000 newly issued shares of the Issuer.

10.7 Management of Market and Operating Risks

The Issuer has issued internal guidelines which cover risk control processes and govern the use of financial instruments and which include a clear separation of roles regarding operating financial activities, their processing and the supervision of financial instruments. The guidelines used as the basis for the Issuer group's risk management processes are geared towards identifying and analysing risks across the Group. In addition, they aim to manage and monitor risks. The guidelines are regularly checked and adapted to current market and product developments.

The Issuer manages and monitors these risks primarily through its financial activities and, where necessary, through the use of derivative financial instruments. The Issuer's group only uses derivative financial instruments for the purposes of risk management. If it did not use these, the Issuer's group could be exposed to greater financial risks.

10.7.1 Credit/default risk

Credit or default risk is defined as the risk of financial loss that arises when a contracting party fails to meet its payment obligations. The maximum default risk results from the carrying amounts of the financial instruments shown in the balance sheet.

The management of credit and default risk in the Issuer's group is primarily aimed at concluding transactions exclusively with creditworthy third parties.

The Issuer's group is mainly subject to a default risk for financial assets at the level of the GEG Group. In order to avoid payment defaults in the event of recognisable risks, appropriate impairments on receivables are formed based on historic values and the age structure. Irrecoverable receivables are fully impaired.

Neither impairments nor value adjustments on receivables were made during the financial year and there are no overdue receivables as at the reporting date

10.7.2 *Liquidity risk*

Liquidity risk is the risk that a company is not in a position to raise the financial resources it needs to settle obligations entered into.

The Issuer's group counters liquidity risks by means of liquidity management adapted to the scope and complexity of its business activities, which ensures the availability of sufficient liquidity at all times despite the lack of inflows from sales revenues.

The subsequent overview shows the remaining terms of the non-discounted financial liabilities as at 31 December 2017 and 2016. Payments are recorded including the estimated interest payments.

	Due within one year	**Due in between one and five years**	**Due in more than five years**	**Total**
(in T€)	2017	2017	2017	2017
Bonds	316	10,300	0	10,616
Trade accounts payable	76	0	0	76
Loans payable	7,749	354	0	8,103
Other liabilities	19	0	0	19

(in T€)	**2016**	**2016**	**2016**	**2016**
Bonds	0	0	0	0
Trade accounts payable	98	0	0	98
Loans payable	0	0	0	0
Other liabilities	2	0	0	2

(Source: Consolidated Financial Statements)

On 17 May 2017, AR Holding provided the Company with a facility loan in the amount of up to T€1,000. All interest rates are agreed in arrears at 2.5% p.a. Using this credit line amounted to T€150 as at 31 December 2017 (2016: T€0). Interest liabilities for the funds provided in the amount of T€1 were charged to the Issuer in 2017 (2016: T€0). As a result, the Issuer's group still had T€849 as a liquidity reserve as of 31 December 2017. As the Issuer has repaid the outstanding amount to AR Holding in the first half of 2018, the liquidity reserve amounted to €1.0 million per 30 June 2018.

The short-term loans payable have a fixed term until 31 December 2018 according to the agreement. This term shall be deemed to be extended by one additional year if the agreement is not terminated by one of the parties giving notice of three months to the end of the year.

As at 31 December 2017, there are no impairments for financial liabilities, and likewise no liabilities were outstanding on the closing date. In August 2018 the holders of the Issuer's convertible bond exercised their conversion rights. Due to this conversion, the convertible bonds issued in the book value of T€8,320 as per 30 June 2018 were replaced by 3,475,000 newly issued shares of the Issuer.

10.7.3 *Market risk*

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument will change due to market price fluctuations. Market risks include interest risks and other price risks.

Market risk is also managed by the Group’s Board of Directors. In order to present market risks, IFRS 7 requires sensitivity analyses which show the effects of hypothetical changes in relevant risk variables on earnings and equity.

The interest rate risk is the risk that the value of a financial instrument may change due to market price fluctuations. This risk is significant to the company due to the GEG Group. The effects of a 100 basis point increase or decrease in market interest rates as of the balance sheet date can be seen from the overview below: currency and price risks are of minor significance for the TTL Group and are therefore not explained further.

			Effect on annual result	
Assets		Interest rate	+100 basis points	-100 basis points
Description	**T€**	**% p.a.**	**T€**	**T€**
Loan	90,000	3.00	900	-900

			Effect on annual result	
Debt		Interest rate	+100 basis points	-100 basis points
Description	**T€**	**% p.a.**	**T€**	**T€**
Convertible bond........	9,035	3.50	-90	90
Loan	1,000	2.50	-10	10
Loan	6,867	6.00	-69	69
Loan	190	1.50	-2	2
Total			**-170**	**170**

(Source: Consolidated Financial Statements)

10.7.4 Capital management

Capital management at the Issuer's group essentially aims to effectively achieve the objectives and strategies in the interest of all shareholders, employees and remaining stakeholders. The main objective is to ensure solvency with regard to ongoing corporate and financing costs in addition to achieving adequate returns from investment companies. The capital to be managed comprises all cash and cash equivalents, financial assets and financial liabilities.

10.8 Carrying amounts of financial instruments

There are no listed prices on any active market for the non-listed shares held by the Group in DIC Capital Partners (Europe) GmbH (Level 3 according to IFRS 13). The fair value of these shares was determined by discounting the distributions expected by the Issuer. As part of the initial application of IFRS 9 as of 1 January 2018, the Issuer has applied the FVtOCI (Fair Value through Other Comprehensive Income) option for its investment in DICP (Europe) GmbH. This has led to an increase in the investment by T€116. In this context, deferred taxes of T€2 were recorded.

A significant input factor in the valuation of the shares in DICP (Europe) GmbH is the discounting interest rate used and the assumptions on the expected distribution to TTL. If the distribution amount is changed by +/- 10%, this will lead to a change in valuation of approximately +/- T€600.

The following table shows the carrying amounts of all categories of the financial assets and liabilities of the Issuer' group for the six months ended 30 June 2017 and the financial year ended 31 December 2017:

(The abbreviations in brackets next to each line item refer to the classification according to IAS 39)	**30 June 2018 (unaudited)**	**31 December 2017 (audited)**
	€ thousand	**€ thousand**
Assets		
Investments (FVtOCI)......................	5,971	5,850
Loans and receivables (FAAC)........	2,616	248
Liquid assets (FAAC)	621	619
Total FAAC	3,237	867
	9,208	**6,717**
Liabilities		
Trade accounts payable (FLAC)......	24	76
Bonds (FLAC)	8,320	8,053
Loans payable (FLAC)	24,831	7,673
Other financial liabilities (FLAC)	52	19
	33,227	**15,821**

(Source: Consolidated Financial Statements)

The increase in loans and receivables from T€248 as of 31 December 2017 to T€2,616 is mainly attributable to the Company's dividend claim against TTL Real Estate GmbH. Loans payable more than tripled, from T€7,673 as of 31 December 2017 to T€24,831 as of 30 June 2018 due to the acquisition of a direct 11.7% stake in TTL Real Estate GmbH's ordinary voting shares.

The following table shows the carrying amounts of all categories of the financial assets and liabilities of the Issuer' group for the financial years ended 31 December 2017, 2016 and 2015:

(The abbreviations in brackets next to each line item refer to the classification according to IAS 39)	31 December 2017 (audited)	31 December 2016 (audited)	31 December 2015 (audited)
	€ thousand	€ thousand	€ thousand
Financial assets			
Cash (LaR)......................................	619	20	13
Other investments (AfS).................	5,850	4,879	0
Loans and receivables LaR)...........	248	1	0
Financial liabilities			
Trade accounts payable (FLAC)......	76	98	2
Bonds (FLAC)	8,053	0	0
Loans payable (FLAC)	7,673	0	0
Other financial liabilities (FLAC)	19	2	77

(Source: Consolidated Financial Statements)

Due to the fact that the Issuer was not operational in 2015 and 2016, the comparability of the items in the above table is very limited. Loans had increased as of 31 December 2017 due the fact that the Issuer had received funding by way of intra-group loans. Furthermore, the Issuer had issued a convertible bond in late 2017.

In accordance with IAS 39, financial assets are assigned to the following categories:

- Financial assets at fair value through profit or loss (FVtPL)
- Financial assets held for trading (HfT) until they are due.
- Loans and receivables (LaR)
- Available-for-sale financial assets (AfS)
- Financial liabilities are assigned to the following categories according to IAS 39:
- Financial liabilities at fair value through profit or loss (FVtPL)
- Financial liabilities at amortised cost (FLAC)

The market value of cash, financial assets, trade receivables and payables and current financial receivables and liabilities approximates their carrying amount. The main reason for this is the short term of such instruments or a date of acquisition shortly before the balance sheet date.

Cash is measured at fair value according to level 1 of the valuation hierarchy of IFRS 13. This is based on market prices used in an active market.

As there are no listed prices used in an active market for the shareholding in DIC Capital Partners (Europe) GmbH shown under financial assets and its fair value cannot be reliably determined, it is accounted for at (amortised) cost. There were no indications of impairments on the closing date.

10.8.1 Risk

The valuation of the shares in TTL Real Estate GmbH (including in particular the GEG Group) as well as DIC Capital Partners (Europe) GmbH is strongly dependent on the operating and financial results of these companies as well as market conditions like capitalisation interests. Should these companies fail to achieve the results assumed at their initial recognition and measurement, it could be necessary for the Issuer to re-asses those valuations and to recognise an impairment loss on the current book-value of its investments.

10.9 Property, Plant and Equipment

The Issuer's holds no significant property, plant and equipment, but mainly office equipment and furniture, which is the reason for not describing this position in detail.

10.10 Financial assets

The following tables present the financial assets of the Issuer's group:

Acquisition costs (in T€)	Balance as of 31 December 2015	Additions	Deduc-tions	Changes in the group of consolidated companies	Balance as of 31 December 2016
Financial assets					
Other investments DIC Capital Partners (Europe) GmbH	0	4,879	0	0.00	4,879
Total financial assets	**0**	**4,879**	**0**	**0.00**	**4,879**
Accumulated depreciation					
Financial assets					
Other investments DIC Capital Partners (Europe) GmbH	0	0	0	0	0
Total financial assets	**0**	**0**	**0**	**0**	**0**
Carrying amounts					
Financial assets					
Other investments DIC Capital Partners (Europe) GmbH	0	4,879	0	0	4,879
Total financial assets	**0**	**4,879**	**0**	**0**	**4,879**

Acquisition costs (in T€)	Balance as of 31 December 2016	Additions	Deduc-tions	Changes in the group of consolidated companies	Balance as of 31 December 2017
Financial assets *Investments in associated companies (at equity)* TTL Real Estate GmbH	0	911	0	39,435	40,346
Other investments DIC Capital Partners (Europe) GmbH	4,879	971	0	0	5,850
Total financial assets	**4,879**	**1,882**	**0**	**39,435**	**46,196**

(Source: Consolidated Financial Statements)

The table above shows that the Issuer's financial assets had increased to T€4,879 as of 31 December 2016 (compared to T€0 as of 31 December 2015, and further to T€46,196 as of 31 December 2017). These increases are mainly attributable to the acquisitions of stakes (and the increases of such stakes) in TTL Real Estate GmbH and in DIC Capital Partners (Europe) GmbH.

In the first half-year 2018 the Issuer acquired additional 17.71% of TTL Real Estate GmbH's ordinary voting shares with acquisition costs of €28.4 million: In April 2018, TTL AG purchased a 11.67% in TTL Real Estate GmbH from Deutsche Immobilien Chancen AG & Co. KGaA at a purchase price of €18.7 million. In May 2018 the shareholders of TTL Real Estate GmbH contributed 6.05% of the ordinary voting shares in TTL Real Estate GmbH into TTL AG by means of contribution in kind in two transactions and in return received approximately 2.8 million new shares in TTL AG.

10.11 Investments

10.11.1 Investments in 2015

In 2015, the Issuer has not made any investments.

10.11.2 Investments in 2016

Apart from the acquisition of a stake in DIC Capital Partners (Europe) GmbH, the Issuer has not made any investments in 2016.

The shareholding in DIC Capital Partners (Europe) GmbH was assigned to the "available for sale" assessment category according to IAS 39. It was recognised at fair value (T€4,879) at the time of acquisition. The subsequent valuation is at amortised cost according to IAS 39.46(c).

Within the context of the restructuring plan, the Issuer increased the subscribed capital with the exclusion of old shareholders' subscription rights by T€1,250. The capital increase was carried out in December 2016 by AR Holding GmbH after the relevant exemption by BaFin from the obligation to make a mandatory public offer, by way of a contribution in kind of a 12.56% company share in DIC Capital Partners (Europe) GmbH.

10.11.3 Investments in 2017

As at 31 December 2017, the equity of DIC Capital Partners (Europe) GmbH amounted to T€34,884 and the 2017 annual result amounted to T€786.

From the above table in section 10.10 it can be seen that the increase in total financial assets from T€4,879 (as of 31 December 2016) to T€46,192 as of 31 December 2017 is a result of the changes in the consolidated group.

In the middle of 2017, the Issuer acquired an indirect shareholding of 27.29% of the ordinary voting shares in TTL Real Estate GmbH (formerly: Deutsche Immobilien Chancen Real Estate GmbH), meaning that from this point onwards TTL Real Estate GmbH is an associated company of the Issuer. TTL Real Estate GmbH mainly focuses its operative business in its shareholding in German Estate Group GmbH & Co. KG.

In November 2017, further shares in DIC Capital Partners (Europe) GmbH were acquired, for the acquisition cost of T€971, thereby increasing the Issuer's shareholding in DIC Capital Partners (Europe) GmbH from previously 12.56% to 15.06%.

Due to the fact that shareholding was only acquired in 2017, there is no comparison to the financial year ended on 31 December 2016 (and also no one to the year ended on 31 December 2015).

The aggregate financial statement data of TTL Real Estate GmbH reported in the Issuer's notes to the consolidated financial statements according to IFRS 12.B12 as at 31 December 2017 is as follows:

(in T€)	**2017 (unaudited)**
Ownership share	**27.29%**
Non-current assets	7,335
Current assets	280,611
Short-term liabilities	-179,124
Long-term liabilities (preferential company shares)	-60,000
Net assets attributable to regular company shares (100%)	48,822
Group's share of the net assets	13,324
Goodwill	27,022
Carrying amount of the shares in associated companies	**40,346**
Sales revenues	8,305
Profit from continuing business areas (100%)	3,338
Other comprehensive income (100%)	0
Group share of total comprehensive income (27.29%)	**911**

(Source: Consolidated Financial Statements)

No changes occurred in 2017 in other comprehensive income at TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH). For this reason, there were also no effects on the other comprehensive income of the Issuer as at 31 December 2017.

10.11.4 Investments in 2018

Besides the indirect shareholding in voting rights in TTL Real Estate GmbH held via TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH), the Company built up a direct holding of voting rights in TTL Real Estate GmbH in the overall amount of 22.98% in the on-going financial year (2018):

On 21 March 2018, AR Holding GmbH contributed and transferred 87,918 shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) to the Company as consideration for the subscription of 1,641,334 new shares in the Company in the capital increase from €14,133,333.00 by €1,641,334.00 to €15,774,667.00 resolved by the Management Board on 21 March 2018 (see section 17.3.4 "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate Gmb*H"). Following thereafter, further 60,187 shares with voting rights in TTL Real Estate GmbH were contributed to the Company by Dr. Michael Calice, Daniela Jenkner-Rombach, the community of heirs (Erbengemeinschaft) after the deceased Dr. Joachim Rombach, Gudrun Rombach, B + D Technologie Beteiligungs GmbH, Jan Benedikt Rombach, Ingrid Schäfer and Forum Holdings B.V. to the Company as consideration for the subscription of 1,123,622 new shares in the Company in the capital increase from €15,774,667.00 by €1,123,622.00 to €16,898,289.00 resolved on by the Management Board on 12 April 2018 (see section 17.3.5 "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH (II)*").

On 17 April 2018, the Company initially purchased further 285,856 shares with voting rights in TTL Real Estate GmbH from Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien at a purchase price in the overall amount of €18,678,181.00, which was followed by an acquisition of further 110,250 shares with voting rights in TTL Real Estate GmbH at a purchase price in the overall amount of €7,203,870.00 from Deutsche Immobilien Chancen AG & Co.Kommanditgesellschaft auf Aktien on 9 July 2018 (see section 15.2.2 "*Transactions with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien*").

Finally, based on the resolution of the shareholders' meeting of TTL Real Estate GmbH on 10 September 2018 resolving on the increase of its registered share capital from €4,450,000.00 by €24,500.00 to €4,474,500.00, the Company subscribed for additional 24,500 shares with voting rights in TTL Real Estate GmbH at an issue price of €1.00 per share plus a premium of €64.35 per share to be paid into the capital reserve of the TTL Real Estate GmbH in accordance with Section 272 para. 2 No. 1 of the German Commercial Code (*Handelsgesetzbuch*), totalling €1,601,075.00. With effectiveness of the capital increase of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) the Company's direct and indirect share in voting rights in TTL Real Estate GmbH was increased to 50% (see section 15.3.2 "*Transactions with TTL Real Estate GmbH*").

In case the Company had acquired shares in TTL Real Estate GmbH for cash, such acquisitions were financed with borrowings from TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG).

10.11.5 Principal investments in progress and planned investments

As of the date of this Prospectus, the Issuer has neither any investments in progress nor any planned future investments.

10.12 Selected financial information from the consolidated annual financial statements of the GEG Group

GEG, in its capacity as the parent company of the GEG Group, has not published any consolidated financial statements. However, since the Issuer's indirect shareholding in the GEG Group represents its main source of income, selected unaudited figures from the consolidated annual financial statements of the GEG Group for 2017, 2016 and are presented below.

Since the GEG Group is not listed, it does not prepare interim financial statements as of 30 June of each year.

10.12.1 Selected unaudited information from the GEG Group's consolidated balance sheet

The table below contains selected unaudited figures from the consolidated balance sheet of the GEG Group for 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*):

(in T€)	As of		
	31 December 2017	31 December 2016	31 December 2015
Intangible assets including goodwill	12,119	13,051	14,005
PPE	1,600	1,360	500
Equity investments	37,436	28,210	9,855
Other assets	9,241	7,007	5,680
Cash and cash equivalents	5,585	4,441	16,684
Total assets	**65,981**	**54,069**	**46,724**
Shareholders' equity	40,434	40,240	40,070
Minority interests	2	2	0
Total equity	**40,436**	**40,242**	**40,070**
Bank liabilities	8,100	2,000	0
Other liabilities and provisions	17,445	11,827	6,654
Total liabilities	**25,545**	**13,827**	**6,654**
Total equity and liabilities	**65,981**	**54,069**	**46,724**

(Source: Consolidated Financial Statements)

10.12.2 Selected unaudited information from the GEG Group's consolidated income statement

The table below contains selected unaudited figures from the consolidated income statement of the GEG Group for the ends of the financial years 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*).

(in T€)	Financial year ended		
	31 December 2017	31 December 2016	31 December 2015
Revenues	14,678	8,107	10,212
Other operating income	10,657	10,909	2,656
Personnel expenditure	-7,480	-6,516	-5,331
Other operating expenses	-5,474	-3,900	-3,026
EBITDA	**12,381**	**8,600**	**4,511**
Amortisation and depreciation	-1,335	-1,180	-1,065
Interest result	-82	-61	1
Income taxes	-189	-1,608	-595
Profit after tax	**10,775**	**5,751**	**2,852**
Thereof attributable to GEG shareholders	10,775	5,750	2,852
Thereof attributable to minorities	0	1	0

(Source: Consolidated Financial Statements)

Revenues
In 2017, revenues amounted to T€14,678 (compared to T€8,107 in 2016 and T€10,212 in 2015) and mainly comprise development fees (€6.4 million), asset / property management fees (€3.6 million), acquisition / financing fees (€3.3 million) and disposition fees (€1.3 million)

Other operating income
In 2017, other operating income in the amount of T€10,657 (compared to T€10,909 in 2016 and T€2,656 in 2015) included in particular income of €6.6 million (2016: €9.8 million) which is attributable to consolidation income in connection with shares in companies. In addition, this item includes transferred profits of €13.4 million net of losses from the merger of the respective group company of €9.8 million.

Other operating expenses
Other operating expenses in the amount of T€5,474 (compared to T€3,900 in 2016 and T€3,026 in 2015) mainly included expenses for consulting costs (€0.8 million), rents (€0.6 million), marketing (€0.5 million) and write-offs of receivables (€0.5 million).

10.13 Selected financial information from the non-consolidated audited annual financial statements of the Issuer

10.13.1 Selected information from the Issuer's non-consolidated balance sheet

The table below contains selected figures from the Issuer's non-consolidated balance sheet for 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*):

(in T€)	As of		
	31 December 2017	**31 December 2016**	**31 December 2015**
Shares in TTL Real Estate GmbH	25,762	0	0
Shares in DIC Capital Partners (Europe) GmbH...	5,850	4,879	0
Other assets...	1,221	1	151
Cash and cash equivalents	605	20	13
Total assets..	**33,438**	**4,900**	**165**
Shareholders' equity...	**23,911**	**4,717**	**34**
Bonds issued..	9,045	0	0
Other liabilities...	482	183	131
Total liabilities	**9,527**	**183**	**131**
Total equity and liabilities.................................	**33,438**	**4,900**	**165**

Whereas the Company was not operational in 2015, in late 2016 the Issuer acquired shares in DIC Capital Partners (Europe) GmbH by way of a contribution in kind as part of the Company's reorganisation. In 2017 the Issuer indirectly acquired 27.29% of TTL Real Estate GmbH's ordinary voting shares by issuance of a bond and additional share capital.

The restructuring and expansion of business operations is also reflected in the annual financial statements of the Company in the year 2017. The assets are characterized by the indirect participation in the GEG German Estate Group via TTL Real Estate GmbH, which is valued with approximately €25.8 million. The interest in DIC Capital Partners (Europe) GmbH is approximately €5.9 million. Current assets increased, above all in the area of cash and cash equivalents, to €0.6 million (previous year: €0.0 million); a deferred item of approximately €1.0 million was capitalized for the convertible bond issued in the financial year. Overall, assets increased to €33.4 million in 2017 compared to €4.9 million in the previous year. Equity increased from €4.7 million in 2016 to approx. €23.9 million in 2017 due to the capital measures implemented. In addition to equity, TTL AG is financed mainly by the convertible bond issued at the end of 2017 in the amount of €9.0 million. At the end of 2017, the Company was thus almost completely (99%) financed by own funds and long-term debt.

10.13.2 Selected information from the Issuer's non-consolidated income statement

The table below contains selected figures from the Issuer's non-consolidated Income Statement for 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*).

(in T€)	Finanical year ended		
	31 December 2017	**31 December 2016**	**31 December 2015**
Revenues and other Operating Income	72	10	5
Personnel Expenditure	-122	0	0
Other Operating Expenses	-538	-510	-374
Interest Result..	262	253	241
Dividend Income	300	0	0
Profit after tax...	**-26**	**-247**	**-128**

In 2017, earnings are due to dividends received from DIC Capital Partners (Europe) GmbH of €0.3 million and interest income of approximately also € 0.3 million. These include operating expenses, in particular for personnel and other operating expenses (mainly consulting and auditing costs) of approx. €0.6 million. Not included in the annual result of TTL AG are income from the investment in TTL Real Estate GmbH for the year 2017, which will not be effective until the next year on the basis of the dividends received. All in all, the financial year of TTL AG closed again with an almost balanced result (T€-26) after a long loss history.

10.14 Selected financial information from the non-consolidated audited annual financial statements of TTL Real Estate GmbH

10.14.1 Selected information from TTL Real Estate GmbH's balance sheet

The table below contains selected figures from the non-consolidated balance sheet of TTL Real Estate GmbH for 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*).

(in T€)	As of		
	31 December 2017	**31 December 2016**	**31 December 2015**
Shares in related parties	30,242	40,136	30,092
Receivables due from related parties	72,003	45,695	2,224
Other Assets	0	1,016	9
Cash and Cash Equivalents	3,277	10,434	11
Total Assets	**105,522**	**97,281**	**32,336**
Ordinary Share Capital	2,450	1,000	1,000
Preference Shares	2,000	2,000	0
Reserves and retained Earnings	95,751	92,149	30,670
Total Equity	**100,201**	**95,149**	**31,670**
Other Liabilities and Provisions	5,321	2,132	666
Total Equity and Liabilities	**105,522**	**97,281**	**32,336**

In 2017, TTL Real Estate GmbH is financed almost entirely by own funds. Compared to 2016, the company still has own funds from shareholder contributions of around €90 million. In the financial year, the company's share capital was increased by €1.5 million from €3 million to €4.5 million through the conversion of additional paid-in capital. The company's total capital of € 30.1 million in 2017 is tied to the 75% share in the GEG German Estate Group, while another €59.9 million were invested in bridge financing for the warehousing of the GEG and loans (previous year: €52.5 million). In 2017 short-term assets also include profit claims of €7.9 million against GEG (2016: €4.2 million) and €3.3 million bank deposits (previous year: €10.4 million). The decrease in bank balances compared to the previous year is mainly attributable to the lending of loans to the GEG Group.

10.14.2 Selected information from TTL Real Estate GmbH's income statement

The table below contains selected figures from the non-consolidated income statement of TTL Real Estate GmbH for 2017, 2016 and 2015 under the German Commercial Code (*Handelsgesetzbuch; HGB*).

(in T€)	Financial year ended		
	31 December 2017	**31 December 2016**	**31 December 2015**
Other Operating Income and expenses	1,879	-322	-14
Profit from related companies	7,932	5,184	2,198
Interest Result	2,995	1,515	-248
Taxes	-2,754	-1,313	-304
Profit after tax	**10,052**	**5,064**	**1,632**

The earnings position of TTL Real Estate GmbH in 2017 is characterised by the results of the GEG Group which achieved a profit after tax of €10.7 million, following €5.8 million in 2016, of which a profit share of €7.9 million (2016: €4.2 million) was allocated to TTL Real Estate GmbH. TTL Real Estate GmbH in 2017 achieved a net result after interest and taxes of €10.1 million (2016: €5.1 million).

11. INDUSTRY

11.1 Overview

The TTL Group's business is highly dependent on the German commercial real estate market which is influenced by certain general macro-economic developments in Germany as well as demographic trends that have contributed to a structural undersupply of residential real estate. Furthermore, the Issuer believes that the TTL Group's business strongly benefits from highly favourable real estate market conditions in Germany.

11.2 General Macro-Economic Developments in Germany

As a measure of economic growth, the gross domestic product (**"GDP"**) is the central parameter of national accounts. Since the global financial crisis in 2009, when the German economy had been left with a minus of five per cent, representing the biggest collapse since the Second World War *(Source: Süddeutsche Zeitung, Rezessionsjahr 2009 – Der ganz große Absturz, (May 2010))*, Germany has been posting positive economic growth for eight years in a row. It is considered to be one of the strongest economies worldwide (*Source: GeVestor, Die 10 Länder mit der höchsten Wirtschaftsleistung (December 2016)*). In 2017, Germany's economy grew even faster than at any time in the last six years. (*Source: Süddeutsche Zeitung, Deutsche Wirtschaft wächst so stark wie seit sechs Jahren nicht (January 2018)*). According to the German Federal Statistical Office, last year's powerful upward trend was mainly driven by consumer spending, increased investments and the overall strong global economy. Confidence in the booming economy remains high (*Source*: *Statistisches Bundesamt, Pressemitteilung Nr. 011 (January 2018)*).

The Federal Statistical Office has also presented pleasing figures on Germany's state budget: The federal government, the federal states, the local authorities and the social security funds all together earned €38.4 billion (measured in terms of GDP at current prices, the government surplus ratio for 2017 is 1.2 per cent), making it the highest realized value since reunification and the fourth year in a row in the black numbers (*Source*: *Statistisches Bundesamt, Pressemitteilung Nr. 011 (January 2018)*).

According to a research by the Prognosis expert institute on behalf of the Association of Bavarian Industry, Germany is not only one of the biggest member states in terms of population, but also an important growth driver of the European Union, due to its integration with other EU countries and as a sales market for their products (*Source: Wirtschaftswoche, Prognose-Studie – So wichtig ist Deutschland für die EU-Wirtschaft (June 2017)*). The European Union's economic development should thus be mentioned just as briefly here, especially as trends in the EU naturally have an influence on Germany and vice versa.

The GDP per capita in the European Union has been recorded since 1960, reaching an all-time high at USD 36,593.03 in 2017, which does not only correspond to an annual growth rate of + 2.2 per cent, but also to 290 per cent of the worldwide average GDP (*Source: Trading Economics, European Union GDP per Capita 1960-2018 (2018)*). Exactly the same percentual growth was achieved by Germany, whose GDP has also increased by + 2.2 per cent in 2017.

Almost all economic sectors made a positive contribution to this economic development, positive growth impulses came from inside Germany as well as from the exporting industries. In particular, the year-on-year gross fixed capital investments increased at an above-average rate (+ 3.0 per cent), whereas construction investments rose by an impressive + 2.6 per cent (*Sources: Trading Economics, European Union GDP per Capita 1960-2018 (2018); Statistisches Bundesamt, Pressemitteilung Nr. 011 (January 2018)*).

11.3 Developments in the German real estate investment market

With a transaction volume of more than €58 billion in the German real estate investment markets in 2017, the transaction volume had increased again in 2017 and fell short of the 2007 record by around just 2%. This means that the strong interest in German real estate remains unchanged (*Source: BNP Paribas Real Estate, Investment Market Germany Property Report 2018 (January 2018)*).

The almost €38.86 billion that flowed into single properties represents a new record and is a good 7% up on the previous record high from 2015. This involves around 1,700 recorded transactions. Large-unit office properties, in particular, have made an especially strong contribution to this result, with 36 sales registered in the over €100 million segment alone. Frankfurt am Main, in particular, caught the eye of investors and registered a whole host of major deals, including Tower 185, the Japan Center and Grand Central Frankfurt, among others. Package sales also increased by 11% to a little over €19.36 billion. Investments here were made in logistics and retail portfolios, in particular, which each generated more than €6 billion. Large portfolios have rarely generated so much turnover, for which not least three package sales each for more than a billion euros are responsible. More than 130 sales in total have been included in the analysis (*Source: BNP Paribas Real Estate, Investment Market Germany Property Report 2018 (January 2018)*).

Above all, the dynamic market activity can be seen across all asset classes, which underscores the great confidence in Germany as a whole. With a share of just over 41% (€23.94 billion) in total turnover, office properties again occupied top spot among asset classes, as expected. In particular, the record take-up on the office markets combined with further falls in supply open up noticeable potential for rent increases in the years ahead and make this asset class currently even more interesting than it already was. At more than €20.19 billion, more was also invested in single office buildings than ever before, while portfolios, on the other hand, saw considerably less investment than in the two previous years, which is primarily due to the inadequate supply (*Source: BNP Paribas Real Estate, Investment Market Germany Property Report 2018 (January 2018)*).

Investment in the major cities (Berlin, Cologne, Dusseldorf, Frankfurt am Main, Hamburg, Munich, Stuttgart) totalled €30.94 billion, equivalent to an increase of 5%. Berlin took first place with €7.92 billion (+46%), and in doing so achieved the second-best result after 2015. Frankfurt am Main, Germany, follows in second place with €7.50 billion and growth of 12%, which represents the largest turnover of the past decade. The leading trio is completed by Munich, with €5.20 billion (-18%). The Hamburg market is characterised by a lack of supply, with the result that the volume dropped by around a quarter to €3.56 billion, meaning that the city only just ranks ahead of Dusseldorf with €3.23 billion (+38%), where a new record high was achieved again. At €2.12 billion (+12%), Cologne was able to surpass €2 billion for the second time since 2015 and only fell short of the previous record by the smallest of margins. Stuttgart had to contend with the biggest fall in turnover due to the inadequate supply, meaning that just around €1.41 billion were recorded (-32%) (*Source: BNP Paribas Real Estate, Investment Market Germany Property Report 2018 (January 2018)*).

11.4 Trends

Due to the global trade conflicts between the EU and the United States of America (as well as China and the USA), the first institutes have already lowered their forecasts for economic growth in Europe. According to the EU Commission, the trade conflict with the USA is worsening the economic prospects in Germany (and the Euro zone). The authorities in Brussels thus lowered their growth estimate for 2018 for the economy in the 19 Euro-states to an estimated + 2.1 per cent (compared to the May forecast of + 2.3 per cent) (*Source: Spiegel, EU-Kommission senkt Wachstumsprognose wegen Handelsstreit mit USA (July 2018)*).

The forecasts for the development of Germany's GDP from 2017 to 2018 are still promising though. According to the International Monetary Fund (**"IMF"**), the German economy will remain a pattern of stability (*Source: Business Insider Deutschland; IWF-Prognose (July 2018)*).

In a forecast published by the "ifo Institute" in June 2018, it is assumed that the German GDP will have increased by 1.8 per cent year-on-year. According to the "IWF Institute" it will even have increase by 2.5 per cent at the end of 2018. The ifo Institute also predicted that Germany will again have the world's largest account surplus in 2018. Pursuant to a research for the Reuters news agency, it should add up to the equivalent of 299 billion dollars (*Sources: Statista, Prognosen zur Entwicklung des realen Bruttoinlandsprodukts (BIP) in Deutschland für 2018 und 2019 (gegenüber Vorjahr) (2018); Der Tagesspiegel, Prognose des Ifo-Instituts: Deutschland erneut mit weltgrößtem Leistungsbilanzüberschuss (August 2018)*).

To make a forecast for a nation's economy, the "leading indicators", also called the "early indicators" (*Frühindikatoren*), are better suited than the GDP. As their name suggests, they allow conclusions to be drawn about the expected development – and in the past they have often proved to be reliable. One of the most important early indicators is the "ifo Business Climate Index", for which thousands of questionnaires are issued to companies, containing questions about the current business situation, but, above all, also about expectations for the coming months and the demand situation (*Source: GeVestor, Konjunktur-Prognose (December 2013)*).

The ifo Business Climate has most recently deteriorated marginally, it fell to 101.7 points in July 2018 from 101.8 points in June 2018. This is because even though the questioned companies were somewhat more satisfied with their current business situation, they scaled back their business expectations slightly. Having said that, the German economy still continues to expand of course, just at a somewhat slower pace (*Source: Business Climate Germany – Results of the ifo Business Survey for July 2018 (July 2018)*).

With regard to the commercial real estate market in Germany, in particular the office market, market participants consider the current market situation as "excellent", and never before has so much capital flowed into German commercial real estate, and never has the latter been so expensive as it is today.

This is a concern insofar as downside risks are obviously greater than the prospects of further upside. This situation is particularly challenging for the risk averse majority of investors. (*Source: Savills World Research, Germany: Commercial property market – Germany, March 2018*). This situation may have the effect on the Issuer and the industry the Issuer operates in that commercial real estate may become more expensive for investors and may therefore result in lower returns for them. At the same time, the GEG Group may increase its business in its division "Opportunistic Investments" (office, retail and upmarket residential projects and, from time to time, hotels).

12. BUSINESS

12.1 Overview

12.1.1 Structure

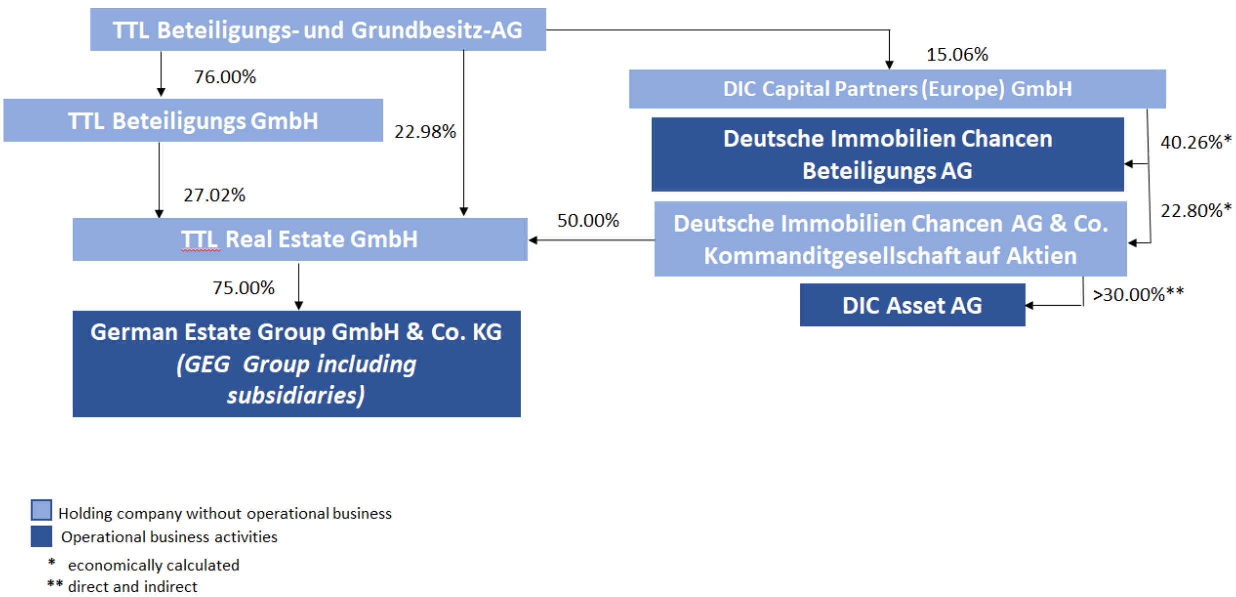
The Issuer, TTL Beteiligungs-und Grundbesitz-AG is a holding company that currently operates via the GEG Group in the commercial real estate market in Germany.

The Issuer's current main activity is, through a material stake in the GEG Group, to allocate equity and debt capital for the further rapid growth of the GEG Group's operations.

The Issuer also holds an indirect minority participation in the Deutsche Immobilien Chancen Group and hereby gains an indirect income from investment through its indirect shareholder position at DIC Asset AG. "**Deutsche Immobilien Chancen Group**" means Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien including its subsidiaries and affiliated companies, in particular DIC Asset AG.

The Issuer's main strategy is to expand and further strengthen in the future its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets.

The graphic below contains a simplified overview of the Issuer and its Group (all percentages are calculated on the basis of voting rights, unless stated otherwise) as of the date of this Prospectus:



12.1.2 History of the TTL Group's development and growth

The Issuer is the parent company of the TTL Group, which was established as a real estate investment and asset management group, since its reorganisation in 2016 growing to its current size.

The Issuer's share in DIC Capital Partners (Europe) GmbH was acquired in December 2016 as part of the Issuer's reorganisation, when AR Holding GmbH contributed and transferred the share in the nominal value of €27,950.00, representing 12.56% of the share capital in DIC Capital Partners (Europe) GmbH, to the Issuer and subscribed for 1,250,000 new shares in the Issuer. By the end of 2017, the Issuer's share in DIC Capital Partners (Europe) GmbH was increased to 15.06%.

The GEG Group was initially founded in 2015 with a capital funding of €40 million by Deutsche Immobilien Chancen Group (via TTL Real Estate GmbH, formerly named Deutsche Immobilien Chancen Real Estate GmbH) contributing €30 million in cash and by a contribution in kind of its relevant real estate business and KKR contributing €10 million in cash respectively.

In 2016, TTL Real Estate GmbH (the direct 75% shareholder in GEG) raised another €60 million by way of an issuance of preference shares, carrying currently an interest rate of 6% p.a., and as of 1 January 2021, an interest rate of 8% p.a., expanding the equity available for the GEG Group's growth to €100 million.

The Issuer acquired its indirect stake in the GEG Group by acquiring shares in TTL Real Estate GmbH in several transactions since the end of 2017, when the Issuer controlled indirectly 27.29% of TTL Real Estate GmbH's voting shares, to 50% as of today. In addition, the Issuer has agreed with DICP Capital SE, a controlling shareholder of Deutsche Immobilien Chancen Group, that the Issuer shall have the strategic lead with regard to business decisions of TTL Real Estate GmbH.

Three years after its incorporation in 2015, the GEG Group grew to a leading investment and asset management platform with assets under management (AuM) of €2.8 billion as of September 2018 (Source: Press release by GEG of 13 September 2018: "*GEG: Co-Worker Spaces mietet über 9.000 qm im Global Tower*"), mainly with club deals and direct investments of institutional investors in German commercial real estate (where the GEG Group considers for AuM the expected project volume after project finalisation, even for projects currently under development). In order to expand its business, the GEG Group established two funds in 2017 und 2018, the GEG Infrastructure I Fund and the GEG Germany Value I Fund. Last, but not least, the Government of Singapore Investment Corporation, the Singapore state-owned investment fund (**"GIC"**), has agreed to fund a real estate fund with a focus on the value-add sector of commercial real estate to be managed by the GEG Group.

The TTL Group intends to expand and further strengthen in the future its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets.

12.1.3 The TTL Group's business

The Issuer is currently engaged in two streams of business: on the one hand, the Issuer is operationally active via its indirect stake in the GEG Group, on the other hand, the Issuer holds an indirect minority participation in DIC Asset AG (indirectly approximately 1%). The business of the GEG Group is currently the most important business stream, while the Issuer's minority participation in DIC Asset AG provides for regular income from dividends.

The TTL Group is active in the real estate investment and asset management business with no valuation exposure in relation to the real estate property, except for co-investments where the TTL Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%). The Issuer is a holding company which holds direct and indirect stakes in operational investment and asset management companies. The main operational business of the TTL Group is currently located within the GEG Group (in which the Issuer holds an indirect stake). The GEG Group acquires real estate with the intention of managing it as an asset manager for institutional investors. For this purpose, real estate is either acquired on the GEG Group's own account and structured to the needs of investors (and in order to efficiently use the GEG Group's available equity, the holding period of these real estate assets is rather short-term), or in some cases, the investor is already identified at the time the real estate is acquired. To align interest with the respective investor, the GEG Group might hold a minor equity co-investment.

The TTL Group is exclusively active in Germany, with a particular focus on investing in companies with commercial real estate asset management. Its current emphasis is on the metropolitan areas of the Top 7 German Cities, with currently substantial investments in Frankfurt am Main, Munich, Cologne and Dusseldorf. The TTL Group is in particular active on the commercial real estate markets, mainly on the office market, however, on an opportunistic basis, also other uses (e.g. residential, retail, etc.) may be part of the TTL Group's business.

The Issuer's main strategy is to expand and further strengthen in the future its activities in the field of real estate investment and asset management both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets, from currently two streams of business to multiple streams in the future.

12.2 The TTL AG and its group

12.2.1 The TTL AG

The Issuer, TTL Beteiligungs- und Grundbesitz-AG is a holding company with no substantial income from direct operating activities with third parties (except consulting services in holding functions, e.g. in management, controlling and financing issues). The Issuer is currently engaged in two streams of business, namely via its stake in the GEG Group and its minority participation in the Deutsche Immobilien Chancen Group.

12.2.2 The GEG Group

The information contained in this section relating to the GEG Group is based on information which the Issuer has not independently verified, but which the Issuer has obtained from or which has been published by GEG or the GEG Group.

Management beliefs that the GEG Group is one of the leading German investment and asset management platforms in the commercial real estate sector, with typically no valuation exposure, except for co-investments where the GEG Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%). German Estate Group GmbH & Co. KG is the parent company of the GEG Group. German Estate Group GmbH & Co. KG, including GEG German Estate Group AG, has only been established in 2015 and has been very successful since inception. 75% of the shares in German Estate Group GmbH & Co. KG, the parent company of the GEG Group, are held by TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), the remaining 25% of the shares are held by group companies of the US investment firm Kohlberg Kravis Roberts & Co. LP (**"KKR"**). Under an investment agreement, KKR has committed to work exclusively with the GEG Group in connection with direct commercial real estate investments in Germany in office and retail buildings (for details on the investment agreement with KKR, see section 12.15 "*Material Contracts*".)

The GEG Group runs on the one hand, as a service and consulting company for real estate owners, an "asset light" business, as it does not hold real estate assets on their own balance sheet. On the other hand, the GEG Group is, in its capacity as management services provider, responsible for the developments of the project for their clients, but not involved in the financial risks of real estate development itself (except for co-investments where the TTL Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property, in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%).

The GEG Group is active in the entire value chain of real estate Investment and asset management which can be differentiated in the 1) sourcing, 2) structuring and execution phase, 3) the real estate management phase, and 4) the exit phase (for details of the value chain, see also section 12.8.3: *Phases of the value chain.*) The GEG Group typically acquires properties on its own account with the aim to establish a marketable structure for a real estate investment of institutional investors in a short period of time (six to 18 months) for subsequent management of those properties for the institutional investors for usually five to ten years. During this real estate management phase, the GEG Group may hold a minority stake (typically 1.5% to 5%; in exceptional cases up to 10%) in the invested equity, with the institutional investor(s) holding the vast majority. For short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%.

The GEG Group utilises its in-depth knowledge of the local markets to identify real estate projects and their marketability, including later use of properties, where the GEG Group has an emphasis on commercial real estate, in particular on the office market, and – on the basic of opportunistic opportunities – to a smaller extent also on other uses, e.g. residential or retail use.

The GEG Group has different income streams: on the one hand, it receives transaction and service related fees in establishing the structure and exit gains (disposal fees and promotes) from the final exit of real estate by the institutional investor, on the other hand, it receives ongoing asset management fees for asset management services as well as dividends from co-investments.

The GEG Group focuses on three segments, namely Institutional Business, Developments, and Opportunistic Investments with Potential for Value Enhancement.

12.2.2.1 *Institutional Business*

The Institutional Business division comprises national and international investors, a diversified investment strategy and sustainable investment decisions which mainly focus on stable, high yield investments in the core segment of German commercial real estate. In addition to initiating corresponding club deal structures, the division also develops fund products. The Institutional Business division consists of four sub-divisions: Core/Landmark, GEG Infrastructure I, GEG Germany Value I and Value-Add.

Within the Institutional Business division, the GEG Group aims for average gross yields of up to 5%. In this division, the GEG Group usually co-invests in real estate projects alongside investors between 1.5% and 5% at maximum. Typically, the GEG Group and the respective investor(s) define jointly a needs-based investment strategy. The legal framework (funds, SPVs, etc.) for the individual investment partnership is aligned to the demands and preferences of the respective investment partner(s). In addition to individual investment partnerships, the GEG Group also offers the participation in real estate projects by way of club deals: in this case, investment partners have the opportunity to participate with a capital allocation usually in the range from €10 million to €25 million per investment. The GEG Group assumes the role as investment manager who selects investors with equal interests which are then brought together for selected acquisition opportunities in a "club deal" The composition of the club deal investment partners is primarily tied to the defined investment strategy of the respective transaction.

Core/Landmark: this sub-division focuses on the Top 7 German Cities and German greater metropolitan areas. The real estate in this sub-division is characterised by long-term lease agreements, hardly any vacancies, tenants of high quality and creditworthiness, and a good to very good quality of the respective properties. The investment volume per project starts in this sub-division as a rule at around €75 million. Marketwise, this sub-division focuses mainly on the office market. (Source: Acquisition profile, available on GEG's website.)

The sub-division Core Landmark includes, for example, the following properties:

- IBC, Frankfurt am Main: The "International Business Campus" (or short: IBC), comprising three office buildings, has a total rental space of approximately 84,000 sqm at the address Theodor-Heuss-Allee 70-74, 60486 Frankfurt am Main. The occupancy rate is 100%. This project was structured as a club deal with a volume of approximately €400 million. (Sources: Fact Sheet "IBC-Campus"; press release by GEG of 7 June 2016, *"GEG acquires IBC Campus in Frankfurt"*.)
- Japan Center, Frankfurt am Main: The "Japan Center" is an office tower with 28 floors and a total rental space of approximately 29,000 sqm at the address Taunustor 2, 60311 Frankfurt am Main. Its name steams from its East-Asian architectural design. It was initially constructed in 1996 and refurbished and modernised in 2018. The occupancy rate is 100%. This project was structured as a direct investment with a volume of approximately €280 million. (Sources: Fact Sheet "Japan Center"; press release by GEG of 20 December 2017: "*GEG acquires Japan Center in Frankfurt from Commerzreal*".)
- Sapporobogen, Munich: The "Sapporobogen" is an office building a total rental space of approximately 27,000 sqm at the address Sapporobogen 6-8, 80637 Munich. It was initially constructed in 1972 and refurbished and modernised in 2013. The occupancy rate is 100%. This project was structured as a club deal, the project volume amounted to €90 million. (Sources: Fact Sheet "Sapporobogen"; press release by GEG of 28 July 2015: "GEG German Estate Group AG lunches its market entry with two property approximately EUR 160 million".)
- Triforum, Cologne: The "Triforum" is an office and hotel complex with a total rental space of approximately 25,000 sqm at the address Innere Kanalstraße 15, 50735 Cologne. It was initially constructed in 1964 (office) and 2001 (hotel), and refurbished in 2017 and 2018. The occupancy rate is 100%. The project was structured as a club deal with an investment volume of more than €100 million. (Sources: Fact Sheet "Triforum"; press release by GEG of 8 December 2017: "*GEG acquires Triforum in Cologne*".)
- Villa Kennedy, Frankfurt am Main: the "Villa Kennedy" is a hotel and office complex with a total rental space of approximately 20,000 sqm at the address Kennedy Allee 70, 60594 Frankfurt am Main. The new buildings were constructed in 2006, the occupancy rate is 100%. (Source: Fact Sheet "Villa Kennedy".)
- Business Campus am Park, Dusseldorf: The "Business Campus am Park" is an office building with a total rental space of approximately 21,000 sqm at the address Werdener Straße 10, 40227 Dusseldorf. The building was initially constructed in 2001, the occupancy rate is 100%. (Source: Fact Sheet "Business Campus am Park".)
- Garden Tower, Frankfurt am Main: the "Garden Tower" is an office complex of two towers with a total rental space of approximately 27,560 sqm at the address Neue Mainzer Straße 46-50, 60311 Frankfurt am Main. The two towers were initially constructed between 1973 and 1976, and refurbished in

2005 and 2006, as well as in 2015 until 2018. The total investment volume amounts to about €275 million. The occupancy rate is currently 95%. (Sources: Fact Sheet "Garden Tower"; press release by GEG of 11 September 2018: "*GEG erwirbt mit Garden Tower erneut Top-Immobilie im Bankenviertel von Frankfurt*".)

GEG Infrastructure I: this sub-division focuses on cities with a population of at least 100,000. The real estate in this sub-division is characterised by long-term cash-flows (lease agreements with a duration of normally at least 10 years), and tenants of high quality and creditworthiness, like public authorities. The investment volume per project starts in this sub-division as a rule at around €30 million. Marketwise, this sub-division focuses on the office market (public administration). Legally, this sub-division is organised as a German special fund (*Spezialfonds*). According to GEG's management, the fund has a target volume of €500 million, of which €230 million have been firmly committed.

The sub-division Infrastructure includes, for example, the following property:

- Junges Quartier Obersendling, Munich: The "Junges Quartier Obersendling" at the address Schertlinstraße 8+12, 81379 Munich, Germany, has a total rental space of approximately 45,000 sqm. The site which formerly occupied by Siemens is being currently being converted into a campus for education and intercultural encounters (about 60% of the entire rental space), with additional areas for office and administrative space for the city of Munich, Germany (about 20% of the entire rental space) as well as apartments (about 20% of the entire rental space). The conversion has started in 2017 and is expected to be completed by mid-2019. The investment volume for the project as a whole was approximately €170 million. (Sources: Fact Sheet "Junges Quartier Obersendling"; press release by GEG of 13 February 2018: "*GEG acquires the "Junges Quartier Obersendling" development in Munich for its long-term portfolio*".)
- Police Training Center, Neuss: the "Schulungszentrum Polizei NRW" is a police training center with a total rental space of approximately 16,300 sqm at the address Humboldtstrasse 2, 41468 Neuss. The total project volume is €36 million. (Sources: Fact Sheet "Police Training Center"; press release by GEG of 27 August 2018: "*GEG erwirbt Schulungszentrum der Polizei NRW*".)

GEG Germany Value I: this sub-division focuses on the Top 7 German Cities and German greater metropolitan areas. The real estate in this sub-division can be characterised as real estate with development potential, rather short remaining lease periods or vacancies. The investment volume per project starts in this sub-division as a rule at around €50 million. According to GEG's management, the target investment volume is €400 million. Marketwise, this sub-division focuses on the office market.

The sub-division GEG Germany Value I includes the following property:

- Harenberg City Center, Dortmund: The "Harenberg City Center" at the address Königswall 21, 44137 Dortmund has a total rental space of approximately 21,600 sqm. The complex of office buildings consists of a 20-floor, high-rise building and a curved 6-floor wing that adjoins. More than 85% of the complex are leased. The total investment volume was approximately €70 million. (Sources: Fact Sheet "Harenberg City Center"; press release by GEG of 22 December 2017: "*GEG acquires Harenberg City in Dortmund*".)

Value-Add: this sub-division focuses on the Top 7 German Cities and German greater metropolitan areas (excluding Berlin), as well as selected cities which do not belong to the top 10 German greater metropolitan areas. The real estate in this sub-division can be characterised as real estate with high development potential, rather short remaining lease periods or vacancies. There is no minimum threshold for investment volumes per project starts in this sub-division. Marketwise, this sub-division focuses on the office market, however, up to 25% of the income from this sub-division may be generated from other uses. This sub-division has only been recently formed together with the Government of Singapore Investment Corporation, the Singapore state-owned investment fund GIC (Source: *"GIC vergibt Value-Add-Mandat an GEG*", IZ aktuell Newsletter, 12 September 2018).

The sub-division Value-Add includes the following property:

- Börsencenter, Frankfurt am Main: The "Börsencenter" at the address Schillerstraße 19-25 / Taubenstraße 7-9, 60311 Frankfurt am Main is an office and retail building with a total rental space of approximately 8,600 sqm. The current occupancy rate is 50%. (Source: Fact Sheet "Börsencenter".)

12.2.2.2 *Developments*

The Development division is characterised by active asset management tailored to the respective property, extensive revitalization, and the implementation of intelligent repositioning concepts. The GEG Group makes opportunity-based investments in these selected high potential and implements efficiently with its management expertise and resources and with a co-investment stake. This division focuses on the Top 7 German Cities and German greater metropolitan areas. Property acquired in this division is characterised by lease agreements with a short to mid-term remaining lease period, unused property or pre-developed plots of land. Marketwise, this division has an emphasis on office, retail, residential and hotel, as well as mixed use. The thresholds for investments in projects starts normally at €50 million. (Source: Acquisition profile, available on GEG's website.)

The division Developments includes, for example, the following properties:

- Riverpark Tower und Suites, Frankfurt am Main, Germany: The "Riverpark Tower und Suites" at the address Wiesenhüttenstrasse 10, 60329 Frankfurt am Main, Germany, is a development project which is expected to have a total rental space of approximately 21,000 sqm, with more than 200 residential units. The tower was initially used for commercial purposes, but is now set to be completely redesigned and redeveloped as a residential building. The tower will have 23 floors, and the adjacent boarding house is planned to have six floors. Both the conversion works and sales efforts have started in 2018 The total investment volume exceeds €220 million. According to GEG's management, this project is realised in a 90/10 joint venture, where a German pension fund acts as 90% joint venture partner (and the remaining 10% are being held by the GEG Group). Construction is planned to start in the first half of 2019, completion is expected for 2021. (Source: Fact Sheet "Riverpark Tower und Suites".)
- Global Tower: The "Global Tower" at the address Neue Mainzer Strasse 32-36, 60311 Frankfurt am Main, Germany, is a development project which is expected to have a total rental space of approximately 33,000 sqm with 30 floors. The tower will be used for offices. It was initially constructed in 1974 and will be completely refurbishment until 2020. The refurbishment works have started in 2018, marketing has started in mid-2017. The total investment volume is about €340 million. (Sources: Fact Sheet "Global Tower"; press release by GEG of 13 September 2018: "GEG: *Co-Worker Spaces mietet über 9.000 qm im Global Tower"*).

According to GEG's management, the project "Riverpark Tower und Suites" is the only division where the GEG Group holds a 10% stake in the property. On 1 October 2018, GEG has announced that after the participation of HANSAINVEST Real Assets GmbH in the project "Global Tower" the GEG Group is still economically participating with 50% in the results of the development of project "Global Tower" (Source: Press release by GEG of 1 October 2018: "*HANSAINVEST Real Assets steigt als künftiger Käufer in Global Tower Projektentwicklung der GEG ein*").

This division includes also the management for the projects "Opera Offices", an office and retail complex in Hamburg, and "Maintor", a mixed-use complex comprising six different buildings in Frankfurt am Main, Germany. According to GEG's management, the GEG Group's asset management for Opera Offices has already ended, the asset management for "Maintor" will end in 2019.

12.2.2.3 *Opportunistic Investments*

The Opportunistic Investments division focuses on initiating contemporary, high-quality, in-demand architecture with high space and cost efficiency, with an emphasis on office, retail and upmarket residential projects with in the view of the TTL Group significant marketing potential and, from time to time, hotels. Project developments are implemented with the aim of selling them after successful value creation. This division focuses on cities with a population of at least 100,000 all over Germany. The real estate is characterised by short remaining lease durations or vacancies (of at least 30%) so that these properties can be re-developed rather quickly after acquisition. The minimum investment amount per property is as a rule at €50 million, in case of portfolio acquisitions, the minimum threshold is normally €100 million and with a co-investment stake. (Source: Acquisition profile, available on GEG's website.)

The division Opportunistic Investments includes currently one property:

- Pasing Central, Munich: The "Pasing Central" at the address Bäckerstraße 1-3, 81241 Munich, Germany, is a development project which is expected to have a total rental space of approximately 14,180 sqm. The project entails both comprehensive refurbishment and new buildings, and will create a small, central quarter with residential, office and retail properties. Construction has started in 2018 and is scheduled to complete by mid-2020. The total investment volume will amount to approximately

€85 million. (Sources: Fact Sheet "Pasing Central"; press release by GEG of 7 November 2017: *"GEG presents "Pasing Central" property development in Munich"*.)

The project Pasing Central in the division Opportunistic Investments has been realised together with KKR (by way of providing equity funding to the project).

12.3 TTL Real Estate GmbH

The Issuer holds a direct and indirect 50% stake (based on ordinary voting rights) in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH). In addition, the Issuer has agreed with Deutsche Immobilien Chancen Group that the Issuer shall have the strategic lead with regard to business decisions of TTL Real Estate Group. TTL Real Estate GmbH acts also as GEG Group's financing partner for mezzanine financings in the GEG Group's projects. Therefore, TTL Real Estate GmbH acts as a) mezzanine creditor for acquisition financing (bridge financing during warehousing phase), usually via its subsidiary TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co KG); and b) financing partner for opportunistic investments and project developments. In the future, it may also act as financing partner for associated companies for their real estate projects.

12.4 DIC Capital Partners (Europe) GmbH

The Issuer holds a stake of 15.06% in DIC Capital Partners (Europe) GmbH which holds a direct and indirect 40.26% participation in Deutsche Immobilien Chancen Beteiligungs AG and a direct and indirect 22.80% participation in Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien (which is TTL Real Estate GmbH's second shareholder). Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien is the largest single shareholder in listed DIC Asset AG, as more than 30% of voting rights are held directly and are attributed to Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, representing a factual majority in DIC Asset AG's shareholders' meetings. From its investment in DIC Capital Partners (Europe) GmbH (and its further participations), the Issuer regularly receives dividend payments.

12.5 DIC Asset AG

The DIC Asset AG is one of Germany's leading listed property companies which specialises in commercial real estate. With around 20 years of experience on the German real estate market, the DIC Asset AG maintains a regional footprint on all major German markets through six branch offices, and has approximately 185 assets with a combined market value of approximately €5.0 billion under management, as of 30 June 2018. DIC Asset AG uses a hybrid business model to manage its business divisions Commercial Portfolio, Funds and Other Investments. Taking an active asset management approach, DIC Asset AG employs its proprietary, integrated real estate management platform to raise capital appreciation potential in its business divisions and to boost its revenues (*Source: Half-year report Q2 2018 DIC Asset AG*). DIC Asset AG indirectly held about 14.59% of voting rights in TLG IMMOBILIEN AG as per the latest group notification on voting rights for 19 June 2018.

12.6 Competitive Strengths

The TTL Group believes its most significant competitive strengths comprise the following:

12.6.1 Real estate and asset management competence / Diversified investments and low-risk execution

Based on many years of experience in the industry and numerous successful real estate projects, including developments, management believes that the TTL Group, via the GEG Group, possesses extensive know-how, reliability and capabilities in real estate investment and asset management. As a real estate investment and asset manager, the TTL Group's focuses primarily on fee generation from the value created by the services rendered, as well as – in case of co-investments by the GEG Group in real estate projects alongside investors – on the gains resulting from the disposal of real estate. By outsourcing various services, like planning, construction, general contractor-business, etc., the TTL Group minimises any risks resulting from e.g. planning or construction failure. The focus is on the active management of assets, i.e. the determination of real estate to be acquired for renovation, refurbishment or modernisation (including the planning for later sale, partly already involving internal and external experts, e.g. experts with architectural knowledge, technical knowledge, etc., prior to an acquisition), the respective financing, the acquisition, the holding of such real estate for renovation, refurbishment or modernisation purposes as well as the subsequent sale for the best price possible. The TTL Group usually acquires properties for investors (although it also co-invests in projects from time to time), coordinates renovation, refurbishment or modernisation works and subsequently sells the properties on to such investors. As a result, the TTL

Group holds properties, if at all, only for a short period of time on its own books. In addition, the TTL Group generates asset management fees from the companies and investors with whom projects are realised.

12.6.2 *Reputation for reliable execution opens preferential access to projects*

The GEG Group has a strong reputation in the real estate industry, not only in Germany, but also with international investors, for an excellent follow through on transactions and their successful closings. The longstanding experience of GEG Group's management on the market and its thorough and planned approach on transactions are highly valued by its business partners. The GEG Group has also excellent access and contacts to market participants on the real estate market. For this reason, the GEG Group is often approached by market participants for real estate projects before such projects are publicly offered. In most of the cases, the GEG Group has been successful at acquiring properties which were sold to it in off-market transactions, before the respective properties had been offered to competitors. Even in tender procedures, the GEG Group has managed to successfully acquire properties, although it had not offered the highest consideration; in these cases, the respective sellers highly valued the GEG Group's deal reliability. Management believes that this strong reputation is a unique feature in the industry which can hardly be duplicated and which offers preferential access to transaction opportunities.

12.6.3 *In-depth market knowledge and strong network*

The GEG Group has an in-depth market knowledge and a strong network in the commercial real estate market, in particular in Frankfurt am Main, Munich, Cologne and Dusseldorf, but also in other selected German metropolitan areas. Because of its market knowledge and network especially with real estate brokers, property owners, partners and investors, the TTL Group is in a position to source real estate projects, to prepare concepts for subsequent uses, partly even prior to the acquisition of the respective property, to acquire and quickly renovate, refurbish or modernise, as the case may be, the property, and to sell it on to investors.

The Issuer benefits also from the personal contacts and networks of its management board members and supervisory board members, as well as from other managers within the TTL Group. As a result, the advisory board of TTL Real Estate GmbH comprises, inter alia, representatives of KKR, of RAG-Stiftung and Deutsche Pfandbriefbank AG. Members of the supervisory board of GEG German Estate Group are as of the date of the Prospectus: Prof. Dr. Gerhard Schmidt, Johannes Huth (Head of EMEA KKR), Guillaume Cassou (Director of Real Estate and Head of KKR Europe), Klaus-Jürgen Sontowski (managing director of Sontowski & Partner GmbH), Joachim Plesser (supervisory board member pbb), and Eberhard Vetter (Head of Financial Investments of RAG Stiftung).

12.6.4 *Strength in project financing and access to financial resources*

The TTL Group also significantly benefits from its structuring capabilities for project financing and access to financial means. The GEG Group has the ability to source funding from both mezzanine investors, but also from project partners. In the future, assuming a successful Offering, the Issuer plans to provide also financial means to the GEG Group. The TTL Group's capacity to manage also large projects which often exceed the capabilities of smaller real estate groups, in particular with regard to funding capacity. In such context, the TTL Group also benefits from its capital market access and the financial staying power that is needed in this business as projects may be delayed due to a number of reasons. Management believes that these financial capabilities often cannot easily be matched by smaller competitors or market participants sourcing such services from outside service providers.

12.6.5 *Securing properties and establishing an investment-suitable structure*

The GEG Group acquires real estate with the intention of managing it as an asset manager for institutional investors. One of the main services provided is the establishment and creation of a structure which makes the property suitable for investors. The GEG Group has long-standing experience in creating structures required by institutional investors. The services provided by the GEG Group may include, inter alia, search for tenants, lease agreement handling, corporate restructurings of the vehicles within which the respective properties are held, refurbishment of the property, etc.

12.6.6 *Track record and strong project pipeline*

As of September 2018, the TTL Group had total assets under management of €2.8 billion (Source: Press release by GEG of 13 September 2018: "*GEG: Co-Worker Spaces mietet über 9.000 qm im Global Tower*") (where the Issuer considers for assets under management the expected project volume after project finalisation, even for projects currently under development). The GEG Group had been founded in 2015 with the aim to achieve a volume of assets under management of €5 billion. Therefore, after approximately three years, the GEG Group has already achieved more than 50% of its target volume. According to GEG's management, the GEG Group has successfully deployed approximately €1,070 million equity invested and committed since its foundation, thereof approximately €400 million by way of club deals, approximately €320 million by funds, and approximately €350 million for individual projects.

12.6.7 Experienced Management

The TTL Group and their portfolio companies benefit from an experienced senior management team with long-standing work experience in real estate development and financial management. Theo Reichert and Thomas Grimm each have long-standing experience in management and/or the real estate business. In addition, both the GEG Group and the Deutsche Immobilien Chancen Group (Deutsche Immobilien Chancen Group means Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien including its subsidiaries and affiliated companies, in particular DIC Asset AG) respectively, have strong management teams including its GEG Group's CEO Ulrich Höller with more than 25 years of experience and a strong track record in the real estate industry. The GEG Group has also an experienced second level management team which secures the know-how and network needed for the GEG Group's success. Prof. Dr. Gerhard Schmidt in his capacity as chairman of the Issuer's Supervisory Board as well as the supervisory board of GEG German Estate Group AG regularly provides the TTL Group with his long-standing experience in the German real estate market.

12.7 Strategy

The TTL Group's main strategy is to grow its business and thereby:

- increase its business activities both by way of organic growth and acquisitions (with regional and strategic complementarity to the GEG Group's business), in particular in the area of commercial assets;
- increase the GEG Group's total assets under management to €5 billion;
- expand the team of asset management experts in order to offer services on a broader basis and to secure the intended growth.

Management believes that this ambition can be reached by the following strategic measures:

12.7.1 Acquisition of real estate investment and asset management or development companies

The TTL Group intends to strengthen its focus on the key metropolitan areas in Germany, which management believes to offer good macro-economic fundamentals, a healthy demand outlook for real estate development and asset management services and a stable financial environment. At present, the TTL Group, via the GEG Group, has a strong market presence in particular in Frankfurt am Main, Munich, Cologne and Dusseldorf. Here the TTL Group intends to increase its market presence and market share in the metropolitan areas by partially also expanding to new local markets (i.e. both locations which do form part of Germany's top 10 cities, but which appear to be stable and financially interesting, and locations which do not form part of Germany's top 10 cities, but where the TTL Group currently sees room for improvement of its market position) and simultaneously leveraging on its existing presence and networks.

The Issuer is currently evaluating potential target companies in the real estate investment and asset management business (with regional and strategic complementarity to the GEG Group's business) and aims to acquire either majority stakes or minority stakes of at minimum 25% or with contractual minority protection rights. The aim is to increase the streams of business and thereby the streams of income.

Where the Issuer currently relies predominately on two streams of income (stakes in the GEG Group and Deutsche Immobilien Chancen Group), the Issuer aims to add one or more streams of business and thereby add more streams of income in the short- to mid-term future.

In case of the expansion of its income streams, the Issuer may create synergies, e.g. when newly acquired companies may use the networks of the Issuer and its group, or when the GEG Group's funds invest into real assets projects managed by the GEG Group.

All operational activities are currently conducted on the level of the GEG Group as well as the indirectly held minority stakes in DIC Asset AG. The Issuer, therefore, considers to acquire investment and asset management companies and/or groups in order to further diversify. In this respect, the Issuer aims for a company with regional and strategic complementarity in the commercial real estate sector to the GEG Group. As a result, any acquired real estate investment and asset management or development company should not be in direct or indirect competition with the GEG Group, but rather complement GEG Group's activities in locations where the GEG Group is not active yet or would not invest due to its geographic or investment focus. As a result, the TTL Group intends to increase the volume of its overall business activities with a focus on commercial real estate.

The Issuer has not defined a specific acquisition strategy with regard to respective stake to be acquired. The Issuer rather prefers to remain flexible, however, in line with the Issuer's approach towards the currently evaluated potential target companies, the Issuer aims generally at acquiring either majority stakes or minority stakes of at minimum 25% or with at least contractual minority protection rights.

Furthermore, the Issuer intends to use its profits, but the funds generated by the Offering, for the financing of the growth of existing subsidiaries, in particular the GEG Group's companies, but also in case of acquisitions such subsidiaries and their business.

12.7.2 Increase the GEG Group's total assets under management to €5 billion

As of 30 June 2018, the GEG Group had total assets under management of €2.8 billion as of September 2018 (Source: Press release by GEG of 13 September 2018: "*GEG: Co-Worker Spaces mietet über 9.000 qm im Global Tower*") (where the GEG Group considers for assets under management the expected project volume after project finalisation, even for projects currently under development). The GEG Group had been founded in 2015 with the aim to achieve a volume of assets under management of €5 billion by 2020. Therefore, after approximately three years, the GEG Group has already achieved more than 50% of its target volume.

12.7.3 Expansion of the team of asset management experts

The TTL Group intends to further grow its business, either organically or by way of acquisition, or by a combination of both. In order to be able to expand its services, the TTL Group intends to expand its team of asset management experts. This is aimed to allow the TTL Group to execute more development projects and to manage a larger number of real estate portfolios and properties. As a result, the TTL Group's overall business will grow and generate more profit.

12.8 Products and services

12.8.1 Overview

The TTL Group's business is organised in a very stream-lined structure: while the Issuer is a mere holding company, the main business operations are currently conducted within the GEG Group. As a holding company, the Issuer has only 4 employees, while the GEG Group, with a classic organizational setup as a real estate asset management and development company, employs besides the two members of the management board about 55 employees, including an experienced second level management team of nine members.

In the context of different projects, the TTL Group works as a project partner together with various other third parties in joint ventures. Such third parties include other real estate developers, real estate companies with development activities, architects, constructions companies, real estate investors or financial investors, with which the TTL Group usually has a long-standing relationship and has cooperated previously.

12.8.2 Asset management

The business model of the TTL Group's portfolio companies extends across the entire value chain of real estate investment and asset management for institutional investors. This includes the identification of suitable properties, the presentation to business partners (in case of joint projects), the preparation of club deals (sourcing and structuring of investors), the negotiation of the acquisition with the respective seller, the refurbishment of the respective property (which is always outsourced to third parties), and the entering into new lease agreements. In case of real estate acquisition, real estate is either acquired on the GEG Group's own account and structured to the needs of investors (and in order to efficiently use the GEG Group's available equity, the holding period of these real estate assets is rather short-term), or in some cases, the investor is already identified at the time the real estate is also acquired. To align interest with the respective investor, the GEG Group might hold a minor equity co-investment.

12.8.3 Phases of the value chain

The business model of the GEG Group comprises real estate investment and asset management with a strong focus on risk management which extends across all phases of the value chain. Depending on the market environment, the GEG Group manages commercial, in particular office, properties as well as other properties, such as e.g. residential properties in opportunistic cases.

GEG Group generates fee income from respective services provided.

12.8.3.1 Sourcing phase

The TTL Group, namely the GEG Group, continuously monitors the market which involves both experienced staff of the GEG Group with local know-how and networks as well as the expertise of external independent advisors for suitable properties. Due to its strong reputation for deal reliability, the GEG Group is often offered projects on an off-market basis for which it does not need to compete with other market participants.

The GEG Group typically acquires real estate only on a project-related basis where the later use and placement to the final management structure is in many cases pre-determined prior to the respective acquisition.

The GEG Group structures the required financing of a real estate project which is determined and secured in the sourcing phase. The purchase price is usually not financed with equity only, but rather consists of a financing mix, usually consisting of debt, provided by both banks and TTL Real Estate GmbH as mezzanine finance provider as well as well as equity financing provided by the GEG Group.

GEG may hold the respective property on its own account for a short period of time (typically six to maximum 18 months) before it is placed to the final investment and management structure. This time is utilised to set up the final investment structure and, in some cases, for smaller letting activities and the like. The GEG Group receives the respective letting income from the property which covers the financing and other costs during this phase.

12.8.3.2 Structuring and placement phase

After establishing of the investment structure and negotiation with the institutional investors, the investors join the respective investment vehicle and the GEG Group's stake is reduced to a minority of usually 1.5% to 5% of the equity invested (in exceptional cases up to 10%).

Depending on the deal structure and negotiations with investors, the GEG Group generates an acquisition fee (usually calculated as a percentage of the purchase price of the respective property) and/or a financing fee (usually calculated as a percentage of the debt in the financing structure). GEG Group may also generate income in connection with the placement of the respective property (e.g. sale, transfer) and setting up of a regulated structure (e.g. when a property is transferred into a fund).

12.8.3.3 Management phase

After the final investment structure is established and the institutional investors have joined, the GEG Group provides asset management services based on long-term service agreements through the holding period of the respective property for typically up to ten years for projects in the division Institutional Business or a typically shorter period in the divisions Development or Opportunistic Investments, depending on the respective project.

During the management phase, the GEG Group generates ongoing fee income for asset and property management services (whereas property management is executed by a third party provider) based on the value of the assets under management (AuM) or the rent income related to the property. These fees may in addition also include remuneration for (re-)letting of the property or managing capex and tenant improvement-measures.

In case of business divisions Development and Opportunistic Investments, respective fees for providing asset management, development and capex management services are the main income sources.

12.8.3.4 Exit phase

Investors in the business division Institutional Business usually seek to exit their investment after a holding period of usually eight to ten years, in the business division Development and Opportunistic Investments, the holding periods are typically shorter, depending on the respective project.

For executing the sale of a property, the GEG Group generates a disposition fee as a percentage of the sales proceeds and may also obtain a promote fee depending on the total return of the project.

12.8.3.5 *Co-Investments*

The GEG Group, in its capacity as co-investor, also benefits from the property's net current income in the management phase and the gain from the sale of the property in proportion to its participation in the property.

12.9 Customers

In relation to the disposal of property, the customers of the TTL Group are typically professional investors in real estate, such as real estate investment companies, real estate funds and insurance companies and in some circumstances private trusts/family offices and pension funds. There are typically only a small number of actual potential customers in any given period, depending on the number of projects sold in such period. Customers also typically change from period to period, although there may be various project sales to the same customer (or group of affiliated customers) in certain instances. The TTL Group's portfolio companies do not have any exclusive partnerships with customers (except with KKR which has committed to work exclusively with the GEG Group in connection with direct commercial real estate investments in Germany in office and retail buildings. (For details on the investment agreement with KKR, see section 12.15 "*Material Contracts*".)

12.10 Suppliers

The TTL Group's ability to successfully complete its real estate projects on time, at the anticipated quality or at all, is dependent of the TTL Group's reliance on contractors, service providers or sub-contractors. As the GEG Group is mainly an investment and asset manager, their main suppliers are law firms, accountants, architects, facility managers etc. Nevertheless, in its capacity as the manager for the renovation, refurbishment or modernisation or the development of a real estate project for the owner, their biggest suppliers are construction companies in the field of construction (shown on the level of the respective project companies since GEG does not hold the respective property on its balance sheet).

12.11 Competitors

Real estate asset management is a large and highly fragmented market. Potential competitors of the TTL Group include asset managers and real estate developers, but also real estate investment companies involved in property development for their own investment purposes. In practical terms, the TTL Group, via the GEG Group, competes for projects with local or regional real estate developers, which vary from city to city, region to region and asset class to asset class. Currently, management believes there is no competitor with which the TTL Group actually competes for asset management projects in more than one region and asset class. However, in the sourcing and the structuring and placement phase of real estate projects, the TTL Group competes with other market players who also aim for attractive real estate projects, like real estate developers, pension funds, investors.

12.12 Risk Management

The Issuer, being a holding company, has a very stream-lined organisational structure. As a result, its risk management has been adapted to the size of its organisation. The management of the Issuer evaluates all risks on a continuous basis, however, the Issuer has not installed a separate risk management department.

On the level of TTL Group companies, in particular within the GEG Group, there are systems for the early identification, evaluation, control and supervision of risks on a permanent basis. Risk management includes technical and commercial risk management as part of permanent risk monitoring procedures. This involves in particular the monitoring of local markets and general economic developments.

Due to its business model, the TTL Group has no valuation exposure, except for co-investments where the TTL Group is exposed to a limited risk with regard to its (typically) up to 5% stake in the respective property (in exceptional cases of up to 10%; for short-time periods during the warehousing phase, the GEG Group may hold stakes in real estate properties of up to 100%).

12.13 Research & Development

Due its scope of business, the TTL Group does not engage in research & development.

12.14 Intellectual Property

GEG holds the trademark "German Estate Group". The Issuer holds the domain "ttl-ag.de", but no trademarks. The TTL Group holds no patents.

12.15 Material Contracts

12.15.1 Investment agreement with KKR

On 28 November 2014, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, GCS Verwaltungs GmbH, *inter alia*, KKR and GEG Holdings S.à.r.l., an investment entity set up by KKR for the purpose of holding the interest in the to be established German Estate Group GmbH & Co. KG, entered into an investment agreement to further develop a commercial real estate platform by setting up GEG Group (**"Investment Agreement"**).

GEG Verwaltungs GmbH and German Real Estate Group GmbH & Co. KG were acquired/established as new entities and German Real Estate Group GmbH & Co. KG was meant to establish or acquire a new entity to be named GEG Real Estate Management GmbH and a new entity to be named GEG German Estate Group AG. The agreed contribution and investments structure encompassed in particular capitalisation measures including, *inter alia*, capital increases in GEG Verwaltungs GmbH, the general partner of German Estate Group GmbH & Co. KG, in German Estate Group GmbH & Co. KG itself and in GEG German Estate Group AG as well as contributions in kind, directly or indirectly, of the DIC Opportunistic Development Unit and Development Business Unit.

Limited partners of German Estate Group GmbH & Co. KG are TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) with an interest of 75% and GEG Holdings S.à.r.l with an interest of 25% in the nominal partnership capital (*Festkapital*) (**"Limited Partners"**), each holding the same proportion of shares in GEG Verwaltungs GmbH, the sole general partner of German Estate Group GmbH & Co. KG. The limited liability contributions of the Limited Partners registered in the commercial register of German Estate Group GmbH & Co. KG, however, amount to €50,000.00 each.

In addition, the parties to the Investment Agreement, *inter alia*, agreed on the general business concept, specific corporate governance measures (e.g. nomination rights to regarding managing directors of GEG Verwaltungs GmbH and regarding the supervisory board of GEG German Estate Group AG), business plans and dividend policy and measures pertaining to the conduct of business including, *inter alia*, the co-operation to introduce GEG German Estate Group AG and its products to investors as well as a preferential right, however, without any obligation, of relevant investment vehicles of KKR, managed by KKR or its affiliates to provide equity to opportunistic investments in Germany exceeding a certain transaction value.

In the event of a funding requirement and only after approval of the supervisory board - the majority of which is occupied by representatives of DIC and TTL - and management board of GEG German Estate Group AG, German Estate Group GmbH & Co. KG may issue a funding notice to its shareholders. The Exercise of such Funding notices may lead to an increase of the stake held by GEG Holdings S.à.r.l. in German Estate Group GmbH & Co. KG and GEG Verwaltungs GmbH to an equal participation (50:50) with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and TTL.

The Investment Agreement is concluded for an indefinite time, but may only be terminated prior to 31 December 2029 for cause (*aus wichtigem Grund*). The Investment Agreement may be terminated for the first time as of 31 December 2029 by the limited partners of German Estate Group GmbH & Co. KG by giving six months' notice prior to the end of term. If and to the extend the limited partners of German Estate Group GmbH & Co. KG have not sold their investment in German Estate Group GmbH & Co. KG, GEG Verwaltungs GmbH, GEG German Estate Group AG and GEG Real Estate Management GmbH within twelve months after an ordinary termination of the Investment Agreement German Estate Group GmbH & Co. KG and GEG Verwaltungs GmbH, GEG German Estate Group AG and GEG Real Estate Management GmbH shall be liquidated unless otherwise agreed between the parties to the Investment Agreement. In the event of an effective extraordinary termination pursuant to the terms of the Investment Agreement, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien shall acquire the partnership interest and shares of GEG Holdings S.à.r.l. in German Estate Group GmbH & Co. KG and GEG Verwaltungs GmbH at the costs agreed and shall continue to manage any opportunistic deal funded by the real estate funds of KKR or its affiliates in accordance with the terms and conditions agreed in a management agreement.

In addition, the parties to the Investment Agreement generally agreed on exclusivity to the extent that Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, Deutsche Immobilien Chancen Beteiligungs AG and GEG Holdings S.à.r.l. shall not and procuring that none of its affiliates, excluding, however, portfolio and investee companies of GCS Verwaltungs GmbH or KKR or its affiliates, and none of its direct or indirect controlling shareholders or their affiliates, excluding, however, the partners of KKR who are private individuals, will not without prior written consent of the other limited partner of German Estate Group GmbH & Co. KG, use any legal entity (e.g. corporation, company, partnership or association) other than German Estate Group GmbH & Co. KG or GEG German Estate Group AG in connection with direct or indirect commercial real estate investments in Germany in office or retail buildings. The exclusivity obligation agreed in the Investment Agreement, however, does not apply to and explicitly excludes DIC Asset AG.

12.15.2 Loan agreements with TTL Real Estate Mezzanine Investments GmbH & Co. KG

For a description of the loan agreements with TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), please see section 16.4 "*Business relationships with significant subsidiaries*".

12.15.3 Agreements with related parties

For an overview on agreements with related parties, please see 15.1: "Overview on related party transactions", and for a description of the agreements with related parties, please see section 15.2 "*Relationships and Transactions with Certain Shareholders and related parties thereto*" and and section 15.3: "*Other Transactions with Related Parties*".

12.16 Staff / Employees

In 2015 and 2016, the Issuer had no (0) employees. In 2015 and 2016, as well as until 30 September 2017, the Management Board consisted of only one member, namely Dr. Wolfgang Gillmaier.

Theo Reichert was appointed as member of Management Board with effect as of 1 October 2017. One employee was employed in December 2017. As a result, the Issuer's number of employees for 2017 pursuant to Section 285 No. 7 HGB amounts to zero (0).

As of 30 June 2018, the Issuer had two (2) employees and two members of the Management Board (which includes Thomas Grimm who was appointed as member of the Management Board with effect as of 18 January 2018).

As of the date of this Prospectus, there has been no material change in the Issuer's employment structure.

12.17 Regulatory Matters

The TTL Group is subject to comprehensive regulatory provisions under German law, including building regulations, zoning laws, tenancy laws, technical regulations relating to construction and health and safety laws, however, to a large extent, such provisions do only apply indirectly to the Issuer. Due to the fact that the Issuer is a holding company without any direct operational business, regulations with regard to development and refurbishment activities only apply to companies of TTL Group. Moreover, the GEG Group outsources a large number of services, e.g. architectural services, construction works, etc. The GEG Group never assumes the role as a general contractor. For this reason, any potential failure to comply with any of the above cited provisions will not directly impact the Issuer or TTL Group.

On the level of the GEG Group, the sub-divisions GEG Infrastructure I and GEG Germany Value I of the business division Institutional Business are legally organised as investment funds or alternative investment funds respectively. With regard to special regulations applying to the fund industry and its management, the GEG Group has outsourced the respective activities to a third party provider in order to minimise its own respective risks which may result from non-compliance with any financial regulation.

12.18 Insurance

The TTL Group maintains insurance in such amounts, coverage and deductibles as management believes is reasonable and prudent. The TTL Group is insured against claims resulting from general liability, including liability from services of asset management and property damage (where applicable). On the GEG Group's level, customary insurance policies have been concluded, particularly including liability insurance (including building owner and landowner liability insurance policies) and buildings insurance policies for its real estate portfolio (including for fire, natural hazards and loss of rent). The DICP Capital SE also maintains directors' and officers' (D&O) insurance into which the members of the Management Board and Supervisory Board of TTL AG and its subsidiaries are included.

In the opinion of the Issuer the insurance policies concluded and their respective terms and conditions (sums insured, premiums, limitations of liability and liability exclusions, deductibles etc.) are customary and tailored to the TTL Group's industry and ensure adequate and appropriate protection, considering the costs and potential risks. The insurance protection is regularly reviewed and adjusted, if necessary. It can, however, not be excluded that the Issuer will incur losses or that claims will be brought against the Issuer which go beyond the nature and scope of the existing insurance protection.

12.19 Legal Proceedings

Legal disputes may arise in the ordinary course of business in connection with the acquisition or the sale of real estate properties, or fees for services provided, in particular within the GEG Group. Further, the TTL Group may enforce rental payment claims against tenants.

As of the date of this Prospectus, the TTL Group is not involved in governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or the Issuer's group financial position or profitability.

The TTL Group believes that it is substantially in compliance with all of these laws and regulations, as they are currently interpreted. To the best of the Issuer's knowledge, there are no current or potential material claims against the TTL Group in any area of regulatory compliance.

13. MANAGEMENT AND GOVERNING BODIES

13.1 General

The Company's governing bodies are its Management Board (*Vorstand*), Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*). The powers vested in these bodies are governed by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association (*Satzung*) of TTL Beteiligungs- und Grundbesitz-AG and respective rules of procedure (*Geschäftsordnungen*) for the Management Board and the Supervisory Board.

The Management Board is responsible for managing the Company in accordance with applicable law, the Articles of Association and the rules of procedure of the Management Board, while taking into account the resolutions adopted by the shareholders' meeting. The Management Board represents the Company in dealings with third parties. It ensures the establishment and operation of an appropriate risk management and internal monitoring system to identify in a timely fashion any developments that might place the continued existence of the Company at risk. The Management Board is required to report to the Supervisory Board. In particular, the Management Board is obliged to inform the Supervisory Board on a regular, timely and comprehensive basis about all issues of relevance to the Company with respect to planning, the development of business, risks, risk management and compliance. In this regard, the Management Board is also required to describe and explain ways in which the development of business has deviated from such plans and targets as have been set forth. In addition, the chairman of the Supervisory Board is to be advised of any other important developments. Furthermore, the Supervisory Board may request a report concerning the affairs of the Company at any time. Members of the Management Board are appointed and removed by the Supervisory Board.

The Supervisory Board supervises and advises the Management Board in relation to its management of the Company. Generally, a member of the Supervisory Board cannot simultaneously also serve as a member of its Management Board. For a limited period of time set in advance and not exceeding one year in total, the Supervisory Board can appoint from among its members individuals to act in place of members of the Management Board who are absent or incapacitated. While serving in place of Management Board members, a Supervisory Board member is not permitted to perform any function as a Supervisory Board member of the Company. Management tasks may not be transferred to the Supervisory Board. The Supervisory Board determines the exact number of members of the Management Board. Pursuant to Section 7 para. 1 of the Articles of Association, the Management Board consists of at least one member. The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each member for good cause (*aus wichtigem Grund*).

Under the rules of procedure of the Management Board, certain types of transactions and other actions require the consent of the Supervisory Board. Matters subject to the prior consent of the Supervisory Board pursuant to the internal rules of procedure of the Management Board currently include:

- approval of the annual planning consisting of investment plan, financial plan, cost plan and personnel plan, which must be submitted by the Management Board before 15 November of each fiscal year;
- unless the investment in question is already included in the annual plan:
  - the acquisition or the sale of businesses/business units with a transaction volume of more than €10 million (purchase price plus all financial liabilities and contingent liabilities assumed by the seller), as long as it is not a matter of restructuring within TTL Group;
  - the acquisition or the sale of businesses/business units with a market value of more than €5 million;
  - the investment in other tangible assets with an investment volume of more than €5 million;
  - assumption of interest-bearing liabilities other than the replacement of an existing interest-bearing liability or where the volume of the interest-bearing liability exceeds €5 million;
  - other transactions with a volume of more than €5 million in each individual case;
- conclusion, modification or termination of inter-company agreements (*Unternehmensverträge*) in the meaning of Section 291, 292 et seqq. of the German Stock Corporation Act (*Aktiengesetz*).
- determination of the variable remuneration for the senior management level below the Management Board;
- arrangement of release periods (*Freistellungsphasen*) with employees and/or managers of affiliated companies of more than six months;
- agreement on severance payments for employees and/or managing directors of affiliated companies that comprise more than six months' salaries;

- unless the involvement of the Supervisory Board is already required under Section 112 of the German Stock Corporation Act (*Aktiengesetz*) transactions between the Company or one of its affiliated companies on the one hand and a member of the Management Board or persons or companies related to a member of the Management Board within the meaning of the market abuse regulation, on the other hand, if the value of the transaction exceeds €25,000.00.

In addition, the Management Board requires approval of the Supervisory Board for any measures listed above to be carried out by direct and/or indirect subsidiaries included in the scope of consolidation of the Company.

The members of the Management Board and of the Supervisory Board are subject to fiduciary duties and duties of care to the Company. In discharging those duties, the members of these bodies must consider a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must also take due account of the shareholders' right to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for any damages. Under German law, however, a shareholder generally does not have standing to sue members of the Management Board or Supervisory Board directly if he or she believes that these have breached their duties to the Company. Only the Company has the right to claim damages from the members of the Management Board or Supervisory Board, in which case the Company is represented by the Management Board when claims are made against members of the Supervisory Board and by the Supervisory Board when claims are made against members of the Management Board. According to a ruling of the German Federal Court of Justice (*Bundesgerichtshof*), the supervisory board is obligated to assert claims for compensatory damages against the management board that are likely to be successful, unless important company interests conflict with such an assertion of claims and such grounds outweigh, or are at least comparable to, the grounds in favour of asserting the claims. In the event that the relevant body with powers to represent the company decides not to pursue such claims, then such claims of the company for compensatory damages must nevertheless be asserted against members of the management board or the supervisory board if the shareholders' meeting of the company passes a resolution to this effect by a simple majority vote. Such shareholders' meeting of a company may appoint a special representative (*besonderer Vertreter*) to assert such claims. Shareholders whose aggregate holdings amount to at least 10% or €1,000,000.00 of a company's share capital may apply to the court to appoint a special representative to assert claims for compensatory damages. In the event of such an appointment, the special representative becomes solely responsible for asserting the claims of the company for compensatory damages in lieu of the otherwise competent governing body of the company. In addition, if there are facts supporting the claim that the company has been damaged by fraud or gross breaches of duty, shareholders whose aggregate holdings amount to at least 1.00% or €100,000.00 of the company's share capital have the option, under certain circumstances, of being granted permission by the competent court to file a lawsuit in their own name, but on account of the company for compensatory damages to the company against members of the governing bodies. Such a lawsuit will be dismissed if the company itself files a lawsuit for compensatory damages.

A company may only waive claims for compensation against members of the management board and the supervisory board, or settle such claims, three years after such claim has arisen but only (a) if the shareholders resolve to do so in a shareholders' meeting by resolution with simple majority and (b) where a majority of the shareholders, together holding shares which represent at least 10% of the share capital, do not object to this in the minutes of the meeting.

Under Section 142 of the German Stock Corporation Act (*Aktiengesetz*), the shareholders' meeting of the company may appoint, by a majority resolution, an auditor (a '**"Special Auditor"**', *Sonderprüfer*) to review procedure, in particular in relation to management. If the shareholders' meeting of the company rejects a motion to appoint a Special Auditor, the court must appoint a Special Auditor at the request of shareholders whose aggregate holdings amount to at least 1.00% or €100,000.00 of the company's share capital in case the facts justify the suspicion that irregularities or gross violations of the law or of the articles of association have been committed. If the shareholders' meeting of the company does appoint a Special Auditor, the court, however, must appoint a second Special Auditor if such appointment appears to be appropriate considering the qualifications of the first auditor and is requested by shareholders whose aggregate shareholding amounts to at least 1.00% or €100,000.00 of the company's share capital.

In accordance with Section 127a of the German Stock Corporation Act (*Aktiengesetz*), shareholders and shareholder associations can use the shareholder forum (*Aktionärsforum*) of the German Federal Gazette (*Bundesanzeiger*), which is available through the Company Register's (*Unternehmensregister*) website, to call upon other shareholders to jointly, or through third party representation, request a special audit, appoint a special representative, demand that a shareholders' meeting of the Company is convened or exercise their voting rights in a shareholders' meeting of the Company.

German law prohibits individual shareholders (or any other person) from exercising their influence on the company so as to cause a member of the management or supervisory board to act in a manner that would be detrimental to the company. Shareholders with a controlling influence may not use their influence to cause the company to act against its interests unless a domination agreement (*Beherrschungsvertrag*) exists between the shareholder and the company and the influence is exercised within the scope of certain mandatory statutory provisions or the damages are compensated for. Anyone who uses his or her influence to cause a member of the management or supervisory board, an authorised officer (*Prokurist*), or an authorised agent (*Handlungsbevollmächtigter*) to act in a manner that would be detrimental to the company or its shareholders is liable for the damage incurred by the company and its shareholders as a result thereof. Moreover, if members of the management board or the supervisory board breach their duties they are jointly and severally liable for the resulting damages.

The Company may only waive or reach a settlement with respect to compensatory damage claims against Management Board or Supervisory Board members if three years have passed since the vesting of such claim, and after the shareholders have adopted a resolution to such effect by a simple majority at the shareholders' meeting, provided that no shareholder minority whose combined shareholdings amount to at least 10% of the share capital has recorded an objection to be included in the notary's minutes of the meeting. Shareholders and shareholder associations may use the shareholder forum in the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the Internet website of the Company Register (*Unternehmensregister*) (http://www.unternehmensregister.de), to call upon other shareholders to jointly or by proxy file an application for a special examination or demand the convening of a shareholders' meeting or to exercise the voting rights in a shareholders' meeting.

Listed German stock corporations are obliged to disclose target figures for female representation (women's quota) in the management board and supervisory board and for the two leadership levels below the management board. There is no minimum level with respect to the target figures. In the event that a stock corporation does not meet its targets until the end of the relevant term, such non-compliance must be explained in the annual report. In absence of leadership levels below the Management Board the Management Board did not determine any target figures for female representation. By resolution dated 1 December 2017, the Supervisory Board determined a share of 0% of female members for the Supervisory Board and the target for female participation in the Management Board was set at 0%, each until 30 November 2020.

13.2 Management Board

13.2.1 Overview

Pursuant to Section 7 para. 1 of the Articles of Association, the Management Board consists of at least one member. The Supervisory Board determines the number of the members of the Management Board and appoints the members of the Management Board. At present, the Management Board has two members. The Supervisory Board may also appoint a chairman of the Management Board and deputy members of the Management Board. The Supervisory Board appoints members of the Management Board for a maximum term of five years. The members of the Management Board may be reappointed or their term of office may be extended, in each instance for a period of up to five years. The Supervisory Board may revoke the appointment of a member of the Management Board before the end of their term of office for good cause (*aus wichtigem Grund*), such as gross breach of duty, or if the shareholders' meeting passes a vote of no-confidence with respect to such member unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Company in and out of court *vis-à-vis* the Management Board.

Resolutions by the Management Board are regularly adopted in meetings of its members in person or, if no objections are raised by any member of the Management Board either in writing, by phone or by facsimile or by way of other electronic means (e-mail) or comparable means of communications. Pursuant to Section 7 para. 2 of the rules of procedure of the Management Board resolutions are passed with a simple majority of votes. Unless the Management Board consists of less than three members, the vote of the chairman of the Management Board is decisive in the event of an equal number of votes are cast. According the rules of procedure of the Management Board the quorum for decisions of the Management Board is met, if the majority of members of the Management Board participates in passing a resolution.

The Management Board has overall responsibility for the Company's business. In accordance with the rules of procedure of the Management Board each member of the Management Board is assigned areas of responsibility on the basis of the schedule of responsibilities (*Geschäftsverteilungsplan*), which is an annex to the rules of procedure of the Management Board. Notwithstanding the overall responsibility of the Management Board, each member of the Management Board is responsible for the particular areas allocated to him or her. Further details, particularly regarding composition, duties, overall responsibilities, allocation of responsibility for particular functions are governed by the rules of procedure of the Management Board and the schedule of responsibilities (*Geschäftsverteilungsplan*) which were approved by the Supervisory Board on 15 February 2018, and entered into force on the same day.

13.2.2 Members of the Management Board

The Company is legally represented by two members of the Management Board or by one member of the Management Board together with an authorised officer (*Prokurist*). If only one member of the Management Board is appointed, such member solely represents the Company. The Supervisory Board can authorise an individual member of the Management Board to solely represent the Company. Based on resolutions of the Supervisory Board, the members of the Management Board are exempt from the restriction of Section 181 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch*) and therefore have the authority to conclude legal transactions in the name of the Company with themselves as representatives of a third party.

The following table lists the current members of the Management Board, their age, the date on which they were first appointed, the date on which their current appointment is scheduled to end and their current responsibility:

Name	Age	Member since	Appointed until	Current Responsibility
Theo Reichert	57	1 October 2017	30 September 2020	Chief Executive Officer (CEO)
Thomas Grimm	48	18 January 2018	31 December 2020	Chief Financial Officer (CFO)

Theo Reichert was born in Trier in 1961. He graduated with a degree in business administration from the university of Cologne in 1986. Theo Reichert initially started his career in marketing and sales with Kimberly-Clark GmbH in 1987, before he joined Gruber, Titze and Partner as consultant from 1989 to 1991. From 1991 until 2001, Theo Reichert has been managing director of Rüderdorfer Zement GmbH followed by his appointment as member of the management board of auratis AG from 2001 to 2008, thereof four years as Chief Executive Officer. From 2010 to 2012, Theo Reichert has been Chief Executive Officer of Tectum Group, before joining Supreme Group FZE in Dubai as Chief Executive Officer in 2012 until 2016. Since October 2017, Theo Reichert has been Chief Executive Officer of the Company.

Alongside his office as member of the Management Board and Chief Executive Officer (CEO), Theo Reichert is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- CGS AG (Zurich, Switzerland): member of the administrative board
- TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH): managing director
- TTL Real Estate Mezzanine GmbH (formerly DIC Real Estate Mezzanine GmbH): managing director
- TTL International GmbH: managing director
- TTL Consult IT GmbH: managing director
- 1st DATA Solution Vertriebs-GmbH: managing director
- C-CONNECTION Computer & Network Solutions GmbH: managing director

Previously:

- Supreme Group FZE (Dubai): Chief Executive Officer
- Tectum Consulting GmbH: Chief Executive Officer
- GK Beteiligungs GmbH: managing director
- AIRE Asset Investments in Real Estate GmbH: managing director

Thomas Grimm was born in Frankfurt am Main, Germany, in 1969. Thomas Grimm graduated with a degree in business administration from the Justus-Liebig-University in Giessen at the end of 1995. From 1996 to April 2010, Thomas Grimm held various auditing and consulting positions as an auditor and tax consultant at PricewaterhouseCoopers. In April 2010, Thomas Grimm moved to Deutsche Immobilien Chancen Group, where he has been Chief Financial Officer of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien since June 2013. Since January 2018, Thomas Grimm has also been Chief Financial Officer of TTL AG.

Alongside his office as member of the Management Board and Chief Financial Officer (CFO), Thomas Grimm is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- Deutsche Immobilien Chancen Beteiligungs AG, general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien: member of the management board
- TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH): managing director
- DIC Dritte Beteiligungsverwaltung GmbH: managing director
- DIC GMG GmbH: managing director
- DIC MainTor Erste Beteiligungs GmbH: managing director
- MainTor GmbH: managing director
- DIC MainTor Primus GmbH: managing director
- DIC MainTor Real Estate 2 GmbH: managing director
- DIC MainTor Real Estate 3 Verwaltungs GmbH: managing director
- DIC MainTor WINX GmbH: managing director
- DIC Funding GmbH: managing director
- DIC Opportunistic GmbH: managing director
- DIC Opportunity Fund GmbH: managing director
- DIC Services Beteiligungs GmbH: managing director
- DIC Zweite Beteiligungsverwaltungs GmbH: managing director
- WACO Beteiligungs GmbH: managing director
- DIC MainTor Patio GmbH: managing director
- DIC MainTor Palazzi GmbH: managing director
- TTL Real Estate Mezzanine GmbH (formerly DIC Real Estate Mezzanine GmbH): managing director
- TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH): managing director

Previously:

- GEG German Estate Group AG: member of the management board
- GEG Betriebsvorrichtungs GmbH (formerly: GEG Mainhattan GmbH): managing director
- GEG Real Estate Management GmbH: managing director
- DIC MainTor Porta GmbH: managing director
- DIC MainTor Panorama GmbH: managing director
- DIC MainTor Patio GmbH: managing director
- DIC MainTor Palazzi GmbH: managing director
- DIC MainTor Primus GmbH: managing director
- DIC MainTor WINX GmbH: managing director
- AIRE Asset Investments in Real Estate GmbH: managing director

All members of the Management Board can be contacted at the Company's address.

13.2.3 Remuneration and Other Benefits to the Members of the Management Board

Theo Reichert was appointed as member of the Management Board of the Company with effect as of 1 October 2017 and Thomas Grimm was appointed as member of the Management Board of the Company with effect as of 18 January 2018. Therefore, in the financial year 2017 Theo Reichert only received a remuneration from the Company *pro rata temporis* and Thomas Grimm did not receive a remuneration from the Company in the financial year ending 31 December 2017.

The following table sets out the remuneration received by Theo Reichert for the financial year ending 31 December 2017:

Member of the Management Board	Fixed Compensation	Non-monetary Benefits	Variable compensation	Fair value of the options granted	Total
in €					
Theo Reichert	62,500	644.81	42,000	4,950	110,094.81

13.2.4 Remuneration System

The remuneration of the Management Board consists of three components (i) a fixed compensation and non-monetary benefits respectively perquisites, (ii) variable compensation based on the achievement of certain targets (short-term performance-based component) as well as (iii) a share-based compensation (component with long-term incentive effect).

13.2.4.1 Fixed compensation and non-monetary benefits/perquisites

The members of the Management Board receive a fixed base compensation in cash which is paid in twelve equal instalments as a monthly salary. The annual base compensation for Theo Reichert amounts to €250,000.00 and for Thomas Grimm amounts to €200,000.00.

Additionally, non-monetary benefits and perquisites are granted comprising in particular the reimbursement of travel expenses and mobile phone as well as insurance subsidies limited in amount in particular with regard to health and pension insurance or other old-age provision (for which no provisions have been made). For Theo Reichert in addition the non-monetary benefits and perquisites also comprise the provision of a company car. The Company, furthermore, undertakes to provide insurance coverage for the members of the Management Board in case of accident as well as under a directors and officers (**"D&O"**) insurance policy. The Issuer is currently included in the group D&O insurance policy entered into by DICP Capital SE. The D&O insurance policy, covering also the members of the Issuer's Management Board, acknowledges the statutory requirement under the German Stock Corporation Act (*Aktiengesetz*) providing for a deductible of 10% for each insured event which is, however, limited to a maximum of 1.5 times of the annual fixed compensation.

For his term in office in 2017 Theo Reichert received a fixed compensation of €62,500.00.

13.2.4.2 Short-term Performance-based component

The variable, performance-based remuneration component of the members of the Management Board (bonus) is based on the operating result and thus takes both positive and negative developments into account. The prerequisite for the granting a bonus is a positive operating result of the TTL Group. The bonus entitlement depends on the extent to which corporate and personal targets have been achieved. Corporate and personal targets are each given a 50% weighting by the Supervisory Board when determining the bonus. The variable remuneration (bonus) is limited to 50% of the total remuneration (sum of fixed remuneration and variable remuneration). The Supervisory Board decides annually on the bonus by 31 May of the following year. The bonus is paid out on the last banking day of the month in which the Supervisory Board decides on the bonus.

For his term in office in 2017 Theo Reichert received a short-term performance based compensation of €42,000.

13.2.4.3 Share-based component

In addition, the members of the Management Board are granted rights to variable remuneration with long-term incentive effect based on the development of the stock market price of the shares. The rights entitle to options on phantom stocks of the Company, which also take positive and negative developments into account. The number of options granted is individually agreed in the service contract and limited to a maximum. The options only grant the right to a cash payment. The exercise of the options is linked to the fulfilment of a certain number of years of service (vesting period). The duration of the vesting period is individually regulated by contract. When the options are exercised, the remuneration is determined as the positive difference between the average closing price during a reference period of ten trading days preceding the exercise of the options and the contractually regulated exercise price of €1.50 per phantom stock. The members of the Management Board may therefore benefit from the shares' upside potential during the reference period. No cap has been set on the participation in the upside potential at the time the option is exercised.

As at 31 December 2017 the fair value of the options granted to Theo Reichert amounted to €4,950.00.

13.2.5 Commitments in connection with the Termination of the Management Board Membership

The service contracts of the current members of the Management Board do not contain explicit commitments to severance payment. Contrary to the recommendation in Section 4.2.3 of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*), the service contracts with the members of the Management Board do not contain a so-called severance cap according to which payments to members of the Management Board do not exceed the value of two years' compensation including non-monetary benefits and do not compensate more than the remaining term of the service contract in the event of premature termination of the management board service contract.

In the event of death of a member of the Management Board during the term of his contract, the fixed annual salary and the variable remuneration must continue to be paid to his surviving dependents of the deceased *pro rata temporis* for a period of six months after the end of the month in which the member of the Management Board died. In the event of illness, the remuneration will continue to be paid for a period of six months, but no longer than until the end of the Management Board contract. If a member of the Management Board becomes permanently incapacitated for work during the term of the service contract, the service contract ends three months after the end of the half-year in which the permanent incapacity for work was determined.

13.2.6 Secondary Activities of Members of the Management Board

Members of the Management Board may only accept secondary activities (*Nebentätigkeiten*) only with the approval of the Supervisory Board. The members of the Management Board are obliged to assume managerial positions or positions in supervisory boards in companies of TTL Group upon request of the Supervisory Board.

The Supervisory Board approved the secondary activities (*Nebentätigkeiten*) of Theo Reichert as member of the administrative board of CGS AG, Zurich, Switzerland.

The Supervisory Board approved the secondary activities (*Nebentätigkeiten*) of Thomas Grimm as member of the management board of Deutsche Immobilien Chancen Beteiligungs AG, as managing director of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) as well as the assumption of any managerial functions in Deutsche Immobilien Chancen Group and its affiliated companies.

The holding of managerial positions or positions in supervisory boards of subsidiaries of the Company or associated companies (*Beteiligungsgesellschaften*) is considered to be covered by the compensation for such positions, except for Thomas Grimm's membership in the management board of Deutsche Immobilien Chancen Beteiligungs AG.

13.2.7 Conduct and Conflicts of Interest

In addition to his appointment as member of the Management Board Thomas Grimm (CFO) is member of the management board of Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and managing director of various subsidiaries of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien as well as managing director of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH).

As a result, there is the risk that Thomas Grimm who holds different board positions with the Issuer and its related parties is confronted with conflicts of interest. This may have negative effects on the business, financial condition and results of operations of the Issuer.

13.2.8 Additional Information Relating to Members of the Management Board

In the last five years, no member of the Management Board has been convicted of fraudulent offences. In the last five years, no member of the Management Board has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the members of the Management Board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

13.2.9 Shares and options held by Members of the Management Board

As of the date of this Prospectus and as reported to the Company, members of the Management Board do not directly or indirectly hold Shares in the Company or any options on Shares in the Company.

13.3 Supervisory Board

13.3.1 Overview

Pursuant to Section 10 para. 1 of the Articles of Association, the Supervisory Board consists of five members which are elected by the shareholders' meeting. Pursuant to Section 100 para. 5 of the German Stock Corporation Act (*Aktiengesetz*), the members of the Supervisory Board shall, overall, be familiar with the sector in which the Company operates.

The Supervisory Board members are elected pursuant to the Company's Articles of Association in conjunction with Section 102 of the German Stock Corporation Act (*Aktiengesetz*) for a maximum period ending upon termination of the shareholders' meeting that resolves on the discharge (*Entlastung*) of the Supervisory Board members for the fourth financial year after the commencement of their term of office. The financial year in which their term of office has commenced will not count for purposes of calculating such period. The shareholders' meeting may determine a shorter term of office for individual or all Supervisory Board members. The Supervisory Board members may be re-elected.

According to the Articles of Association, the members of the Supervisory Board may resign from office even without cause with a notice period of four weeks submitting a notice in text form (*Textform*) to the chairman of the Supervisory Board or the Management Board. A resignation for cause may be effected without notice period. The appointment of a successor for a member leaving his or her office before the end of his or her term of office is valid for the remainder of the term of office of the departing member, provided that the shareholders' meeting has not determined a different term of office for the successor. The shareholders' meeting, simultaneously with the election of the members of the Supervisory Board, may appoint one or more substitute members for Supervisory Board members, who, in accordance with specific determinations by the shareholders' meeting, may become members of the Supervisory Board if elected Supervisory Board members leave office before the end of their term. One person can be appointed as a substitute member for more than one member of the Supervisory Board. Supervisory Board members elected by the shareholders' meeting may be removed by a resolution of the shareholders' meeting, which requires the majority of the votes cast according to the stipulations of the Articles of Association.

Following the shareholders' meeting, in the course of which all members of the Supervisory Board are elected by the shareholders' meeting for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members to serve for the duration of those members' terms or a shorter term to be determined by the Supervisory Board. Should the chairman or deputy chairman leave the office prior to the expiration of his or her term, the Supervisory Board must elect a new chairman or a deputy chairman from among its members without delay, to complete the remaining term of the departing chairman or deputy chairman.

German law provides that at least one member of the Supervisory Board of publicly listed companies has to have expertise in the fields of accounting or auditing. Of the members of the Supervisory Board, at least Klaus Kirchberger and Michael Bock have the relevant expertise.

The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board are usually called at least ten days in advance by the chairman of the Supervisory Board, or if he or she is prevented from doing so by the deputy chairman, giving notice in writing, by email, telefax or by other customary means of communication. The day on which the notice is sent and the day of the meeting itself are not included in when calculating the notice period. In urgent cases the chairman may shorten the notice period and also call the meeting orally or by telephone. The Supervisory Board has a quorum if all members have been properly invited to the meeting and at least three members participate in voting on a resolution. Resolutions on matters not included in the original agenda may only be passed if no member of the Supervisory Board present raises objections. In such a case, absent members of the Supervisory Board shall be given the opportunity to object to the resolution within a reasonable period to be determined by the chairman of Supervisory Board or to cast their vote orally, by telephone, in writing, by fax, by e-mail or by any other customary means of communication. The resolution only becomes effective if the absent members of the Supervisory Board have not objected within the period or if they have agreed to the procedure.

Unless otherwise required by law, resolutions by the Supervisory Board are adopted by simple majority. Should a vote by the Supervisory Board result in a tie, a new vote shall take place on the same subject. If the second vote also results in a tie, the chairman of the Supervisory Board or, if he does not take part in the resolution, his deputy, has a casting vote; this also applies to elections. Absent members of the Supervisory Board can participate in the passing of resolutions by submitting their votes in writing. In addition, absent members of the Supervisory Board may cast their vote following the meeting within a reasonable period to be determined by the chairman either orally, by telephone, telefax, email or by any other customary means of communication if no objections are raised by members of the Supervisory Board.

The Supervisory Board can adopt internal rules of procedure in accordance with the law and the Articles of Association. It can further set up committees in accordance with the law. To the extent permitted by law or by the Articles of Association, the Supervisory Board may delegate any of its duties, decision-making powers and rights to its chairman, to one of its members or to committees established from among its members. The Supervisory Board shall determine the composition, competences and procedures of the committees. The current version of the Supervisory Board's rules of procedure was adopted by resolution of the Supervisory Board on 12 September 2018, and entered into force on the same day.

13.3.2 Members of the Supervisory Board

The table below lists the current members of the Supervisory Board of the Issuer:

Name	Age	Member since	Appointed until	Current Responsibility	Principal Activity
Prof. Dr. Gerhard Schmidt ..	61	2018	2019	Chairman	Partner at the law firm Weil, Gotshal & Manges LLP
Klaus Kirchberger	60	2000	2019	Deputy Chairman	CEO of OFB Projektentwicklung GmbH and GWH Immobilien Holding GmbH
Michael Bock.......................	55	2018	2023	Member	Shareholder and Managing Director of REALKAPITAL Vermögensmangement GmbH
Jan Benedikt Rombach.......	47	2018	2023	Member	Limited Partner and Managing Director of Steripower GmbH & Co. KG
Dr. Daniel Schütze	56	2014	2019	Member	Partner at the law firm Böttcher Bruch Schütze

(Source: Unaudited internal information of the Company)

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board and indicates their principal activities outside the TTL Group to the extent those activities are significant with respect to the Company.

Prof. Dr. Gerhard Schmidt was born in Lauf/Pegnitz, Germany, in 1957. He studied law at the Universities of Erlangen-Nuremberg, Germany, and Lausanne, Switzerland, and Strasbourg, France, as well as business administration (MBA) at the Institut Européen d'Administration des Affaires (INSEAD) in Fontainebleau, France. After his graduation Prof. Dr. Schmidt was admitted as lawyer in 1986 and thereafter worked as lawyer. Above that he was admitted as tax advisor (*Steuerberater*) in 1988. Prof. Dr. Gerhard Schmidt is managing partner of the German offices of the law firm Weil, Gotshal & Manges LLP.

Alongside his office as member of the Supervisory Board, Prof. Dr. Gerhard Schmidt is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- Law firm Weil, Gotshal & Manges LLP: managing partner

- Deutsche Immobilien Chancen Beteiligungs AG: chairman of the supervisory board*
- Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien: chairman of the supervisory board*
- DIC Asset AG: chairman of the supervisory board*
- GEG German Estate Group AG: chairman of the supervisory board*
- DICP Erste Family Office Beteiligungsgesellschaft mbH & Co. KGaA: chairman of the supervisory board*
- DIC Capital Partners (Germany) GmbH & Co. Kommanditgesellschaft auf Aktien (in liquidation), chairman of the supervisory board
- DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA: chairman of the supervisory board
- DICP Capital SE: chairman of the administrative board (*Verwaltungsrat*) and managing director
- DIC Capital Partners Beteiligungs GmbH: chairman of the supervisory board
- DIC Capital Partners (Germany) Verwaltungs GmbH (in liquidation): chairman of the supervisory board
- DIC Capital Partners (Germany) III Verwaltungs GmbH: chairman of the supervisory board
- DIC Capital Partners OpCo (Germany) Verwaltungs GmbH: chairman of the supervisory board
- AR Holding GmbH: managing director
- DICP Capital Beteiligungs GmbH: managing director
- DICP Asset Management GmbH: managing director
- DIC Capital Partners (Europe) GmbH: managing director
- DIC Grund- und Beteiligungs GmbH: managing director
- DIC Capital Partners GmbH: managing director
- DIC Real Estate Beteiligungs GmbH: managing director
- GR Capital GmbH: managing director
- GCS Verwaltungs GmbH: managing director
- GCS GmbH & Co. KG, general partner GCS Verwaltungs GmbH: managing director
- GCS Beteiligungs GmbH: managing director
- SPG Verwaltungs GmbH: managing director
- Vermögensverwaltung der Familie Gerhard Schmidt KG: general partner
- VV Familie Schmidt Verwaltungs-GmbH: managing director

* Membership as defined in Section 100 para. 2 sentence 2 of the German Stock Corporation Act (*Aktiengesetz*)

Previously:

- TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH): managing director
- TTL Real Estate Mezzanine GmbH (formerly DIC Real Estate Mezzanine GmbH): managing director
- GEG Verwaltungs GmbH: managing director
- TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH): managing director
- AIRE Asset Investments in Real Estate GmbH: managing director
- TR Asset Management GmbH: managing director
- IBA Beteiligungs GmbH: managing director
- Grohe AG: member of the supervisory board
- Grohe Beteiligungs GmbH: member of the supervisory board

Klaus Kirchberger was born in Munich, Germany, in 1957. After training as a banker, Klaus Kirchberger completed his studies of law followed by a traineeship in 1988. He was admitted as a tax consultant in 1992 and as an auditor in 1994. After initially working for a major German bank and a major international auditing company, he has been CEO of various companies in the real estate sector since 1994. Since January 2016 Klaus Kirchberger has been CEO of OFB Projektentwicklung GmbH and since May 2017 he has been CEO of GWH Immobilien Holding GmbH, both subsidiaries of Helaba Immobiliengruppe.

Alongside his office as member of the Supervisory Board, Klaus Kirchberger is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- OFB Projektentwicklung GmbH: chairman of the management
- RBV Asset GmbH: managing director
- GWH Immobilien Holding GmbH: chairman of the management
- GWH Wohnungsgesellschaft mbH Hessen: managing director
- GWH Wertinvest GmbH: managing director
- GSG Siedlungsgesellschaft für Wohnungs- und Städtebau mbH: managing director
- MERIAN GmbH Wohnungsunternehmen: managing director
- MAVEST Wohnungsbaugesellschaft mbH: managing director
- MAVEST Vertriebsgesellschaft mbH: managing director
- G+S Wohnen in Frankfurt am Main GmbH: managing director
- BHT Baugrund Hessen-Thüringen GmbH: managing director
- Einkaufszentrum Wittenberg GmbH: managing director
- FHP Friedenauer Höhe Projekt GmbH: managing director
- FMZ Fulda Verwaltung GmbH: managing director
- GOB Erste E & A Grundbesitz GmbH: managing director
- GOB Dritte E & A Grundbesitz GmbH: managing director
- GOB Projektentwicklungsgesellschaft E & A mbH: managing director
- GOB Zweite E & A Grundbesitz GmbH: managing director
- G & O Verwaltungsgesellschaft mbH: managing director
- G & O Alpha Hotelentwicklung GmbH: managing director
- G & O Alpha Verwaltungsgesellschaft mbH: managing director
- gatelands Verwaltungs GmbH: managing director
- GHT Gesellschaft für Projektmanagement Hessen-Thüringen mbH: managing director
- GLD Verwaltungsgesellschaft mbH: managing director
- Grundstücksverwaltungsgesellschaft Kaiserlei GmbH: managing director
- Horus AWG GmbH: managing director
- Königstor Verwaltungs-GmbH: managing director
- Kornmarkt Arkaden Verwaltung GmbH: managing director
- OFB & Procom Verwaltungs-GmbH: managing director
- OFB Berlin Projekt GmbH: managing director
- OFB Beteiligungen GmbH: managing director
- Office One Verwaltung GmbH: managing director
- Procom & OFB Projektentwicklung GmbH: managing director
- Projekt Feuerbachstraße Verwaltung GmbH: managing director
- Projekt Wilhelmstraße Wiesbaden Verwaltung GmbH: managing director
- Siebte Rhein-Main Projektentwicklung GmbH: managing director
- Stresemannquartier Verwaltungs GmbH: managing director

Previously:

- Freiberger Holding GmbH: managing director

Michael Bock was born in Opladen/Leverkusen, Germany, in 1963. Michael Bock, after studying business administration at the University of Cologne, Germany, initially worked as an auditor for an auditing company. This was followed by four years in the investment department of the Gesamtverband der Deutschen Versicherungswirtschaft e. V. in Bonn, Germany. Since 1996, Michael Bock had been employed at Provinzial Rheinland in Dusseldorf, Germany, as general representative (*Generalbevollmächtigter*) and Head of Corporate Investments, where he was a member of the Management Board from 2006 to 2011. Since 2011, Mr Bock is managing director of REALKAPITAL Vermögensmanagement GmbH.

Alongside his office as member of the Supervisory Board, Michael Bock is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- REALKAPITAL Vermögensmanagement GmbH: managing director
- MEDICLIN Aktiengesellschaft: member of the supervisory board

Previously:

- DIC Asset AG: member of the supervisory board

Jan Benedikt Rombach was born in Karlsruhe, Germany, in 1971. He graduated with a degree in business administration from the European Business School in London, UK, in 1996. From 1999 until 2003, Jan Benedikt Rombach was managing director and shareholder of Medical Partners GmbH, before taking over the position as managing director of Steripower Verwaltungs GmbH, the general partner (*Komplementärin*) of Steripower GmbH & Co. KG, whose limited partner (*Kommanditist*) Jan Benedikt Rombach is.

Alongside his office as member of the Supervisory Board, Jan Benedikt Rombach is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- Steripower Verwaltungs GmbH, general partner (Komplementärin) of Steripower GmbH & Co. KG: managing director
- DICP Erste Family Office Beteiligungs mbH & Co. KGaA: member of the supervisory board
- B&D Central AG (Zollikon, Switzerland): chairman of the board of directors (*Verwaltungsrat*)
- R & B Immo Invest AG (Zurich, Switzerland): vice chairman of the board of directors (*Verwaltungsrat*)
- B + D Technologie Beteiligungs GmbH: managing director
- B + D Zweite Vermögensverwaltungs + Beteiligungs GmbH, general partner of JBR Erste Verwaltungs GmbH & Co. KG and of B + D Vermögensverwaltungs GmbH & Co. KG: managing director
- JBR Erste Verwaltungs GmbH & Co. KG: general partner (*Komplementär*)
- Kleinoberfeld 5 Verwaltungs GmbH, general partner (*Komplementärin*) of wat Grundstücksgesellschaft Kleinoberfeld 5 mbH & Co. KG: managing director

Previously: n/a

Dr. Daniel Schütze was born in Herten, Germany, in 1962. Dr. Daniel Schütze completed his double degree in economics and law at the Goethe University Frankfurt am Main, Germany, in 1993 and began his legal internship. Since 1996, Dr. Daniel Schütze has been working as a lawyer in Frankfurt am Main, Germany. He received his Phd in 1998 from the Faculty of Economics at the Goethe University Frankfurt am Main, Germany. Dr. Daniel Schütze is a lawyer and partner at Böttcher Bruch Schütze, a law firm, in Frankfurt am Main, Germany.

Alongside his office as member of the Supervisory Board, Dr. Daniel Schütze is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Issuer:

Currently:

- Law firm Böttcher Bruch Schütze: Partner
- HEV GmbH: managing director
- UEV GmbH, Rüsselsheim: managing director
- UEV Betriebs GmbH & Co. KG: managing director of the general partner
- Rhein-Main Beteiligungsgesellschaft mbH, managing director
- Schindler Ingenieurgesellschaft mbH (in liquidation): managing director/liquidator
- SIG-Schindler Ingenieurgesellschaft mbH (in liquidation): managing director/liquidator
- Technopolis Deutschland GmbH: managing director
- EDFC Capital GmbH: managing director
- HEV Projekt 10/11 GmbH (in liquidation): liquidator
- DIC Capital Partners Beteiligungs-GmbH: managing director
- DIC Capital Partners III Beteiligungs-GmbH: managing director
- DIC Capital Partners OpCo Beteiligungs-GmbH: managing director
- DIC Capital Partners (Germany) Verwaltungs-GmbH (in liquidation): liquidator
- DIC Capital Partners (Germany) III Verwaltungs-GmbH: managing director
- DIC Capital Partners OpCo (Germany) Verwaltungs-GmbH: managing director
- DICP Erste Family Office Verwaltungs-GmbH: managing director
- DICP Münchener Grund- und Beteiligungs-GmbH: managing director

- DICP Asset Management Verwaltungs-GmbH: managing director
- Kraichgau-Klinik AG: chairman of the supervisory board

Previously:

- Christophorus Holding GmbH: member of the supervisory board
- Julius Schade Automatenbetrieb GmbH: managing director/liquidator
- Transitas Handelsgesellschaft mbH: managing director/liquidator

All members of the Supervisory Board can be contacted at the Company's address.

13.3.3 Supervisory Board Committees

Under German stock corporation law the Supervisory Board can set up committees from among its members. The Supervisory Board's decision making authority may be delegated to a committee to the extent permitted by law. As of the date of the Prospectus, the Supervisory Board has not set up any committees.

13.3.4 Remuneration and Other Benefits to the Members of the Supervisory Board

The remuneration of the members of the Supervisory Board is regulated by Section 14 of the Articles of Association. The members of the Supervisory Board receive a fixed annual payment of €7,669.50. The chairman of the Supervisory Board receives a fixed annual payment of €15,339.00. In addition, outstanding expenses of the member of the Supervisory Board shall be reimbursed. Members of the Supervisory Board who hold their office in the Supervisory Board or who hold the office as chairman only during a part of the financial year shall receive a remuneration *pro rata temporis*. Value added tax will be refunded by the Company to the extent that the members of the Supervisory Board are entitled to charge separately for the sales tax of the Company and exercise this right. In addition, the members of the Supervisory Board are also covered under a D&O insurance policy concluded by DICP Capital SE, covering also the members of the Issuer's Supervisory Board. The D&O insurance policy, however, does not provide for a deductible by the members of the Supervisory Board (see also section 13.6 "*Corporate Governance*"). There are no service agreements between the Company and any of its Supervisory Board members under which a Supervisory Board member would receive benefits from the Company on termination of his activity. In the financial year 2017, however, the members of the Supervisory Board, Klaus Kirchberger and Dr Daniel Schütze, in office did not receive a remuneration.

13.3.5 Conduct and Conflicts of Interest

With the following exceptions, the members of the Supervisory Board have no potential conflict of interest with respect to their obligations to the Company or their private interests or other obligations.

Prof. Dr. Gerhard Schmidt is attributed about 66.83% of the voting rights in the Issuer at the date of this Prospectus. Following the Offering, and assuming the issue of all 12,275,000 Offer Shares and the waiver of the Assigning Shareholders to subscribe for New Shares, Prof. Dr. Gerhard Schmidt will still be attributed approximately 42.72% of the voting rights in the Issuer. Furthermore, Prof. Dr. Gerhard Schmidt is also the majority (indirect) shareholder of Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and the largest single (indirect) shareholder of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien. Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien is the largest single shareholder in listed DIC Asset AG, as more than 30% of voting rights are held directly and are attributed to Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, representing a factual majority in DIC Asset AG's shareholders' meetings. Due to the size of his shareholdings and the respective voting rights, Prof. Dr. Gerhard Schmidt via his subsidiaries is in a position and – depending on the presence of shareholders in the Issuer's shareholders' meeting – probably will still be in a position following the Offering, to exercise significant influence over all significant decisions of the shareholders' meeting of the Issuer, irrespective of the voting behaviour of the other shareholders, in particular the election and composition of the Supervisory Board (and thus indirectly also the composition of the Management Board). As a result, it is possible that the business policy will be largely determined by this major shareholder and may conflict with the interests of the minority shareholders.

Furthermore, Prof. Dr. Gerhard Schmidt is the chairman of the Issuer's Supervisory Board and also performs functions as chairman of the supervisory board *inter alia* in Deutsche Immobilien Chancen Beteiligungs AG, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, DIC Asset AG and GEG German Estate Group AG. In addition, Prof. Dr. Gerhard Schmidt is managing director of GCS Verwaltungs GmbH, GR Capital GmbH and *inter alia* AR Holding GmbH and SPG Verwaltungs GmbH. As a result, there is the risk that he is confronted with conflicts of interest.

Klaus Kirchberger directly holds about 0.19% of the voting rights in the Issuer at the date of this Prospectus. As a result, there is the risk that he is confronted with conflicts of interest.

Jan Benedikt Rombach directly holds and is attributed about 0.09% of the voting rights in the Issuer at the date of this Prospectus. In addition, he is managing director of B + D Technologie Beteiligungs GmbH which holds 2.20% of the voting rights in the Issuer at the date of this Prospectus. As a result, there is the risk that he is confronted with conflicts of interest.

Dr. Daniel Schütze is managing director of various entities which are affiliated companies of Prof. Dr. Gerhard Schmidt. However, those entities are not part of Deutsche Immobilien Chancen Group. As a result, there is the risk that he is confronted with conflicts of interest.

13.3.6 Additional Information Relating to Members of the Supervisory Board

In the last five years, no member of the Supervisory Board has been convicted of fraudulent offences. Except for the positions of Dr. Daniel Schütze as managing director and/or liquidator of DIC Capital Partners (Germany) Verwaltungs-GmbH (in liquidation), HEV Projekt 10/11 GmbH (in liquidation), Schindler Ingenieurgesellschaft mbH (in liquidation), Julius Schade Automatenbetrieb GmbH, Transitas Handelsgesellschaft mbH and SIG-Schindler Ingenieurgesellschaft mbH (in liquidation), no member of the Supervisory Board has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Supervisory Board, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the members of the Supervisory Board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

13.3.7 Shares and options held by Members of the Supervisory Board

As of the date of this Prospectus and as reported to the Company, members of the Supervisory Board directly held or were attributed according to Section 34 WpHG 14,143,407 voting rights in the Issuer:

Name	Number of Shares
Prof. Dr. Gerhard Schmidt	14,083,545
Jan Benedikt Rombach........	18,887
Klaus Kirchberger	40,975

(Source: Unaudited internal information of the Company)

As of the date of this Prospectus, members of the Supervisory Board do not directly or indirectly hold any options on Shares in the Company.

13.4 Senior Management

In addition to the members of the Management Board of the Issuer the members of the management board of GEG German Estate Group AG are considered as senior management with the appropriate expertise and experience for the management of the Issuer's business:

13.4.1 Members of the Senior Management

The following table lists the current members of the management board of GEG German Estate Group AG, their age, the date on which they were first appointed, the date on which their current appointment is scheduled to end and their current responsibility:

Name	Age	Member since	Appointed until	Current Responsibility
Ulrich Höller	52	2015	2019	Chief Executive Officer (CEO)
Dr. Thomas Hartmann	44	2018	2021	Chief Financial Officer (CFO)

(Source: Unaudited internal information of the Company)

Ulrich Höller was born in Essen, Germany, in 1966. Ulrich Höller is engaged in the real estate sector for more than 27 years. After his graduation in business administration in 1991, Ulrich Höller launched his career with a property development group and assumed the position as managing director at that company in 1995. In 1996 he took out a degree in real estate economics (ebs) at the European Business School, London, UK, earned additionally the title "Certified Shopping Center Manager (ebs)" in 1998, and also in

1998 acquired the right to use the designation "Fellow of the Royal Institution of Chartered Surveyors (FRICS)" in London, UK. From 2002 until 2015, Ulrich Höller served as chief executive officer of the management board of DIC Asset AG. Since 2015, Ulrich Höller serves as CEO of GEG German Estate Group AG. Above that his advice is sought in several supervisory and advisory bodies, including, *inter alia*, as board member and vice chairman of the German Property Federation (ZIA).

Alongside his office as member of the management board and chief executive officer (CEO) of German Estate Group AG, Ulrich Höller is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the GEG German Estate Group AG:

Currently:

- DIC Asset AG: member of the supervisory board
- Deutsche Immobilien Chancen Beteiligungs AG: member of the supervisory board
- DIC ONSITE GmbH: chairman of the supervisory board
- HVC Beteiligungs GmbH: managing director

Previously:

- DIC Asset AG: chairman of the management board
- Deutsche Immobilien Chancen Beteiligungs AG: chairman of the management board

Dr. Thomas Hartmann was born in Munich, Germany, in 1974. After studying business administration Dr. Thomas Hartmann started his career in 2001 at Munich RE. After spending eight years at the Munich RE Group, earning a doctorate while working, and qualifying as Chartered Financial Analyst (CFA), Dr. Hartmann held senior positions at the Morgan Stanley subsidiary Argoneo Real Estate GmbH and at KPMG AG before moving as managing director and chief financial officer to the southern German real estate group GBW.

Alongside his office as member of the management board and chief financial officer (CFO) of GEG German Estate Group AG, Dr. Thomas Hartmann is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the GEG German Estate Group AG:

Currently:

- GEG Real Estate Management GmbH: managing director

Previously:

- GBW Re General Partner GmbH: managing director
- GBW GmbH: managing director
- GBW Asset Beta GmbH: managing director
- GBW Zeta Verwaltungs GmbH: managing director
- GBW Epsilon Partner GmbH: managing director
- GBW Management GmbH: managing director
- GBW Gebäudemanagement GmbH: managing director
- GBW Franken GmbH: managing director
- GBW Oberbayern und Schwaben GmbH: managing director
- GBW Niederbayern und Oberpfalz GmbH: managing director
- GBW Wohnungs GmbH: managing director
- GBW Regerhof GmbH: managing director
- GBW Asset Delta GmbH: managing director
- GBW Asset GmbH: managing director

13.4.2 Shares and options held by Senior Management

As of the date of this Prospectus and as reported to the Company, members of the management board of GEG German Estate Group AG directly held or were attributed according to Section 34 WpHG 834,000 voting rights in the Issuer:

Name	Number of Shares
Ulrich Höller	834,000

(Source: Unaudited internal information of the Company)

As of the date of this Prospectus, members of the Senior Management do not directly or indirectly hold any options on Shares in the Company.

13.4.3 Additional Information Relating to Members of the Senior Management

In the last five years, no member of the Senior Management has been convicted of fraudulent offences. In the last five years, no member of the Senior Management has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Senior Management, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the members of the Senior Management from acting as a member of the administrative, management, or supervisory body of an issuer, company or corporation, or from acting in the management or conduct of the affairs of any issuer, company or corporation for at least the previous five years.

13.5 Shareholders' Meeting

Shareholders' meetings (ordinary and extraordinary) are held either at the registered office of the Company or at the seat of a German stock exchange. Except where other persons are authorised to do so by law, the shareholders' meeting shall be convened by the Management Board.

Pursuant to Section 122 of the German Stock Corporation Act (*Aktiengesetz*), a shareholders' meeting must be convened if it is requested by shareholders whose combined shareholdings amount to 5.00% of the Company's share capital. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request made by the shareholders whose combined shares holdings amount to 5.00% of the Company's share capital, a shareholders' meeting is not held in due time, the competent local court (*Amtsgericht*) may authorise the shareholders who have requested it or their representatives to convene a shareholders' meeting.

The German Stock Corporation Act (*Aktiengesetz*) requires the Company to publish notices of shareholders' meetings in the German Federal Gazette (*Bundesanzeiger*) at least 30 days before the day of the meeting. According to Section 16 para. 1 of the Company's Articles of Association, shareholders who wish to attend the shareholders' meeting and exercise their right to vote must register with the Company and provide proof of their share ownership as authorisation. The proof of share ownership must be provided by a certificate issued by the depositary bank in text form (*Textform*) in German or English and must refer to the beginning of the twenty-first day before the shareholders' meeting. The registration for participation and the proof of share ownership must reach the Company at the address specified in the convening notice at least six days prior to the shareholders' meeting, unless a shorter period was set forth in the convocation of the shareholders' meeting. The day of the receipt of the registration and the day of the shareholders' meeting are not counted for this purpose.

The Management Board is authorised to determine that the shareholders may attend the shareholders' meeting also without being present at the place where it is held and without a proxy and may exercise their rights in whole or in part by means of electronic communication (online participation) or may submit their votes, without attending the meeting, in writing or by means of electronic communication (absentee voting). Should the Management Board make use of this authorisation, the Management Board will specify the details of this procedure at the time of convening the shareholders' meeting. Neither German law nor the Company's Articles of Association restrict the right of non-resident or foreign shareholders to hold shares or to exercise any voting rights attached to these shares.

The annual shareholders' meeting, which decides on the discharge of the Management Board and the Supervisory Board, profit distributions, appointment of the auditor and the approval of the annual accounts, must be held within the first eight months of each financial year.

Each ordinary share (*Stammaktie*) entitles the shareholder to one vote in the respective shareholders' meetings. Unless otherwise provided by mandatory law and the Company's Articles of Association, resolutions are adopted by a simple majority of the votes cast and, if a capital majority is required, with the simple majority of the share capital represented at the adoption of a resolution. According to mandatory law, resolutions of fundamental importance require, in addition to the majority of votes cast, a majority of three quarters of the share capital represented at the adoption of the resolution. Resolutions of fundamental importance include in particular:

- changes of the corporate purpose of the Company;
- share capital increases, if preference shares are issued, and share capital decreases;
- creation of authorised or conditional share capital;
- exclusion of the subscription rights of shareholders;
- mergers, split-ups, spin-offs as well as the transfer of all assets of the Company;
- an agreement to transfer all of the Company's assets pursuant to Section 179a of the German Stock Corporation Act (*Aktiengesetz*);
- entering into inter-company agreements (*Unternehmensverträge*) (in particular domination agreements and profit and loss transfer agreements (*Beherrschungs- und Ergebnisabführungsverträge*));
- change of the corporate form of the Company; and
- dissolution of the Company.

13.6 Corporate Governance

The Company takes good corporate governance to mean responsible enterprise management and supervision geared to sustainable creation of value. In particular, the Company strives to further foster the trust placed in the Group by investors, business partners and employees, and the public at large. The Company also attaches great importance to the efficient conduct of their work by the Management Board and Supervisory Board, good cooperation between these bodies and with the Company's staff, and to open and transparent corporate communications.

The corporate structure of the Company is based on the responsible, transparent and efficient leadership and control of the Company. The Company therefore identifies itself with the objectives of the German Corporate Governance Code as established on 26 February 2002 and last amended on 7 February 2017 (the **"Governance Code"**). The Management Board and the Supervisory Board as well as all management personnel and employees of the Company are required to comply with these objectives. The Management Board of the Company is responsible for compliance with the principles of corporate governance.

The Governance Code includes recommendations (*Empfehlungen*), that the Company "shall" (*soll*) follow, and suggestions (*Anregungen*), that the Company "should" (*sollte* or *kann*) follow, for the management and supervision of companies listed on German stock exchanges with regard to good corporate governance. Topics include shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and the auditing of financial statements. The current version of the Governance Code is available on the website of the Commission of the German Corporate Governance Code (http://www.corporate-governance-code.de). While suggestions of the Governance Code are not mandatory, Section 161 of the German Stock Corporation Act (*Aktiengesetz*) requires the management and supervisory boards of a listed company to annually disclose which recommendations have been complied with, and in the event of noncompliance, to provide the reason for such non-compliance. This declaration must be made permanently accessible to shareholders. The contents of the declaration do not bind the management board or supervisory board for the future, however, any deviation from the previous declaration triggers the obligation to submit, publish and provide shareholders with an amended declaration in due course. In contrast, deviations from the suggestions contained in the Governance Code need not be disclosed.

The Management and Supervisory Board issued the last declaration of conformity regarding the Code in accordance with Section 161 of the German Stock Corporation Act (*Aktiengesetz*) in December 2017 as follows:

> "TTL AG has complied with the recommendations of the "Government Commission's German Corporate Governance Code" published in the official section of the Federal Gazette in the version dated 5 May 2015, respectively since coming into effect 7 February 2017, since issuing its last declaration of compliance with the following exceptions and will continue to comply with them with the following exceptions:
>
> **Section 3.4**
> The Supervisory Board shall specify the Management Board's information and reporting duties in greater detail.

The Management Board reports to the Supervisory Board in accordance with statutory provisions, particularly pursuant to Section 90 of the German Stock Corporation Act (Aktiengesetz). The Supervisory Board believes that the statutory provisions for information and reporting duties already safeguard adequate information supply.

Section 3.8
In a D&O insurance policy for the Supervisory Board a deductible corresponding to the statutory requirements for the Management Board is to be agreed.

The Company had and has taken out a D&O insurance policy for the members of the Supervisory Board which does not provide for a deductible by the members of the Supervisory Board. We believe that the motivation and the responsibility with which the Members of the Supervisory Board take on their tasks would not be improved by a deductible in the D&O insurance policy.

Section 4.1.3
Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company.

It is not indicated to comply with the recommendation as the current number of employees is one.

Section 4.2.1
The Management Board shall consist of several members and shall have a Chair or Spokesperson.

The Articles of Association of TTL AG provide that the Management Board consists of at least one person. The number of members of the Management Board is determined by the Supervisory Board. In accordance with the Articles of Association the Management Board consisted only of one person until 30 September 2017. Since 1 October 2017 the Management Board has consisted of two members and a Chief Executive Officer (Vorsitzender) has been appointed.

Rules of procedure shall govern the work of the Management Board, in particular the allocation of duties among individual Management Board members, matters reserved for the Management Board as a whole and the required majority for Management Board resolutions (unanimity or resolution by majority vote).

So far the Supervisory Board has issued no rules of procedure for the Management Board as there was just one member of the Management Board until 30 September 2017. From now on the recommendation shall be followed.

Section 4.2.3
Monetary remuneration shall comprise fixed and variable components.

Due to the current structure of TTL AG a fixed remuneration was agreed for the sole member of the Management Board, which the sole member of the Management Board had waived in the past. On 1 October 2017 a second member of the Board was appointed with whom fixed and variable remuneration components were agreed.

Both positive and negative developments shall be taken into account when determining variable remuneration components.

A member of the Management Board is promised performance-related payments (royalties) and options on so-called "virtual" shares as variable remuneration components. The variable remuneration components take into account positive and negative developments within the defined assessment period pursuant to Section 4.2.3 para. 2 sentence 4 of the Code as the payments can either be higher or lower or may lapse completely. When the options are exercised, the member of the Management Board receives share price-dependent payments based solely on the stock market price of the Company's shares within a reference period. In deviation from Section 4.2.3 para. 2 sentence 7 of the Code options on virtual shares therefore do not refer to "demanding, relevant assessment parameters" within the meaning of the Code. We believe that additional assessment parameters will not lead to a higher motivation and sense of responsibility.

When contracts are entered into with Management Board members, it shall be ensured that payments, including fringe benefits, made to a Management Board member due to early termination of their contract do not exceed twice the annual remuneration (Severance Cap) and do not constitute remuneration for more than the remaining term of the employment contract.

When entering into service agreements with members of the Management Board the Company has not and will not agree on a Severance Cap. Such an agreement contradicts the fundamental understanding of the Management Board contract which as a common practice is entered into for the term of appointment and which in principle cannot be terminated except for cause. In addition, the Company cannot unilaterally impose a limit on the severance payment if, as is often the case in practice, the Management Board members activities are terminated by mutual agreement. In the event of premature termination of a Management Board member's contract, we will endeavour to take the basic idea of the recommendation into account.

The Chair of the Supervisory Board shall outline to the General Meeting the salient points of the remuneration system and shall inform about any amendments.

Due to the current situation with the sole member of the Management Board the remuneration to the member of the Management Board could be found in the annual accounts and further information to the General Meeting was not required. With the appointment of another member of the Management Board the company will follow the recommendation in the future.

Section 5.1.2
When appointing Management Board members, the Supervisory Board shall take diversity into account.

In its decision on the composition of the Management Board the Supervisory Board primarily focuses on expertise and skills. Further qualities like gender or nationality or religion were and are subordinate to the decision.

Section 5.3.1
Depending on the specific circumstances of the company and the number of Supervisory Board members, the Supervisory Board shall establish committees of members with relevant specialist expertise.

The Supervisory Board only consists of three members. As a committee normally has to consist of at least two members, the formation of committees would not lead to a more efficient activity of the Supervisory Board.

Section 5.3.2
The Supervisory Board shall establish an Audit Committee that addresses in particular the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance.

The Supervisory Board only consists of three members. As a committee normally has to consist of at least two members, the formation of an Audit Committee would not lead to a more efficient activity of the Supervisory Board.[i]

Section 5.3.3
The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for its recommendations to the Shareholders' Meeting.

Since the three-member Supervisory Board consists only of shareholder representatives and the practice so far to prepare the proposals among the entire Supervisory Board has proven to be efficient, the Supervisory Board sees no need to form a Nomination Committee.[ii]

[i] On 20 June 2018, based on the change in Articles of Association resolved on by the shareholders' meeting of the Company on 15 June 2018 the number of the members of the Supervisory Board is increased to five. The Supervisory Board, however, did not establish an audit committee. Hence, safe for the number of the members of the supervisory board and the deviation from the recommendation in Section 5.3.2 of the Governance Code disclosed in the declaration of conformity issued by the Management Board and the Supervisory Board remains unchanged.

[ii] On 20 June 2018, based on the change in Articles of Association resolved on by the shareholders' meeting of the Company on 15 June 2018 the number of the members of the Supervisory Board is increased to five. The Supervisory Board, however, did not establish a nomination committee. Hence, safe for the number of the members of the supervisory board and the deviation from the recommendation in Section 5.3.3 of the Governance Code disclosed in the declaration of conformity issued by the Management Board and the Supervisory Board remains unchanged.

Section 5.4.1
The Supervisory Board shall determine concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board. Within the company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members, an age limit and a regular limit to Supervisory Board members' term of office as well as diversity.

With the exception of an age limit for Supervisory Board members, the Supervisory Board – contrary to Section 5.4.1 paragraph 2 of the Code – has not specified any concrete objectives for its composition and has not developed a competence profile for the entire Supervisory Board and will not specify any such objectives and will not develop a formal competence profile. The Supervisory Board believes that in its view an adequate number of independent members is part of the Supervisory Board. However, the Code does not regulate the term of independence of the Supervisory Board members exhaustively, but determines it negatively by way of examples, in which cases "in particular" independence is no longer given. Furthermore, independence is already supposed to be non-existent, if significant and not just temporary conflicts of interest could arise, no matter whether conflicts of interest actually arise or not. Thus, for the Supervisory Board the question when independence pursuant to Section 5.4.2 of the Code is to be expected in the individual case is connected with too many legal uncertainties so that a determination of a concrete number does not prove advisable. With regard to the standard limit for membership of the Supervisory Board, the Supervisory Board is of the opinion that it is more in the interests of the Company to be able to draw on the many years of expertise of individual members of the Supervisory Board in individual cases and to strike a balance between continuity and renewal in individual cases. Potential conflicts of interest and competence requirements are also taken into account without formal stipulations by the Supervisory Board. For these reasons, the Supervisory Board has waived formal stipulations. In the absence of a definition of corresponding objectives and a competence profile for the entire Supervisory Board, in deviation from Section 5.4.1 para. 4 of the Code, the Supervisory Board's election proposals to the Annual Shareholders' Meeting and the status of implementation, including the number of independent members and their names, are neither taken into account nor published.

The candidate proposal shall be accompanied by a curriculum vitae and the Supervisory Board shall disclose the personal and business relationships of each candidate to the company, the executive bodies of the company and a shareholder with a material interest in the company in the case of election proposals to the Annual General Meeting for the election of the Supervisory Board.

In the opinion of the Company, the recommendation of the German Corporate Governance Code does not regulate specifically enough which specific relationships of each candidate and in what depth are to be disclosed within election proposals to the shareholders' meeting in order to comply with the recommendation. In the interest of the legal certainty of future elections to the Supervisory Board, the Management Board and Supervisory Board have decided to declare a deviation from this recommendation. We are of the opinion that the statutory disclosure requirements in Section 124 para. 3 sentence 4 and Section 125 para. 1 sentence 5 of the German Stock Corporation Act (Aktiengesetz) already take into account shareholders' need for information and we will examine and decide in due course whether additional information about the candidates will be made available voluntarily and without being bound by the recommendation of the Code when election proposals are made to the Annual Shareholders' Meeting. The company has not yet published the CVs of Supervisory Board members and election candidates, but intends to do so on its website in the future.

Section 5.4.6
The status as deputy Chair of the Supervisory Board, as well as Chair or membership of a committee, shall also be taken into consideration in this context.

In the opinion of the Company, a separate remuneration for the deputy chairman of the Supervisory Board is not necessary, as the number of representation occasions was and is small. There are no committees.

The remuneration of Supervisory Board members shall be disclosed individually in the notes to the financial statements or the management report, classified by remuneration components. Payments made or benefits granted by the company to Supervisory Board members for personal services, particularly advisory or agency services, shall also be disclosed separately on an individual basis.

The total remuneration paid to the Supervisory Board is shown in the notes to the consolidated financial statements pursuant to IAS 24. Further consultancy fees in excess of the statutory remunera-

tion are not reported where they are incurred, as they do not provide any additional information relevant to the capital market.

Section 7.1.2
The consolidated financial statements shall be made publicly accessible within 90 days from the end of the financial year, the half-year financial report shall be made publicly accessible within 45 days from the end of the reporting period.

The 2016 consolidated financial statements were published in the first four months of the following year and the 2017 half-year financial report was made available on the company's website within three months from the end of the reporting period. The aim is to follow the recommendation in future.

Munich, 1 December 2017."

14. PRINCIPAL SHAREHOLDERS

14.1 Current Shareholders

As of the date of this Prospectus and prior to the Offering, the Company's issued and fully paid-in share capital amounts to €21,075,000.00, divided into 21,075,000 no-par value ordinary bearer shares, each with a calculated notional amount of €1.00 (see section 17: "*Description of the Company's Share Capital and Applicable Regulation*").

The German Securities Trading Act (*Wertpapierhandelsgesetz*) requires holders of voting rights in a listed stock corporation to notify the respective company and BaFin without undue delay of the level of their holdings if they reach, exceed or fall below certain thresholds (see section 17.1: "*Disclosure of Shareholdings and Other Instruments*"). To the Issuer's knowledge, and based on the notifications received by the Company as of the date of this Prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz*) as well as informally given notice to the Company, the following shareholders held an interest (direct or indirect) of at least 3% in the Company's ordinary shares as of the date of this Prospectus.

	Prior to the Offering		After the Offering*	
Shareholders	**Number of voting rights**	**Share of voting rights[1)]**	**Number of voting rights**	**Share of voting rights**
Prof. Dr. Gerhard Schmidt[2)]	14,083,545	66.83%	12,763,045	42.72%
Klaus-Jürgen Sontowski[3)]	1,320,500	6.27%	0	0.00%
Ulrich Höller[4)]	834,000	3.96%	0	0.00%
Klaus W. Schäfer[5)]	818,940	3.89%	818,940	2.74%
Free float	4,018,015	19.07%	16,293,015	54.54%
Total	**21,075,000**	**100.00%**	**29,875,000**	**100.00%**

(Source: Unaudited internal information of the Company)

* Assuming the issue of all 8,800,000 New Shares, the waiver of the Assigning Shareholders (as defined below) to subscribe for New Shares and the placement of all 3,475,000 Old Shares.

1) The percentage of voting rights has been calculated based on the basis of the Company's outstanding share capital and voting rights as of the date of the Prospectus.

2) Voting rights attributed to Prof. Dr. Gerhard Schmidt according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Prof. Dr. Schmidt is the ultimate controlling shareholder of the following undertakings holding directly or indirectly an interest in the Company: GCS Verwaltungs GmbH, GR Capital GmbH, AR Holding GmbH, as well as Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts and Rhein-Main Beteiligungsgesellschaft mbH and Vermögensverwaltung der Familie Gerhard Schmidt KG and SPG Verwaltungs GmbH. AR Holding GmbH (58.08%) and SPG Verwaltungs GmbH (6.27%) are undertakings holding directly 3% or more of voting rights in the Company.

3) Voting rights attributed to Klaus-Jürgen Sontowski according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Klaus-Jürgen Sontowski is the ultimate controlling shareholder of the following undertakings holding directly or indirectly an interest in the Company: Sontowski & Partner GmbH, Sontowski & Partner Beteiligungsgesellschaft mbH and S&P Beteiligungs ZWEI GmbH. S&P Beteiligungs ZWEI GmbH holds directly 6.27% of voting rights in the Company.

4) Voting rights attributed to Ulrich Höller according to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz)* as notified by group notification for 30 August 2018. Ulrich Höller is the ultimate controlling shareholder of HVC Beteiligungs GmbH holding directly 3.96% of voting rights in the Company.

5) Voting rights held directly by Klaus W. Schäfer informally given notice to the Company on 5 October 2018.

The equity interest of the shareholders listed above following the completion of the Offering will depend on the extent to which they exercise their Subscription Rights and the extent to which they acquire Subscription Rights in the subscription rights trading as well as the number of Old Shares sold by the Selling Shareholders. The shareholders AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH, SPG Verwaltungs GmbH, S&P Beteiligungs ZWEI GmbH, Klaus W. Schäfer and HVC Beteiligungs GmbH (jointly referred to as the **"Assigning Shareholders"**) currently holding in aggregate 17,056,985 no-par value shares of the Company have entered into an Assignment Agreement with the Sole Global Coordinator concerning the assignment and transfer, without consideration, of all their future Subscription Rights to the New Shares. Depending on the number of Subscription Rights to be waived, for which New Shares are assigned to new or other shareholders, the shareholding of the Assigning Shareholders will be diluted (see also section 6 *"Dilution"*).

14.2 Controlling Interest

Prof. Dr. Gerhard Schmidt holds indirectly more than 30% of the voting rights of the Company and is, therefore, considered to hold a controlling interest in the Company pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

In addition, as of the date of the Prospectus, AR Holding GmbH, its controlling shareholders and Prof. Dr. Gerhard Schmidt as ultimate shareholder of AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH and SPG Verwaltungs GmbH form a "factual group" (*faktischer Konzern*) as AR Holding GmbH, its controlling shareholders and Prof. Dr. Gerhard Schmidt as ultimate shareholder of AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH and SPG Verwaltungs GmbH directly and indirectly hold more than 50% of the share capital as well as the voting rights in the Company and therefore hold a controlling interest in the Company. As a consequence, the Company is required to prepare a dependency report (*Abhängigkeitsbericht*). The last dependency report for the financial year 2017 includes the following final declaration of the Management Board: "We declare that based on the circumstances which were known to us at the time at which the legal transactions were carried out the Company received or pay an adequate compensation. Measures caused by or in the interest of the controlling enterprise have not being taken or refrained from."

In the event that Prof. Dr. Gerhard Schmidt's indirect holding in shares and voting rights in the Company following the Offering should fall below 50% following the completion of the Offering, Prof. Dr. Schmidt will only continue to have a controlling interest in the Company if Prof. Dr. Schmidt by his directly and indirectly controlled companies in particular AR Holding GmbH, GR Capital GmbH, GCS Verwaltungs GmbH and Rhein-Main Beteiligungsgesellschaft mbH as well as Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts has the de facto majority of votes during the Company's shareholders' meetings due to the absence of free float shareholders during such meetings (*beherrschender Einfluss durch faktische Hauptversammlungsmehrheit*).

15. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a summary of such transactions with related parties for the years ended 31 December 2017, 2016 and 2015 up to and including the date of the Prospectus. Further information, including quantitative amounts, of related party transactions are contained in the notes to the Company's audited consolidated financial statements as of and for the years ended 31 December 2017, 2016 and 2015, which are included in "Financial Information" of the Prospectus (F-Pages 19 seqq, F-Pages 60 seqq and F-Pages 83). Business relationships among companies of the Group are not included. The companies which are directly or indirectly controlled by the Company are listed under section 16.4: "Business relationships with significant subsidiaries".

15.1 Overview on related party transactions

The following table provides a simplified overview on related party transactions decribed below (see section 15.2: "*Relationships and Transactions with Certain Shareholders and related parties thereto*" and section 15.3: "*Other Transactions with Related Parties*"):

Type of agreement	Date of agreement	Parties involved	Amounts involved in € (if not stated otherwise)
Relationships and transactions with certain shareholders and related parties thereto (see section 15.2)			
Transactions with DIC Capital Partners (Europe) GmbH (see section 15.2.1)			
Management service agreement (for services to DIC Capital Partners (Europe) GmbH)	15 November 2017	DIC Capital Partners (Europe) GmbH and the Company	10,000 (for 2017)
Management service agreement (for services to DIC Capital Partners (Europe) GmbH)	14 June 2018	DIC Capital Partners (Europe) GmbH and the Company	250,000 per year
Transactions with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien (see section 15.2.2)			
Sale and share transfer agreement (for 285,856 shares in TTL Real Estate GmbH)..................	17 April 2018	Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and the Company	18,678,181
Assumption of loan liability / offsetting repayment claim against the Company from the sale and share transfer agreement dated 17 April 2018 …………………………..	23 April 2018	Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, TTL Real Estate Mezzanine Investments GmbH & Co. KG and the Company	18,678,181
Sale and share transfer agreement (for 110,250 shares in TTL Real Estate GmbH)..................	9 July 2018	Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and the Company	7,203,870
Assumption of loan liability / offsetting repayment claim against	9 July 2018	Deutsche Immobilien Chancen AG & Co. Kommanditge-	7,203,870

Type of agreement	Date of agreement	Parties involved	Amounts involved in € (if not stated otherwise)
the Company from the sale and share transfer agreement dated 9 July 2018.		sellschaft auf Aktien, TTL Real Estate Mezzanine Investments GmbH & Co. KG and the Company	
Transactions with AR Holding GmbH, former TR Asset Management GmbH and GR Capital GmbH (see section 15.2.3)			
Outstanding conditionally waived loan receivables……..	as per 31 December 2014	TR Asset Management GmbH, AR Holding GmbH and the Company	1,362,707.49
Loan agreement………………	8 October 2015	AR Holding GmbH and the Company	50,000
Conditional waiver of loan receivables……………………	22 January 2016 / 31 December 2016	AR Holding GmbH and the Company	110,525 / 50,525
Agreement on a refinancing and balance sheet restructuring of the Company……………………..	4 November 2016	AR Holding GmbH, former TR Asset Management GmbH and the Company	see below regarding contribution in kind of 12.56%-share in DIC Capital Partners (Europe) GmbH, loan agreement 1 January 2017 and agreement on increase of relevant equity threshold 2 January 2017
Resolutions on capital increase in the registered share capital of TTL AG (by 1,250,000 new shares) against contribution in kind, subscription of new shares by AR Holding GmbH and contribution agreement regarding transfer of 12.56%-share in DIC Capital Partners (Europe) GmbH…………………………	20/21 December 2016	AR Holding GmbH and the Company	1,250,000 new shares in the Company / 12.56%-share in DIC Capital Partners (Europe) GmbH
Loan agreement …………….	1 January 2017 (amended 17 May 2017)	AR Holding GmbH and the Company	1,000,000 plus interest
Agreements on the increase of relevant equity threshold to €6 million / €8 million pertaining to conditionally waived loan receivables ……………..	2 January 2017 / 3 March 2017	AR Holding GmbH, former TR Asset Management GmbH and the Company	1,413,232.49
Declaration on over-subscription and resolutions on capital increase in the registered share capital by 1,733,333 new shares against contribution in cash…………………………..	3/24 March 2017	AR Holding GmbH and the Company	1,733,333
Agreement on the increase of relevant equity threshold to €25 million pertaining to conditionally waived loan receivables……………………	26 June 2017 (amending agreement dated 2 January 2017)	AR Holding GmbH, TR Asset Management GmbH and the Company	1,413,232.49
Resolution on capital increase in the registered share capital of TTL AG (by 4,600,000 new shares) against contribution in kind, subscription of new shares by AR Holding GmbH and contribution agreement regarding	27 June 2017 / 7 July 2017	The Company and AR Holding GmbH	4,600,000 new shares in the Company / 100%-share in GK Beteiligungs GmbH

Type of agreement	Date of agreement	Parties involved	Amounts involved in € (if not stated otherwise)
the transfer of 100%-share in GK Beteiligungs GmbH…………….			
Loan agreement……………..	18 September 2017	AR Holding GmbH and the Company	150,000
Agreement on the increase of relevant equity threshold to €50 million pertaining to conditionally waived loan receivables………………………	20 December 2017 (amending agreement dated 2 January 2017)	AR Holding GmbH, GR Capital GmbH and the Company	1,413,232.49
Transfer, *inter alia*, of loan receivables of GK Beteiligungs GmbH against AR Holding GmbH to TTL AG by way of universal succession in course of the merger of GK Beteiligungs GmbH to TTL AG………………………..	26 February 2018	GK Beteiligungs GmbH and the Company	90,000 plus interest
Resolutions on capital increase in the registered share capital of TTL AG (by 1,641,334 new shares) against contribution in kind, subscription of new shares by AR Holding GmbH and contribution agreement regarding the transfer of shares in the total nominal amount of €87,918.00 in TTL Real Estate GmbH…………………………..	21 March 2018	AR Holding GmbH and the Company	1,641,334 new shares in the Company / 87,918 shares with voting rights in TTL Real Estate GmbH
Offsetting claims of the Company from loan receivable against AR Holding GmbH against loan receivables against the Company and settlement agreement……………………	23 May 2018	AR Holding GmbH and the Company	152,625
Agreement on the increase of relevant equity threshold to €100 million pertaining to conditionally waived loan receivables……………………	2 October 2018 (amending agreement dated 2 January 2017)	AR Holding GmbH, GR Capital GmbH and the Company	1,413,232.49
Transactions with Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts (see section 15.2.4)			
Capital increase in the registered share capital of the Company by issuing 701,711 new shares against contribution in cash at an issue price of €3.60………………………….	20 April 2018 / 30 April 2018	Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts and the Company	2,526,159.60
Transactions with DIC Beteiligungsgesellschaft bürgerlichen Rechts (see section 15.2.5)			
Loan agreement with profit participation……………………	17 May 2017 / 30 October 2017	DIC Beteiligungsgesellschaft bürgerlichen Rechts (borrower) and the Company (lender)	1,400,000 plus interest and profit participation
Transactions with DICP Capital SE (see section 15.2.6)			
Sale and share transfer agreement (for a share in the nominal value of €5,565.00 in DIC Capital Partners (Europe) GmbH)………………………..	27 November 2017	DICP Capital SE and the Company	971,121

Type of agreement	Date of agreement	Parties involved	Amounts involved in € (if not stated otherwise)
Agreement on the coordination with regard to the strategic direction of TTL Real Estate GmbH…………………………	14 September 2018	DICP Capital SE and the Company	n/a
Inclusion of the Company and its subsidiaries in group D&O insurance policy………………		DICP Capital SE	n/a
Other Transactions with Related Parties (see section 15.3)			
Transactions with TTL Real Estate Mezzanine Investments GmbH & Co. KG (see section 15.3.1)			
Conversion of payment obligations into loan agreement……..	23 April 2018 (as amended 22 June 2018)	TTL Real Estate Mezzanine GmbH & Co. KG and the Company	18,678,181 plus interest
Conversion of payment obligations into loan agreement……..	9 July 2018	TTL Real Estate Mezzanine GmbH & Co. KG and the Company	7,203,870 plus interest
Loan agreement………………..	4 September 2018	TTL Real Estate Mezzanine GmbH & Co. KG and the Company	1,600,000 plus interest
Transactions with TTL Real Estate GmbH (see section 15.3.2)			
Management service agreement (for services to TTL Real Estate GmbH)	22 March 2018	TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) and the Company	350,000
Subscription for 24,500 new shares in TTL Real Estate GmbH against cash contribution………………………	10 September 2018	TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) and the Company	1,601,075
Transactions with SPG Verwaltungs GmbH (see section 15.3.3)			
Issuance of 34,333 convertible bonds against contribution of shares in the nominal amount of €8,550.00 in TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH)…………….	20 December 2017	SPG Verwaltungs GmbH and the Company	3,433,300
Exercise of conversion right attached to 34,333 convertible bonds in the principal amount of €3,433,300.00 at a conversion price of €2.60 per share (1,320,500 shares in the Company)…………………………	21 August 2018	SPG Verwaltungs GmbH and the Company	1,320,500 shares in the Company
Transactions with Jan Benedikt Rombach and B + D Technologie Beteiligungs GmbH (see section 15.3.4)			
Contribution of 26,262 shares with voting rights in TTL Real Estate GmbH………………….	30 April 2018	Jan Benedikt Rombach, B + D Technologie Beteiligungs GmbH, community of heirs (*Erbengemeinschaft*) of the deceased Dr. Joachim Rombach and the Company	490,282 new shares in the Company / 26,262 shares with voting rights in TTL Real Estate GmbH
Cost Reimbursement Agreement (see section 15.3.5)			
Cost Reimbursement Agreement…………………	15 October 2018	Company and Selling Shareholders	
Services by Claudia Gillmaier (see section 15.3.6)			

Type of agreement	Date of agreement	Parties involved	Amounts involved in € (if not stated otherwise)
Provision of accounting and financial statement services…		Claudia Gillmaier	

15.2 Relationships and transactions with certain shareholders and related parties thereto

Apart from the relationships stated below, the Company does not have any other significant business relationships with its shareholders. In compliance with applicable laws, the Company's business dealings with its shareholders are strictly conducted at arm's length.

15.2.1 Transactions with DIC Capital Partners (Europe) GmbH

On 15 November 2017, DIC Capital Partners (Europe) GmbH and the Company initially entered into a management service agreement according to which the Company undertook to provide services to DIC Capital Partners (Europe) GmbH, including but not limited to business analyses and evaluations, controlling services, preparation of business plans, etc., and on-going analysis of the relevant real estate markets and regular location analyses. For any services rendered in 2017, the parties agreed on a one-time payment of €10,000.00 by DIC Capital Partners (Europe) GmbH to the Company.

On 14 June 2018, DIC Capital Partners (Europe) GmbH and the Company entered into a management service agreement according to which the Company undertakes to provide services to DIC Capital Partners (Europe) GmbH, including but not limited to (i) business analyses and evaluations, controlling services, preparation of business plans, etc., (ii) on-going analysis of the relevant real estate markets and regular location analyses, (iii) monitoring and coordination of asset management and controlling of the implementation of the property and portfolio strategy, (iv) development, management and further development of a reporting structure for real estate investors, and (v) continuous risk and potential analysis through profit-oriented plausibility checks and evaluation of the relevant parameters influencing costs and earnings at property level. In consideration for these services, DIC Capital Partners (Europe) GmbH agreed to pay a fee to be paid each quarter of the financial year in the amount of €62,500.00. In addition, DIC Capital Partners (Europe) GmbH undertook to pay an additional fee in the amount of €105,000.00 (overall €125,000.00 in the first half-year 2018). The term of this management service agreement was agreed to commence on 1 June 2018 for an unlimited period.

15.2.2 Transactions with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien

On 17 April 2018, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and the Company entered into a sale and share transfer agreement in respect of the sale and transfer of 285,856 shares with voting rights in the nominal value of €1.00 per share in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) at a purchase price in the overall amount of €18,678,181.00. The sale and transfer of the shares was approved by the shareholders of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH).

On 23 April 2018, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) and the Company entered into an agreement by which the Company assumed a loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien to TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) in the amount of €18,678,181.00 by way of the discharging assumption of debt (*befreiende Schuldübernahme*). In return, the Company received a payment claim against Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien which was offset against the claim of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien against the Company to pay the purchase price in the amount of €18,678,181.00 agreed in the share purchase and transfer agreement dated 17 April 2018 pertaining to the transfer of 285,856 shares in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH).

On 9 July 2018, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien and the Company entered into a sale and share transfer agreement in respect of the sale and transfer of 110,250 shares with voting rights in the nominal value of €1.00 per share in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) at a purchase price in the overall amount of €7,203,870.00. The sale and transfer of the shares was approved by the shareholders of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH).

On 9 July 2018, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) and the Company entered into an agreement by which the Company assumed a loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien to TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) in the amount of €7,203,870.00 by way of the discharging assumption of debt (*befreiende Schuldübernahme*). In return, the Company received a payment claim against Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien which was offset against the claim of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien against the Company to pay the purchase price in the amount of €7,203,870.00 agreed in the share purchase and transfer agreement dated 9 July 2018 in respect of the sale and transfer of 110,250 shares with voting rights in the nominal value of €1.00 per share in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH).

15.2.3 Transactions with AR Holding GmbH, former TR Asset Management GmbH and GR Capital GmbH

In separate agreements with the Company in 2012, 2013 and 2014, TR Asset Management GmbH conditionally waived the repayment of loan receivables against the Company in the overall amount of €1,310,837.63 under the condition precedent if and to the extent that the adopted annual financial statements of the Company exceeded agreed fixed equity thresholds. As of 31 December 2014, this included payment obligations in the amount of €150,000.00, settled in 2016. In 2014 the Company also entered into an agreement with AR Holding GmbH according to which also AR Holding GmbH conditionally waived repayment of loan receivables in the amount of €51,869.86. According to the agreements entered into with TR Asset Management GmbH and AR Holding GmbH the loan receivables conditionally waived re-emerge once the agreed equity thresholds were exceeded after the determination of the audited financial statements of the Company (*Besserungsabrede*). The waivers of the loan receivables were made as other additional payments into the capital reserve within the meaning of Section 272 para. 2 No. 4 of the German Commercial Code (*Handelsgesetzbuch*) of the Company.

On 8 October 2015, AR Holding GmbH, as lender, and the Company, as borrower, entered into a loan agreement for the provision of a loan in the amount of €50,000 with an interest rate of 4.5% per annum for an indefinite term with interest accrued payable at repayment. The loan agreement can be terminated on a daily basis by each party.

On 22 January 2016, AR Holding GmbH and the Company entered into an agreement according to which AR Holding GmbH additionally waived the repayment of loan receivables from TTL AG in the overall amount of €110,525.00 under the condition precedent if and to the extent that the adopted annual financial statements of the Company exceeded an agreed fixed equity threshold. As set out in the Company's consolidated financial statement for the financial year 2016, the additional outstanding loan receivables of AR Holding GmbH against the Company conditionally waived amounted to €50,525.00 per 31 December 2016. Likewise as per the conditional waivers of loan receivables by TR Asset Management GmbH and AR Holding GmbH, the additional loan receivables conditionally waived by AR Holding GmbH would re-emerge once the agreed equity threshold was exceeded after the determination of the audited financial statements of the Company (*Besserungsabrede*). The further waiver of the loan receivables by AR Holding GmbH was likewise made as other additional payments into the capital reserve within the meaning of Section 272 para. 2 No. 4 of the German Commercial Code (*Handelsgesetzbuch*) of the Company.

On 4 November 2016, the Company entered into an agreement with AR Holding GmbH and TR Asset Management GmbH for a refinancing and balance sheet restructuring of the Company. Subject to a release of AR Holding GmbH and its controlling shareholders from the obligation to launch a mandatory takeover offer by BaFin, AR Holding GmbH *inter alia* undertook to subscribe for 1,250,000 new shares in the Company at an issue price of €1.00 per share as part of a planned capital increase against contribution in kind. In consideration of the refinancing and the restructuring measures AR Holding GmbH and its (direct and indirect) shareholders were released by BaFin to launch a mandatory takeover offer on 20 December 2016. On the same day, the Management Board of the Company – with the consent of the Supervisory Board – resolved to increase the share capital of the Company from €6,550,000.00 by €1,250,000.00 to €7,800,000.00 by issuing 1,250,000 new no-par value bearer shares at the issue price of €1.00 per share against contribution in kind of a share in the nominal value of €27,950.00 and corresponding to 12.56% of the share capital in DIC Capital Partners (Europe) GmbH, Munich, Germany, partially utilising the authorised capital created by the Company's shareholders' meeting on 4 August 2016 (Authorised Capital 2016/I). On 21 December 2016, AR Holding GmbH contributed and transferred the share in the nominal value of €27,950.00 in DIC Capital Partners (Europe) GmbH to the Company and subscribed for 1,250,000 new shares in the Company. The value of the contribution in kind exceeding the issue price of the new shares of €1,250,000.00 in the amount of €3,628,909.72 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 9 January 2017 (see section 17.3.1 "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding DIC Capital Partners (Europe) GmbH*").

On 1 January 2017, AR Holding GmbH, as lender, and TTL AG, as borrower, entered into a loan agreement for the provision of a loan in the amount of €1,000,000.00 initially with an interest rate of 4.00% per annum with a term until 31 December 2021. On 17 May 2017, AR Holding GmbH and TTL AG agreed that the loan amount shall be made available upon request of the borrower. While the term of the loan remained unchanged, the interest rate was reduced to 2.5% per annum payable on 31 December of each calendar year. In addition, AR Holding GmbH unconditionally and irrevocably waived, even in the event of insolvency, to set-off claims or to exercise of rights of retention or other rights that could affect the claim of the Company under the loan agreement.

On 2 January 2017, as amended on 3 March 2017, the Company, TR Asset Management GmbH and AR Holding GmbH entered into an agreement according to which the relevant equity threshold, which if reached or exceed, would cause the conditionally waived loan receivables by TR Asset Management GmbH and AR Holding GmbH to re-emerge, was initially increased to €6,000,000.00 and thereafter to €8,000,000.00.

On 3 March 2017, AR Holding GmbH irrevocably undertook *vis-à-vis* the Company to exercise all subscription rights attributable to the shares held by AR Holding GmbH and to declare an over-subscription for all shares for which no subscription rights were exercised within the subscription period, if a possible capital increase against cash contributions from authorised capital with indirect subscription rights granted to the Company's shareholders was exercised by the Company. On 3 March 2017, the Management Board of the Company resolved – with the approval of the Supervisory Board on the same day – to increase the share capital from €7,800,000.00 by up to €1,733,333.00 up to €9,533,333.00 by issuing up to 1,733,000 new ordinary no-par value bearer shares at an issue price of €1.00 per share against cash contributions partially utilising the authorised capital created by the Company's shareholders' meeting on 4 August 2016 (*Authorised Capital 2016/I*) (see section 17.3.2: "*Capital Increase by Utilising Authorised Capital by Cash Contribution 2017*"). On 24 March 2017, the Management Board, with the approval of the Supervisory Board on the same day, determined that the share capital was increased from €7,800,000.00 by €1,733,333.00 to €9,533,333.00 by issuing 1,733,000 new no-par value bearer shares (ordinary shares). The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 27 March 2017.

On 26 June 2017, amending an agreement on conditionally waivers of 2 January 2017, the Company, TR Asset Management GmbH and AR Holding GmbH concluded another agreement according to which the relevant equity threshold, if reached or exceed, caused the conditionally waived loan receivables by TR Asset Management GmbH and AR Holding GmbH in the overall amount of €1,413,232.49 to re-emerge, was increased to €25,000,000.00.

By contribution and share transfer agreement between AR Holding GmbH and the Company dated 7 July 2017, AR Holding GmbH contributed and transferred all shares in the total nominal amount of €100,000.00 in GK Beteiligungs GmbH, Glattbach, to the Company fulfilling the contribution obligation arising from the subscription of 4,600,000 new shares in the Company to be issued at an issue price of €1.00 per share based on the resolution of the Management Board of the Company on 27 June 2017 – with the approval of the Supervisory Board on the same day – partially utilising the authorised capital created by the Company's shareholders' meeting on 2 June 2017 (*Authorised Capital 2017/I*). It was confirmed by an expert opinion that the consideration in shares in GK Beteiligungs GmbH in exchange for 4,600,000 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €4,600,000.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court of Munich, Germany, on 17 July 2017 (see section 17.3.3: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding GK Beteiligungs GmbH*").

On 18 September 2017, the AR Holding GmbH, as lender, and the Company, as borrower, entered into a loan agreement for the provision of a loan in the amount of €150,000.00 with an interest rate of 3.00% per annum for an indefinite term with interest accrued payable at repayment. The loan agreement can be terminated on a daily basis by each party.

On 20 December 2017, amending an agreement on conditionally waivers of 2 January 2017, the Company, GR Capital GmbH, the legal successor of TR Asset Management GmbH in course of the merger effective since 11 October 2017, and AR Holding GmbH concluded another agreement according to which the relevant equity threshold, according to which the conditionally waived loan receivables by GR Capital GmbH, as legal successor of TR Asset Management GmbH, and AR Holding GmbH in the overall amount of €1,413,232.49 would re-emerge, was increased to €50,000,000.00.

By contribution and share transfer agreement between AR Holding GmbH and the Company dated 21 March 2018, AR Holding GmbH contributed and transferred shares in the total nominal amount of €87,918.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main, Germany, to the Company fulfilling the contribution obligation arising from the subscription of 1,641,334 new shares in the Company to be issued at an issue price of €1.00 per share based on the resolution of the Management Board of the Company on 21 March 2018 – with the approval of the Supervisory Board on the same day – partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018 (*Authorised Capital 2018/I*). It was confirmed by an expert opinion that the consideration in shares in TTL Real Estate GmbH in exchange for 1,641,334 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €1,641,334.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 6 April 2018 (see section 17.3.4: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH (I)*").

On 19 April 2018, GK Beteiligungs GmbH, as transferor, was merged with the Company. as transferee, based on a merger agreement concluded on 26 February 2018. By way of universal succession in course of the merger of GK Beteiligungs GmbH, *inter alia,* loan receivables of GK Beteiligungs GmbH deriving from a loan agreement with AR Holding GmbH dated 10 January 2017 were transferred to the Company.

On 23 May 2018, AR Holding GmbH and the Company agreed to offset the claims of the Company from the loan receivable against AR Holding GmbH transferred to the Company in course of the merger of GK Beteiligungs GmbH to the Company in the amount of €93,757.50 including interest accrued until 31 May 2018 against claims of AR Holding GmbH from loan receivables against the Company deriving from the loan agreement dated 1 January 2017, as amended on 17 May 2017, in the amount of €152,625.00 settling all claims deriving from the loan agreement originally concluded between GK Beteiligungs GmbH and AR Holding GmbH on 10 January 2017. Additionally, the Company agreed to pay €58,867.50 to AR Holding GmbH settling an outstanding loan liability from the loan agreement dated 1 January 2017. The loan agreement was not terminated and the loan currently amounts to €0.

On 2 October 2018, amending an agreement on conditionally waivers of 2 January 2017, the Company, GR Capital GmbH and AR Holding GmbH concluded another agreement according to which the relevant equity threshold, if reached or exceed, caused the conditionally waived loan receivables by TR Asset Management GmbH and AR Holding GmbH in the overall amount of €1,413,232.49 to re-emerge, was increased to €100 million.

Overall, the structure of the loan agreements and waivers between formerly TR Asset Management GmbH, GR Capital GmbH, AR Holding GmbH and the Company is the following:

Lender	**Loan agreement/ waiver dated**	**Nominal value of waived loan receivables**	**Aggregated nominal value of loan receivables**
TR Asset Management GmbH/GR Capital GmbH..........	31 December 2012	€973,086.00	€973,086.00
TR Asset Management GmbH/GR Capital GmbH..........	31 December 2013	€130,000.00	€1,103,086.00
TR Asset Management GmbH/GR Capital GmbH..........	31 December 2014	€207,751.63	€1,310,837.63
AR Holding GmbH	31 December 2014	€51,869.86	€1,362,707.49
AR Holding GmbH	22 January 2016	€50,525.00	€1,413,232.49

(Source: Unaudited internal information of the Company)

The total equity threshold amounts to €100 million.

15.2.4 Transactions with Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts

On 20 April 2018, the Management Board resolved – with the approval of the Supervisory Board on 27 April 2018 – to increase the Company's share capital by €701,711.00 by issuing 701,711 new no-par value ordinary bearer shares with a calculated notional amount of €1.00 per share in the share capital of the Company against cash contribution at an issue price (*Ausgabebetrag*) of €3.60 per share and a total issue price (*Gesamtausgabebetrag*) of €2,526,159.60 against cash contribution partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018 (*Genehmigtes Kapital 2018/I*). The statutory subscription right of shareholders was excluded pursuant to Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). The capital increase did not exceed 10% of the registered share capital of the Company and the issue price was not determined substantially below the relevant price on the stock exchange. All 701,711 new shares were subscribed by Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts in its own name, however, partially for account of a third party. The implementation of this capital increase by €701,711.00 to €17,600,000.00 was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 8 May 2018 (see section 17.3.6: "*Capital Increase by Utilising Authorised Capital by Cash Contribution 2018*").

15.2.5 Transactions with DIC Beteiligungsgesellschaft bürgerlichen Rechts

On 17 May 2017, DIC Beteiligungsgesellschaft bürgerlichen Rechts, as borrower, and the Company, as lender, entered into a loan agreement for the provision of a loan in the amount of €1,400,000.00 with an interest rate of 9.00% per annum, with a term until 30 November 2017 for the purpose of acquiring shares in DIC Asset AG. The borrower may, at its option, repay outstanding amounts under the loan agreement, in whole or in part, prior to the maturity date. In addition, the lender was entitled to a profit participation in the result of a sale of the acquired shares in DIC Asset AG or their transfer to a company within the group of shareholders of the borrower as remuneration for granting the loan amounting to one third of the positive difference between the proceeds of the loss or the value of the consideration in the event of a transfer within the group of companies of the borrower and the acquisition price of the borrower, but no more than €1,000,000.00. The borrower exercised to option of pre-maturity repayment. On 30 October 2017, the parties agreed on a final payment in the overall amount of €1,608,880.00 taking account of interests paid and accrued and the profit participation agreed.

15.2.6 Transactions with DICP Capital SE

On 27 November 2017, DICP Capital SE and the Company entered into a sale and share transfer agreement in respect of the sale and transfer of a share in the nominal value of €5,565.00 in DIC Capital Partners (Europe) GmbH at a purchase price in the overall amount of €971,121.00, thereby increasing the share in DIC Capital Partners (Europe) GmbH by 2.5%, from 12.56% to 15.06%. The sale and transfer of the share was approved by the shareholders of DIC Capital Partners (Europe) GmbH.

On 14 September 2018, the Company, holding directly and indirectly via its subsidiary TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) 50% of the shares with voting rights in TTL Real Estate GmbH, and DICP Capital SE, the indirect controlling shareholder of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien holding 50% of the shares with voting rights in TTL Real Estate GmbH, entered into an agreement pertaining to the coordination with regard to the strategic direction of TTL Real Estate GmbH. In this regard the Company is granted a fundamental right to propose a strategy, which DICP Capital SE may only reject for reasons of justified interest. DICP Capital SE procured to use its indirect control of Deutsche Immobilien Chancen Beteiligungs AG, the general partner of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, to ensure that the legal representatives of Deutsche Immobilien Chancen Beteiligungs AG carry out their activities in respect of TTL Real Estate GmbH in the sense of the strategy developed by the Company. The agreement is concluded for an indefinite period and can only be terminated with a notice period of twelve months. Otherwise, termination is only possible for good cause, which may be, amongst others, if the Company acquires the majority of shares with voting rights in TTL Real Estate GmbH.

In addition, the Company, its subsidiaries and its members of the Management and the Supervisory Board are included in the group D&O insurance policy concluded by DICP Capital SE.

15.3 Other Transactions with Related Parties

15.3.1 Transactions with TTL Real Estate Mezzanine Investments GmbH & Co. KG

Following the assumption of debt (*befreiende Schuldübernahme*) of the loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien *vis-à-vis* TTL Real Estate Mezzanine GmbH

& Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) by the Company on 23 April 2018 (see section 15.2.2: "*Transaction with Deutsche Immobilien Chance AG & Co. Kommanditgesellschaft auf Aktien"*), TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) and the Company entered into an agreement on the conversion of the payment obligation in the amount of €18,678,181.00 into a loan liability of the Company *vis-à-vis* TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) with an interest rate of 3.5% per annum (the **"Loan Agreement I"**). The Loan Agreement I with TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), as amended on 22 June 2018, is concluded for a fixed term until 31 January 2020. Thereafter, the term shall be extended for a further year if it is not terminated by one of the parties with twelve months' notice to the end of the year.

Following the assumption of debt (*befreiende Schuldübernahme*) of the loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien *vis-à-vis* TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG) by the Company on 9 July 2018 (see section 15.2.2: "*Transaction with Deutsche Immobilien Chance AG & Co. Kommanditgesellschaft auf Aktien"*), on 9 July 2018, the Company, as borrower, and TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), as lender, entered into a loan agreement by converting open payment obligations of the borrower in the overall amount of €7,203,870.00 with a fixed term until 31 January 2020 at an interest rate of 3.50% per annum, payable at repayment, however, at the lasted on 31 December each year (the "**Loan Agreement II**"). Thereafter, the term of the Loan Agreement II shall be extended for a further year if it is not terminated by one of the parties with three months' notice to the end of the year.

On 4 September 2018, the Company, as borrower, and TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), as lender, entered into a loan agreement for the provision of a loan in the amount of €1,600,000.00 with an interest rate of 3.5% per annum, with a term until 31 January 2020, payable at the end of each year (the "**Loan Agreement III**"). Unpaid interest is credited to the loan amount at the end of the year and bears interest from the following year onwards. The term of the Loan Agreement III shall be extended for a further year if it is not terminated by one of the parties with three months' notice to the end of the year.

15.3.2 Transactions with TTL Real Estate GmbH

On 22 March 2018, TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) and the Company entered into a management service agreement according to which the Company undertakes to provide services to TTL Real Estate GmbH, including but not limited to (i) business analyses and evaluations, controlling services, preparation of business plans, etc., (ii) on-going analysis of the relevant real estate markets and regular location analyses, (iii) monitoring and coordination of asset management and controlling of the implementation of the property and portfolio strategy, (iv) development, management and further development of a reporting structure for real estate investors, and (v) continuous risk and potential analysis through profit-oriented plausibility checks and evaluation of the relevant parameters influencing costs and earnings at property level. In consideration for these services, TTL Real Estate GmbH agreed to pay a fee to be paid each quarter of the financial year in the amount of €87,500.00. The term of this management service agreement was agreed to commence on 1 January 2018 for an unlimited period.

On 10 September 2018, based on the resolution of the shareholders' meeting of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) on the same day resolving on the increase of its registered share capital from €4,450,000.00 by €24,500.00 to €4,474,500.00, the Company subscribed for 24,500 shares with voting rights with a nominal amount and issue price of €1.00 per share plus a premium of €64.35 per share to be paid into the capital reserve of the TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) in accordance with Section 272 para. 2 No. 1 of the German Commercial Code (*Handelsgesetzbuch*), totalling €1,601,075.00. The shares are entitled to dividends as of 1 January 2018. The capital increase and the change in articles of association of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) was entered into the commercial register of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) on 26 September 2018. With effectiveness of the capital increase of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) the Company's share in voting rights in TTL Real Estate GmbH is increased to 50%.

15.3.3 Transactions with SPG Verwaltungs GmbH

On 20 December 2017, based on the resolutions of the Management Board and the Supervisory Board on 13 December 2017 the Company issued convertible bonds with a principal amount of €9,035,000.00, divided into 90,350 notes in bearer form in a principal amount of €100.00 for a term of five years (**"Bonds"**) against contributions in kind excluding subscription rights of shareholders and partially utilising the authorisation granted by the shareholders' meeting on 2 June 2017 (see section 17.3.7: "*Issuance and Conversion of Convertible Bonds*"). Amongst others, SPG Verwaltungs GmbH was admitted to subscribe and to acquire 34,333 Bonds in the principal amount of €100.00 each and a total nominal amount of €3,433,300.00 against contribution of shares in TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in the nominal amount of €8,550.00 (corresponding to approx. 9.5% of the registered share capital of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in total of €90,000.00). On 21 August 2018, amongst others SPG Verwaltungs GmbH exercised conversion rights attached to 34,333 Bonds in the principal amount in total of €3,433,300.00 at a conversion price of €2.60 subscribing for 1,320,500 shares of the Company issued from Conditional Capital 2017/I, which are part of the Old Shares subject to the Offering.

15.3.4 Transactions with Jan Benedikt Rombach and B + D Technologie Beteiligungs GmbH

By contribution and share transfer agreement *inter alia* between Jan Benedikt Rombach, member of the Supervisory Board of the Company since 20 June 2018, B + D Technologie Beteiligungs GmbH, a company whose managing director Jan Benedikt Rombach is, and the community of heirs (*Erbengemeinschaft*) of the deceased Dr. Joachim Rombach consisting of, *inter alia*, Jan Benedikt Rombach (**"Community of heirs after Dr. Joachim Rombach"**) and the Company dated 30 April 2018, Jan Benedikt Rombach contributed and transferred shares in the total nominal amount of €718.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights, B + D Technologie Beteiligungs GmbH contributed and transferred shares in the total nominal amount of €24,826.00 in TTL Real Estate GmbH, Frankfurt am Main, Germany, corresponding to 1.01% of the shares with voting rights and the Community of heirs after Dr. Joachim Rombach contributed and transferred shares in the total nominal amount of €718.00 in TTL Real Estate GmbH, Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights to the Company fulfilling the contribution obligations arising from the subscription of 13,404 new shares (each Jan Benedikt Rombach and the Community of heirs after Dr. Joachim Rombach) and of 463,474 new shares (B + D Technologie Beteiligungs GmbH) in the Company to be issued at an issue price of €1.00 per share based on the resolution of the Management Board of the Company on 12 April 2018 – with the approval of the Supervisory Board on 27 April 2018 – partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018 (*Genehmigtes Kapital 2018/I*). It was confirmed by an expert opinion that the consideration in shares in TTL Real Estate GmbH in exchange for the new shares in the Company at least met the calculated notional amount of €1.00 per share. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 8 May 2018 (see section 17.3.5: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH (II)*").

15.3.5 Cost Reimbursement Agreement

On 15 October 2018, the Company entered into a cost reimbursement agreement with the Selling Shareholders. Under this agreement, the Selling Shareholders agreed to reimburse the Company for all costs incurred in connection with the preparation and the execution of the Offering on a pro rata basis calculated according to the ratio of the number of Old Shares placed in the Offering to the total number of New Shares and Old Shares placed in the Offering. The costs to be reimbursed on such basis include, in particular, legal, auditor, and other advisor fees, fees of the Sole Global Coordinator, unless already directly borne by the Selling Shareholders according to the Underwriting Agreement, costs for the public offering securities insurance and other costs of the Offering.

15.3.6 Services by Claudia Gillmaier

Claudia Gillmaier, the wife of the former member of the Management Board and Chief Executive Officer of the Company Dr. Wolfgang Gillmaier whose term in office ended 31 December 2017, provided accounting and financial statement services to the Company in the financial years 2015, 2016 and 2017.

15.4 Description of Relationships with Members of the Management Board and the Supervisory Board

The members of Management Board and the Supervisory Board have been identified as related parties to the Group according to IAS 24. For an overview regarding the compensation, shareholding and share-based compensation of the members of the Management Board and the Supervisory Board, see section 13.2.3: "*Remuneration and Other Benefits to the Members of the Management Board*", section 13.2.4: "*Remuneration System*" and section 13.3.4: "*Remuneration and Other Benefits to the Members of the Supervisory Board*".

16. THE COMPANY AND ITS SUBSIDIARIES

16.1 History

The Company was founded by Klaus W. Schäfer and Ingrid Schäfer on 27 May 1977 and registered in the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, under HRB 53518 on 28 July 1977 as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the company name "GMS Klaus W. Schäfer + Partner Gesellschaft für Management Services mbH" with its registered seat in Munich. By resolution of the shareholders' meeting on 19 December 1997 the Company's name was changed to "TTL Thurn und Taxis Leasing GmbH", which was entered into the commercial register of the Company on 26 May 1998. On 19 March 1999, the shareholders' meeting *inter alia* resolved to transform TTL Information Technology GmbH into a German stock corporation (*Aktiengesellschaft*) under the name "TTL Information Technology AG" according to the provisions of the German Transformation Act (*Umwandlungsgesetz*). The change of legal form became effective with the registration of the Company in the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, under HRB 125559 on 10 May 1999.

Based on the resolution of the shareholders' meeting on 23 January 2018, the Company's name was changed again into "TTL Beteiligungs- und Grundbesitz-AG". The change of the Company's name into its current name became effective with the registration in the Commercial Register of the local court (*Amtsgericht*) of Munich, Germany, under HRB 125559 on 1 February 2018.

16.2 Registered office, financial year, term, corporate purpose

The registered office of TTL Beteiligungs- und Grundbesitz-AG is in Munich, Germany, and the Company's business address is Theresienhöhe 28/I, 80339 Munich, Germany (telephone: +49 89381611-0). The Issuer's legal name is TTL Beteiligungs- und Grundbesitz-AG. The Company and its subsidiaries and affiliates operate in business transactions under various commercial names, most notably "TTL", "TTL Group" or "GEG Group".

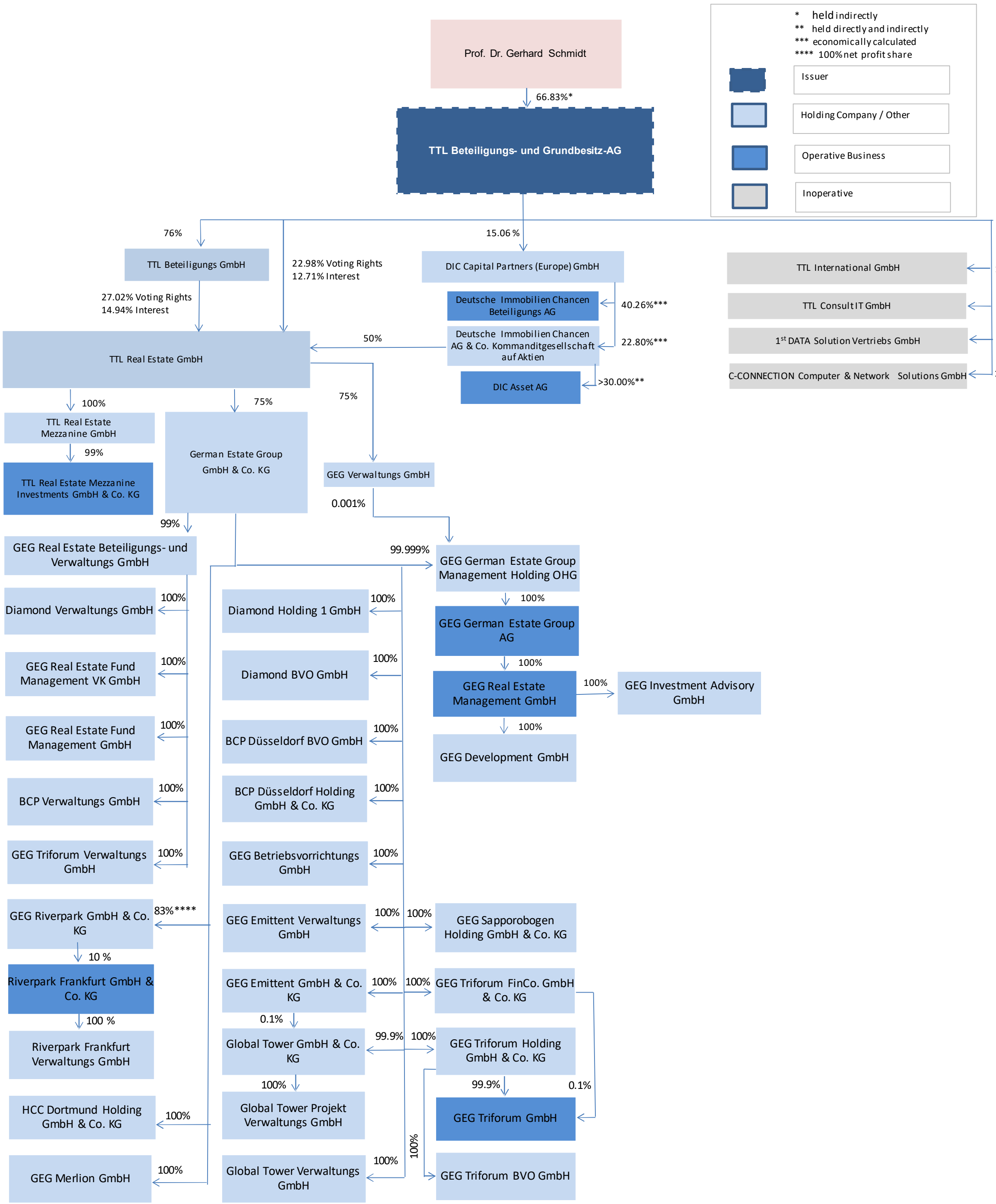
The Company was established for an unlimited period of time. The financial year of the Company is the calendar year. The Company's most recent Articles of Association are dated 12 September 2018.

According to Section 2 of the Articles of Association, the purpose of the Company is the participation in companies in the fields of (a) project development, acquisition, holding, management and sale of real estate as well as their renting and leasing and (b) brokerage and conclusion of rental and leasing contracts for data processing equipment and other capital goods, purchase and resale of movable capital goods in particular data processing and other capital goods including related software, furthermore investment consulting, training of staff for capital goods and production and maintenance of capital goods in the sector of data processing as well as other management of own assets. For this purpose, the Company may confine itself to the formation, acquisition, holding and other administration or management of subsidiary companies and affiliated companies or the company itself can be active in one of those fields including the holding of real estate. In addition, the Company may assume personal liability in other companies or can establish branch or production sites in the national territory or abroad. The purpose of subsidiary companies and affiliated companies may differ from the defined purpose of the Company provided, however, these seem suitable to promote the Company's business purpose. Furthermore, the Company may conduct all business which seems suitable to promote the objective of the Company directly or indirectly. In particular, the Company can conclude consulting contracts and management contracts in the sectors of leasing and investment and can provide financings, which are directly or indirectly associated with the acquisition of capital goods (including real estate). The Company, however, does not enter into any transactions that are subject to the provisions of the German Banking Act (*Kreditwesengesetz*) or of the Investment Companies Act (*Kapitalanlagegesetzbuch*).

16.3 Group structure and significant subsidiaries

The Issuer is the holding company of the TTL Group. The TTL Group's operational business is primarily conducted by the GEG Group (in which it holds an indirect stake). GEG Group means German Estate Group GmbH & Co. KG together with its fully consolidated entities.

The following chart provides a simplified overview of the TTL Group, as of the date of the Prospectus, including the indirect controlling shareholder, certain direct and indirect subsidiaries and minority interests of TTL AG in DIC Capital Partners (Europe) GmbH and other entities as of the date of this Prospectus. The interest in the share capital (%) is displayed unless stated otherwise.



(Source: internal unaudited information of the Company)

The following table provides an overview of those subsidiaries that, in the Company's view, comprise its significant subsidiaries and material shareholdings as of the date of the Prospectus (all of which are incorporated in Germany). All such shareholdings are directly and/or indirectly held by the Company.

Company name, registered office	Field of activity	Interest in the company
TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH, Glattbach, Germany	Holding company	76.00%
DIC Capital Partners (Europe) GmbH, Frankfurt am Main, Germany	Holding company	15.06%

Company name, registered office	Field of activity	Interest in the company
TTL Real Estate GmbH, Frankfurt am Main, Germany	Holding company	27.65%[iii] (50.00%[iv] of voting rights)
TTL Real Estate Mezzanine GmbH (formerly DIC Real Estate Mezzanine GmbH), Frankfurt am Main, Germany	Holding company	100%[v]
TTL Real Estate Mezzanine Investments GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), Frankfurt am Main, Germany	Financing company	99%[vi]
German Estate Group GmbH & Co. KG, Frankfurt am Main, Germany	Holding company of German Estate Group	75%[vii]
GEG German Estate Group Management Holding OHG, Frankfurt am Main, Germany	Holding company	100%[viii]
GEG German Estate Group AG, Frankfurt am Main, Germany	Operative company	100%[ix]
GEG Real Estate Management GmbH, Frankfurt am Main, Germany	Operative company	100%[x]
GEG Sapporobogen Holding GmbH & Co. KG	Holding company	100%[xi]
Diamond Holding 1 GmbH, Frankfurt am Main, Germany	Holding company	100%[xii]
GEG Emittent GmbH & Co. KG, Frankfurt am Main, Germany	Financing company	100%[xiii]
Global Tower GmbH & Co. KG, Frankfurt am Main, Germany	Holding company	100%[xiv]
BCP Dusseldorf Holding GmbH & Co. KG, Frankfurt am Main, Germany	Holding company	100%[xv]
GEG Triforum Holding GmbH & Co. KG, Frankfurt am Main, Germany	Holding company	100%[xvi]
GEG Triforum GmbH, Frankfurt am Main, Germany	Property company	100%[xvii]
HCC Dortmund Holding GmbH & Co. KG,	Holding company	100%[xviii]

[iii] 12.71% of interest directly held and 14.94% of interest held by TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH.

[iv] approx. 22.98% of voting rights directly held and approx. 27.02% of voting rights held by TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH).

[v] Interest held by TTL Real Estate GmbH.

[vi] Interest held by TTL Real Estate GmbH.

[vii] Interest held by TTL Real Estate GmbH.

[viii] 99.999% interest held by German Estate Group GmbH & Co. KG and 0.001% held by GEG Verwaltungs GmbH.

[ix] Interest held by GEG German Estate Group Management Holding OHG.

[x] Interest held by GEG German Estate Group AG.

[xi] Interest held by German Estate Group GmbH & Co. KG.

[xii] Interest held by German Estate Group GmbH & Co. KG.

[xiii] Interest held by German Estate Group GmbH & Co. KG.

[xiv] 99.9% of interest held by German Estate Group GmbH & Co. KG and 0.1% held by GEG Emittent GmbH & Co. KG. Following the participation of HANSAINVEST Real Assets GmbH, Hamburg, Global Tower GmbH & Co. KG operates as holding company with a limited partnership interest of 4.99% in Global Tower Projekt GmbH & Co. KG, the owner of the Global Tower real estate property. Deviating from the corporate ownership structure Global Tower GmbH & Co. KG, however, participates to 50% in net profits at the end of the project development (i.e. sale of the refurbished premises).

[xv] Interest held by German Estate Group GmbH & Co. KG.

[xvi] Interest held by German Estate Group GmbH & Co. KG.

[xvii] 99.9% of interest held by GEG Triforum Holding GmbH & Co. KG and 0.1% held by GEG Triforum FinCo GmbH & Co. KG. After accession of investors expected for the end of October 2018 the interest of GEG Triforum Holding GmbH & Co. KG and GEG Triforum FinCo GmbH & Co. KG is expected to be reduced to 1.5%.

Company name, registered office	Field of activity	Interest in the company
Frankfurt am Main, Germany		

(Source: internal unaudited information of the Company)

16.4 Business relationships with significant subsidiaries

On 23 May 2018, the Company, as lender, and TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH), as borrower, entered into a loan agreement on a current account loan (*Kontokorrent*) with an interest rate of 6.00% per annum, payable on a quarterly basis. Unpaid interest is added to the loan amount at the end of the year and loan receivables and interest not paid are subject to interest from the following year onwards. The initial disbursement by the Company to TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH), as borrower, in the overall amount of €192,857.92 was agreed to be made on 31 May 2018. The loan is updated in current account on each disbursement. The loan agreement is concluded for an indefinite term and may cancelled or repaid in whole or in part on a daily basis.

Following the assumption of debt (*befreiende Schuldübernahme*) of the loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien *vis-à-vis* DIC Real Estate Mezzanine Investments GmbH & Co. KG by the Company on 23 April 2018 (see section 15.2.2: "*Transaction with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien*"), TTL Real Estate Mezzanine Investments GmbH & Co. KG (formerly: DIC Real Estate Mezzanine Investments GmbH & Co. KG) and the Company entered into an agreement on the conversion of the payment obligation in the amount of €18,678,181.00 into a loan liability of the Company *vis-à-vis* TTL Real Estate Mezzanine Investments GmbH & Co. KG (formerly: DIC Real Estate Mezzanine Investments GmbH & Co. KG) with an interest rate of 3.5% per annum (the **"Loan Agreement I"**). The Loan Agreement I with TTL Real Estate Mezzanine Investments GmbH & Co. KG (formerly: DIC Real Estate Mezzanine Investments GmbH & Co. KG), as amended on 22 June 2018, is concluded for a fixed term until 31 January 2020. Thereafter, the term shall be extended for a further year if it is not terminated by one of the parties with twelve months' notice to the end of the year.

Following the assumption of debt (*befreiende Schuldübernahme*) of the loan liability of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien *vis-à-vis* DIC Real Estate Mezzanine Investments GmbH & Co. KG by the Company on 9 July 2018 (see section 15.2.2: "*Transaction with Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien*"), on 9 July 2018, the Company, as borrower, and TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), as lender, entered into a loan agreement by converting open payment obligations of the borrower in the overall amount of €7,203,870.00 with a fixed term until 31 January 2020 at an interest rate of 3.50% per annum, payable at repayment, however, at the lasted on 31 December each year (the **"Loan Agreement II"**). Thereafter, the term of the Loan Agreement II shall be extended for a further year if it is not terminated by one of the parties with three months' notice to the end of the year.

On 4 September 2018, the Company, as borrower, and TTL Real Estate Mezzanine GmbH & Co. KG (formerly DIC Real Estate Mezzanine Investments GmbH & Co. KG), as lender, entered into a loan agreement for the provision of a loan in the amount of €1,600,000.00 with an interest rate of 3.5% per annum, with a term until 31 January 2020, payable at the end of each year (the **"Loan Agreement III"**). Unpaid interest is credited to the loan amount at the end of the year and bears interest from the following year onwards. The term of the Loan Agreement III shall be extended for a further year if it is not terminated by one of the parties with three months' notice to the end of the year.

16.5 Auditor

The Company has appointed Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Ganghoferstraße 31, 80339 Munich, Germany, (**"Warth & Klein"**) as the auditor of its German language non-consolidated and consolidated financial statements for the financial years 2015, 2016 and 2017. Warth & Klein has issued unqualified German-language auditor's reports (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) on the unconsolidated and the consolidated financial statements of the Company for the financial years 2015, 2016 and 2017.

Warth & Klein is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

[xviii] Interest held by German Estate Group GmbH & Co. KG.

On 15 June 2018, the shareholders' meeting resolved to appoint Rödl & Partner Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Äußere Sulzbacher Straße 100, 90491 Nuremberg, Germany, (**"Rödl & Partner"**) as auditor and group auditor for the financial year 2018. Furthermore, Rödl & Partner was appointed as auditor for an audit review of interim management report for the first half of the 2018 financial year and/or any additional interim financial information within the meaning of Section 115 para. 7 of the German Securities Trading Act (*Wertpapierhandelsgesetz; WpHG*) for the 2018 financial year.

Rödl & Partner is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

16.6 Announcements

Pursuant to the Articles of Association, the announcements of the Company are published in the German Federal Gazette (*Bundesanzeiger*), unless otherwise required by law. The Company may in accordance with Section 49 para. 3 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) provide information to its shareholders by way of remote data transmission (*Datenfernübertragung*).

16.7 Admission to Stock Exchange Trading

The Company's shares have been admitted to the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard), except for the Old Shares, the admission of which will be applied for on the basis of this Prospectus on or about 10 October 2018.

17. DESCRIPTION OF THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS

17.1 General Provisions Relating to the Share Capital

The share capital of the Company currently amounts to €21,075,000.00, divided into 21,075,000 no-par value ordinary bearer shares (*Inhaberaktien*), each with a calculated notional amount of €1.00 per share. The share capital of the Company has been fully paid in.

Each share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights and the shares carry full dividend entitlement. In the event that the Company is dissolved, the Company's assets remaining after settlement of its liabilities will be distributed among the shareholders in proportion to their share in the Company's share capital.

The Management Board determines the form of the share certificates as well as the dividend coupons and renewal coupons with approval of the Supervisory Board. Global certificates may be issued. Pursuant to Section 6 para. 4 of the Company's Articles of Association, shareholders are not entitled to receive definitive share certificates (*Aktienurkunden*) for their shares.

The Company's current share capital is represented by several global share certificates without dividend coupons, which are held with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

17.2 Outline of Development of Company's Share Capital

After the incorporation of the Company as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the name "GMS Klaus W. Schäfer + Partner Gesellschaft für Management Services mbH" on 28 July 1977, following various changes in the Company's name and shareholder decisions, *inter alia*, including measures according to the German Reorganisation Act (*Umwandlungsgesetz*), the change of the Company's legal form into a German stock corporation (*Aktiengesellschaft*) with the legal name "TTL Information Technology AG" became effective on 10 May 1999 with a registered share capital of €102,258.38. After a further sequence of capital measures, the Company's registered share capital was increased to €4,000,000.00 on 22 June 1999, divided into 4,000,000 no-par value ordinary bearer shares (*Inhaberaktien*), each with a calculated notional amount of €1.00 per share in the share capital.

On 12 July 1999 the Company's shares were first traded on the New Market (*Neuer Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (see section 16: "*The Company and its Subsidiaries*"). Following the admission of the Company's shares to trading on the New Market (*Neuer Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on 12 July 1999, the development of the Company's share capital can be outlined as follows:

- On 13 June 2000, the share capital of the Company was increased from €4,000,000.00 by €550,000.00 to €4,550,000.00 against contribution of all shares in 1st Data Solution Vertriebs-GmbH based on resolution of the Company's shareholders' meeting.
- On 27 July 2000, the share capital of the Company was increased against cash contribution from €4,550,000.00 by €400,000.00 to €4,950,000.00 utilising the authorised capital (*Genehmigtes Kapital*).
- On 23 November 2000, the share capital of the Company was increased from €4,950,000.00 by €27,000.00 to €4,977,000.00 against contribution of shares in Gerhard K. Kowoll EDV-Beratung GmbH and in C-Connection Computer Network Solutions GmbH utilising the authorised capital (*Genehmigtes Kapital*).
- On 21 August 2002, the share capital of the Company was increased from €4,977,000.00 by €1,573,000.00 to €6,550,000.00 against contribution in kind of an 8%-shareholding in Allgeier Computer AG utilising the authorised capital (*Genehmigtes Kapital*).
- On 9 January 2017, the share capital of the Company was increased from €6,550,000.00 by €1,250,000.00 to €7,800,000.00 against contribution in kind of a 12.56%-shareholding in DIC Capital Partners (Europe) GmbH utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.1: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding DIC Capital Partners (Europe) GmbH*").
- On 27 March 2017, the share capital of the Company was increased against cash contribution from €7,800,000.00 by €1,733,333.00 to €9,533,333.00 utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.2: "*Capital Increase by Utilising Authorised Capital by Cash Contribution 2017*").

- On 17 July 2017, the share capital of the Company was increased from €9,533,333.00 by €4,600,000.00 to €14,133,333.00 against contribution of all shares in GK Beteiligungs GmbH utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.3: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding GK Beteiligungs GmbH*").
- On 6 April 2018, the share capital of the Company was increased from €14,133,333.00 by €1,641,334.00 to €15,774,667.00 against contribution in kind of a 3.59%-shareholding with voting rights at that time in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.4: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH I*").
- On 8 May 2018, the share capital of the Company was increased from €15,774,667.00 by €1,123,622.00 to €16,898,289.00 against contribution in kind of a 2.46%-shareholding with voting rights at that time in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.5: "*Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH II*").
- On 8 May 2018, the share capital of the Company was further increased from €16,898,289.00 by €701,711.00 to €17,600,000.00 against cash contribution utilising the authorised capital (*Genehmigtes Kapital*) (see section 17.3.6: "*Capital Increase by Utilising Authorised Capital by Cash Contribution 2018*").
- On 21 August 2018, the holders of convertible bonds issued on 20 December 2017 exercised their conversion rights and the share capital of the Company was subsequently increased from €17,600,000.00 by €3,475,000.00 to €21,075,000.00 issuing 3,475,000 shares from Conditional Capital 2017/I on 30 August 2018.

17.3 Capital Measures in the last three financial years

17.3.1 Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding DIC Capital Partners (Europe) GmbH

On 4 November 2016, the Company entered into an agreement with AR Holding GmbH and its sole shareholder former TR Asset Management GmbH for a refinancing and balance sheet restructuring of the Company. Subject to a release of AR Holding GmbH and its controlling shareholders from the obligation to launch a mandatory takeover offer by BaFin, AR Holding GmbH *inter alia* undertook to subscribe for 1,250,000 new shares in the Company at an issue price of €1.00 per share as part of a planned capital increase against contribution in kind. In consideration of the refinancing and the restructuring measures AR Holding GmbH and its (direct and indirect) shareholders were released by BaFin to launch a mandatory takeover offer on 20 December 2016. On the same day, the Management Board of the Company – with the consent of the Supervisory Board – resolved to increase the share capital of the Company from €6,550,000.00 by €1,250,000.00 to €7,800,000.00 by issuing 1,250,000 new no-par value bearer shares at the issue price of €1.00 per share against contribution in kind of a share in the nominal value of €27,950.00 and corresponding to 12.56% of the share capital in DIC Capital Partners (Europe) GmbH, Munich, Germany, partially utilising the authorised capital created by the Company's shareholders' meeting on 4 August 2016 (*Authorised Capital 2016/I*). The statutory subscription right of the shareholders was excluded. On 21 December 2016, AR Holding GmbH contributed and transferred the share in the nominal value of €27,950.00 in DIC Capital Partners (Europe) GmbH to the Company and subscribed for 1,250,000 new shares in the Company. It was confirmed by an expert opinion that the consideration in shares in DIC Capital Partners (Europe) GmbH for 1,250,000 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €1,250,000.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 9 January 2017.

17.3.2 Capital Increase by Utilising Authorised Capital by Cash Contribution 2017

On 3 March 2017, the Management Board of the Company resolved – with the approval of the Supervisory Board on the same day – to increase the share capital from €7,800,000.00 by up to €1,733,333.00 up to €9,533,333.00 by issuing up to 1,733,000 new ordinary no-par value bearer shares at an issue price of €1.00 per share against cash contributions partially utilising the authorised capital created by the Company's shareholders' meeting on 4 August 2016 (*Authorised Capital 2016/I*). The new shares were offered to the shareholders by way of indirect subscription rights for a subscription price of €1.00 per share. Subscription rights were only excluded for the fractional amount of one share. The shareholders of the Company were given the opportunity to subscribe for additional new shares for which subscription rights were not exercised within the subscription period at the subscription price of €1.00 per new shares. AR Holding GmbH had irrevocably undertaken to declare an over-subscription at the subscription price for all new shares for which no subscription rights have been exercised by the shareholders within the subscription period.

On 24 March 2017, the Management Board, with the approval of the Supervisory Board on the same day, determined that the share capital was increased from €7,800,000.00 by €1,733,333.00 to €9,533,333.00 by issuing 1,733,000 new no-par value bearer shares (ordinary shares). The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 27 March 2017.

17.3.3 Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding GK Beteiligungs GmbH

On 27 June 2017, the Management Board resolved – with the approval of the Supervisory Board on the same day – to increase the Company's share capital from €9,533,333.00 by €4,600,000.00 to €14,133,333.00 by issuing 4,600,000 new no-par value ordinary bearer shares at an issue price of € 1.00 per share against contribution in kind partially utilising the authorised capital created by the Company's shareholders' meeting 2 June 2017 (*Authorised Capital 2017/I*). The statutory subscription right of shareholders was excluded. AR Holding GmbH was admitted to subscribe for and acquire 4,600,000 new shares against a contribution in kind of all shares in the total nominal amount of €100,000.00 in GK Beteiligungs GmbH, Glattbach. On 7 July 2017, AR Holding GmbH contributed and transferred all shares in GK Beteiligungs GmbH to the Company.

It was confirmed by an expert opinion that the consideration in shares in GK Beteiligungs GmbH for the 4,600,000 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €4,600,000.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 17 July 2017.

GK Beteiligungs GmbH as transferring company was subsequently merged with the Company as acquiring company. The merger was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 19 April 2018.

17.3.4 Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH (I)

On 21 March 2018, the Management Board resolved – with the approval of the Supervisory Board on the same day – to increase the Company's share capital from €14,133,333.00 by €1,641,334.00 to €15,774,667.00 by issuing 1,641,334 new ordinary no-par value bearer shares at an issue price of €1.00 per share against contribution in kind partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018 (*Authorised Capital 2018/I*). The statutory subscription right of the shareholders was excluded. AR Holding GmbH was admitted to subscribe and to acquire the new shares against contribution in total of 87,918 shares with voting rights in the total nominal amount of €87,918.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) at that date corresponding to 3.59% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH). On 21 March 2018, AR Holding GmbH contributed and transferred shares in the total nominal amount of €87,918.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) to the Company. It was confirmed by an expert opinion that the consideration in 87,918 shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) for 1,641,334 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €1,641,334.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 6 April 2018.

17.3.5 Capital Increase by Utilising Authorised Capital by Contribution in Kind Regarding TTL Real Estate GmbH (II)

On 12 April 2018, the Management Board resolved – with the approval of the Supervisory Board on 27 April 2018 – to increase the Company's share capital from €15,774,667.00 by €1,123,622.00 to €16,898,289.00 by issuing 1,123,622 new ordinary no-par value bearer shares at an issue price of €1.00 per share against contribution in kind partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018 (*Genehmigtes Kapital 2018/I*). The statutory subscription right of shareholders was excluded. The following persons/legal entities were admitted to subscribe and to acquire new shares against contribution of in total 60,187 shares in the total nominal amount of €60,187.00

in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) at that date corresponding to 2.46% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH):

- Dr. Matthias Calice was admitted to subscribe and to acquire 23,186 new shares against contribution and transfer of shares in the total nominal amount of €1,242.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.05% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Daniela Jenkner-Rombach was admitted to subscribe and to acquire 13,404 new shares against contribution and transfer of shares in the total nominal amount of €718.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Community of heirs (*Erbengemeinschaft*) of the deceased Dr. Joachim Rombach consisting of, *inter alia*, Jan Benedikt Rombach, was admitted to subscribe and to acquire 13,404 new shares against contribution and transfer of shares in the total nominal amount of €718.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Gudrun Rombach was admitted to subscribe and to acquire 13,404 new shares against contribution and transfer of shares in the total nominal amount of €718.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- B + D Technologie Beteiligungs GmbH, Karlsruhe, was admitted to subscribe and to acquire 463,474 new shares against contribution and transfer of shares in the total nominal amount of €24,826.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 1.01% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Jan Benedikt Rombach was admitted to subscribe and to acquire 13,404 new shares against contribution and transfer of shares in the total nominal amount of €718.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.03% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Ingrid Schäfer was admitted to subscribe and to acquire 32,931 new shares against contribution and transfer of shares in the total nominal amount of €1,764.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 0.07% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany;
- Forum Holdings B.V., Amsterdam, was admitted to subscribe and to acquire 550,415 new shares against contribution and transfer of shares in the total nominal amount of €29,483.00 in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany, corresponding to 1.20% of the shares with voting rights in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH), Frankfurt am Main, Germany.

On 30 April 2018, all 60,187 shares in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) subject to the capital increase were contributed and transferred to the Company.

It was confirmed by an expert opinion that the consideration in shares in TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) for 1,123,622 new shares in the Company at least met the calculated notional amount of €1.00 per share. The value of the contribution in kind exceeding the issue price of the new shares of €1,123,622.00 was attributed to the capital reserve of the Company. The implementation of this capital increase was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 8 May 2018.

17.3.6 Capital Increase by Utilising Authorised Capital by Cash Contribution 2018

On 20 April 2018, the Management Board resolved – with the approval of the Supervisory Board on 27 April 2018 – to increase the Company's share capital by €701,711.00 by issuing 701,711 new no-par value ordinary bearer shares with the calculated notional amount of €1.00 per share in the registered share capital of the Company against cash contribution at an issue price (*Ausgabebetrag*) of €3.60 per share and a total issue price (*Gesamtausgabebetrag*) of €2,526,159.60 against cash contribution partially utilising the authorised capital created by the Company's shareholders' meeting on 23 January 2018

(*Genehmigtes Kapital 2018/I*). The statutory subscription right of shareholders was excluded pursuant to Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). The capital increase did not exceed 10% of the registered share capital of the Company and the issue price was not determined substantially below the relevant price on the stock exchange. All 701,711 new shares were subscribed by Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts in its own name, however, partially for account of a third party.

The implementation of this capital increase by €701,711.00 to €17,600,000.00 was registered with the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 8 May 2018.

17.3.7 Issuance and Conversion of Convertible Bonds

On 20 December 2017, based on the resolutions of the Management Board and the Supervisory Board on 13 December 2017 the Company issued convertible bonds with a principal amount of €9,035,000.00, divided into 90,350 notes in bearer form in a principal amount of €100.00 for a term of five years (the **"Bonds"**) against contributions in kind partially utilising the authorisation granted by the shareholders' meeting on 2 June 2017 (see section 17.5.1: "*Authorisation to issue Convertible Bonds and Other Instruments 2017*"). The statutory subscription right of shareholders was excluded. To subscribe and to acquire Bonds against contribution of in total 22,500 shares in the total nominal amount of €22,500.00 in TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) corresponding to approximately 25% of the shares TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) were admitted:

- S&P Beteiligungs ZWEI GmbH to subscribe and to acquire 34,333 Bonds in the principal amount of €100.00 each and a total nominal amount of €3,433,300.00 against contribution of shares in of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in the nominal amount of €8,550.00 (corresponding to approx. 9.5% of the registered share capital of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in total of €90,000.00);
- SPG Verwaltungs GmbH to subscribe and to acquire 34,333 Bonds in the principal amount of €100.00 each and a total nominal amount of €3,433,300.00 against contribution of shares in of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in the nominal amount of €8,550.00 (corresponding to approx. 9.5% of the registered share capital of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in total of €90,000.00); and
- HVC Beteiligungs GmbH to subscribe and to acquire 21,684 Bonds in the principal amount of €100.00 each and a total nominal amount of €2,168,400.00 against contribution of shares in of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in the nominal amount of €5,400.00 (corresponding to approx. 6.0% of the registered share capital of TTL Beteiligungs GmbH (formerly AIRE Asset Investments in Real Estate Beteiligungs GmbH) in total of €90,000.00).

The Bonds are represented by a permanent global certificate (*Globalurkunde*) in bearer form without interest coupons deposited with Clearstream Banking Aktiengesellschaft, Eschborn, Germany, under ISIN (*International Securities Identification Number*) DE000A2GSRK6 and securities identification number (*Wertpapierkennnummer*) A2GSRK. The Bonds grant its holders the right to convert the Bonds during the conversion period starting on 1 July 2018 until the final maturity date into up to 3,475,000 no-par value ordinary bearer shares of the Company to be issued in the sole discretion of the Company either out of the existing Conditional Capital 2017/I (see section 17.5.4: "*Conditional Capital 2017/I*") or another conditional and/or authorised capital of the Company.

On 21 August 2018, the holders of Bonds issued on 20 December 2017, S&P Beteiligungs ZWEI GmbH, SPG Verwaltungs GmbH and HVC Beteiligungs GmbH, exercised their conversion rights attached to 90,350 Bonds in the principal amount in total of €9,035,000.00 at a conversion price of €2.60 subscribing for 3,475,000 shares of the Company issued from Conditional Capital 2017/I. Following the exercise of conversion rights the Company's registered share capital was increased from €17,600,000.00 by €3,475,000.00 to €21,075,000.00 issuing 3,475,000 shares from Conditional Capital 2017/I on 30 August 2018.

17.4 Capital Increase in Connection with the Offering

On 16 October 2018, the Management Board, with the approval of the Supervisory Board on the same day, resolved to increase the Company's share capital by up to €8,800,000.00 by issuing up to 8,800,000 new no-par value ordinary bearer shares with a calculated notional amount of €1.00 per share in the share capital (the **"New Shares"**) against cash contribution. The cash capital increase is effected by utilising the Authorised Capital 2018/II of the Company in accordance with Article 6a of the Company's Articles of Association. The New Shares will be issued at an issue price of €1.00 per share and are entitled to dividends from 1 January 2018. The statutory subscription right is granted to shareholders in such a way that the New Shares are issued to the Sole Global Coordinator at the issue price and are to be underwritten with the obligation to offer them to investors in the Pre-placement and to the Company's existing shareholders by way of indirect subscription rights at a Subscription Ratio of 12 : 5 and to transfer to the Company the proceeds received thereby after deduction of the cash contributions already made by the Sole Global Coordinator, an appropriate commission and the costs and expenses. In accordance with the authorisation of the Authorised Capital 2018/II and Article 6a of the Company's Articles of Association, the subscription right to the fractional shares (the **"Residual Shares"**) is excluded in order to smooth the Subscription Ratio.

The Sole Global Coordinator will offer 7,107,077 New Shares, for which the Assigning Shareholders have waived subscription rights by assignment, and 3,475,000 Old Shares and 18,750 Residual Shares for purchase in a private placement exclusively to selected investors in Germany and in other countries (other than in the United States of America in accordance with Regulation S of the U.S. Securities Act or to other investors in a bookbuilding procedure prior to the commencement of the Subscription Period expected to run from and including 25 October 2018 to and including 7 November 2018. The offer period for the Pre-placement is expected to run from 23 October 2018 to 24 October 2018. The subscription rights assigned to the Sole Global Coordinator by the Assigning Shareholders are not exercised by the Sole Global Coordinator, but lapse and are written off at the end of the Subscription Period. The offer price per share (the "**Offer Price**") in the Pre-placement will be determined on the basis of the bookbuilding procedure at the end of the Pre-placement. The Offer Price will correspond to the subscription price in the Subscription Offering (the "**Subscription Price**") as part of the price fixing agreement, probably on 24 October 2018. After the end of the Subscription Period, the Sole Global Coordinator will offer any New Shares and any Old Shares not placed by way of the Pre-placement and not subscribed for in the Subscription Offering to selected investors in Germany and outside Germany in jurisdictions other than the United States of America in accordance with the exemptions under Regulation S of the U.S. Securities Act and Canada, Australia and Japan at a price at least as high as the Subscription Price.

The Management Board of the Company, with the approval of the Supervisory Board, will determine by way of further (i) Determination Resolution I the final number of New Pre-placement Shares to be issued, the Offer Price and the Subscription Price as well as the final number of Old Shares to be allotted in the Pre-placement and (ii) Determination Resolution II the final number of New Subscription Offering Shares.

The implementation of the capital increase is expected to be registered in the commercial register in two tranches on 29 October 2018 (**"Capital Increase Tranche I"**) and 9 November 2018 (**"Capital Increase Tranche II"**). After registration of the respective tranches of the capital increase in the Commercial Register, the share capital of the Company will be increased by the aggregate amount determined in the Determination Resolution II.

17.5 Authorisations to issue convertible bond and other instruments

17.5.1 Authorisation to Issue Convertible Bonds and Other Instruments 2017

On 2 June 2017, the shareholders' meeting authorised the Management Board, with the consent of the Supervisory Board, until 1 June 2022 to issue, once or repeatedly, convertible bonds and/or warrant-linked bonds (collectively, the **"Bonds"**) with or without term restrictions for a total nominal amount of up to €20,000,000.00 and to grant or impose upon holders or creditors of option and/or conversion rights or of option and/or conversion obligations no-par value shares in the Company with a proportionate amount in the share capital of up to €4,766,666.00 in accordance with the terms and conditions of the Bonds.

The Bonds may be issued against cash and/or non-cash consideration. The Bonds may be denominated not only in euros but also – limited to the equivalent value in euros – in the legal currency of an OECD country. For the total nominal amount limit of this authorisation, issuances of Bonds in foreign currencies shall be translated into euros by the nominal amount of the Bonds on the day the decision on their issuance is taken.

The Bonds may also be issued by Group companies domiciled in Germany or abroad, in which the Company directly or indirectly holds a 100 % share. In such an event, the Management Board shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds on behalf of the Company and grant the holders or creditors of such bonds option or conversion rights, or to grant or impose option or conversion obligations on no-par value bearer shares of the Company.

The individual issuances may be denominated into debentures each carrying equal rights.

Shareholders are principally entitled to subscription rights in Bond issues. Shareholders' statutory subscription rights may be accommodated in that way that Bond issuances are also underwritten by one or more credit institutions or companies described in Section 186 para. 5 sentence 1 German Stock Corporation Act (*Aktiengesetz*), appointed by the Management Board with the obligation to offer the Bonds to shareholders (indirect subscription right). If Bonds are issued by affiliates in which the Company directly or indirectly holds a 100 % share, the Company shall ensure that shareholders are granted subscription rights in accordance with the stipulations above.

The Management Board shall, however, be authorised to exclude subscription rights, subject to the consent of the Supervisory Board, for the following purposes:

- in order to exclude fractional amounts from the shareholders' subscription right;
- insofar as Bonds are issued in exchange for cash and the issue price is not significantly lower than the theoretical market value determined on the basis of accepted methods of financial mathematics. The number of shares issued to service Bonds in this way under exclusion of shareholders' subscription rights shall not, in total, exceed 10% of the share capital, neither at the time this authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10% of the share capital, those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*) during the term of this authorisation. Moreover, those shares that are issued to service option and/or conversion rights or option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds shall also be included, insofar as these bonds are issued during the term of this Authorisation on the basis of another authorisation under exclusion of shareholders' subscription rights in analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*);
- insofar as bonds are issued in exchange for contributions in kind in particular for the purpose of company mergers or for the purpose of acquiring companies, company parts or interests in companies or other contributable assets in the context of such an transaction, or for the purpose of acquiring other assets including claims against the Company, provided that the value of the contribution in kind is in an appropriate proportion with the market value determined in accordance with the above bullet point;
- insofar as is required in order to grant subscription rights for bonds to holders or creditors of warrant-linked bonds and/or convertible bonds with option and/or conversion rights or option and/or conversion obligations issued by the Company or subsidiaries in which the Company directly or indirectly holds a 100% share to the extent to which such holders or creditors would be entitled upon exercise of their option and/or conversion rights or upon fulfilment of option and/or conversion obligations.

In the event of a warrant-linked bond issue, one or more warrants shall be attached to each bond entitling the holder or creditor to subscribe to no-par value bearer shares in the Company under the terms of a warrant-linked bond issue to be specified by the Management Board. The bond conditions may provide for the fact that the option price may be fulfilled wholly or in part through a transfer of bonds and, if appropriate, an additional cash payment. The subscription ratio may be rounded up or down to whole numbers; moreover, an additional cash payment may be stipulated. Beyond that, fractional amounts may be taken together and/or settled in cash. The proportionate amount in the share capital attributable to the shares eligible for subscription per bond must not exceed the nominal amount of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) shall be observed. The bond conditions may also provide for an option obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of warrant-linked bonds at final maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another listed company, instead of in cash. In this case also, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal amount of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

In the event of a convertible bond issue, the holders or creditors of these bonds are granted an entitlement to convert their convertible bonds into no-par value bearer shares in the Company (conversion right) under the conditions of the convertible bond issue to be specified by the Management Board. The conversion ratio is derived by dividing the nominal value or the lower issue price of a bond by the fixed conversion price for a no-par value bearer share in the Company. It may be specified that the conversion ratio is variable and/or that the conversion price may change within a fixed range depending on the price trend of the Company's shares during the term of the convertible bond or pursuant to dilution protection regulations. The conversion ratio may be rounded up or down to even amounts; furthermore, an additional cash payment may be fixed. Additionally, fractional amounts may be taken together and/or settled in cash. The proportionate amount in the share capital of the shares to be issued upon conversion per bond must not exceed the nominal value of the convertible bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed. The bond conditions may also provide for a conversion obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of convertible bonds at final maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another quoted company, instead of in cash. In this event as well, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal value of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

Instead of delivering no-par value bearer shares, the bond conditions can also provide for the right of the Company or the subsidiary issuing the bond to settle conversion or option rights (also in part) by a cash payment that is determined in compliance with hereinafter provisions for the number of shares that would otherwise have to be delivered. The bond conditions may also provide for the right of the Company or the issuing subsidiary to service the bonds upon conversion or warrant exercise by delivering no-par value bearer shares issued from authorised capital or by treasury shares of the Company that already exist or are to be repurchased or shares in another listed company, instead of new bearer shares issued from conditional capital.

The option or conversion price to be fixed for one share must – even in the event of a variable option or conversion price and subject to the following provisions for bonds with a conversion obligation, a substitution right or a tender right by the issuer of the Bonds to deliver shares – amount to at least 80% of the volume-weighted average closing price in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), namely

(i) on the ten days of trading prior to the Management Board's conclusive resolution on the respective Bond issuance or

(ii) insofar as the subscription rights for the Bonds are traded, on the days the subscription rights are traded, except for the final two days in which the subscription rights are traded, or in the event that the Management Board conclusively fixes the option or conversion price prior to the start of trading of subscription rights, in the period as in (i).

In the event of Bonds with an option or conversion obligation, a substitution right or a tender right by the issuer of the Bonds to deliver shares, the option or conversion price to be fixed must at least correspond either to the minimum price mentioned above or the volume-weighted average closing price for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) over the ten days of trading prior or subsequent to the final maturity (*Endfälligkeit*) of the Bonds, even if the latter-mentioned average price is less than the minimum price mentioned above.

In any event, the proportionate amount in the share capital of the shares to be issued per Bond must not exceed the nominal value of the Bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

Notwithstanding Section 9 para. 1 German Stock Corporation Act (*Aktiengesetz*), the option or conversion price may, based on a dilution protection clause as stipulated by the bond conditions, be reduced through the payment of a commensurate amount in cash when exercising option or conversion rights or fulfilling option or conversion obligations or by reducing the additional payment, if the Company increases the share capital during the option or conversion period with subscription rights for its shareholders or issues or guarantees further warrant-linked bonds or convertible bonds or profit-sharing rights and does not grant subscription rights to holders or creditors of option and/or conversion rights or option and/or conversion obligations to the extent to which they would be entitled upon exercising their option or conversion right or option or conversion obligation. Instead of a cash payment or reduction of the additional payment, the subscription or conversion ratio may – insofar as possible – be adjusted by dividing by a reduced option or conversion price. Additionally, the terms may provide for an adaptation of the option or conversion rights or option or conversion obligations in the event of a capital decrease or other extraordinary event (such as exceptionally high dividends, control gained by third parties). In the event that control is gained by a third party, the terms may provide for an adaptation of the option or conversion price in line with market practice.

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the further details involving the issuance and features of Bonds or to agree the conditions of the Bonds with the respective management and supervisory bodies of the subsidiary executing the issuance, in particular the volume, timing, interest rate, type of interest, issue price, term and denomination, dilution protection as well as the option and/or conversion price and the option and/or conversion exercise period.

The conversion or option rights and conversion or option obligations carried by the Bonds may be serviced from the Conditional Capital 2017/I. At the date of this Prospectus the authorisation has been utilised in the amount of €9,035,000.00 by issuing convertible bonds (see section 17.3.7: "*Issuance and Conversion of Convertible Bonds*") that have been converted into new shares of the Company on 21 August 2018.

17.5.2 Authorisation to Issue Convertible Bonds and Other Instruments 2018

On 15 June 2018, the shareholders' meeting authorised the Management Board, with the consent of the Supervisory Board, until 14 June 2023 to issue, once or repeatedly, convertible bonds and/or warrant-linked bonds (collectively, the **"Bonds"**) with or without term restrictions for a total nominal amount of up to €60,000,000.00 and to grant or impose upon holders or creditors of option and/or conversion rights or of option and/or conversion obligations no-par value shares in the Company with a proportionate amount in the share capital of up to €4,033,334.00 in accordance with the terms and conditions of the Bonds.

The Bonds may be issued against cash and/or non-cash consideration. The Bonds may be denominated not only in euros but also – limited to the equivalent value in euros – in the legal currency of an OECD country. For the total nominal amount limit of this authorisation, issuances of Bonds in foreign currencies shall be translated into euros by the nominal amount of the Bonds on the day the decision on their issuance is taken.

The Bonds may also be issued by Group companies domiciled in Germany or abroad in which the Company directly or indirectly holds a 100% share. In such an event, the Management Board shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds on behalf of the Company and grant the holders or creditors of such bonds option or conversion rights, or to grant or impose option or conversion obligations on no-par value bearer shares of the Company.

The individual issuances may be denominated into debentures each carrying equal rights.

Shareholders are principally entitled to subscription rights in Bond issues. Shareholders' statutory subscription rights may be accommodated in that way that Bond issuances are also underwritten by one or more credit institutions or companies described in Section 186 para. 5 sentence 1 German Stock Corporation Act (*Aktiengesetz*), appointed by the Management Board with the obligation to offer the Bonds to shareholders (indirect subscription right). If Bonds are issued by affiliates in which the Company directly or indirectly holds a 100% share, the Company shall ensure that shareholders are granted subscription rights in accordance with the stipulations above.

The Management Board shall, however, be authorised to exclude subscription rights, subject to the consent of the Supervisory Board, for the following purposes:

- in order to exclude fractional amounts from the shareholders' subscription right;
- insofar as Bonds are issued in exchange for cash and the issue price is not significantly lower than the theoretical market value determined on the basis of accepted methods of financial mathematics. The number of shares issued to service Bonds in this way under exclusion of shareholders' subscription rights shall not, in total, exceed 10% of the share capital, neither at the time this authorisation takes effect, nor when it is exercised. In determining the maximum limit of 10% of the share capital, those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*) during the term of this authorisation. Moreover, those shares that are issued to service option and/or conversion rights or option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds shall also be included, insofar as these bonds are issued during the term of this Authorisation on the basis of another authorisation under exclusion of shareholders' subscription rights in analogous application of Section 186 para. 3 sentence 4 German Stock Corporation Act (*Aktiengesetz*);
- insofar as bonds are issued in exchange for contributions in kind in particular for the purpose of company mergers or for the purpose of acquiring companies, company parts or interests in companies or other contributable assets in the context of such an transaction, or for the purpose of acquiring other assets including claims against the Company, provided that the value of the contribution in kind is in an appropriate proportion with the market value determined in accordance with the above bullet point;

- insofar as is required in order to grant subscription rights for bonds to holders or creditors of warrant-linked bonds and/or convertible bonds with option and/or conversion rights or option and/or conversion obligations issued by the Company or subsidiaries in which the Company directly or indirectly holds a 100 % share to the extent to which such holders or creditors would be entitled upon exercise of their option and/or conversion rights or upon fulfilment of option and/or conversion obligations.

In the event of a warrant-linked bond issue, one or more warrants shall be attached to each bond entitling the holder or creditor to subscribe to no-par value bearer shares in the Company under the terms of a warrant-linked bond issue to be specified by the Management Board. The bond conditions may provide for the fact that the option price may be fulfilled wholly or in part through a transfer of bonds and, if appropriate, an additional cash payment. The subscription ratio may be rounded up or down to whole numbers; moreover, an additional cash payment may be stipulated. Beyond that, fractional amounts may be taken together and/or settled in cash. The proportionate amount in the share capital attributable to the shares eligible for subscription per bond must not exceed the nominal amount of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) shall be observed. The bond conditions may also provide for an option obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of warrant-linked bonds at final maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another listed company, instead of in cash. In this case also, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal amount of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

In the event of a convertible bond issue, the holders or creditors of these bonds are granted an entitlement to convert their convertible bonds into no-par value bearer shares in the Company (conversion right) under the conditions of the convertible bond issue to be specified by the Management Board. The conversion ratio is derived by dividing the nominal value or the lower issue price of a bond by the fixed conversion price for a no-par value bearer share in the Company. It may be specified that the conversion ratio is variable and/or that the conversion price may change within a fixed range depending on the price trend of the Company's shares during the term of the convertible bond or pursuant to dilution protection regulations. The conversion ratio may be rounded up or down to even amounts; furthermore, an additional cash payment may be fixed. Additionally, fractional amounts may be taken together and/or settled in cash. The proportionate amount in the share capital of the shares to be issued upon conversion per bond must not exceed the nominal value of the convertible bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed. The bond conditions may also provide for a conversion obligation at maturity (or at some other point in time) or for the Company's right to settle the amount due to holders or creditors of convertible bonds at final maturity (this also extends to maturity at call), wholly or in part, in shares in the Company or in another quoted company, instead of in cash. In this event as well, the proportionate amount in the share capital of the shares to be issued per bond must not exceed the nominal value of the bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

Instead of delivering no-par value bearer shares, the bond conditions can also provide for the right of the Company or the subsidiary issuing the bond to settle conversion or option rights (also in part) by a cash payment that is determined in compliance with hereinafter provisions for the number of shares that would otherwise have to be delivered. The bond conditions may also provide for the right of the Company or the issuing subsidiary to service the bonds upon conversion or warrant exercise by delivering no-par value bearer shares issued from authorised capital or by treasury shares of the Company that already exist or are to be repurchased or shares in another listed company, instead of new bearer shares issued from conditional capital.

The option or conversion price to be fixed for one share must – even in the event of a variable option or conversion price and subject to the following provisions for bonds with a conversion obligation, a substitution right or a tender right by the issuer of the Bonds to deliver shares – amount to at least 80% of the volume-weighted average closing price in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), namely

(i) on the ten days of trading prior to the Management Board's conclusive resolution on the respective Bond issuance or

(ii) insofar as the subscription rights for the Bonds are traded, on the days the subscription rights are traded, except for the final two days in which the subscription rights are traded, or in the event that the Management Board conclusively fixes the option or conversion price prior to the start of trading of subscription rights, in the period as in (i).

In the event of Bonds with an option or conversion obligation, a substitution right or a tender right by the issuer of the Bonds to deliver shares, the option or conversion price to be fixed must at least correspond either to the minimum price mentioned above or the volume-weighted average closing price for the Company's shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) over the ten days of trading prior or subsequent to the final maturity (*Endfälligkeit*) of the Bonds, even if the latter-mentioned average price is less than the minimum price mentioned above.

"Closing price" is, with regard to each individual trading day on the trading venue of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the closing price within the framework of a closing auction, or, in the absence of a closing auction, the last closing price determined on the relevant trading day on the trading venue of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

In any event, the proportionate amount in the share capital of the shares to be issued per Bond must not exceed the nominal value of the Bond. Section 9 para. 1 in conjunction with Section 199 para. 2 of the German Stock Corporation Act (*Aktiengesetz*) must be observed.

Notwithstanding Section 9 para. 1 German Stock Corporation Act (*Aktiengesetz*), the option or conversion price may, based on a dilution protection clause as stipulated by the bond conditions, be reduced through the payment of a commensurate amount in cash when exercising option or conversion rights or fulfilling option or conversion obligations or by reducing the additional payment, if the Company increases the share capital during the option or conversion period with subscription rights for its shareholders or issues or guarantees further warrant-linked bonds or convertible bonds or profit-sharing rights and does not grant subscription rights to holders or creditors of option and/or conversion rights or option and/or conversion obligations to the extent to which they would be entitled upon exercising their option or conversion right or option or conversion obligation. Instead of a cash payment or reduction of the additional payment, the subscription or conversion ratio may – insofar as possible – be adjusted by dividing by a reduced option or conversion price. Additionally, the terms may provide for an adaptation of the option or conversion rights or option or conversion obligations in the event of a capital decrease or other extraordinary event (such as exceptionally high dividends, control gained by third parties). In the event that control is gained by a third party, the terms may provide for an adaptation of the option or conversion price in line with market practice.

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the further details involving the issuance and features of Bonds or to agree the conditions of the Bonds with the respective management and supervisory bodies of the subsidiary executing the issuance, in particular the volume, timing, interest rate, type of interest, issue price, term and denomination, dilution protection as well as the option and/or conversion price and the option and/or conversion exercise period.

The conversion or option rights and conversion or option obligations carried by the Bonds may be serviced from the Conditional Capital 2018/II. At the date of the Prospectus the authorisation has not been utilised.

17.5.3 Authorised Capital 2018/II

On 15 June 2018, the Company's annual shareholders' meeting resolved to revoke the authorised capital created by the extraordinary shareholders' meeting on 23 January 2018 to the extent that it has not been utilised and to create a new authorised capital. The resolution was entered into the commercial register of the Company at the local court (*Amtsgericht*) of Munich, Germany, on 20 June 2018.

Pursuant to Section 6a of the Articles of Association, the Management Board is authorised to increase the Company's registered share capital until 14 June 2023, with the consent of the Supervisory Board once or repeatedly by up to a total of €8,800,000.00 by issuing new ordinary no-par value bearer shares against contribution in cash and/or in kind (the **"Authorised Capital 2018/II"**). The number of shares has to be increased in the same proportion as the share capital. In principle, the existing shareholders are to be offered subscription rights. The new shares may also be subscribed by one or more banks or enterprises within the meaning of Section 186 para. 5 sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) designated by the Management Board with the obligation to offer the shares to the existing shareholders of the Company (i.e. so-called indirect subscription rights).

However, the Management Board is authorised to exclude the subscription rights of the existing shareholders with the consent of the Supervisory Board for one or more capital increases in each of the following cases:

- in order to exclude fractional amounts from the shareholders' subscription right;
- in the event that new shares are issued against cash contributions and the issue price of the new shares is not substantially lower than the stock exchange price of the shares essentially with the same features of the Company already listed at the time when the issue price is determined. The total number of shares issued in this way under exclusion of shareholders' subscription rights may not exceed 10% of the share capital, neither at the time of the authorisation takes effect nor at the time of exercise of the authorisation. In determining the maximum limit of 10% of the share capital those shares shall be included that were issued or disposed of under exclusion of subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) during the term of this authorisation. Further, shares issued to service option and/or conversion rights or option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit sharing rights shall also be included, insofar as these bonds or profit-sharing rights are issued during the term of this authorisation under exclusion of the shareholders' subscription rights in analogous application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*);
- in case of the capital increase is performed against contributions in kind, in particular in course of company mergers or for the purpose of acquiring companies, company parts or interests in companies or other contributable assets in the context of such an transaction or for the purpose of acquiring other assets including claims against the Company;
- to the extent necessary in order to be able to grant subscription rights for new shares to holders or creditors of convertible bonds and/or warrant-linked bonds with option or conversion rights or option or conversion obligations that were issued by the Company or subsidiaries in which the Company directly or indirectly participates to 100% to the extend they would be entitled upon exercise of their option or conversion rights or upon fulfilment or option or conversion obligations.

The Management Board is authorised, subject to the consent of the Supervisory Board, to stipulate the rights attached to the shares, any further details of a capital increase as well as the terms of the share issuance, in particular the issue price. The entitlement to dividends for new shares can be determined in deviation from Section 60 para. 2 sentence 3 of the German Stock Corporation Act (*Aktiengesetz*); to the extent legally possible, the new shares can be attributed entitlements to dividend payments also with regard to the business year prior to the issuance, if, at the time of the issuance, the shareholders' meeting has not yet resolved on the distribution of profits.

The Authorised Capital 2018/II will be utilised in the amount in which New Shares are subscribed or placed in the Offering. Besides this, the Authorised Capital 2018/II has not been used so far.

17.5.4 Conditional Capital 2017/I

Pursuant to Section 6b of the Articles of Association, the Company's registered capital was originally conditionally increased by up to a total of €4,766,666.00 and after partial utilisation is still increased by up to a total of €1,291,666.00 through the issuance of new no-par value bearer shares (the **"Conditional Capital 2017/I"**). The number of shares must be increased in the same proportion as the share capital. The conditional capital increase serves to grant new no-par value bearer shares to the holders or creditors of warrant-linked bonds and/or convertible bonds with option and/or conversion rights or options and/or conversion obligations issued on the basis of the authorisation by resolution of the shareholders' meeting of 2 June 2017 under agenda item 7 (see section 17.5.1: "*Authorisation to Issue Convertible Bonds and Other Instruments 2017*") in the period until 1 June 2022 by the Company or by a subsidiary in which the Company directly or indirectly holds a 100% share. The new shares will be issued at the option and conversion price to be stipulated in each instance in accordance with the authorisation granted by resolution of the shareholders' meeting of 2 June 2017 under agenda item 7 (see section 17.5.1: "*Authorisation to Issue Convertible Bonds and Other Instruments 2017*"). The conditional capital increase shall only be implemented to the extent to which the holders or creditors of bonds exercise option and/or conversion rights or fulfil option or conversion obligations or, to the extent that the Company or the issuing subsidiary exercises its right of choice, wholly or in part, to service the entitlements by delivering shares in the Company instead of a cash settlement and insofar the cash settlement is not afforded or treasury shares or shares from authorised capital or shares of another listed company are not used to service the entitlements. The new shares are entitled to dividends from the beginning of the financial year in which they are issued as a result of the exercise of option or conversion rights or the fulfilment of option or conversion obligations. The Management Board is authorised, with the consent of the Supervisory Board, to determine the additional details in executing the conditional capital increase.

At the date of this Prospectus the Conditional Capital 2017/I is utilised in the amount of €3,475,000.00 by conversion of convertible bonds on 21 August 2018 (see section 17.3.7: "*Issuance and Conversion of Convertible Bonds*").

17.5.5 Conditional Capital 2018/II

Pursuant to Section 6c of the Articles of Association, the Company's registered capital is conditionally increased by up to a total of €4,033,334.00 through the issuance of new no-par value bearer shares (the **"Conditional Capital 2018/II"**). The number of shares must be increased in the same proportion as the share capital. The conditional capital increase serves to grant new no-par value bearer shares to the holders or creditors of warrant-linked bonds and/or convertible bonds with option and/or conversion rights or options and/or conversion obligations issued on the basis of the authorisation by resolution of the shareholders' meeting of 15 June 2018 under agenda item 9 (see section 17.5.2: "*Authorisation to Issue Convertible Bonds and Other Instruments 2018*") in the period until 14 June 2023 by the Company or by a subsidiary in which the Company directly or indirectly holds a 100% share. The new shares will be issued at the option and conversion price to be stipulated in each instance in accordance with the authorisation granted by resolution of the shareholders' meeting of 15 June 2018 under agenda item 9 (see section 17.5.2: "*Authorisation to Issue Convertible Bonds and Other Instruments 2018*"). The conditional capital increase shall only be implemented to the extent to which the holders or creditors of bonds exercise option and/or conversion rights or fulfil option or conversion obligations or, to the extent that the Company or the issuing subsidiary exercises its right of choice, wholly or in part, to service the entitlements by delivering shares in the Company instead of a cash settlement and insofar the cash settlement is not afforded or treasury shares or shares from authorised capital or shares of another listed company are not used to service the entitlements. The new shares are entitled to dividends from the beginning of the financial year in which they are issued as a result of the exercise of option or conversion rights or the fulfilment of option or conversion obligations. The Management Board is authorised, with the consent of the Supervisory Board, to determine the additional details in executing the conditional capital increase.

At the date of the Prospectus the authorisation has not been utilised.

17.6 No Authorisation to Purchase and Use Treasury Shares

As of the date of the Prospectus, the Company does not hold any of its own shares, nor does a third party hold any shares of the Company on behalf of or for the account of the Company, nor does the Company have an authorisation by the shareholders' meeting pursuant to Section 71 para. 1 No. 8 of the German Stock Corporation Act (*Aktiengesetz*) to repurchase any of its shares.

17.7 General Provision Governing a Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of at least 75% or more of the share capital represented at the shareholders’ meeting at which such a vote is taken. Furthermore, the commencement of insolvency proceedings regarding the assets of the Company, the rejection of insolvency proceedings for insufficient assets to cover the costs of the proceedings, a cancellation of the Company for lack of funds or the imposition of a final decision of the registry court about a material defect in the Articles of Association could lead to a cancellation of the Company. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), in the event of the Company’s liquidation, any assets remaining after all of the Company’s liabilities have been settled will be distributed pro rata among its shareholders. The German Stock Corporation Act (*Aktiengesetz*) provides for certain protections for creditors which must be observed in the event of liquidation.

17.8 General Provisions Governing Changes in the Share Capital

According to the German Stock Corporation Act (*Aktiengesetz*), the share capital of a stock corporation may be increased against contributions in cash or in kind by resolution of the shareholders’ meeting which must be adopted by a simple majority of the votes cast and a majority of at least three quarters of the share capital represented at the adoption of the resolution, unless the corporation's Articles of Association require a different majority; if the share capital is increased by issuing non-voting preference shares or the subscription rights of the shareholders are excluded, the Articles of Association may only require a larger majority. Pursuant to Section 20 paras. 1 and 2 of the Company's Articles of Association, an increase of the share capital against contributions in cash or in kind requires a simple majority of the votes cast and a simple majority of the share capital represented at the adoption of the resolution, unless preference shares are issued or the subscription rights of shareholders are excluded.

The shareholders' meeting may also create authorised capital. The creation of authorised capital requires a resolution with a majority of three-quarters of the share capital represented at the adoption of the resolution which authorises the Management Board to issue shares up to a certain amount within a period of no more than five years. The nominal amount of the authorised capital may not exceed 50% of the share capital existing at the time of the authorisation.

In addition, the shareholders' meeting may create conditional capital for the issuance of shares to holders of convertible bonds or other securities that grant the holder the right to subscribe for shares, of shares that serve as consideration in a merger with another company, or of shares that were offered to executives and employees; a resolution with a majority of three-quarters of the share capital represented is required in each case. The nominal amount of the conditional capital may not exceed 10%, if the conditional capital is created for the purpose of issuing shares to executives and employees, or, in all other cases, 50% of the share capital existing at the time the resolution is adopted.

A resolution on the reduction of the share capital requires a majority of three quarters of the share capital represented when the resolution is adopted.

If a change in the share capital results in an increase or decrease in the voting rights, the total number of voting rights as well as the date of effectiveness of the increase or decrease must be published by the company and the BaFin must be informed, as required by Section 41 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), immediately, at the latest within two trading days. The shareholders may be subject to disclosure requirements according to the German Securities Trading Act (*Wertpapierhandelsgesetz*). See section 18.1: "*Disclosure of Shareholdings and Other Instruments*".

17.9 General Provisions on Subscription Rights

According to the German Stock Corporation Act (*Aktiengesetz*), each shareholder has, in principle, a right to subscribe for the new shares issued within the scope of a capital increase (including securities convertible into shares, securities with warrants to purchase shares, securities with profit participation or participation certificates) to maintain its existing share in the share capital. Subscription rights are freely transferable and may be traded on German stock exchanges during a fixed period before the expiration of the subscription period. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), the subscription period may not be shorter than two weeks. The shareholders' meeting may exclude subscription rights with a majority of the votes cast and, at the same time, at least three-quarters of the share capital represented when resolving upon a capital increase or an authorised capital. In case of an authorised capital, the shareholders' meeting may also authorise the Management Board to exclude subscription rights. An exclusion of subscription rights further requires a report of the Management Board, which must show, in order to justify the exclusion of subscription rights, that the company’s interest in excluding the subscription rights outweighs the interest of the shareholders in the subscription rights being granted. In the absence of such objective justification, an exclusion of subscription rights may be permissible for an issuance of new shares if the company increases the capital against cash contributions, the amount of the capital increase does not exceed 10% of the existing share capital and the issuance price of the new shares is not substantially lower than the stock exchange price.

It is not considered an exclusion of subscription rights if new shares are acquired by a credit institution, which undertakes to offer the new shares to those persons who would otherwise have subscription rights.

17.10 General Provisions Governing the Allocation of Profit and Dividend Payments

Section 60 of the German Stock Corporation Act (*Aktiengesetz*) includes provisions on the distribution of profits. Pursuant to Section 60 para. 2 sentence 3 of the German Stock Corporation Act (*Aktiengesetz*), contributions to share capital, which have been made during the course of the financial year, shall be taken into account in proportion to the time which has elapsed since the date of such contributions. Section 5 para. 3 of the Company's Articles of Association stipulates that, in the case of a capital increase, the entitlement to dividends for new shares can be determined in deviation from Section 60 para. 2 of the German Stock Corporation Act (*Aktiengesetz*).

17.11 Exclusion of Minority Shareholders (Squeeze-out)

Pursuant to the provisions in Sections 327a et seqq. of the German Stock Corporation Act (*Aktiengesetz*) regarding the so-called "squeeze-out" process, the shareholders' meeting of a stock corporation may resolve upon the request of a shareholder holding at least 95% of the share capital (the **"Main Shareholder"**) on the transfer of the shares of the remaining minority shareholders to the Main Shareholder in exchange for granting reasonable cash compensation.

The amount of the cash compensation to be granted to the minority shareholders must take into account "the circumstances of the company" at the time the resolution is adopted by the shareholders' meeting.

The amount of the compensation is determined by the full value of the enterprise which is normally determined using the capitalised earnings method (*Ertragswertverfahren*).

The shareholding requirements for a squeeze-out are lowered if the squeeze-out takes place in connection with the merger of a subsidiary into the parent company. According to Section 62 para. 5 of the German Transformation Act (*Umwandlungsgesetz*), the shareholders' meeting of a transferring stock corporation may, within three months after the signing of the merger agreement, adopt a squeeze-out resolution in accordance with Section 327a of the German Stock Corporation Act (*Aktiengesetz*) if the acquiring company is a German stock corporation, partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or European public company (*Societas Europaea*) that holds at least 90% of the registered share capital. After registration of the squeeze-out with the commercial register, the merger can be implemented without a further resolution by the shareholders' meeting of the subsidiary.

In addition to the squeeze-out process under the German Stock Corporation Act (*Aktiengesetz*) summarised above, Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) permit the so-called squeeze-out under the law on takeovers. Under these provisions, a bidder holding at least 95% of the voting share capital in a target company (within the meaning of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a public takeover offer or mandatory offer can generally file a motion with the district court (*Landgericht*) of Frankfurt am Main for the transfer of the other voting shares in exchange for the grant of reasonable compensation by means of a court order within three months after expiration of the acceptance period. A resolution of the shareholders' meeting is not necessary. The type of compensation must correspond to the consideration in the takeover offer or the mandatory offer; cash compensation must always be offered as an alternative. The consideration offered in connection with the takeover or mandatory offer is deemed to be reasonable if the bidder has acquired shares equal to at least 90% of the share capital affected by the offer. In addition, shareholders have a sell-out right. During squeeze-out proceedings under the law on takeovers initiated upon the motion of the bidder, the provisions on a squeeze-out under stock corporation law do not apply, and they are only applicable after a final conclusion of the squeeze-out proceedings under takeover law.

Pursuant to the provisions in Sections 319 et seqq. of the German Stock Corporation Act (*Aktiengesetz*) regarding the so-called integration process (*Eingliederung*), the shareholders' meeting of a stock corporation can resolve upon the integration into another company if the future principal company holds at least 95% of the shares in the company to be integrated. The existing shareholders in the integrated company have a claim for reasonable compensation which must as a general rule be granted in the form of own shares in the principal company. The amount of the compensation must be determined using the so-called merger value ratio (*Verschmelzungswertrelation*) between the two companies, i.e., the exchange ratio which would be considered reasonable in the event of merging the two companies. In contrast to the rules governing squeeze-outs, integration is only possible if the future principle company is a stock corporation domiciled in Germany.

18. REGULATION OF GERMAN SECURITIES MARKETS

The following summary of German securities markets law is for general information only and describes significant issues regarding securities markets regulation. The summary does not purport to be a comprehensive description of all of the topics discussed below.

18.1 Disclosure of Shareholdings and Other Instruments

Shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Accordingly, the shares are subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) governing disclosure requirements for shareholdings.

Section 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) provides that any shareholder who, through acquisition, sale or otherwise, reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in a listed company whose country of origin is Germany must notify the respective company and the BaFin without undue delay, but no later than four trading days after the event, of having reached, exceeded or fallen below the threshold values and must also disclose the amount of its current share of the voting rights. The notification period commences at the time when the shareholder required to give the notification has actual knowledge or should have had knowledge of the circumstances that its share of voting rights reached, exceeded or fell below the stated thresholds. The knowledge of the shareholder required to give the notification is irrevocably assumed two trading days after the event at the latest. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares. Deviating from this, in case the percentage of voting rights has reached or crossed the thresholds due to a change of the total number of voting rights, the notification period begins at the point when the shareholder required to give the notification learns that the threshold is met, however, no later than the publication of the change of the total number of voting rights by the company.

Except for the threshold at 3%, corresponding disclosure obligations of shareholders towards the Company and the BaFin apply for reaching, exceeding, or falling below the above-mentioned threshold values when the relevant shareholder holds instruments that (i), on maturity, grant the holder the unconditional right to acquire previously issued voting shares of an issuer whose country of origin is Germany, when due, or grant the holder a margin of discretion regarding the right to acquire these shares or (ii) are referenced to previously issued shares and have a comparable economic effect to the instruments under (i), regardless of whether they confer the right to physical delivery (Section 38 of the German Securities Trading Act (*Wertpapierhandelsgesetz*)). In particular, such instruments comprise transferable securities, options, futures, swaps, forward rate agreements and contracts for differences. The voting rights from shares and voting rights obtainable through instruments will be aggregated.

In connection with these requirements Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) contains various rules for attributions. For example, shares held by a third person will be attributed to another person if that other person exercises control over the person holding the shares. This also applies to shares which are held by a third person on behalf of another person or a person controlled by such other person as well as voting rights which the person can exercise free of instructions as a proxy. Any arrangements regarding the exercise of voting rights in a shareholders' meeting will be considered "acting in concert" and result in the mutual attribution of voting rights, unless limited to a single arrangement regarding different matters, repeated arrangements regarding a single matter or coordination with regard to several items on the agenda of a single general shareholders' meeting. Also, coordination outside the general shareholders' meeting may constitute "acting in concert" and result in the mutual attribution of voting rights if the shareholders intend to change the target company's strategic direction permanently and substantially, e.g., by a fundamental change in the business model or the disposition of significant parts of the target company's business.

The notification may be drafted in either German or English and currently has to be sent either in writing or via fax, however, also electronic submission facilities shall be implemented. The notification will have to be issued via the mandatory use of a standard form. According to Section 37 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the shareholder required to give the notification is exempted from the reporting obligation if the notification has been made by its parent company or, in the case that its parent company is also a subsidiary, by the parent company of its parent company.

The company must publish this notification without undue delay, but no later than three trading days after receipt of the notification via media outlets where it can be assumed that the notice will be disseminated in all member states of the European Union and in all non-member states of the European Union that are parties to the Agreement on the European Economic Area in accordance with the German Securities

Trading Reporting Ordinance (*Wertpapierhandelsanzeigeverordnung*) and submit the publication to the BaFin. The company must also transmit the notification to the company register (*Unternehmensregister*) maintained electronically by the German Federal Ministry of Justice within the meaning of Section 8b of the German Commercial Code (*Handelsgesetzbuch*) for storage without undue delay, but not prior to the publication.

In case of non-compliance with the disclosure obligation, for example failing to file a notice or providing false information, the shareholder is precluded from exercising the rights relating to these shares (including voting rights and the right to receive dividends) for the duration of the failure in accordance with the provision of Section 44 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). Thereafter, however, this loss of shareholder rights does not apply to entitlements to dividend or liquidation gains if the notifications were not omitted wilfully and have since been submitted. If the shareholder wilfully or gross negligently fails to disclose the correct proportion of voting rights held, the rights attached to the shares held by or attributed to such shareholder cease to exist for a period of six month after the shareholder has correctly filed the necessary notification, except if the variation was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds, including the 3% threshold, was omitted. Furthermore, a fine can be imposed in the case of non-compliance with the disclosure requirements, and BaFin will publish its measures and sanctions taken on its website. With regard to the current shareholdings, see section 14.1: "*Current Shareholders*".

Moreover, pursuant to Section 43 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), a shareholder reaching or exceeding 10% or more of the voting rights relating to shares of an issuer must inform the issuer of the objective being pursued through the acquisition of voting rights and the sources of the funds used for the purchase, in each case within 20 trading days from such shareholder acquiring the relevant percentage of the shares. In particular, the shareholder must disclose whether it intends to (i) pursue any strategic objectives with respect to the company (as opposed to profits from trading in the shares), (ii) acquire further voting rights within the following twelve months, (iii) exert any influence or control over the company's management or supervisory board and (iv) make any significant changes to the company's capital structure, especially with respect to debt-to-equity ratio and dividend policy. However, the company may waive that obligation in its articles of association. If the above objectives change, such change needs to be disclosed to the issuer within 20 trading days of such change.

18.2 Mandatory Offers (Takeover Offers)

Under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), any shareholder whose portion of voting rights reaches or exceeds 30% of the voting rights of the company must publish this fact, including the percentage of his share of the voting rights, without undue delay and no later than seven calendar days after the fact by announcing this on the internet and by means of an electronic information distribution system for financial information and must subsequently submit a public mandatory offer directed at all holders of ordinary shares of the company unless an exemption from this obligation has been granted. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a number of provisions which are supposed to ensure that the shareholding is attributed to the person who actually controls the voting rights relating to the shares. If the notification about reaching or exceeding the 30% threshold or the submission of the public mandatory offer does not occur, during the time such submission occurs, the shareholder is precluded from exercising any rights relating to these shares (including the voting rights and the right to receive dividends) and must pay interest to the shareholders of the target company. Furthermore, a fine can be imposed in these situations. Shareholders who already hold at least 30% of the voting rights in the company or to whom at least 30% of the voting rights in the company are attributed prior to the admission of the shares to trading on the regulated market are exempt from these requirements.

18.3 Management Trading in Shares (Director's Dealings)

Persons discharging managerial responsibilities at an issuer within the meaning of the Market Abuse Regulation (EU) No. 596/2014, such as the members of the Management Board and the Supervisory Board, have to notify the Company and BaFin promptly and no later than three business days following transactions exceeding a total of €5,000.00 per annum in shares, debt instruments, or in related financial instruments undertaken for their own account (so-called managers' transactions). This also applies to persons or entities that are closely associated with persons discharging managerial responsibilities. The Company shall ensure that such managers' transactions notifications are made public promptly and no later than three business days after the transaction.

For the purpose of the Market Abuse Regulation, "persons discharging managerial responsibilities" within the Company include (i) members of the administrative, management or supervisory bodies of the Company and (ii) senior executives having regular access to inside information relating, directly or indirectly, to the Company, and the power to make managerial decisions affecting the future developments and business prospects of the Company. Persons closely associated with a person discharging managerial responsibilities within the Company include the following persons:

- the spouse of the person discharging managerial responsibilities, or any partner of that person considered by national law as equivalent to the spouse,
- according to national law, dependent children of the person discharging managerial responsibilities,
- other relatives of the person discharging managerial responsibilities, who have shared the same household as that person for at least one year on the date of the transaction concerned,
- any legal person, trust, or any association without legal personality, whose managerial responsibilities are discharged by a person discharging managerial responsibilities within the Company or by another person closely associated with such person, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.

18.4 Short Selling

Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (the **"EU Short Selling Regulation"**), the European Commission's delegated regulation for the purposes of detailing it, and the German EU Short Selling Implementation Act (*EU-Leerverkaufs-Ausführungsgesetz*) of 15 November 2012 only permit the short selling of shares when specific criteria are met. Under the provisions of the EU Short Selling Regulation, significant net short selling positions in shares must be reported to BaFin and also published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net-Short Positions (*Netto-Leerverkaufspositionsverordnung*) of 17 December 2012. The net short selling positions are calculated by offsetting the short positions a natural person or legal entity has in the shares issued by the issuer concerned with the long positions such person or entity has in such securities. The details are regulated in the EU Short Selling Regulation and the other regulations the European Commission has enacted on short selling. In certain situations described in detail in the EU Short Selling Regulation, BaFin may restrict short selling and comparable transactions after notifying the European Securities Market Association.

19. TAXATION IN GERMANY

It is not possible to describe all relevant tax considerations, particularly as tax consequences largely depend on the circumstances of the individual purchasers of shares. It is therefore strongly recommended that any potential investor consult his or her own tax adviser in order to determine the particular consequences for its purchase, ownership or disposal of shares.

The acquisition, holding and disposal of shares or subscription rights in the Company has certain tax consequences in Germany, for which the following is a general discussion thereof. However, it does not claim to be a complete or definitive description of all German tax considerations that may be relevant to a decision to purchase shares or subscription rights in the Company, and in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser (including the tax consequences of the acquisition or holding of shares or subscription rights in the Company by investment funds and other tax-exempt entities).

Future purchasers of shares or subscription rights in the Company are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of shares or subscription rights in the Company and on the procedure to be followed for any reimbursement of German withholding tax (Kapitalertragsteuer) paid. Future purchasers are further advised to consult their own tax advisors as to the effect of any state, local or church *taxes (Kirchensteuer), under the tax laws of Germany and any country of which they are resident or the tax laws of which apply to them for other reasons. Only an individual tax consultation can give due consideration to a shareholder's specific tax-related circumstances.*

This summary is based on the tax laws of Germany currently in force and as applied on the date of the Leaflet including the typical provisions that are included in the double taxation treaties that Germany has concluded with other countries. It should be noted that the legal situation may change, including, in certain cases, with retroactive effect.

The Company does not assume any responsibility for the withholding of taxes at source.

19.1 Taxation of the Company

The revenues of the Company are subject to corporate income tax of 15%, in addition to a solidarity surcharge (*Solidaritätszuschlag*) of 5.5% of this amount (i.e., a total tax rate of 15.825%). Furthermore, income generated at its German place of business is also usually subject to trade tax of between 7% and 17.5%. This depends on the multiplier applied by the relevant local authority.

Cardinally, dividends and other shares in profits that the Company receives from German or foreign corporations are exempt from tax. Nevertheless, 5% of these dividends are treated as non-deductible business expenses and are subject to tax. The same applies to gains from the disposal of shares in corporations. However, if a company that does not hold a direct participation of at least 10% in the share capital of the company that is paying the dividends at the beginning of the calendar year in which the dividends are paid, receives dividends, they are not exempt from tax. The acquisition of a participation of at least 10% in the course of a calendar year is considered to have occurred at the beginning of such calendar year for the purpose of this rule. No tax deductions can be made if there are losses on disposals. In relation to trade tax, the exemption of dividends from German or foreign companies as described above depends, inter alia, on whether the company that is receiving the dividends has held or holds at least 15% in the share capital of the company making the distribution since the beginning of the tax assessment period. With regard to companies resident in another EU member state, a holding of 10% in the share capital of the company at the beginning of the tax assessment period is sufficient pursuant to Article 2 of Council Directive 2011/96/EU of 30 November 2011, as amended (the **"EU Parent-Subsidiary Directive"**). In all other cases, profits resulting from shares in corporations are fully subject to trade tax.

The interest limit (*Zinsschranke*) rules confine the degree to which interest expenses are tax deductible. As a consequence, for corporate income and trade tax purposes, if no exception to the interest limit rules applies, net interest expense is only deductible in an amount of up to 30% of creditable EBITDA for tax purposes (*verrechenbares EBITDA*) in the given financial year. If certain requirements are met, non-deductible interest expense or (subject to certain limitations) creditable EBITDA that has not been fully utilised can be carried forward to up to five subsequent years. An additional limitation to the deductibility of interest expenses exists for the purpose of trade tax: since 25% of the interest expense, to the extent it was deducted for income tax purposes, is added back to compute the trade tax base, the deductibility generally amounts to only 75%, to the extent that the sum of certain trade taxable add back items exceeds €100,000.

Corporate income tax losses sustained by the Company in one year may be carried back to the immediately preceding tax assessment period up to an amount of €1 million. On the contrary, trade tax losses cannot be carried back. Any remaining losses regarding corporate income tax and trade tax may only be offset against profits from future years within certain restrictions ("minimum taxation"). While there is no limit on carrying over tax loss carry forwards, they can only be fully offset against taxable income up to €1 million in each year. Further, 60% of the portion of taxable income exceeding this amount can be offset with existing tax loss carry forwards; 40% is subject to corporate income tax and trade tax at the applicable rates.

All of the company's as yet unused loss carry forwards and interest carry forwards become time-barred and any losses accrued during the current financial year until the relevant transmission may only be offset against future profits in certain limited circumstances, if, directly or indirectly, more than 50% of a company's shares or voting rights are transferred to a purchaser (including parties related to the purchaser and a group of purchasers whose interests are aligned) or a similar transmission occurs within five years. If, directly or indirectly, more than 25% up to and including 50% of the shares or voting rights are transferred to a purchaser (including parties related to the purchaser and a group of purchasers whose interests are aligned), the loss carry forwards, the interest carry forwards, or accrued losses pertaining to the current financial year are generally forfeited only in proportion to the shares or voting rights transferred.

In case of such a transmission, tax losses carried forward in an amount equal to certain built-in gains of the company may still be upheld as an exception. Interest carry forwards may also be upheld, if the built-in gains exceed the loss carry forwards. For the above-mentioned harmful shares/voting rights transfer occurring after 31 December 2015, an application may be made under a new provision introduced in December 2016 to avoid a loss forfeiture. If the company has maintained exclusively the same business during a specified observation period and during this period no "harmful event" has occurred, facilitation may be available. Harmful events include, for example, the termination of the business, the start-up of an additional business, and a change in activity/business industry. Where the conditions are fulfilled and the company has made the application, the total tax loss carry forward available at the end of the period of tax assessment, in which the harmful share/voting right transmission occurred, will be classified as so-called "continuance-bound" loss carry forward (*Fortführungsgebundener Verlustvortrag*). The occurrence of one of the harmful events as set out in the provision will result in the forfeiture of the continuance-bound loss carry forward last assessed as far as the continuance-bound tax loss carry forward is not matched by built-in gains under the built-in gains exception mentioned above.

The German Federal Constitutional Court (*Bundesverfassungsgericht*) has held in a decision as of 29 March 2017, published on 12 May 2017, that the above described German tax loss forfeiture rules violate German constitutional law to the extent that they anticipate a partial forfeiture of a company's tax losses upon a transmission of more than 25% and up to 50% of its shares (the Court did not rule on whether the complete forfeiture of loss attributes in a greater than 50% transfer of shares complies with constitutional law). The decision directly affects only the time period up to the introduction of the application for a continuance-bound loss carry forward (i.e., share transfers up to 31 December 2015).To ensure that the loss forfeiture rules in case of the transfer of a qualified minority interest are consistent with German constitutional law the German Federal Constitutional Court obligated the German legislature to amend those rules by 31 December 2018 at the latest with retroactive effect from 1 January 2008. Further, on 29 August 2017, the Hamburg Tax Court referred the question to the German Federal Constitutional Court whether the complete forfeiture of loss attribution in a transfer of shares greater than 50% complies with constitutional law.

19.2 Taxation of Shareholders

The shareholders are generally subject to tax on their shareholdings (taxation of dividends), disposal of shares (taxation of capital gains) and transfers of shares free of charge (inheritance and gift tax).

19.2.1 Taxation of Dividends

Dividends are not subject to tax to the extent that the Company does pay dividends from the tax-recognised deposit account (*steuerliches Einlagekonto*). However, it should be noted that dividends paid out of a tax-recognised deposit account lower the purchase costs or tax base of the shares, which may result in a greater amount of taxable capital gain, should the shareholder again sell the shares. To the extent that dividends from the tax-recognised deposit account exceed the then lowered purchase costs of shares, a capital gain may be recognised by certain shareholders, which may be subject to tax in accordance with the provisions regarding the disposal of shares outlined below.

19.2.1.1 Withholding Tax

Assessment basis for the withholding tax is the dividend approved for distribution by the Company's general shareholder meeting. The full amount of a dividend distributed by the Company (unless it is paid out of the tax-recognised deposit account) is, in general, subject to German withholding tax at a rate of 25% plus solidarity surcharge of 5.5% on the withholding tax, resulting in an aggregate rate of 26.375%.

Cardinally, there is no difference between a shareholder that resides in Germany and a shareholder that resides abroad regarding the withholding tax that is to be withheld. There may be exemptions for some shareholders. Such exemptions could include corporations resident in another EU Member State, to which the EU Parent-Subsidiary Directive applies. In the case of double taxation agreements, similar exceptions may apply. In all these cases the restrictive requirements according to section 50d para. 3 Income Tax Act have to be met. Application forms for the respective exemption can be obtained from the German Federal Tax Office (*Bundeszentralamt für Steuern*), An der Kuppe 1, 53225 Bonn, Germany (www.bzst.bund.de), as well as from German embassies and consulates.

Withholding tax is withheld and transferred to the German tax authorities by the disbursing agent (*auszahlende Stelle*), i.e., the bank, financial services institution, securities trading enterprise or securities trading bank (each as defined in the German Banking Act (*Kreditwesengesetz*) and in case of a bank or financial service institution including a German branch of such foreign enterprises, but excluding a foreign branch of a German enterprise). The disbursing agent holds or administers the shares in custody and transfers or credits the dividend income from the shares or transfers or credits the dividend income from the shares on delivery of the dividend coupons or transfers such dividend income to a foreign agent or by the central securities depository (*Wertpapiersammelbank* in terms of the German Depositary Act (*Depotgesetz*)) holding the shares in collective custody, if such central securities depository transfer the dividend income from the shares to a foreign agent. However, an issuer remains responsible for withholding tax, if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by a central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (*abgesetze Bestände*).

Dividends to a corporation resident outside of Germany are subject to a lower tax (irrespective of any double taxation treaties) in the event the shares do neither constitute an asset of a permanent establishment in Germany nor an asset for which a permanent representative has been appointed in Germany. In this case, 2/5 of the withholding tax will be reimbursed upon application. The reimbursement requires that the corporation fulfils certain preconditions of section 50d para. 3 Income Tax Act. Reimbursement application forms may be obtained from the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), as well as from German embassies and consulates. A further reduction or reimbursement under an applicable double taxation treaty may be possible.

For shareholders resident in Germany (i.e., shareholders whose residence, habitual abode, place of effective management, or statutory seat is located in Germany) holding their shares as business assets as well as for shareholders residing outside Germany (foreign shareholders) holding their shares through a permanent establishment or a fixed base in Germany, or as business assets for which a permanent representative has been appointed in Germany, the tax withheld is offset against the shareholders' personal income tax or corporate income tax liability. Such crediting of withholding tax requires a certificate within the meaning of section 45a para. 2 Income Tax Act. Any tax withheld in excess of the shareholders' personal income tax or corporate income tax liability is reimbursed. The same precepts apply to the solidarity surcharge.

Although subject to certain exceptions, section 36a Income Tax Act, provides for a restriction of the full credit of investment income tax if the German or foreign resident shareholder does not comply with a certain minimum holding period (45 days) and a certain minimum risk (70% during the minimum holding period) with regard to its shareholding (**"Minimum Risk Test"**) – if such risks are not complied with, three fifths of the investment income tax may not be recognised.

Future shareholders of the Company are advised to seek their own professional advice in relation to the possibility to obtain a tax credit or reimbursement of withholding tax on dividends.

For individual shareholders who are subject to church tax (*Kirchensteuer*), an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the disbursing agent by way of withholding unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which case the shareholder will be assessed to church tax. If the church tax is withheld together with the withholding tax, the withholding tax will be lowered by 25% of the church tax levied on the withholding tax.

19.2.1.2 Shareholders Resident in Germany

In case of shareholders (individuals, partnerships and corporations) whose place of residence or habitual abode or, in case of corporations, its statutory seat or place of effective management is situated in Germany, the dividend payments are subject to German taxation.

(A) Non-Business Assets (*Privatvermögen*)

If an individual shareholder owns (i) at least 1% of the shares in the Company and is able to take decisive entrepreneurial influence on the Company's economic activity through his professional activity for the Company or (ii) at least 25% of the shares, the dividends are taxed under the partial income method (*Teileinkünfteverfahren*) upon application.

For individual shareholders resident in Germany holding their shares as non-business assets dividends are subject to a final flat tax (*Abgeltungsteuer*). Under this regime dividend income of private investors will be taxed at the flat tax rate of 25% plus a 5.5% solidarity surcharge thereon (aggregate tax burden: 26.375%) and church tax, if applicable. Except for an annual lump sum allowance (*Sparerpauschbetrag*) of €801 (€1,602 for married couples and registered partners assessed collectively), private investors will not be entitled to deduct expenses sustained in connection with the capital investments from their dividend income. In certain cases, however, upon election and filing of an annual income tax return, the dividend payments may be taxed at the shareholder's individual tax rate if this results in a lower income tax burden. The withholding tax will then be offset against the income tax (subject to the Minimum Risk Test). Private investors are not entitled to deduct expenses sustained in connection with the capital investments from their income except of the annual lump sum allowance even if they opt for taxation at their individual tax rate. This option may be exercised only for all capital income from capital investments received in the relevant tax assessment period uniformly and married couples as well as registered partners assessed collectively may only collectively exercise the option.

(B) Business Assets (*Betriebsvermögen*)

If shares are held as business assets of a shareholder, the tax treatment of the shareholder depends on whether the shareholder is a corporation, a sole proprietor or a partnership (*Mitunternehmerschaft*). Withholding tax (including the solidarity surcharge thereon) withheld and remitted to the German tax authorities is offset against the respective shareholder's individual or corporate income tax liability or if in excess thereof, is reimbursable to the shareholder. The flat tax regime does not apply to shares held as business assets.

Corporations. Corporate income tax arises for dividends if the shareholder has portfolio share holdings (<10% of the share capital) in the Company at the beginning of the calendar year. Purchases of at least 10% during the year are seen as to take place at the beginning of the calendar year. Expenses arisen in connection with the shares are tax-deductible. Otherwise, dividends to corporate shareholders are exempt from corporate income tax. Yet 5% of the tax-exempt dividend income is considered to be a non-deductible business expense for tax purposes and is therefore subject to corporate income tax (plus solidarity surcharge thereon) and trade tax. Business expenses actually sustained in relation with the shares are entirely tax deductible. Dividends are fully subject to trade tax after subtraction of related business expenses, unless the corporation has held at least 15% of the Company's share capital as from the beginning of the relevant tax assessment period. In the latter instance, 5% of the dividends will be subject to trade tax. Particular rules for banks, financial services institutions, financial enterprises, life and health insurance companies, and pension funds, are described below.

Partnerships. If the shareholder is a partnership, partners are subject to income or corporation tax plus solidarity surcharge. The taxation of each partner depends on whether it is a corporation (see paragraph on corporations above) or an individual (see paragraph on sole proprietors above). If the shares are assignable to the permanent establishment of a trading or considered trading business of the partnership (i.e., if the partnership is generally subject to trade tax), the dividends will also be subject to trade tax, unless the partnership has held at least 15% of the Company's share capital as from the beginning of the relevant tax assessment period so that 5% of dividends will be subject to trade tax to the extent corporations are partners, and are exempt from trade tax to the extent individuals are partners. If the partner is an individual, any trade tax paid by the partnership may generally be charged up, fully or partly, against his or her individual income tax.

Sole Proprietors. If the shares are held by a sole proprietor as business assets, the "partial income method" (*Teileinkünfteverfahren*) applies. Therefore, for income tax purposes, generally 60% of the dividend payments are taxable. Correspondingly, 60% of the business expenses related to the dividend income are deductible for tax purposes (subject to any other restrictions on deductibility). Furthermore, dividends are wholly subject to trade tax if the shares are held as a business asset of a permanent establishment in Germany and if the shareholder does not hold at least 15% of the share capital of the Company at the beginning of the relevant tax assessment period. The trade tax levied, depending on the local trade tax rate and the individual tax situation, is partly or entirely offset against the shareholder's personal income tax liability by means of a lump-sum tax credit system. If the shareholder is subject to church tax, such tax may become due as well.

19.2.1.3 Shareholders not resident in Germany

For foreign shareholders who do not hold their shares in a permanent establishment or a fixed base in Germany, or as a business asset for which a permanent representative has been appointed in Germany, the German tax liability is, cardinally, met upon deduction of withholding tax (possibly lowered by way of a reimbursement under a double taxation treaty or the EU Parent/Subsidiary Directive (2011/96/EU of 30 November 2011, as amended) or a reimbursement of 2/5 of the withholding tax).

However, shareholders who hold their shares through a permanent establishment or a fixed base in Germany, or as business assets for which a permanent representative has been appointed in Germany, are subject to the same rules described above for shareholders resident in Germany. The tax withheld and remitted (including solidarity surcharge thereon) is offset (subject to the Minimum Risk Test) against the shareholder's income or corporate income tax liability or, if in excess thereof, will be reimbursed to the shareholder.

19.2.2 Taxation of Capital Gains

19.2.2.1 Withholding Tax

Subject to the qualifications set out below, capital gains are generally subject to withholding tax at a rate of 25% plus solidarity surcharge of 5.5% thereon (in total: 26.375%), if the shares or subscription rights are held or administered in a securities account maintained by a German resident bank or a German resident financial services institution, also including a German branch of a foreign bank or foreign financial services institution, a German securities trading firm or a German securities trading bank as a disbursing agent and the capital gains are paid out or offset by this disbursing agent.

In general, this rule applies irrespective of whether and to what extent the capital gains may be exempt from taxation and regardless of the shareholder being domiciled in Germany or not, provided that tax would not be withheld, under certain conditions in case of shares or subscription rights held as business assets in Germany. The tax base for the withholding tax is generally calculated as the difference between the profits received upon the disposal (less the expenses directly related to the disposal of the shares) and the purchase costs (under certain conditions, prior payments from the tax-recognised deposit account may lead to lower purchase costs of the shares). If the shares were not acquired from the disbursing agent by whom they have been held ever since, a different calculation basis equal to 30% of the profits from the disposals may apply, with the same withholding tax rate (in total: 26.375%) unless the shareholder validly provides proof of the purchase costs and the shares are moved from a depositary account held in certain jurisdictions, especially a EU member state or a contracting state of the EEA Agreement. Either way, the purchase costs for subscription rights admitted by the Company are considered to be €0 for purposes of this calculation. If the shareholder is subject to church tax, the same precepts apply as described above.

19.2.2.2 Shareholders Resident in Germany

Capital gains received from the disposal of shares or subscription rights will be subject to German taxation, if shareholders (individuals, partnerships and corporations) are subject to German taxation on their worldwide income (i.e., persons whose place of residence or habitual abode or, in case of corporations, statutory seat or place of effective management is situated in Germany).

(A) Taxation of Capital Gains of Investors Resident in Germany Holding their Shares as Non-Business Assets (*Privatvermögen*)

Losses from the disposal of the shares may only be offset against other capital gains resulting from the disposal of shares in the Company and in other stock corporations. The offsetting of overall losses with other income (e.g., business or rental income) and other capital income is not possible. Such losses are to be carried forward and to be offset against positive capital gains deriving from the sale of shares in future years. Losses from the sale of subscription rights can also be offset with other capital income.

Any gains from the sale or repossession of the shares will be subject to a flat tax (*Abgeltungsteuer*) of 25% plus solidarity surcharge of 5.5% thereon. This results in an aggregate tax burden of 26.375% and church tax if applicable. The same applies to gains on the sale of subscription rights granted for such shares. Private investors will not be entitled to deduct expenses sustained in connection with the capital investments from their capital gains, except for an annual lump sum allowance (*Sparerpauschbetrag*) of €801 (€1,602 for married couples and registered partners assessed collectively). In particular cases, however, upon election and filing of an annual income tax return, the capital gains may be taxed at the shareholder's individual tax rate if this results in a lower income tax burden. The tax withheld at source is then offset against the individual income tax liability assessed or, in excess of such liability, reimbursed. The deduction of actual expenses related to the capital gains (other than the expenses directly related to the disposal of the shares which can be deducted when calculating the capital gains) is precluded in that case as well. The option may only be exercised for all capital gains and income from capital investments received in the relevant tax assessment period uniformly and married couples and registered partners assessed collectively may only exercise the option collectively.

The overriding view of German taxing authorities is that the exercise of subscription rights is not considered as a sale of such subscription rights. Shares purchased by exercising subscription rights are considered to be purchased at the price of subscription and at the time of the exercise.

The flat tax will not apply if the seller of the shares or, in case of gratuitous transfer, its legal predecessor has held, directly or indirectly, at least 1% of the share capital of the Company at any time during the five years prior to the disposal. In such cases 60% of the capital gains are taxed upon this disposal. Correspondingly, only 60% of related expenses are deductible for tax purposes. Such rules should apply accordingly to the sale of subscription rights by shareholders. Unlike under the flat tax regime, the purchase costs of subscription rights are calculated as a fraction of the original purchase costs of the underlying shares which is split off from the (old) shares and attributed to the subscription rights (aggregate value method). Upon exercise of a subscription right, its purchase costs increase the purchase costs of the newly acquired shares.

(B) Taxation of Capital Gains of Investors Resident in Germany Holding their Shares as Business Assets (*Betriebsvermögen*)

If shares or subscription rights are held as business assets of a shareholder, the taxation of capital gains attained upon disposal depends on whether the shareholder is a corporation, a sole proprietor, or a partnership:

Corporations. Capital gains attained by a corporate shareholder upon disposal of shares are generally exempt from corporate income tax and trade tax. Capital gain for this purpose is the amount by which the disposal profits or the equivalent value after deduction of expenses directly related to the disposal of shares exceeds the tax base at the time of disposal. However, 5% of the capital gain is considered to be a non-deductible business expense and is therefore subject to corporate income and trade tax. Capital losses or other profit reductions relating to the sold shares are not tax deductible.

Gains attained through the sale of subscription rights are fully subject to corporate income tax and trade tax. Losses from the sale of subscription rights and other reductions in profit reduce the taxable income.

Partnerships. If the shareholder is a partnership, taxation depends on whether the partners are subject to personal income tax or corporate income tax: If the partners are subject to corporate income tax, any capital gain with regards to shares is generally tax exempt in an amount of 95%; gains attained through the sale of subscription rights are fully subject to corporate income tax. If the partners are subject to personal income tax, the partial income method (*Teileinkünfteverfahren*) applies and 60% of the capital gains are taxable. For information on the deductibility of business expenses related to capital gains and capital losses for partners who are subject to corporate income tax see also "*Corporations*" and "*Sole Proprietors*" above for information with regards to partners who are subject to personal income tax. In addition, 60% of the capital gains are subject to trade tax at the level of a partnership if the partnership is liable to trade tax and the partners are individuals and 5% of the capital gains are subject to trade tax if partners are corporations; in the event that partners are corporations, gains attained through the sale of subscription rights are fully subject to trade tax. Nevertheless, the trade tax paid at the level of a partnership may partly or entirely be offset – depending on the applicable local trade tax rate and individual circumstances – against the personal income tax liability of the partners who are individuals.

Sole Proprietors. If the shares or subscription rights are held by sole proprietors, pursuant to the partial income method (*Teileinkünfteverfahren*), 60% of the capital gains realised upon disposal are subject to income tax and solidarity surcharge. Correspondingly, 60% of the business expenses related to such capital gains and 60% of any capital losses sustained upon disposal of shares are tax deductible. The partial income method should also apply for gains on the sale of subscription rights. The taxing authorities take the view that the exercise of subscription rights is not considered a taxable process.

In addition, 60% of the capital gains are subject to trade tax if the sole proprietor is subject to trade tax. However, trade tax is partly or entirely offset against the shareholder’s personal income tax liability depending on the applicable local trade tax rate and individual circumstances. If the shareholder is subject to church tax, such tax may become due as well.

Particular rules for banks, financial services institutions, financial enterprises, life and health insurance companies, and pension funds, are described below.

19.2.2.3 Shareholders not Resident in Germany

Capital gains attained upon disposal of shares by a shareholder resident outside of Germany are only subject to German income tax (plus solidarity surcharge) in the event (i) the shares are held through a permanent establishment or through a fixed base in Germany, or held as business assets for which a permanent representative has been appointed in Germany or (ii) the shareholder or, in case of a gratuitous transfer, its legal predecessor has held, directly or indirectly, at least 1% of the share capital of the Company at any time during the five year period prior to the disposal. In this case:

- 5% of the capital gain from the sale of shares and 100% of the capital gain from the sale of subscription rights is subject to corporate income tax and solidarity surcharge, if the shareholder is a corporation; and

- 60% of the capital gain from the sale of shares and, arguably, the sale of subscription rights is taxed in all other cases.

It is to be noted that some of the German double taxation treaties provide for a complete exemption from German taxation in such cases (except in case (i)) and assign the right to tax to the shareholder’s state of residence; whereas particular other German double tax treaties already provide and, upon implementation into German law of the upcoming changes under the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (Base Erosion and Profit Shifting), in the future may generally foresee that gains from the alienation of shares deriving more than 50% of their value directly or indirectly from immovable property situated in Germany may be taxed in Germany. In the case of a complete exemption from German taxation and according to the tax authorities in general no withholding tax is assessed upon the sale provided sufficient proof of the foreign tax status is given. Otherwise, withholding tax of 25% plus 5.5% solidarity surcharge thereon (in total 26.375%) may be levied in the event a disbursing agent keeps or administers or carries out the sale of the shares and pays or credits the capital income unless capital gains are attributed to German business assets and additional documentation requirements are met. In these cases, for foreign corporations, 2/5 of the withholding tax may be reimbursed if particular preconditions are met. Capital gains from the sale of shares or subscription rights which are held in custody with a disbursing agent could be subject to the above-mentioned withholding tax, regarding case (ii). Yet, according to the German Federal Ministry of Finance (*Bundesfinanzministerium*), this withholding tax is not levied.

Capital gains attained upon disposal of shares held through a permanent establishment or through a fixed base in Germany, or held as assets for which a permanent representative has been appointed in Germany, are subject to the same rules as described above for shareholders resident in Germany.

19.2.3 Particular Rules for Banks, Financial Services Institutions, Financial Institutions, Life and Health Insurance Companies, and Pension Funds

To the extent banks and financial services institutions hold shares in the Company which are allocated to their trading portfolio (*Handelsbestand*) neither the standard tax exemption for corporations nor the partial income method (*Teileinkünfteverfahren*) applies to dividend income received or to capital gains or losses attained upon the disposal of shares in the Company, i.e., dividend income and capital gains are fully subject to corporate income tax or income tax and, if applicable, cardinally to trade tax. The same applies to shares in the Company that were purchased by financial institutions within the meaning of the German Banking Act whose shares are held indirectly or directly by financial institutions or financial services providers in an amount greater than 50% and which are to be shown as "current assets" (*Umlaufvermögen*), at the time of their purchase. The standard tax exemption for corporations neither applies to dividends received nor to capital gains or losses if the shares in the Company are assignable to the capital investments (*Kapitalanlagen*) of life and health insurance companies or pension funds. The partial income method for gains on the sale of subscription rights also does not apply in these cases.

The above-mentioned exceptions do not apply to dividends within the scope of the EU Parent/Subsidiary Directive (2011/96/EU of 30 November 2011, as amended).

19.2.4 Inheritance and Gift Tax

The transmission of shares or subscription rights by way of gift or succession is, cardinally, subject to German inheritance and gift tax in particular if one of the following criteria is met:

1) the testator, donor, heir, donee, or any other beneficiary has his or her residence or habitual abode, registered seat or place of effective management in Germany at the time of the transmission or is a German citizen who has not stayed abroad for more than five years without having a residence in Germany;

2) irrespective of these personal circumstances, the shares or subscription rights are held as business assets for which a permanent establishment is maintained or a permanent representative is appointed in Germany; or

3) at the time of succession or donation, the testator or donor held, either alone or with other closely related persons, directly or indirectly, at least 10% of the share capital of the Company. In some cases participation under 10% may also lead to German inheritance and gift tax.

The few double taxation treaties on inheritance and gift tax which Germany has entered into generally provide that German inheritance or gift tax is levied only in case (i) and, with particular restrictions, in case (ii). Particular provisions apply to particular German expatriates and former German citizens.

19.3 Other Taxes

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax (**"FTT"**) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force.

German capital transfer tax, value added tax, stamp duty or similar taxes are not levied on the purchase, sale or other transmission of shares or subscription rights. Provided that particular requirements are met, an entrepreneur may, however, opt for the payment of value-added-tax on transactions that are otherwise tax-exempt. Wealth tax is currently not levied in Germany.

20. RECENT DEVELOPMENTS AND OUTLOOK

On 19 August 2018, the GEG Group had started the construction works on the Global Tower, an office complex in Frankfurt am Main (Source: press release by GEG of 19 August 2018, "*GEG: Baustart für Hochhausklassiker "Global Tower" startet*".)

On 21 August 2018, the holders of convertible bonds issued on 20 December 2017 exercised their conversion rights and the share capital of the Company was subsequently increased from €17,600,000.00 by €3,475,000.00 to €21,075,000.00 issuing 3,475,000 shares from Conditional Capital 2017/I on 30 August 2018.

On 27 August 2018, the GEG Group had announced the acquisition of the Police Training Center, Neuss (Source: Press release by GEG of 27 August 2018: "*GEG erwirbt Schulungszentrum der Polizei NRW*".)

In early September 2018, the GEG Group has signed an investment agreement with the Government of Singapore Investment Corporation, the Singapore state-owned investment fund (**"GIC"**), with regard to the funding of a real estate fund with a focus on the value-add sector of commercial real estate to be managed by the GEG Group. (Source: *"GIC vergibt Value-Add-Mandat an GEG*", IZ aktuell Newsletter, 12 September 2018).

On 10 September 2018, based on the resolution of the shareholders' meeting of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) on the same day resolving on the increase of its registered share capital from €4,450,000.00 by €24,500.00 to €4,474,500.00, the Company subscribed for 24,500 shares with voting rights with a nominal amount and issue price of €1.00 per share plus a premium of €64.35 per share to be paid into the capital reserve of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) in accordance with Section 272 para. 2 No. 1 of the German Commercial Code (*Handelsgesetzbuch*), totalling €1,601,075.00. The shares are entitled to dividends as of 1 January 2018. The capital increase and the change in articles of association of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) was entered into the commercial register of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) on 26 September 2018. With effectiveness of the capital increase of TTL Real Estate GmbH (formerly Deutsche Immobilien Chancen Real Estate GmbH) the Company's share in voting rights in TTL Real Estate GmbH has increased to 50%. In addition, the Issuer has agreed with DICP Capital SE, a controlling shareholder of Deutsche Immobilien Chancen Group, that the Issuer shall have the strategic lead with regard to business decisions of TTL Real Estate GmbH.

On 11 September 2018, the GEG Group has acquired the Garden Tower, an office complex, consisting of two towers, in Frankfurt am Main (Source: press release by GEG of 11 September 2018, "*GEG erwirbt mit GARDEN TOWER erneut Top-Immobilie im Bankenviertel von Frankfurt*".)

On 12 September 2018, it was reported that the GEG Group had acquired for its division Value-Add the "Börsencenter" in Frankfurt am Main with a total rental space of approximately 8,600 sqm (Source: Property Magazine of 12 September 2018: "*Singapurs Staatsfonds GIC will nicht nur Berlin, sondern auch Frankfurt*".).

On 25 September 2018, the Issuer has announced that, based on the positive development of the business in the first half-year of 2018, recent developments after 30 June 2018 as well as an increase in participations, it expects for the year 2018 a consolidated profit of about €4.1 million.

On 1 October 2018, GEG has announced that after the participation of HANSAINVEST Real Assets GmbH in the project "Global Tower" the GEG Group is still economically participating with 50% in the results of the development of project "Global Tower" (Source: Press release by GEG of 1 October 2018: "*HANSAINVEST Real Assets steigt als künftiger Käufer in Global Tower Projektentwicklung der GEG ein*").

On 11 October 2018, the Issuer has announced its plans for intended dividend payments for the current and next financial year. Accordingly, it is planned to pay a dividend of €0.10 per Share for the financial year 2018. The Issuer intends to offset its loss carried forward under commercial law by the release of free reserves as part of the preparation of the annual financial statements for 2018. For the financial year 2019, the Issuer aims for an increased dividend payout of €0.20 to €0.25 per Share. Any future dividend payments will be subject to the availability of distributable profits (*Bilanzgewinn*) of the Issuer; the respective annual shareholders' meeting decides on the appropriation of the balance sheet profit based on proposals by the Management Board and the Supervisory Board.

21. GLOSSARY AND LIST OF ABBREVIATIONS AND DEFINITIONS

€	The single European currency adopted by certain participating member states of the European Union, including Germany.
Assigning Shareholders	AR Holding GmbH, Rhein-Main Beteiligungsgesellschaft mbH, SPG Verwaltungs GmbH, S&P Beteiligungs ZWEI GmbH, Klaus W. Schäfer and HVC Beteiligungs GmbH.
AuM	Assets under management (where the GEG Group considers for AuM the expected project volume after project finalisation, even for projects currently under development).
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht.
Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
Company *or the* **Issuer** *or* **TTL AG ....**	TTL Beteiligungs- und Grundbesitz-AG, a stock corporation (*Aktiengesellschaft*) under German law, with its registered office at Theresienhöhe 28/I, D-80339 Munich, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under HRB 125559.
Deutsche Immobilien Chancen Group	Deutsche Immobilien Chancen Group means Deutsche Immobilien Chancen Beteiligungs AG, the sole general partner (*Komplementärin*) of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, and Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien including its subsidiaries and affiliated companies, in particular DIC Asset AG.
EU	The European Union.
Existing Shares……….	The Company's existing no-par value ordinary bearer shares, each with a calculated notional amount of €1.00 per share in the share capital.
GEG	German Estate Group GmbH & Co. KG.
GEG Group	German Estate Group GmbH & Co. KG together with its subsidiaries.
GDP...............................	Gross domestic product.
GDPR	General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and of the Council of 27 April 2016).
GIC………………………	Government of Singapore Investment Corporation, the Singapore state-owned investment fund.
IFRS	International Financial Reporting Standards (IFRS) as applicable in the EU.
IMF………………………	International Monetary Fund.
Investment Agreement……………………..	Agreement entered into between Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, GCS Verwaltungs GmbH, *inter alia*, KKR and GEG Holdings S.à.r.l., an investment entity set up by KKR for the purpose of holding the interest in the to be established German Estate Group GmbH & Co. KG, on 28 November 2014.
KKR……………………..	US investment firm Kohlberg Kravis Roberts & Co. LP.

Management Board.....	The management board (*Vorstand*) of the Issuer.
New Shares	8,800,000 new no-par value bearer shares without nominal value of the Company.
Offer Shares	The Old Shares together with the New Shares.
Old Shares	3,475,000 existing no-par value bearer shares without nominal value of the Company from the holdings of the Selling Shareholders.
Pre-placement Shares.	The New Pre-placement Shares together with the Old Shares.
Pre-placement.............	The offering of the Pre-placement shares in a private placement exclusively to selected investors in Germany and in other countries (other than in the United States of America in accordance with Regulation S of the U.S. Securities Act dated 1933 as amended from time to time.
Prospectus	This securities prospectus.
Residual Shares	The shares resulting from the exclusion of subscription rights for New Shares in order to avoid fractions.
RETT	Real Estate Transfer Tax (*Grunderwerbsteuer*).
Rödl & Partner	Rödl & Partner Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Äußere Sulzbacher Straße 100, 90491 Nuremberg, Germany.
Selling Shareholders ..	SPG Verwaltungs GmbH, Alois-Bergmann-Franken Straße 12, 63864 Glattbach, Germany, S&P Beteiligungs ZWEI GmbH, Sebastianstraße 31, 91058 Erlangen, Germany, and HVC Beteiligungs GmbH, c/o HauckSchuchardt, Pollux, Platz der Einheit 2, 60327 Frankfurt am Main, Germany.
Shares	The Existing Shares together with the Offer Shares.
Sole Global Coordinator or **Bankhaus Lampe ....**	Bankhaus Lampe KG, Alter Markt 3, 33602 Bielefeld, Germany.
Subscription Offer.......	The offering of 8,781,250 New Shares to the existing shareholders by way of indirect subscription rights during the Subscription Period.
Subscription Period	The period during which New Shares will be offered to the existing shareholders which is expected to run from and including 25 October 2018 to and including 7 November 2018.
Supervisory Board	The supervisory board (*Aufsichtsrat*) of the Issuer.
Top 7 German Cities ...	Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart.
TTL Group *or* **Group....**	TTL AG together with its (according to IAS 28) associated entities and its - as of the date of this Prospectus non-operational - fully consolidated subsidiaries, excluding DIC Capital Partners (Europe) GmbH and any direct or indirect shareholdings by DIC Capital Partners (Europe) GmbH.
WALT	Weighted average lease term.
Warth & Klein	Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Ganghoferstraße 31, 80339 Munich, Germany.

FINANCIAL INFORMATION

Unaudited Consolidated Interim Financial Statements of TTL Beteiligungs- und Grundbesitz-AG prepared in accordance with IFRS

as of and for the six months ended

30 June 2018

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

TEUR	30/06/2018	31/12/2017
Non-current assets		
Property, plant and equipment	5	5
Financial assets assessed under the equity method	69,017	40,346
Other equity investments	5,971	5,850
	74,993	**46,201**
Current assets		
Other financial assets	2,616	248
Income tax claims	37	42
Other assets	12	32
Cash and cash equivalents	621	619
	3,286	**941**
	78,279	**47,142**

TEUR	30/06/2018	31/12/2017
Equity		
Subscribed capital	17,600	14,133
Capital reserve	44,446	35,763
Generated equity	-25,386	-26,641
TTL AG shareholder equity	36,660	23,255
Non-controlling interests	8,167	7,800
	44,827	**31,055**
Non-current liabilities		
Bonds	8,320	8,053
Long-term financial liabilities	17,295	343
	25,615	**8,396**
Current liabilities		
Other provisions	227	267
Trade accounts payable	24	76
Other financial liabilities	7,586	7,348
	7,837	**7,691**
	78,279	**47,142**

CONDENSED CONSOLIDATED INCOME STATEMENT 1 JANUARY TO 30 JUNE 2018

TEUR	**1st half-year 2018**	**1st half-year 2017**
Revenues	305	0
Personnel expenses	-459	0
Other operating income and expenses	-302	2
Result from operating activities	**-456**	**2**
Share of the profit or loss of associates	2,208	0
Income from investments	350	126
Interest result	-594	20
Financial result	**1,964**	**146**
Earnings before income taxes	**1,508**	**148**
Income taxes	0	-29
Profit for the period	**1,508**	**119**
Attributable to TTL AG shareholders	1,141	119
Attributable to non-controlling shareholders	367	0
Earnings per share (diluted and undiluted being the same)	EUR 0.07	EUR 0.01

Condensed consolidated statement of total income for the period 1 January to 30 June 2018

TEUR	**1st half-year 2018**	**1st half-year 2017**
Profit for the Period	1,508	119
Other Comprehensive Income	114	0
Comprehensive Income	**1,622**	**119**
Attributable to TTL AG shareholders	1,255	119
Attributable to non-controlling shareholders	367	0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST HALF OF 2018

TEUR	1st half-year 2018	1st half-year 2017
Earnings before taxes	**1,508**	**148**
Share of the profit or loss of associates	-2,208	0
Investment income	-350	-126
Interest result	594	-20
Other non-cash income/expenses and profit-neutral changes in operating receivables/liabilities	-213	-47
Cash flow from operating activities	**-669**	**-45**
Acquisition of investments	-89	0
Payments for loans	0	-1,400
Cash flow from investment activities	**-89**	**-1,400**
Inflows from capital increases	2,472	1,584
Repayment of liabilities	-1,712	0
Cash flow from financing activities	**760**	**1,584**
Increase/decrease in cash and cash equivalents	**2**	**139**
Cash and cash equivalents 1 January	619	20
Cash and cash equivalents 30 June	**621**	**159**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF OF 2018

TEUR	Sub-scribed capital	Deposits made to execute the agreed capital increase	Capital reserve	Retained Earnings	Total TTL AG share-holder equity	Non-con-trolling inter-ests	Total eq-uity
As at 31 December 2016	**6,550**	**1,250**	**23,116**	**-26,197**	**4,719**	**0**	**4,719**
Capital contributions from owners recognized in eq-uity	2,983	-1,250	-48	0	1,685	0	1,685
Comprehensive Income	0	0	0	119	119	0	119
As at 30 June 2017	**9,533**	**0**	**23,068**	**-26,078**	**6,523**	**0**	**6,523**
Capital contributions from owners recognized in eq-uity	4,600	0	11,709	0	16,309	0	16,309
Equity stake of the con-vertible bond	0	0	987	0	987	0	987
Change in the scope of consolidated companies	0	0	0	-970	-970	7,465	6,495
Comprehensive Income	0	0	0	407	407	335	742
As at 31 December 2017	**14,133**	**0**	**35,763**	**-26,641**	**23,255**	**7,800**	**31,055**
Capital contributions from owners recognized in eq-uity	3,467	0	8,683	0	12,150	0	12,150
Comprehensive Income	0	0	0	1,255	1,255	367	1,622
As at 30 June 2018	**17,600**	**0**	**44,446**	**-25,386**	**36,660**	**8,167**	**44,827**

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2018

GENERAL INFORMATION ON REPORTING

The interim report includes condensed interim consolidated financial statements and an interim consolidated management report. The condensed interim consolidated financial statements were prepared according to the regulations of International Financial Reporting Standards (IFRS) as applicable in the EU for interim reporting (IAS 34). The financial statements of the included companies are based on uniform principles of accounting and measurement. The interim consolidated management report was prepared in consideration of the applicable regulations of the German Securities Act (WpHG).

The same methods were applied in the interim consolidated financial statements to consolidation, currency conversion, accounting and valuation as in the consolidated financial statements for the 2017 financial year, with the exception of the changes shown below. Income tax was accrued based on the tax rate expected for the whole year.

These condensed interim consolidated financial statements do not contain all information required pursuant to IFRS and should therefore be read in connection with the consolidated financial statements as at 31 December 2017 which show the basis for these interim financial statements. In addition, with regard to significant changes and transactions until 30 June 2018, we refer to the interim management report in this document.

Within the context of preparing the statements, estimates and assumptions must be made by the company's management. These influence both the amounts indicated for assets, debts and contingent liabilities on the balance sheet date and the amount of the statement of income and expenses in the reporting period. Actual amounts accrued may differ from these estimates. At the end of June 2018, no adjustments had been made due to a change in estimates or assumptions.

NEW STANDARDS AND INTERPRETATIONS

The company implemented all mandatory application regulations adopted and revised by the EU as of 1 January 2018. With regard to the detailed representation of the new standards, we refer to the 2017 annual report and the following implemented measures:

IFRS 9 "Financial Instruments"

IFRS 9 affects the classification and valuation of financial instruments as well as the accounting of derivatives or hedge relationships and replaced IAS 39 "Financial Instruments" in this respect. The regulations for a portfolio fair value hedge against interest rate change risks pursuant to IAS 39 have not been replaced. This part will be pursued in a separate "Macro Hedge" project. The standard came into force for reporting periods beginning on or after 1 January 2018. EU endorsement was given on 22 November 2016.

Based on the analyses conducted, we have come to the conclusion that the classification of financial instruments shall remain unchanged. In contrast to IAS 39, IFRS 9 no longer permits the recycling of profit-neutral changes in value recorded in other comprehensive income of financial assets classified as "profit-neutral at fair value" recorded in the income statement.

In addition, some standards and changes came into force which had no influence on the consolidated financial statements or the condensed interim consolidated financial statements. These include:

- Annual Improvements to IFRS Standards (2014-2016 Cycle) – IFRS 1, IFRS 12 and IAS 28
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration"
- Amendments to IFRS 2 "Share-based Payment"
- Amendments to IAS 40 "Investment Property"

SIGNIFICANT TRANSACTIONS

Extraordinary general meeting of shareholders on 23 January 2018

The extraordinary general meeting of shareholders on 23 January 2018 authorised the Board of Directors, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 7,066,666.00 (authorised capital 2018).

Notes to the interim financial statement for the first half of 2018

Capital increases in March and April 2018

The company, by partially utilising the authorised capital, increased its share capital from EUR 14,133,333.00 to EUR 2,764,956.00 in March and April by means of two non-cash capital increases and by a further EUR 701,711.00 by means of a cash capital increase to a total of EUR 17,600,000.00.

As a result of the non-cash capital increases, a further 6.05% of regular company shares in Deutsche Immobilien Chancen Real Estate GmbH were assumed, and the company received funds of approximately EUR 2,526 thousand (before issue costs) as a result of the cash capital increase.

Acquisition of new shares in Deutsche Immobilien Chancen Real Estate GmbH

In April 2018, the company acquired a further 11.67% in Deutsche Immobilien Chancen Real Estate GmbH at a purchase price of approximately EUR 18.7 million, thereby expanding its controlled share in the company to 45.0%. The acquisition was financed through debt-financing.

Ordinary general meeting of shareholders on 15 June 2018

The company's ordinary general meeting of shareholders took place on 15 June 2018 in Munich. The general meeting of shareholders in particular authorised the Board of Directors to increase the share capital on one or more occasions up to a total of EUR 8,800,000.00 (2018/II authorised capital) by 14 June 2023 with the approval of the Supervisory Board by issuing no-par value shares against cash or non-cash contributions.

Furthermore, the Board of Directors was authorised, with the approval of the Supervisory Board, to issue bearer options or convertible bonds until 14 June 2023 on one or more occasions for a total par value of up to EUR 60,000,000.00 and to grant option or conversion rights to the holders conversion obligations to the company's bearer shares with a pro-rata amount in the share capital of a total of up to EUR 4,033,334.00 according to the specification of the option or convertible bond terms.

In addition, the number of members of the Supervisory Board was increased from three to five and Mr Michael Bock and Mr Jan Benedikt Rombach were elected to the Supervisory Board as members.

Transactions with related parties and companies

The company is to be considered a company dependent on AR Holding GmbH and its (direct and indirect) shareholders, GR Capital GmbH, GCS Verwaltungs GmbH and Prof. Gerhard Schmidt pursuant to Section 17 AktG (German Stock Corporation Act) due to its direct majority shareholding in AR Holding GmbH.

GR Capital GmbH and AR Holding GmbH waived their claims for repayment from the aforementioned loans in the total amount of EUR 1,413 thousand under the resolutive condition of reaching a threshold of EUR 50 million of the company’s equity recorded in the company’s annual accounts ("debtor warrant agreement") in several resolutive conditional debt waiver agreements.

In March 2018, AR Holding subscribed 1,641,334 shares as part of a capital increase by contribution in kind of 3.59% of regular company shares with voting rights in Deutsche Immobilien Chancen Real Estate GmbH. In April 2018, the Rhein-Main Beteiligungsgesellschaft bürgerlichen Rechts (venture capital organisation) associated with Prof. Gerhard Schmidt subscribed 501,711 shares from a cash capital increase at an issue price of EUR 3.60/share (total volume of EUR 1,806 thousand). We refer to the information under Director’s Dealings.

Since 17 May 2017, AR Holding provided the company with a facility loan in the amount of up to EUR 1,000 thousand. Interest rate is agreed at 2.5% p.a. Using this credit line amounted to EUR 150 thousand as at 31/12/2017 and was repaid in the first half of 2018 including interest of EUR 3 thousand.

In addition, TTL AG, with DIC Capital Partners (Europe) GmbH, Munich, and Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main, which are associated via the direct sole shareholder of AR Holding GmbH, Prof. Schmidt, concluded service agreements regarding analyses, monitoring and consultation in the first half of 2018. TTL AG received remuneration in the amounts of EUR 125 thousand form DIC Capital Partners (Europe) GmbH and EUR 175 thousand from Deutsche Immobilien Chancen Real Estate GmbH for these agreements in the first half of 2018.

In April 2018, TTL AG acquired 11.67% of the regular company shares in Deutsche Immobilien Chancen Real Estate GmbH from Deutsche Immobilien Chancen AG & Co. KGaA, which is associated with TTL AG through the direct sole shareholder of AR Holding GmbH, Prof. Schmidt, at a purchase price of EUR 18,678 thousand. The acquisition was financed in the same amount through a loan from DIC Real Estate Mezzanine Investments GmbH & Co KG, a subsidiary of Deutsche Immobilien Chancen Real Estate GmbH, which was charged interest of 3.5%. In the first half of the year, interest in the amount of EUR 117 thousand was accrued. A partial amount of EUR 1,500 thousand was repaid in May 2018.

At the level of the fully consolidated AIRE Asset Investment in Real Estate GmbH (TTL AG share 76.0%), there is a loan of EUR 7.5 million to DIC Real Estate Mezzanine Investments GmbH & Co KG. In the first half of the year, interest in the amount of approximately EUR 206 thousand was accrued.

INFORMATION ON FINANCIAL INSTRUMENTS

There are no listed prices on any active market for the non-listed shares held by the Group in DIC Capital Partners (Europe) GmbH (Level 3 according to IFRS 13). The fair value of these shares was determined by discounting the distributions expected by this company. As part of the initial application of IFRS 9 as of 1 January 2018, TTL AG applies the FVtOCI (Fair Value through Other Comprehensive Income) option for its investment in DICP (Europe) GmbH. This led to an increase in the investment by EUR 116 thousand. In this context, deferred taxes of EUR 2 thousand were recorded.

A significant input factor in the valuation of the shares in DICP (Europe) GmbH is the discounting interest rate used and the assumptions on the expected distribution to TTL. If the distribution amount is changed by +/- 10%, this will lead to a change in valuation of approximately +/- EUR 0.6 million.

The following table shows the carrying amounts and fair values of the individual financial assets and debts for every individual category of financial instruments and shows them under their corresponding balance sheet items. The valuation categories according to IFRS 9 that are relevant for the Group are:

- FAAC - Financial Assets measured at Amortised Cost
- FVtOCI - Financial Assets at Fair Value through Other Comprehensive Income
- FLAC - Financial Liabilities measured at Amortised Cost
- FLFV - Financial Liabilities at Fair Value through profit & loss.

TEUR	**Assessment category according to IFRS 9**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
		30/06/2018	**30/06/2018**	**31/12/2017**	**31/12/2017**
Assets					
Investments	FVtOCI	5,971	5,971	5,850	5,850
Loans and receivables	FAAC	2,616	2,616	248	248
Liquid assets	FAAC	621	621	619	619
Total FAAC	FAAC	3,237	3,237	867	867
		9,208	9,208	6,717	6,717
Liabilities					
Trade accounts payable	FLAC	24	24	76	76
Bonds	FLAC	8,320	8,320	8,053	8,053
Loans payable	FLAC	24,831	24,831	7,673	7,673
Other financial liabilities	FLAC	52	52	19	19
		33,227	**33,227**	**15,821**	**15,821**

Changes in Level 3 financial instruments is shown as follows:

TEUR	2018	2017
As at 01/01	5,850	4,879
Net addition/disposal	5	971
Valuation effect	116	0
As at 30/06 / 31/12	**5,971**	**5,850**

The valuation effect is shown under other comprehensive income due to its allocation to the FVtOCI valuation category.

EARNINGS PER SHARE

Undiluted earnings per share are calculated by forming the ratio of the profit to which equity providers are entitled and the average number of shares issued during the financial year.

If the average number of shares in circulation is increased by all conversion and options rights, this shall lead to diluted earnings per share. It is assumed that convertible bonds will be exchanged for shares and net profits will be adjusted by interest expenses.

When determining diluted earnings per share, potential ordinary shares (3,475,000 units) from conversion rights were not considered as they would not lead to any dilution in the reporting period.

	30/06/2018	30/06/2017
TTL AG shareholder profit share in TEUR	1,255	119
Weighted average number of shares (where undiluted and diluted are the same)	15,445,867	8,659,259
Earnings per share in EUR	**0.074**	**0.014**

EVENTS AFTER THE BALANCE SHEET DATE

In July, TTL AG took over a further 4.5% of regular company shares in Deutsche Immobilien Chancen Real Estate GmbH. The purchase price was approximately EUR 7.2 million and was financed through third-party funds from DIC Real Estate Mezzanine Investments GmbH & Co KG. TTL AG's overall share (directly and indirectly held investments) in Deutsche Immobilien Chancen Real Estate GmbH therefore increased to 44.68%. TTL AG’s indirect investment in GEG German Estate Group increased at the same time to 33.51%.

1. REPORT ON THE TAKEOVER SITUATION AND DIRECTORS’ DEALINGS

AR Holding GmbH is the direct majority shareholder of TTL AG. Its overall share of voting rights is assigned to GR Capital GmbH, GCS Verwaltungs GmbH and Prof. Gerhard Schmidt, a member of the Supervisory Board. After a change in the overall number of voting rights as a result of the capital measures of 8 May 2018, 69.55% of the votes in TTL AG are allocated to Prof. Gerhard Schmidt indirectly through GCS Verwaltungs GmbH, GR Capital GmbH and AR Holding GmbH. Including the votes allocated indirectly via the private Rhein-Main Beteiligungsgesellschaft, the total number of votes allocated to Prof. Gerhard Schmidt was 12,743,045 or 72.40%.

In the reporting period, the following transactions were carried out by Prof. Gerhard Schmidt, a member of the Supervisory Board, or by the companies attributable to him:

Notes to the interim financial statement for the first half of 2018 (Continued)

Report on the takeover situation and Directors' Dealings (Continued)

Transaction	Date	Price (EUR/share)	Volume (EUR)	Shares (units)	Company
Purchase via stock exchange	25/05/2018	3.90	3,155	809	Rhein-Main Beteiligungsgesellschaft mbH
Purchase via stock exchange	24/05/2018	3.88	74,445	19,191	Rhein-Main Beteiligungsgesellschaft mbH
Acquisition of 501,711 shares through the Group-internal contribution in kind to Rhein-Main Beteiligungsgesellschaft bürgerlichen Rechts.	24/05/2018	n/a	n/a	501,711	Rhein-Main Beteiligungsgesellschaft mbH
Subscription/acquisition of shares from the capital increase	30/04/2018	3.60	1,806,160	501,711	Rhein-Main Finanz- und Beteiligungsgesellschaft bürgerlichen Rechts
Subscription/acquisition of shares from the contribution in kind-capital increase	21/03/2018	3.50	5,744,670	1,641,334	AR Holding GmbH

RESPONSIBILITY STATEMENT

To the best of our knowledge, we provide assurance that the condensed consolidated interim statements prepared in accordance with applicable accounting principles for interim financial reporting represent a true and fair view of the Group's asset, financial and income situation and that the interim management report presents the course of business, including business results and the situation of the Group, such that a true and fair view is conveyed and that significant risks and opportunities inherent in the anticipated development of the Group during the remaining financial year are described.

Munich, 20 August 2018

TTL AG Beteiligungs- und Grundbesitz-AG

Theo Reichert Thomas Grimm

REVIEW REPORT

To TTL Beteiligungs- und Grundbesitz-AG, Munich

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of TTL Beteiligungs- und Grundbesitz-AG, Munich, for the period from January 1 to June 30, 2018, which are part of the half-year financial report according to § 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – German Institute of Auditors). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Nuremberg, August 20, 2018

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann Luce
Wirtschaftsprüfer Wirtschaftsprüfer

Audited Consolidated Financial Statements of TTL Beteiligungs- und Grundbesitz-AG prepared in accordance with IFRS

as of and for the year ended 31 December 2017

and the auditor's report thereon

CONSOLIDATED BALANCE SHEET FOR THE FINANCIAL YEAR AS AT 31/12/2017

ASSETS	Notes	31/12/2017	31/12/2016
		EUR	TEUR
Non-current assets			
Property, plant and equipment	(20)	5,140	0
Financial assets			
Financial assets accounted for under the equity method	(21)	40,345,855	0
Other equity investments	(21)	5,850,031	4,879
		46,201,026	4,879
Current assets			
Other financial assets	(22)	247,810	1
Income tax claims	(23)	41,989	4
Other assets	(23)	31,911	0
Cash and cash equivalent	(24)	619,159	20
		940,869	25
Total assets		47,141,895	4,904

LIABILITIES	Notes	EUR	TEUR
Equity			
Subscribed capital	(25)	14,133,333	6,550
Contribution made to implement the resolved capital increase	(25)	0	1,250
Capital reserve	(25)	35,763,285	23,116
Generated equity		-26,641,821	-26,197
TTL AG shareholder equity		23,254,796	4,719
Non-controlling interests	(25)	7,799,854	0
Equity		31,054,650	4,719
Non-current liabilities			
Bonds	(26)	8,053,391	0
Long-term loans payable	(26)	342,733	0
		8,396,124	0
Current liabilities			
Other provisions	(26)	266,591	85
Trade accounts payable	(26)	75,853	98
Short-term loans payable	(26)	7,330,070	0
Other liabilities	(26)	18,607	2
		7,691,121	185
Total liabilities		47,141,895	4,904

CONSOLIDATED GROUP INCOME STATEMENT FOR THE PERIOD FROM 01/01/2017 TO 31/12/2017

	Notes	2017 EUR	2016 TEUR
Sales revenues	(14)	10,000	0
Other operating income	(15)	62,090	28
Personnel expenses		-123,588	0
Depreciation		-687	0
Other operating costs	(16)	-314,675	-188
Result from operating activities		-366,860	-160
Income from investments	(17)	300,017	0
Profit shares from companies accounted for under the equity method	(17)	910,847	0
Other interest and similar income	(17)	266,211	1
Interest and similar expenses	(17)	-249,989	0
Financial result		1,227,086	1
Earnings before income taxes		**860,226**	**-159**
Taxes on income	(18)	0	0
Annual result		**860,226**	**-159**
Comprehensive income		**860,226**	**-159**
of which due to TTL AG shareholders		525,389	-159
of which due to other shareholders		334,837	0
Earnings per share			
Undiluted earnings/diluted earnings per share (EUR)	(19)	0.05	-0.02

[1] Total comprehensive income is the same as the annual result as no other comprehensive income is available

CONSOLIDATED CASH FLOW STATEMENT FOR THE 2017 FINANCIAL YEAR

	Notes	2017 EUR	2016 TEUR
Cash flow from operating activities			
Earnings before income taxes		**860,226**	**-159**
Adjustments:			
Depreciation of property, plant and equipment	(20)	687	0
Increase/decrease in provisions	(26)	123,481	15
Investment income	(17)	-300,017	0
Profit shares from companies accounted for under the equity method	(17)	-910,847	
Proceeds from the sale of financial assets	(15)	-56,209	0
Other non-cash income/expenses		-7,667	0
Interest income	(17)	-266,211	0
Interest expenses	(17)	249,989	0
Income tax expenditure		0	3
Income tax paid		-34,894	0
Changes to assets and liabilities			
- Remaining (financial) assets		-45,918	-1
- Trade accounts payable and other liabilities		-7,081	-2
Cash flow from operating activities		**-394,461**	**-144**
Cash flow from investment activities			
Inflows from the sale or acquisitions of property, plant and equipment	(20)	-5,826	0
Payments for purchasing other equity investments	(3)	-971,121	0
Payments for purchasing consolidated companies		-149,289	0
Inflows for short-term loans	(X.)	1,400,000	0
Payments for short-term loans	(X.)	-1,400,000	0
Interest received	(17)	263,830	0
Dividends received	(17)	149,417	0
Inflows from the sale of financial assets	(15)	56,209	0
Cash flow from investment activities		**-656,780**	**0**
Cash flow from financing activities			
Inflows from capital increases	(25)	1,493,657	150
Inflows from loans received from associated companies	(26)	1,150,000	0
Repayment of loans to affiliated companies	(26)	-1,000,000	0
Interest paid		-14,222	0
Cash flow from financing activities		**1,629,435**	**150**
Changes in cash and cash equivalents		578,194	6
Changes in cash and cash equivalents caused by the group of consolidated companies	(3)	21,291	0
Cash and cash equivalents at the start of the reporting period	(24)	19,674	14
Cash and cash equivalents at the end of the reporting period		**619,159**	**20**

DEVELOPMENT OF THE GROUP EQUITY FOR THE 2017 FINANCIAL YEAR

		Subscribed capital EUR	Deposits made to execute the agreed capital	Capital reserve EUR	Generated equity EUR	**Total TTL AG share-share-holder equity** EUR	Shares of other share-holders EUR	**Total equity** EUR
As at 1 January 2016		**6,550,000**	**0**	**19,360,241**	**-26,037,611**	**-127,370**	**0**	**-127,370**
Capital contributions from owners recognised in equity		0	1,250,000	3,755,879	0	5,005,879	0	5,005,879
Issue of shares through cash capital increase		0	0	0	0	0	0	0
Total comprehensive income		0	0	0	-159,446	-159,446	0	-159,446
As at 31 December 2016		**6,550,000**	**1,250,000**	**23,116,120**	**-26,197,057**	**4,719,063**	**0**	**4,719,063**
Capital contributions from owners recognised in equity	(25)	5,850,000	-1,250,000	11,732,351	0	16,332,351	0	**16,332,351**
Issue of shares through cash capital increase	(25)	1,733,333	0	-72,026	0	1,661,306	0	1,661,306
Equity stake of the convertible bond	(25)	0	0	986,840	0	986,840	0	986,840
Comprehensive income		0	0	0	525,389	525,389	334,837	860,226
Acquisition of a subsidiary with non-controlling interests	(25)	0	0	0	0	0	15,589,864	15,589,864
Increase of shares in a subsidiary	(3)	0	0	0	-970,153	-970,153	-8,124,847	-9,095,000
As at 31 December 2017		**14,133,333**	**0**	**35,763,285**	**-26,641,821**	**23,254,796**	**7,799,854**	**31,054,650**

2017 CONSOLIDATED NOTES

I. BASIC INFORMATION

TTL Beteiligungs- und Grundbesitz-AG (hereinafter "TTL AG" or the "company") is an investment holding operating in Germany. TTL AG's indirectly operating investment companies predominantly deal with investment and asset management. It is registered under HRB 125559 at the local court of Munich, Germany, the registered office of the company is at Theresienhöhe 28, 80339 Munich, Germany.

The company's shares are listed on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and over-the-counter on the Munich, Dusseldorf, Berlin and Stuttgart stock exchanges.

The consolidated financial statements were shown in EUR. All financial information is shown in euros, rounded to the nearest thousand, unless otherwise specified.

II. PRINCIPLES AND METHODS

The consolidated financial statements were prepared in accordance with all International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, United Kingdom, valid on the balance sheet date, as well as all interpretations of the IFRS Interpretations Committee that were binding for the past financial year and are to be applied in the European Union. In addition, the provisions of Section 315a (1) and Section 289a of the German Commercial Code (HGB) were applied.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation principles. The annual financial statements of the fully consolidated companies have been prepared as of the reporting date of the consolidated financial statements.

The balance sheet is broken down according to the maturity of the assets and liabilities. Assets and liabilities are regarded as current if they are due within one year or are to be sold. Accordingly, assets and liabilities are classified as non-current if they remain with the Group for more than one year. Trade receivables and payables, current tax assets and tax liabilities are generally reported as current items. Deferred tax assets and liabilities are generally presented as non-current.

The consolidated financial statements have been prepared on the assumption that the company will continue operations.

In the consolidated financial statements, assumptions and estimates must be made to a very limited extent which have an effect on the amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities shown in the balance sheet. The main areas of application for assumptions and estimates are determining the fair value of financial assets, the measurement of provisions and the calculation of the fair value of the liability from debtor warrant agreements. The actual values may differ from the estimates.

All assets and liabilities that are determined at fair value or shown in the financial statements are classified in the valuation hierarchy described below based on the input factor of the lowest level that is essential for the valuation at fair value.

- Level 1 - Prices listed on active markets for identical assets or liabilities (not adjusted)
- Level 2 - Valuation processes where the input factor of the lowest level that is essential for the valuation at fair value is directly or indirectly observable on the market
- Level 3 - Valuation processes where the input factor of the lowest level that is essential for the valuation at fair value is not observable on the market

For assets and liabilities that are recorded in the financial statements at fair value on a recurring basis, the Group shall determine whether restructurings took place amongst the levels of hierarchy by verifying the classification (based on the input factor of the lowest level that is essential for the valuation at fair value) at the end of each reporting period.

III. EFFECTS OF NEW ACCOUNTING STANDARDS

(a) Accounting regulations to be applied for the first time in the current financial year

As at 1 January 2017, the Group applied the following new and revised standards and interpretations.

IAS 12 "Recognition of deferred tax assets for unrealised losses"

The IASB issued amendments to IAS 12, Income Taxes, on 19 January 2016. This results in a clarification that write-downs on debt instruments measured at fair value lead to the recognition of deferred tax assets for unrealised losses if the tax value corresponds to its acquisition costs. Deferred taxes on items recognised in other comprehensive income are therefore also recognised in other comprehensive income. The standard is effective for financial years beginning on or after 1 January 2017. EU endorsement was given on 6 November 2017.

IAS 7 "Disclosure initiative"

The IASB issued amendments to IAS 7, Cash Flow Statement, on 29 January 2016. The aim is to improve information on companies' debt financing activities and liquidity. The standard is effective for financial years beginning on or after 1 January 2017. EU endorsement was given on 6 November 2017.

(b) New and amended standards that are not yet to be applied as mandatory in the financial year

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) passed further standards and interpretations that are not yet to be applied as mandatory for the financial year or whose recognition by the EU is still pending.

IFRS 9 "Financial Instruments"

IFRS 9 relates to the classification and measurement of financial instruments and the accounting treatment of derivatives and hedging relationships and will replace IAS 39 Financial Instruments. The regulations for a portfolio fair value hedge against interest rate change risks pursuant to IAS 39 have not been replaced. This part will be pursued in a separate "Macro Hedge" project. The standard is effective for reporting periods beginning on or after 1 January 2018 at the earliest. EU endorsement was given on 22 November 2016.

IFRS 15 "Revenue from contracts with customers"

In May 2014, the IASB published IFRS 15, Revenue from Contracts with Customers. This results in new regulations on the timing and amount of revenue recognition. IFRS 15 fully replaces the previous regulations on revenue recognition consisting of standards IAS 18 and IAS 11 alongside various interpretations of standards and now governs several aspects. The standard is expected to be effective for financial years beginning on or after 1 January 2018. EU endorsement was given on 22 September 2016.

IFRS 16 "Leases"

On 13 January 2016, the IASB issued IFRS 16, the new standard for lease accounting. The aim is to ensure uniform accounting treatment of all leases by the lessee. There are virtually no changes for the lessor. IFRS 16 must be applied for the first time for financial years beginning on or after 1 January 2019. Early application is permitted if the provisions of IFRS 15 Revenue from Contracts with Customers are applied simultaneously. EU endorsement was given on 31 October 2017.

IFRS 2 "Share-based Remuneration"

The IASB issued amendments to IFRS 2 Share-based Remuneration on 20 June 2016. The amendments concern the classification and measurement of share-based remuneration. The accounting for cash-settled share-based remunerations, the classification of share-based remunerations that are settled at net amount and the accounting for a change from cash-settled share-based remunerations to equity-settled share-based remunerations have been clarified or newly regulated. The amendments are effective for financial years beginning on or after 1 January 2018. Early application is permitted. Retrospective application is only permitted if no better information is obtained at a later date. EU endorsement is expected for the first quarter of 2018.

IAS 40 "Investment property"

The IASB issued an amendment to IAS 40 Investment property on 8 December 2016. The amendment concerns the classification of uncompleted properties and clarifies in which cases the classification of a property as "investment property" begins or ends when the property is still under construction or development. The amendment is effective from 1 January 2018. Earlier application is permitted. EU endorsement is expected for the first quarter of 2018.

Annual Improvements to IFRS Standards (2014-2016 Cycle)

The IASB published the "Annual Improvements to IFRS Standards, 2014-2016 Cycle". This clarifies the following standards and topics:

- IFRS 1: Cancellation of remaining limited leniency rules in IFRS Appendix E (IFRS 1.E3-E7) for first-time applicants.
- IFRS 12: Clarification that the disclosures also apply to shares that fall within the scope of IFRS 5.
- IAS 28: Clarification that the option of valuing an investment in an affiliated company or joint venture company that is held by a venture capital company or another qualifying company can be exercised differently for each investment.

The changes to IFRS 1 and IAS 28 are to be applied from 1 January 2018. Earlier application is permitted. There is currently no EU endorsement for IFRS 12.

Annual Improvements to IFRS Standards (2015-2017 Cycle)

The IASB published the "Annual Improvements to IFRS Standards, 2015-2017 Cycle". This clarifies the following standards and topics:

- IFRS 3 / IFRS 11: The amendments to IFRS 3 clarify that a company, when it obtains control over business operations, which is a joint business venture, shall revalue the shares it previously held in the business operations. The amendments to IFRS 11 clarify that a company, when it obtains joint control over business operations, which is a joint business venture, shall not revalue the shares it previously held in the business operations.
- IAS 12: Income tax consequences of dividend payments must be recorded if the obligation to pay dividends is recorded. It shall be recorded according to the transaction in profit or loss, other comprehensive income (OCI) underlying the dividends, or directly in equity.
- IAS 23: The amendments to IAS 23 clarify that if an asset is already being used for its intended use or is for sale, a company shall treat any still available third-party borrowings that were explicitly taken on in order to obtain this asset as part of the general accepted third-party borrowings in the calculation of the capitalisation rate of the general third-party borrowings.

The amendments are to be applied as of 1 January 2019.

The effects of all IFRS standards and IFRIC interpretations that did not come into force in the 2017 financial year or that were not recognised by the European Union on the financial statements of the TTL Group were not examined. The TTL Group does not assume that the application of new or amended standards and interpretations will have a significant impact on the consolidated financial statements. This does not apply to the provisions of IFRS 9.

The Group shall apply IFRS 9 for the first time in the financial year starting on 1 January 2018 and shall assume that comparative information for previous periods regarding the classification, valuation and impairment according to IFRS 9 will not be provided in accordance with the simplification options. The transition effects resulting from the initial application are recorded in equity. In this regard, equity instruments valued at amortised cost shall be valued profit-neutral at fair value from 1 January 2018 onwards. The financial instruments in question were acquired at the end of 2016 and in 2017 at fair value, which is why we only expect slight adjustments of the equity in the Group's opening balance sheet as at 1 January

2018. Future changes in value of equity instruments were shown in other comprehensive income due to the applicable exercising of options.

IV. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENT

(1) Principles of consolidation

The basis for the consolidated financial statements are the annual accounts, prepared according to the uniform regulations of the IFRS to be applied in the EU as at 31 December 2017, of the Group's subsidiaries. In accordance with the definition of IFRS 10, subsidiaries are all companies in which the Group has decision-making authority with regard to the relevant operational processes on a contractual or de facto basis and which are used to achieve variable returns. Acquired subsidiaries are accounted for using the purchase method. Intercompany sales, expenses and income as well as all receivables and liabilities between consolidated companies are eliminated.

(2) Group of consolidated companies

In addition to TTL AG, the following German subsidiaries in which TTL AG directly or indirectly holds the majority of voting rights are included in the consolidated financial statements:

Company name and registered office	Share of TTL AG	
	31/12/2017	31/12/2016
TTL International GmbH, Munich	100%	100%
1st DATA Solution Vertriebs-GmbH, Munich	100%	100%
TTL Consult IT GmbH, Munich	100%	100%
C-Connection Computer & Network Solutions GmbH, Munich Munich	100%	100%
GK Beteiligungs GmbH, Glattbach	100%	0%
AIRE Asset Investments in Real Estate Beteiligungs GmbH, Glattbach	76%	0%
AIRE Asset Investments in Real Estate GmbH, Glattbach	76%	0%

The Group’s companies prepared their financial statements on the same reporting date as the Group prepares its consolidated financial statements.

As a result of the acquisition of 100% of the shares in GK Beteiligungs GmbH, the share ratios in the consolidated companies changed compared to the previous year. Further information can be found under (3) Acquisitions.

In the past financial year, the shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH and AIRE Asset Investments in Real Estate GmbH increased from 25% to 76%. Further information can be found below under (3) Acquisitions.

(3) Acquisitions

Acquisitions where the acquired object is not business operations do not fulfil the definition of a company merger. In such cases, the purchaser must identify and record the individual acquired identifiable assets (including those that fulfil the definition and recording criteria for intangible assets according to IAS 38 Intangible Assets) and the assumed debts. The Group's acquisition costs are to be assigned the individual identifiable assets and debts at the time of acquisition based on their fair value. They are accounted for at the time of acquisition, i.e., on the date on which control passes to the company. If fewer than 100% of shares are transferred in the case of such acquisitions, the non-controlling interests are recorded in the Group equity in a way similar to IFRS 3 regulations.

Determining the fair value of the acquired assets and assumed debts requires significant estimates. Properties, buildings and facilities are generally individually and independently valued, whilst marketable securities are valued at market prices. If intangible assets are identified, regardless of the type of intangible asset and the complexity of determining its fair value, the Group shall either consult an independent external valuation expert or shall internally develop the fair value by using suitable valuation techniques that are generally based on a forecast of the overall expected future net cash flows.

These valuations are closely associated with the assumptions made by management with regard to the future development of the assets in question and the discounting interest rate to be applied.

Acquisition of shares in GK Beteiligungs GmbH

TTL AG increased subscribed capital by EUR 4,600,000. The capital increase was carried out by AR Holding GmbH by means of a contribution in kind of a 100% company share in GK Beteiligungs GmbH. With effect from 27 June 2017, TTL AG therefore indirectly acquired investments in GK Beteiligungs GmbH. GK Beteiligungs GmbH is a venture capital organisation and holds 51% of the company shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH, which in turn holds 100% of company shares in AIRE Asset Investments in Real Estate GmbH. Through these investments, TTL AG indirectly holds shares in Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main ("DIC RE"), which is treated as an affiliated company as more than 25% of its shares are held; DIC RE in turn essentially focuses its operations in its shareholding in German Estate Group GmbH & Co. KG, Frankfurt am Main (the "GEG Group"). The GEG Group is one of the leading German investment and asset management platforms in the commercial real estate sector with approximately EUR 2.4 billion in assets under management. Its investment focus and policy are based on the segments institutional business (including the "manage to core" and "public infrastructure" sub-

segments), opportunistic investments and project developments, whereby the GEG Group only operates as an investment and asset manager.

Its fair value amounted to EUR 16,649,288. This includes ancillary acquisition costs in the amount of EUR 148,288. Equity procurement costs in the amount of EUR 159,478 were offset against the capital reserve.

The carrying amounts or fair values of the identifiable assets at debt at the time of acquiring GK Beteiligungs GmbH, AIRE Asset Investments in Real Estate Beteiligungs GmbH and AIRE Asset Investments in Real Estate GmbH (collectively) can be broken down as follows:

in EUR	Carrying amounts	Fair values
Investments	8,437,563	39,435,008
Receivables and other assets	91,058	91,058
Cash and cash equivalents	21,291	21,291
	8,549,912	39,547,357
Provisions	5,798	5,798
Liabilities	7,302,407	7,302,407
	7,308,205	7,308,205
Total identifiable net assets including non-controlling interests	1,241,707	32,239,152
from: non-controlling interests	-562,015	-15,589,864
Total identifiable net assets	679,692	16,649,288
Fair value		16,649,288

At the time of the transfer of control, the companies that had been taken over had cash and cash equivalents in the amount of EUR 21,291.

Acquisition of further shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH

On 20 December 2017, TTL Beteiligungs- und Grundbesitz-AG increased its shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH, in which it indirectly held 51% of the shares, to a total of 76%. The shares were increased as a result of three minority shareholders in AIRE Asset Investments in

Real Estate Beteiligungs GmbH subscribing new convertible bonds to be issued (see note 25) against a contribution of a 25% shareholding in AIRE Asset Investments in Real Estate Beteiligungs GmbH. The difference that arose between the acquisition costs of the 25% shares and the outgoing non-controlling interests in TTL AG was offset in the amount of EUR 970,153 under retained earnings with no effect on profit as a result of the additional acquisition of the shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH.

Acquisition of further shares in DIC Capital Partners (Europe) GmbH

In November 2017, further shares in DIC Capital Partners (Europe) GmbH with acquisition costs in the amount of EUR 971,121 were acquired from DIC Capital SE, thereby increasing the share by 2.5%, from 12.56% to 15.06% (see note 21 b).

(4) Currency conversion

In the individual financial statements of the Group companies, all receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Corresponding foreign currency gains/losses are recorded in the consolidated income statement.

(5) Intangible assets

Purchased intangible assets are carried at acquisition cost. They were subject to scheduled depreciation over their respective useful lives. Intangible assets are amortised on a straight-line basis over a period from 3 to 15 years. Goodwill that arose in connection with company acquisitions was already fully depreciated in previous years. Impairments are recognised through extraordinary depreciation.

(6) Property, plant and equipment

Property, plant and equipment is carried at acquisition or production cost less usage-based depreciation. Impairments that exceed the usage-dependent decline in value are taken into account through extraordinary depreciation.

(7) Shares in financial assets accounted for under the equity method

The Group's shares in financial assets accounted for using the equity method include shares in an affiliated company.

Associates are companies over which the Group has considerable influence, but over which it has no control or joint management with regard to financial and business policy. In the equity method, shares in the affiliated company are recognised at acquisition cost in addition to the directly attributable ancillary acquisition costs and are adjusted by changes in the Group’s share in profit or loss and in the other comprehensive income of the affiliated company after the time of acquisition and are subsequently carried forward according to IAS 28 regulations and checked annually for impairments.

The Group's share in the profit and loss of affiliated companies is recorded in the income statement separately as the at-equity result from the time of the acquisition onwards. Changes to other comprehensive income are recorded pro-rata in the company's other comprehensive income. The accumulated changes after acquisition are offset against the investment carrying amount. On every reporting date, the Group verifies if there are indications that impairment expenses need to be considered with regard to investments in affiliated companies. In this case, the difference between the carrying amount and the recoverable amount is recorded as an impairment and shown in the income statement as shares of profit and loss in companies that are accounted for under the equity method.

The shareholding in Deutsche Immobilien Chancen Real Estate GmbH acquired during the financial year is itself a parent company and is therefore obliged to consider profit or loss, other comprehensive income and net assets in the same way as in the consolidated financial statements of the affiliated companies after adjustments to the application of uniform accounting methods according to IAS 28.27 when applying the equity method. Deutsche Immobilien Chancen Real Estate GmbH is not obliged to prepare consolidated financial statements and did not prepare such statements voluntarily. TTL AG therefore determined a consolidated result for the update of the equity valuation approach based on the information not fully available to TTL AG.

Based on its own assumptions, the company determined the demarcation of the scope of consolidation of the affiliated company, the carrying forward of the acquired dormant reserves, the consideration of the accounting methods used across the group and a consolidated result.

(8) Financial instruments

Financial instruments are all contracts that give rise to a financial asset at one entity and a financial liability or equity instrument at another entity. The Group's financial assets mainly include cash, loans and shares in Deutsche Immobilien Chancen Real Estate GmbH and DIC Capital Partners (Europe) GmbH. Financial liabilities in particular include loans payable, trade accounts payable and other financial liabilities.

Due to the short maturity of cash and cash equivalents, trade receivables and payables and other current receivables and liabilities, it is assumed that the respective fair value corresponds to the carrying amount.

(a) Financial assets

Available-for-sale financial assets

Financial assets categorised as "available-for-sale financial assets" are measured at fair value after initial recognition if management believes that this can be reliably measured.

The shares acquired in DIC Capital Partners (Europe) GmbH as a contribution in kind in accordance with the contribution agreement of 21 December 2016 on this day had been recognised at the time of their initial recording at their fair value. The fair value was determined in consideration of the share valuation agreed in the contribution agreement, which was derived from the amortised costs of the contributing party, the provisional financial statement figures for 2016 and the company planning of DIC Capital Partners (Europe) GmbH for 2017 to 2020.

The parent company holds 15.06% of the voting rights in DIC Capital Partners (Europe) GmbH and therefore neither has a significant influence pursuant to IAS 28 nor control over this company pursuant to IFRS 10. Consequently, the investment in the Company is accounted for using the equity method in accordance with "IAS 39 Financial Instruments: Recognition and Measurement" is accounted for as an available-for-sale financial asset. Changes to the fair value are generally shown directly under equity. Since there are no quoted prices on an active market for these unlisted shares in DIC Capital Partners (Europe) GmbH and their fair value cannot be reliably determined, they are carried at (amortised) cost. As of the balance sheet date, there were no discernible indications of impairment.

Financial instruments recognised at fair value are divided into various measurement levels in accordance with IFRS 7. The investment in DIC Capital Partners (Europe) GmbH is thus at level 3: "with the aid of input factors that are not based on observable market prices". Level 1 and level 2 are not applicable as there are no active markets or any comparable price quotations.

The shares in DIC Capital Partners (Europe) GmbH in 2016 (12.56%) were added through a contribution and the fair value was determined according to the net income value method. In the net income model used to determine the fair value, a detailed planning phase of four years and a subsequent model of perpetual annuity is used as a basis. A discounting interest rate of 6.2% was used for discounting the income expected until 2020, and a rate of 5.2% shall be used from 2021 onwards. The earnings forecasts contained specific estimates for the expected distributions of DIC Capital Partners (Europe) GmbH by the Board of Directors, in particular taking into account the earning power of the affiliated company and its investments. The addition in 2017 (2.5%) was made as a result of an acquisition against cash at the purchase price of TEUR 971. Subsequent valuation is at amortised cost.

Other financial assets and non-financial assets

Other financial assets and non-financial assets are valued at amortised cost less impairments.

Cash and cash equivalents
Cash and cash equivalents includes bank balances. Cash and cash equivalents are measured at amortised cost.

(b) Financial liabilities

Composite financial instruments issued by the Group include convertible bonds in euros which can be converted into equity shares at the discretion of the holder provided the number of shares to be issued is determined and does not change as a result of changes to the fair value.

The debt component of the composite financial instrument is recorded in the initial recognition at fair value of a similar liability that does not include any option for conversion into equity. The equity component is recorded in the initial recognition as the difference between the fair value of the composite financial instrument and the fair value of the debt component. Directly attributable transaction costs must be attributed in the ratio of the carrying amounts of the debt and equity component of the financial instrument at the time of the initial recognition.

In the subsequent valuation, the debt component of the composite financial instrument is valued at amortised cost by using the effective interest method. The equity component of the composite financial instrument is amortised at the value recorded in the initial recognition.

Interest in connection with the financial liability is recorded in profit or loss. In the case of conversion on the due date, the financial liability is rebooked under equity without affecting profit or loss.

Financial liabilities are valued at fair value on initial recognition. Subsequent valuation is at amortised cost. Financial liabilities are derecognised when the contractual obligations have been settled or cancelled.

If liabilities are to be derecognised due to a waiver of receivables by a shareholder acting in his/her capacity as a shareholder, this is recognised directly in equity. Any related obligations from debtor warrant agreements are recognised as financial liabilities at fair value through profit or loss at the time of addition. In the event of future changes in the expected payments arising from a recovery agreement, the financial liability is adjusted through profit or loss.

(9) Current and deferred taxes

Current and deferred taxes are recognised in the tax expense for the period. Taxes are recognised in the income statement unless they relate to items recognised directly in equity or other comprehensive income. In this case, taxes are also recognised in equity or other comprehensive income.

The effects of deferred taxes resulting from temporary differences between the assets and liabilities in the IFRS financial statements and the tax bases of assets and liabilities are accounted for in accordance with IAS 12. Deferred tax

assets and liabilities are measured on the basis of the tax rates and tax laws adopted at the time the differences are reversed. This also includes deferred taxes on tax loss carry forwards in accordance with IAS 12.34.

The decisive factor in assessing the recoverability of deferred tax assets is management's assessment of the realisation of the deferred tax assets. This depends on the generation of future taxable profits during the periods in which tax valuation differences are reversed and tax loss carry forwards can be claimed. There were no deductible temporary differences as of the balance sheet date.

Deferred taxes are generally measured on the basis of the tax rates applicable or expected to apply at the time of realisation.

(10) Provisions

Provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) to the extent that legal or constructive obligations to third parties exist that are based on past business transactions or events and are likely to result in outflows of assets that can be reliably determined. Provisions are recognised at the expected settlement amount (present value of expected expenditure), taking into account all identifiable risks, and are not offset against recourse claims. The settlement amount with the highest probability of occurrence is assumed.

(11) Non-financial liabilities

Non-financial liabilities are stated at their repayment amount.

(12) Recognition of income and expenses

Sales revenue and other operating income are generally recorded when the service has been rendered, the amount of the income can be reliably determined and the economic benefit will probably flow to the Group.

Operating expenses are recognised in the income statement when the service is used or when they are incurred. Interest is posted as an expense for the period.

(13) Impairments

IAS 36 requires an enterprise to assess at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. Regardless of whether there is any indication of impairment, an enterprise must annually test intangible assets with an indefinite useful life or intangible assets that are not yet ready for use and acquired goodwill for impairment. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows expected from the continuing use of the asset. If the recoverable amount is less than the carrying amount, the difference represents

the impairment, which is generally recognised in profit or loss. An assessment must be made at each balance sheet date as to whether an impairment still exists. Write-ups are made if the reasons for an impairment no longer exist. Write-ups are made up to a maximum of the amount that would have resulted without prior impairment. Impairments of goodwill may not be reversed.

No impairments were recognised in accordance with IAS 36 in financial year 2017.

V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

(14) Sales revenues

All sales revenues in the amount of EUR 10,000 (PY: EUR 0) are a result of services rendered for DIC Capital Partners (Europe) GmbH.

(15) Other operating income

Other operating income is composed as follows:

	2017 EUR	2016 TEUR
Proceeds from the sale of financial assets	56,209	0
Reversal of provisions	5,881	3
Derecognition of liabilities	0	25
Total	62,090	28

(16) Other operating costs

	2017 EUR	2016 TEUR
Costs of preparing the annual financial statements and audit costs	105,355	62
Public relations costs	29,832	67
Legal and consultation costs	100,751	29
Other expenses	78,737	30
Total	314,675	188

(17) Financial result

	2017 EUR	2016 TEUR
Income from investments	300,017	0
Share of profits from companies accounted for under the equity method	910,847	0
Interest income	266,211	1
Interest expenses	-249,989	0
Total	1,227,086	1

(18) Income tax

Group companies are subject to corporate income tax of 15.0%. The solidarity surcharge is unchanged from the previous year at 5.5% of the corporate income tax charge. Including trade tax with an assessment rate of 490.0%, the overall tax rate in 2017 was 32.98% (PY: 32.98%). Income tax includes taxes on income paid or owed in Germany and deferred taxes. Deferred taxes result from the different valuations between IFRS and tax balance sheet values. The reported income tax expense differs from the expected tax expense, which theoretically would result from the application of the German tax rate of 32.98% (PY: 32.98%) on the Group's earnings before income taxes. The difference between expected and reported income tax expense is attributable to the following factors:

		2017	2016
Earnings before income taxes	EUR	860,226	-159,446
Applicable tax rate	%	32.98	32.98
Expected tax expense(+)/income(-)	EUR	283,660	-52,585
Losses from the current year for which no deferred tax assets were recognised	EUR	60,401	52,585
Effects from at-equity valuation	EUR	-300,352	0
Tax-free income pursuant to Section 8b KStG (German Corporation Tax Act)	EUR	-43,709	0
Actual total tax expense(+)/income(-)	EUR	0	0
Effective tax rate	%	0.00	0.00

Deferred tax assets on temporary differences and tax loss carry forwards are only recognised to the extent that sufficient taxable income will be available in future to utilise the deferred tax assets. No deferred taxes were formed on corporation tax loss carry forwards in the amount of TEUR 19,016 (PY: TEUR 18,200) and trade tax loss carry forwards in the amount of TEUR 17,264 (PY: TEUR 16,600) as, at the present time, no future use of the loss carry forwards can be assumed with sufficient certainty.

(19) Earnings per share

The key figures for earnings per share (diluted/undiluted) according to IAS 33 are determined as follows:

Undiluted earnings/diluted earnings per share

	2017 EUR	**2016 EUR**
The result attributable to the company's equity provider used to calculate the undiluted earnings per share	525,389	-159,446
Shares (in units)		
Weighted average of the number of shares issued that is used as the denominator when calculating the undiluted earnings per share	11,494,246	6,587,671
Undiluted earnings per share in EUR	**0.05**	**-0.02**

Undiluted earnings per share are calculated by forming the ratio from the profits (PY: losses) to which the equity provider is entitled and the average number of shares issued during the financial year.

If the average number of shares in circulation is increased by all conversion and options rights, this shall lead to diluted earnings per share. It is assumed that convertible bonds will be exchanged for shares and net profits will be adjusted by interest expenses.

No dilution effects resulted from conversion rights in the financial year. As a result, diluted earnings per share are identical to undiluted earnings per share. When determining diluted earnings per share, potential ordinary shares (3,475,000 units) from conversion rights were not considered as they would not lead to any dilution in the financial year.

VI. NOTES ON THE BALANCE SHEET

(20) Property, plant and equipment

Property, plant and equipment is carried at historical acquisition cost less usage-based depreciation. Borrowing costs were not capitalised. Assets are depreciated on a straight-line basis pro rata temporis in accordance with their useful lives. Property, plant and equipment as at 31 December 2017 can be broken down as follows:

Acquisition costs	**Balance as of**	**Additions**	**Disposals**	**Changes in the Group of consolidated companies**	**Balance as of**
(in EUR)	**31/12/2015**				**31/12/2016**
Property, plant and equipment					
Other equipment, factory and office equipment	133,632.39	0.00	0.00	0.00	133,632.39
Total property, plant and equipment	**133,632.39**	**0.00**	**0.00**	**0.00**	**133,632.39**
Accumulated depreciation					
Property, plant and equipment					
Other equipment, factory and office equipment	133,631.39	0.00	0.00	0.00	133,631.39
Total property, plant and equipment	**133,631.39**	**0.00**	**0.00**	**0.00**	**133,631.39**
Carrying amounts					
Property, plant and equipment					
Other equipment, factory and office equipment	1.00	0.00	0.00	0.00	1.00
Total property, plant and equipment	**1.00**	**0.00**	**0.00**	**0.00**	**1.00**

Acquisition costs	**Balance as of**	**Additions**	**Disposals**	**Changes in the group of consolidated companies**	**Balance as of**
(in EUR)	**31/12/2016**				**31/12/2017**
Property, plant and equipment					
Other equipment, factory and office equipment	133,632.39	5,826.27	0.00	0.00	139,458.66
Total property, plant and equipment	**133,632.39**	**5,826.27**	**0.00**	**0.00**	**139,458.66**

Accumulated depreciation	Balance as of	Additions	Dispos-als	Changes in the group of consolidated companies	Balance as of
Property, plant and equipment					
Other equipment, factory and office equipment	133,631.39	687.27	0.00	0.00	134,318.66
Total property, plant and equipment	**133,631.39**	**687.27**	**0.00**	**0.00**	**134,318.66**
Carrying amounts					
Property, plant and equipment					
Other equipment, factory and office equipment	1.00	5,139.00	0.00	0.00	5,140.00
Total property, plant and equipment	**1.00**	**5,139.00**	**0.00**	**0.00**	**5,140.00**

(21) Financial assets

The financial assets as at 31 December 2017 can be broken down as follows:

Acquisition costs	Balance as of	Additions	Dispos-als	Changes in the group of cons. comp.	Balance as of
(in EUR)	**31/12/2015**				**31/12/2016**
Financial assets					
Other equity investments					
DIC Capital Partners (Europe) GmbH	0.00	4,878,909.72	0.00	0.00	4,878,909.72
Total financial assets	**0.00**	**4,878,909.72**	**0.00**	**0.00**	**4,878,909.72**
Accumulated depreciation					
Financial assets					
Other investments					
DIC Capital Partners (Europe) GmbH	0.00	0.00	0.00	0.00	0.00
Total financial assets	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Carrying amounts					
Financial assets					
Other investments					
DIC Capital Partners (Europe) GmbH	0.00	4,878,909.72	0.00	0.00	4,878,909.72
Total financial assets	**0.00**	**4,878,909.72**	**0.00**	**0.00**	**4,878,909.72**

Acquisition costs	Balance as of	Additions	Dispos-als	Changes in the group of cons. comp.	Balance as of
(in EUR)	**31/12/2016**				**31/12/2017**
Financial assets					
Investments in affiliated companies (at equity)					
Deutsche Immobilien Chancen Real Estate GmbH	0.00	910,847.00	0.00	39,435,008.18	40,345,855.18
Other equity investments					
DIC Capital Partners (Europe)	4,878,909.72	971,121.00	0.00	0.00	5,850,030.72
Total financial assets	**4,878,909.72**	**1,881,968.00**	**0.00**	**39,435,008.18**	**46,195,885.90**

Accumulated depreciation					
Financial assets *Investments in affiliated companies (at equity)* Deutsche Immobilien Chancen Real Estate GmbH	0.00	0.00	0.00	0.00	0.00
Other equity investments DIC Capital Partners (Europe) GmbH	0.00	0.00	0.00	0.00	0.00
Total financial assets	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Carrying amounts					
Financial assets *Investments in affiliated companies (at equity)* Deutsche Immobilien Chancen Real Estate GmbH	0.00	910,847.00	0.00	39,435,008.18	40,345,855.18
Other equity investments DIC Capital Partners (Europe) GmbH	4,878,909.72	971,121.00	0.00	0.00	5,850,030.72
Total financial assets	**4,878,909.72**	**1,881,968.00**	**0.00**	**39,435,008.18**	**46,195,885.90**

a) Financial assets valued at equity

At the middle of 2017, TTL AG acquired investments in the companies of GK Beteiligungs GmbH. GK Beteiligungs GmbH is a venture capital organisation and indirectly holds 27.29% of the regular company shares in Deutsche Immobilien Chancen Real Estate GmbH through AIRE Asset Investments in Real Estate Beteiligungs GmbH and AIRE Asset Investments in Real Estate GmbH, meaning that from this point onwards Deutsche Immobilien Chancen Real Estate GmbH is an affiliated company of TTL AG. Deutsche Immobilien Chancen Real Estate GmbH mainly focuses its operative business in its shareholding in German Estate Group GmbH & Co. KG.

The aggregate financial statement data of Deutsche Immobilien Chancen Real Estate GmbH as at 31 December 2017 is as follows:

in TEUR	2017
Ownership share	**27.29%**
Non-current assets	7,335
Current assets	280,611
Current liabilities	-179,124
Non-current liabilities (preferential company shares)	-60,000
Net assets attributable to regular company shares (100%)	48,822
Group's share of the net assets	13,324
Goodwill	27,022
Carrying amount of the shares in affiliated companies	**40,346**
Sales revenues	8,305
Profit from continuing business areas (100%)	3,338
Other comprehensive income (100%)	0
Group share of total income (27.29%)	**911**

No changes occurred in the past financial year in other comprehensive income at Deutsche Immobilien Chancen Real Estate GmbH. For this reason, there were also no effects on the other comprehensive income of TTL AG as at 31 December 2017.

The table also shows a transfer of the summarised financial information on the carrying amount of the Group's share in Deutsche Immobilien Chancen Real Estate GmbH.

	EUR
Acquisition costs or equity value at the time of acquisition	39,435,008
Pro-rata annual surplus amount of the comprehensive income of DIC RE	910,847
Carrying amount of the Group's investment in DIC RE	40,345,855

b) Other equity investments

Within the context of the restructuring plan and after the relevant approval from BaFin, the parent company increased the subscribed capital with the exclusion of old shareholders' subscription rights by EUR 1,250,000. The capital increase was carried out in December 2016 by AR Holding GmbH by way of a contribution in kind of a 12.56% company share in DIC Capital Partners (Europe) GmbH.

The investment in DIC Capital Partners (Europe) GmbH is classified as "available for sale" in accordance with IAS 39. It was recognised at fair value (EUR 4,878,910) at the time of acquisition. The subsequent measurement is at amortised cost in accordance with IAS 39.46(c). In November 2017, further shares with acquisition costs of EUR 971,121 were acquired, thereby increasing the share to 15.06%.

As at 31 December 2017, the equity of DIC Capital Partners (Europe) GmbH amounted to EUR 34,884,119 and the 2016 annual result amounted to EUR 786,344 (last available information).

(22) Current financial assets

Financial assets mainly result from a loan granted to AR Holding GmbH in the amount of EUR 90,000 (PY: EUR 0) and receivables from profit distribution from DIC CP Europe GmbH in the amount of EUR 150,600. The loan is to be charged an interest rate of 3% from disbursement onwards. Interest is due with the repayment of the loan.

(23) Other assets and income tax assets

Other assets mainly include tax rebates in the amount of EUR 29,678 (PY: EUR 1,000) from sales tax. Current assets have the following remaining terms:

	Remaining term up to 1 year	Remaining term more than 1 year	Total 31/12/2017	Remaining term up to 1 year	Remaining term more than 1 year	Total 31/12/2016
	EUR	EUR	EUR	TEUR	TEUR	TEUR
Income tax claims	41,989	0	41,989	4	0	4
Other financial assets	247,810	0	247,810	0	0	0
Other assets	31,911	0	31,911	1	0	1
	321,710	0	321,710	5	0	5

If default or other risks exist, they are taken into account by impairments. As in the previous year, no impairment losses were recognised as expenses in the past financial year. As in the previous year, there were no impairments on the balance sheet date.

(24) Cash and cash equivalents

The cash and cash equivalents shown are bank balances.

Cash is accounted for at amortised cost. The development of cash and cash equivalents in accordance with IAS 7 is shown in the cash flow statement.

(25) Equity

Share capital

The share capital of TTL Beteiligungs- und Grundbesitz-AG amounts to EUR 14,133,333 as at 31 December 2017 and has been fully paid-up on the balance sheet date. It is divided into 14,133,333 no-par value bearer shares each with a calculated value of EUR 1.00.

Within the context of the restructuring plan and after the relevant approval from BaFin at the end of 2016, the parent company increased the subscribed capital excluding old shareholders' subscription rights by EUR 1,250,000. The capital increase was registered on 9 January 2017. The capital increase was carried out by AR Holding GmbH by means of a contribution in kind of a 12.56% company share in DIC Capital Partners (Europe) GmbH.

At the end of March 2017, 1,733,333 shares with a nominal value of EUR 1,733,333 were issued by the parent company from authorised capital (2016/I authorised capital) as part of a cash capital increase. The new shares were admitted to trading on 28 March 2017 and are entitled to dividends from 1 January 2017.

The TTL AG Board of Directors decided to increase the company's share capital by EUR 4,600,000, from EUR 9,533,333 to EUR 14,133,333 by issuing 4,600,000 no-par-value shares (ordinary shares) against a contribution in kind at the issue amount of EUR 1.00 per share on 27 June 2017 with approval of the Supervisory Board on that same day by partially using the authorised capital. The capital increase was carried out by AR Holding GmbH by way of a contribution in kind of a 100% company share in GK Beteiligungs GmbH.

Authorised capital

In the general meeting of shareholders of 4 August 2016, authorised capital of up to EUR 3,275,000 was raised. EUR 2,025,000 of this remained after executing the non-cash capital increase. The authorised capital in the amount of an additional EUR 1,733,333 was used through a cash capital increase at the end of March 2017.

In the general meeting of shareholders of 2 June 2017, authorised capital on one or more occasions up to a total of EUR 4,766,666 (2017 authorised capital) by 1 June 2022 was created with the approval of the Supervisory Board by issuing no-par-value shares against cash or non-cash contributions. The authorised capital in the amount of an additional EUR 4,600,000 was used through a non-cash capital increase on 27 June 2017.

Capital reserve

The investment in GK Beteiligungs GmbH included in the non-cash capital increase was valued at EUR 16,500,000 under the Ertragswertverfahren (net income value method) and set as the purchase price. The amount of EUR 11,732,350 exceeding the nominal value of the capital increase was allocated to the capital reserve after deducting costs for the capital increase. Costs for the capital increase are deducted on a post-tax basis provided the costs lead to recognisable tax advantages.

The allocations to the capital reserve in the amount of EUR 1,413,232 that took place in the 2012-2016 financial years were based on conditional debt waivers of (indirect) shareholders of the parent company. The waived loan receivables are revived in accordance with the contractual provisions (recovery agreement) if and to the extent that a certain equity capital (equity threshold) is exceeded in the parent company's annual financial statements in subsequent periods. In calculating the relevant equity, the repayment claim is not to be taken into account.

Debt waivers are shown as follows:

Date Waiver	Nominal value of the waived Receivables EUR	Waived Receivables (accumulat- EUR	Waiving shareholder
31/12/2012	973,086	973,086	GR Capital GmbH
31/12/2013	130,000	1,103,086	GR Capital GmbH
31/12/2014	207,752	1,310,838	GR Capital GmbH
31/12/2014	51,870	1,362,707	AR Holding GmbH
22/01/2016	50,525	1,413,232	AR Holding GmbH
	1,413,233		

As at 31 December 2017, the company records equity of EUR 23,911,000 in its annual accounts pursuant to Section 266 Para. 3 A HGB. Due to current company planning, reaching the threshold of EUR 50,000,000.00 is currently unlikely. For this reason, the reapplicability of the liabilities is not recorded in the accounts.

The individual components of equity and their development in the reporting year are shown in the statement of changes in equity. The allocation to capital reserve is composed as follows:

	2017 EUR	2016 TEUR
Premium from non-cash capital increase	11,900,000	3,628,909
Equity stake of the convertible bond	986,840	0
Proceeds from waiver of debt 2016	0	50,525
Proceeds from waiver of debt 2014	0	150,000
Costs of raising equity	-239,676	-73,555
	12,647,164	**3,755,879**

As a result of the decision of the TTL general meeting of shareholders of 2 June 2017, the Board of Directors is authorised, with the approval of the Supervisory Board, to issue bearer option or convertible bonds until 1 June 2022 on one or more occasions with or without term restriction for a total nominal value of up to EUR 20,000,000 and to grant or impose option or conversion rights to the holders or creditors of bonds or option or conversion obligations to TTL bearer shares with a pro-rata amount in the share capital of a total of up to EUR 4,766,666 with more detailed option or convertible bond conditions. The bonds can be issued against cash and/or payment in kind.

Option and/or conversion rights or obligations resulting from the bonds issued as a result of the authorisation are hedged by the 2017/I contingent capital of up to EUR 4,766,666 by the issue of up to 4,766,666 TTL no-par-value shares. The 2017/I contingent capital and the amendments to the articles of association in Section 6b were recorded in the commercial register on 14 June 2017.

The TTL AG Board of Directors issued bearer convertible bonds ("convertible bonds") with a total nominal value of EUR 9,035,000 divided into 90,350 partial bonds with a nominal value of EUR 100 each with a term of up to five years on the issuing date of 20 December 2017. The issue price of the convertible bonds corresponds to their nominal value. Convertible bonds have been subject to nominal interest of 3.5% p.a. since 20 December 2017.

Convertible bonds are composed of two components: a debt component (non-current liabilities) and an equity component. The equity component is included in equity under the "capital reserve" item.

	EUR
Issue proceeds	9,035,000
Foreign capital components at the time of issue	-8,048,160
Equity components	986,840
Foreign capital components at the time of issue	8,048,160
Pro-rata interest due calculated	
based on an effective interest rate of 3.5%	5,231
Third-party capital components as at 31 December 2017 (recorded as "long-term debt")	8,053,391

The conversion right can be exercised for the first time from 1 July 2018 onwards up to the tenth business day before the final maturity date (including both days), subject to the early repayment of the bonds or in the non-exercise period. If the last day of an exercise period is not a business day, then the exercise period in question shall end on the business day directly preceding this day. If the last day of the exercise period falls in a non-exercise period, then the exercise period shall end on the last business day before the start of the non-exercise period in question. The bond debtor shall grant each bond creditor the right to convert each bond fully, however not partially, into bond debtor no-par-value bearer shares (no-par-value shares) on any business day during the exercise period with a pro rata amount of the bond debtor's share capital of EUR 1.00 attributable to one share on the issue day. Subject to adjustment, the conversion price per share is EUR 2.60. The conversion ratio is calculated by dividing the nominal value of a bond by the conversion price applicable on the day of exercise.

This conditional capital increase shall only be executed in this respect if the holders of options certificates make use of their conversion right.

The contingent capital increase took place as a result of three minority shareholders in AIRE Asset Investments in Real Estate Beteiligungs GmbH ("AIRE"), in which TTL Beteiligungs- und Grundbesitz-AG indirectly holds 51% of the shares, subscribing the new convertible bonds to be issued in exchange for a contribution of a 25% investment in AIRE. TTL Beteiligungs- und Grundbesitz-AG therefore increases its share in AIRE to a total of 76% with the contribution in kind.

Non-controlling interests

Non-controlling interests are valued at the time of acquisition at their corresponding share in the identifiable net aggregated assets. The following table shows information on each Group subsidiary with significant non-controlling interests as at 31 December 2017.

in EUR	AIRE Asset Investments in Real Estate Beteiligungs GmbH 2017	2016	AIRE Asset Investments in Real Estate GmbH 2017	2016	Total 2017	2016
Percentage of non-controlling interests	**24%**	**0%**	**24%**	**0%**		
Non-current assets	8,233,945		40,017,489		48,251,434	
Current assets	35,393		10,398		45,792	
Non-current liabilities			-7,521,740		-7,521,740	
Current liabilities	-3,607		-38,544		-42,151	
Net assets	**8,265,732**		**32,467,602**		**40,733,334**	
Net assets of non-controlling interests	1,983,776		7,792,225		9,776,000	
Sales revenues						
Profit for the period	-3,911		687,252		683,341	
Other comprehensive income						
Total comprehensive income	**-3,911**		**687,252**		**683,341**	
Profit allocated to non-controlling interests	-1,916		336,754		334,837	
Other comprehensive income allocated to non-controlling interests						
Cash flow from operating activities	-1,853		-2,048		-3,901	
Cash flow from financing activities (dividends to non-controlling interests: 0 EUR)						
Net increase (net decrease) in cash and cash equivalents	**-1,853**		**-2,048**		**-3,901**	

Non-controlling interests did not change throughout the year, see (3).

in EUR	Group internal removals/adjustments 2017	2016	Total 2017	2016
Percentage of non-controlling interests				
Non-current assets	-8,233,945		40,017,489	
Current assets	-35,308		10,484	
Non-current liabilities			-7,521,740	
Current liabilities	35,308		-6,843	
Net assets	**-8,233,945**		**32,499,389**	
Net assets of non-controlling interests	-1,976,147		7,799,853	
Sales revenues				
Profit for the period				
Other comprehensive result				
Total comprehensive income				
Profit allocated to non-controlling interests			334,837	
Other comprehensive income allocated to non-controlling interests				
Cash flow from operating activities				
Cash flow from financing activities (dividends to non-controlling interests: 0 EUR)				
Net increase (net decrease) in cash and cash equivalents				

(26) Debt

	Remaining up to 1 year EUR	Remaining more than 1 year EUR	Total 31/12/2017 EUR	Remain- up to 1 year TEUR	Remaining more 1 year TEUR	Total 31/12/20 TEUR
Non-current liabilities						
Bonds	0	8,053,391	8,053,391	0	0	0
Long-term loans payable	0	342,733	342,733	0	0	0
	0	8,396,124	8,396,124	0	0	0
Short-term liabilities						
Other provisions	266,591	0	266,591	85	0	85
Trade accounts payable	75,853	0	75,853	98	0	98
Short-term loans payable	7,330,070	0	7,330,070	0	0	0
Other liabilities	18,607	0	18,607	2	0	2
	7,691,121	0	7,691,121	185	0	185
	7,691,121	8,396,124	16,087,245	185	0	185

All financial liabilities are unsecured as at 31 December 2017.

Provisions

	As at	Reclassification	Utilisation	Addition	Change in the group of consolidated companies	Reversal	As at
	31/12/2016						31/12/2017
Annual accounts	50,979	-8,579	67,720	122,244	5,798	5,531	97,191
Bonuses, share-based remunera-	0	0	0	54,950	0	0	54,950
Acquisition costs	0	0	0	60,000	0	0	60,000
General meeting of shareholders	30,000	0	17,000	0	0	0	13,000
Other	4,000	8,579	0	29,221	0	350	41,450
Total	84,979	0	84,720	266,415	5,798	5,881	266,591

The "other" item mainly includes provisions in connection with the issue of convertible bonds in the financial year and provisions for developing the website. With the exception of share-based remuneration of EUR 4,950, provisions have a remaining term of less than one year.

The provisions are uncertain only in terms of amount. The amounts recognised represent the best possible estimates of future expenses.

On 17 May 2017, AR Holding provided the company with a facility loan in the amount of up to EUR 1,000,000. All interest rates are agreed in arrears at 2.5% p.a. Using this credit line amounted to EUR 150,000 as at 31 December 2017. Interest liabilities for the funds provided in the amount of EUR 1,063 were charged to the Group in the reporting year.

DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA granted AIRE Asset Investment in Real Estate GmbH a loan of EUR 190,000. Within the context of the initial consolidation, the loan of EUR 190,000 was raised in the Group. The loan is to be charged interest of 1.5% p.a. from the disbursement onwards. The loan agreement was concluded for an undetermined time. Interest for the funds provided in the amount of EUR 1,425 is recorded in the reporting year.

DIC Real Estate Mezzanine Investments GmbH & Co KG granted a loan of EUR 6,866,576 to AIRE Asset Investment in Real Estate GmbH. The loan of EUR 7,112,162 was taken on as part of the initial consolidation of AIRE Asset Investment in Real Estate GmbH. The loan is to be charged interest of 6% p.a. from the disbursement onwards. The loan agreement may be terminated by both parties giving notice of three months to the end of the year. Interest for the funds provided in the amount of EUR 217,908 is recorded in the reporting year.

Other financial liabilities can be broken down as follows:

	2017	2016
	EUR	TEUR
Bonds	8,053,391	0
Obligation from debtor warrant agreements	0	0
Loan AR Holding GmbH	150,750	0
DICP Asset Man. Bet. KGaA loan	191,670	0
Trade accounts payable	75,853	0
DIC Real Estate Mezzanine Investments GmbH & Co. KG loan	7,330,070	0
Other	18,607	2
Total	15,820,341	2

Regarding the bond, please see the information on equity under note 25.

The obligation from debtor warrant agreements (see note 25) is valued at its fair value on the balance sheet date. The measurement at fair value was classified as level 3 based on the input factors of the valuation technique used. In doing so, the expected value of future net cash flows was discounted using a risk-adjusted interest rate of 8.0% (PY: 8.0%). In addition to the discount rate, the main, unobservable input factor is the estimated future annual result of the parent company for determining the development of equity.

With the amendment agreement of 20 December 2017, the previously crucial parent company equity threshold for all liabilities affiliated with debtor warrant agreements was raised to EUR 50 million for the revival of the waived receivables.

In the 2017 financial year, a member of the Board of Directors was granted variable remuneration in the form of share-based cash-settled remuneration. The option must be exercised on 30 September 2020 at the earliest (vesting period) and by 31 March 2021 at the latest (expiry date). The party entitled to the option received a total of 35,000 share options in the 2017 financial year. The company shares grants the holder the right to an equivalent cash payment at the valid share price upon exercise less the basis price of EUR 1.50/unit. The fair value of the share option was EUR 1.69/unit as at 31 December 2017. In 2017, a provision was formed for the first time for this purpose in the amount of EUR 4,950.

	Assessment reporting date 31/12/2017
Fair value	
Share price (in EUR)	2.56
Execution price (in EUR)	1.5
Expected volatility (weighted average in %)	85.51%
Expected term (weighted average in years)	3
Expected dividends (in %)	0.00%
Risk-free interest rate (based on government bonds, in %)	0.01%

The determination of the fair value of the option was valued using the Black Scholes Merton model. Service and market-independent service conditions affiliated with the business transactions were not considered when determining the fair value. The expected volatility is based on an assessment of the historic volatility of the company's share price, in particular in the period corresponding to the expected term. The expected term of the instruments is based on historic expected values and the general behaviour of the option holders.
In the financial year, total expenses for share-based remuneration with cash settlement of EUR 4,950 was recorded.

Granting variable remuneration in share options was classified and valued as share-based, cash-settled remuneration according to IFRS 2.30.

For share-based remuneration with cash settlement, a provision was recorded for the services received and was valued at fair value upon receipt. Until the debt is settled, the fair value of the debt is redetermined on each balance sheet date and on the settlement date and all changes to the fair value are recorded as affecting net income.

(27) Segment information

Based on the Group's current activity, no segment information is used by the Board of Directors according to IFRS 8.

VII. INFORMATION ABOUT FINANCIAL RISK MANAGEMENT

The following matrix provides an overview of the financial risks that exist in the Group and the respective balance sheet items affected:

	Market risk	Credit/default risk	Liquidity risk
Financial assets	X	X	X
Other financial assets	X	X	X
Trade accounts payable			X
Other financial liabilities			X

The Group has issued internal guidelines which cover risk control processes and govern the use of financial instruments and which include a clear separation of roles regarding operating financial activities, their processing and the supervision of financial instruments. The guidelines used as the basis for the Group's risk management processes are geared towards identifying and analysing risks across the Group. In addition, they aim to manage and monitor risks. The guidelines are regularly checked and adapted to current market and product developments.

The Group manages and monitors these risks primarily through its financial activities and, where necessary, through the use of derivative financial instruments. The Group only uses derivative financial instruments for the purposes of risk management. If it did not use these, the Group could be exposed to greater financial risks.

Credit risk/default risk

Credit or default risk is defined as the risk of financial loss that arises when a contracting party fails to meet its payment obligations. The maximum default risk results from the carrying amounts of the financial instruments shown in the balance sheet.

The management of credit and default risk in the TTL Group is primarily aimed at concluding transactions exclusively with creditworthy third parties.

The TTL Group is mainly subject to a default risk for financial assets. In order to avoid payment defaults in the event of recognisable risks, appropriate impairments on receivables are formed based on historic values and the age structure. Irrecoverable receivables are fully impaired.

Neither impairments nor value adjustments on receivables were made during the financial year and there are no overdue receivables as at the reporting date.

Liquidity risk

Liquidity risk is the risk that a company is not in a position to raise the financial resources it needs to settle obligations entered into.

The Group counters liquidity risks by means of liquidity management adapted to the scope and complexity of its business activities, which ensures the availability of sufficient liquidity at all times despite the lack of inflows from sales revenues.

The subsequent overview shows the remaining terms of the non-discounted financial liabilities as at 31 December 2017 and 2016. Payments are recorded including the estimated interest payments.

in EUR	Due within one year 2017	Due in between one and five years 2017	Due in more than five years 2017	Total 2017
Bonds	316,225	10,299,900	0	10,616,125
Trade accounts payable	75,853	0	0	75,853
Loans payable	7,748,665	353,983	0	8,102,648
Other liabilities	18,607	0	0	18,607

in TEUR	2016	2016	2016	2016
Bonds	0	0	0	0
Trade accounts payable	98	0	0	98
Loans payable	0	0	0	0
Other liabilities	2	0	0	2

On 17 May 2017, AR Holding provided the company with a facility loan in the amount of up to EUR 1,000,000. All interest rates are agreed in arrears at 2.5% p.a. Using this credit line amounted to EUR 150,000 as at 31 December

2017 (previous year: EUR 0). Interest liabilities for the funds provided in the amount of EUR 1,063 were charged to TTL AG in the reporting year (PY: EUR 0). As a result, the Group still has EUR 848,937 as a liquidity reserve.

The short-term loans payable have a fixed term until 31 December 2018 according to the agreement. This term shall be extended by one additional year if the agreement is not terminated by one of the parties giving notice of three months to the end of the year.

As at 31 December 2017, there are no impairments for financial liabilities, and likewise no liabilities were outstanding on the balance sheet date.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument will change due to market price fluctuations. Market risks include interest rate risks and other price risks.

Market risk is also managed by the Group's Board of Directors. In order to present market risks, IFRS 7 requires sensitivity analyses which show the effects of hypothetical changes in relevant risk variables on earnings and equity.

The interest rate risk is the risk that the value of a financial instrument may change due to market price fluctuations. This risk is significant to the company due to the GEG Group. The effects of a 100 basis point increase or decrease in market interest rates as of the balance sheet date can be seen from the overview below: currency and price risks are of minor significance for the TTL Group and are therefore not explained further.

Assets		Interest rate	Effect on annual result +100 basis points	-100 basis points
Description	**EUR**	**% p.a.**	**EUR**	**EUR**
Loan	90,000	3.00	900	-900

Debt		Interest rate	Effect on annual result +100 basis points	-100 basis points
Description	**EUR**	**% p.a.**	**EUR**	**EUR**
Convertible bond	9,035,000	3.50	-90,350.00	90,350.00
Loan	1,000,000	2.50	-10,000.00	10,000.00
Loan	6,866,576	6.00	-68,665.76	68,665.76
Loan	190,000	1.50	-1,900.00	1,900.00
Total			**-170,015.76**	**170,015.76**

Capital management

Capital management at the TTL Group essentially aims to effectively achieve the objectives and strategies in the interest of all shareholders, employees and remaining stakeholders. Since the companies are not currently operating, the main objective is to ensure solvency with regard to ongoing corporate and financing costs in addition to achieving adequate returns from investment companies. The capital to be managed comprises all cash and cash equivalents, financial assets and financial liabilities.

The following overview shows the equity, cash and cash equivalents and balance sheet total as at 31 December 2017 and 31 December 2016:

	31/12/2017 TEUR	31/12/2016 TEUR	Change TEUR
TTL Group equity	**31,055**	**4,719**	**26,336**
as a % of total capital	65.9%	96.2%	-30.3%
Non-current liabilities	8,396	0	8,396
Current liabilities	7,691	185	7,506
TTL Group third-party capital	**16,087**	**185**	**15,902**
as a % of total capital	34.1%	3.8%	30.3%
Total TTL AG capital	**47,142**	**4,904**	**42,238**
Cash and cash equivalents	619	20	599

The capital structure of the TTL Group changed in the 2017 financial year as a result of capital increases, the issue of the convertible bond and the facility loan. The total capital increased by TEUR 42,238 to TEUR 47,142. As a result, the equity ratio of the TTL Group reduced by 30.3% to 65.9%, while equity increased by EUR 26.3 million. The external equity ratio increased to 34.1% accordingly.

VIII. INFORMATION ON CARRYING AND MARKET AMOUNTS OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of all categories of the financial assets and liabilities of the TTL Group:

	Valuation category according to IAS 39	31/12/2017 EUR	31/12/2016 TEUR
Financial assets			
Cash and cash equivalents	LaR	619,159	20
Other equity investments	AfS	5,850,031	4,879
Loans and receivables	LaR	247,810	1
		6,717,000	4,900
Financial liabilities			
Trade accounts payable	FLAC	75,853	98
Bonds	FLAC	8,053,391	0
Loans payable	FLAC	7,672,803	0
Other financial liabilities	FLAC	18,607	2
		15,820,654	100

In accordance with IAS 39, financial assets are assigned to the following categories:

- Financial assets at fair value through profit or loss (FVtPL)
- Financial assets held for trading (HfT) until they are due.
- Loans and receivables (LaR)
- Available-for-sale financial assets (AfS)

Financial liabilities are assigned to the following categories according to IAS 39:

- Financial liabilities at fair value through profit or loss (FVtPL)
- Financial liabilities at amortised cost (FLAC)

The fair value of cash and cash equivalents, financial assets, trade receivables and payables and current financial receivables and liabilities approximates their carrying amount. The main reason for this is the short term of such instruments or an acquisition date shortly before the balance sheet date.

Cash and cash equivalents are measured at fair value in accordance with level 1 of the measurement hierarchy of IFRS 13. This is based on market prices used in an active market.

As there are no listed prices used in an active market for the shareholding in DIC Capital Partners (Europe) GmbH shown under financial assets and its fair value cannot be reliably determined, it is accounted for at (amortised) cost. As of the balance sheet date, there were no discernible indications of impairment.

Net financial profits

	2017	2016
From loans and receivables	266,211	0
From available-for-sale financial assets	300,017	0
From financial liabilities at amortised cost	-249,989	25
Total	316,239	25

Net profit from loans and receivables includes interest income.

Net profit from available-for-sale financial assets includes profit distribution.

Net profit and loss from financial liabilities valued at amortised cost includes effects from interest expenses (EUR 249,989; PY: TEUR 0) and income from the reversal of liabilities (EUR 0 PY: TEUR 25).

IX. INFORMATION ON THE CASH FLOW STATEMENT

The cash flow statement shows the origin and use of the cash flows in the financial years compared. In accordance with IAS 7 "Cash Flow Statements", a distinction is made between cash flows from operating, investing and financing activity. The cash and cash equivalents in the cash flow statement comprise all liquid assets shown in the balance sheet, i.e. cash in hand, cheques, Bundesbank balances and bank balances, provided that they are available within three months. Cash and cash equivalents are not subject to any restraints on disposal. Cash flows from investing and financing activity are determined on a payment-related basis, whereas cash flows from operating activities are derived indirectly from net income after income taxes.

The cash and cash equivalents shown in the cash flow statement comprise cash in hand and bank balances.

The transition of the movement of debt (excluding provisions and liabilities) to cash flow from financing activity as at 31 December 2017 can be broken down as follows:

in EUR	Opening balance	Cash flows (cash changes)	Non-cash changes		Closing balance
			Acquisition of companies	Other	
Long-term borrowings	-	-	8,238,405	157,719	8,396,124
Short-term borrowings	-	150,000	7,112,162	67,908	7,330,070
Total debts from financing activities	-	**150,000**	**15,350,567**	**225,627**	**15,726,194**

X. RELATIONSHIPS TO RELATED PARTIES AND PERSONS

Related parties within the meaning of IAS 24 are, in particular, companies that belong to the same group as the reporting company and persons who control or have significant influence over the reporting company or hold a key position in the management of the reporting company.

Accordingly, the following persons or companies are or were related to the TTL Group:

- AR Holding GmbH, Frankfurt am Main
- GCS Verwaltungs GmbH, Glattbach
- GR Capital GmbH, Glattbach
- DICP Capital SE, Munich
- Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main
- Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main
- Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main
- DIC Capital Partners (Europe) GmbH, Munich
- DIC Capital Partners GmbH, Erlangen
- DIC Real Estate Beteiligungs GmbH, Frankfurt am Main
- DIC Grund- und Beteiligungs GmbH, Erlangen
- German Estate Group GmbH & Co. KG, Frankfurt am Main
- GEG Verwaltungs GmbH, Frankfurt am Main
- GEG German Estate Group AG, Frankfurt am Main
- DIC Beteiligungsgesellschaft bürgerlichen Rechts, Frankfurt am Main
- Klaus W. Schäfer, Supervisory Board until 23 January 2018
- Prof. Dr Gerhard Schmidt, Supervisory Board since 23 January 2018
- Klaus Kirchberger, Supervisory Board
- Dr Daniel Schütze, Supervisory Board
- Dr Wolfgang Gillmaier, Board of Directors, until 31 December 2017
- Theo Reichert, Chairman of the Board of Directors as of 1 October 2017
- Thomas Grimm, Board of Directors since 18 January 2018

Remuneration of management members in key positions

	2017 EUR	2016 TEUR
Short-term benefits due	113,145	0
Share-based remuneration	4,950	0
	118,095	0

Please see the remuneration report with regard to the salaries of the Board of Directors and Supervisory Board.

Account balances and business transactions between the TTL Group and its subsidiaries that are related parties were eliminated as part of the consolidation and are not explained in these notes. Details on the business transactions between the TTL Group and other related parties are provided as follows:

	2017 EUR	2016 TEUR
Sales revenues and other income		
DIC Capital Partners (Europe) GmbH (revenues)	10,000	0
DIC Capital Partners (Europe) GmbH (profit distribution)	300,017	0
Deutsche Immobilien Chancen Real Estate GmbH (profit share)	910,847	0
DIC Beteiligungsgesellschaft bürgerlichen Rechts (interest income)	266,211	0
	1,487,075	0
Interest expenses		
AR Holding GmbH	15,252	0
Deutsche Immobilien Chancen Real Estate GmbH	196,469	0
	211,721	0

	31/12/2017 EUR	31/12/2016 EUR
Receivables		
AR Holding GmbH	90,000	0
DIC Capital Partners (Europe) GmbH	150,600	0
	240,600	0
Liabilities		
AR Holding GmbH	151,063	0
	151,063	0

In the years 2012 to 2014, GR Capital GmbH, as the legal successor of TR Asset Management GmbH made total additional payments to TTL AG's equity of EUR 1,310,837 (PY: TEUR 1,311) (see note 25). The debtor warrant agreements concluded in this connection for the individual debt waivers lead to repayment claims of GR Capital GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity thresholds mentioned under note 25. The maximum value of the repayment obligation corresponds to the sum of the debt waivers and amounts to EUR 1,310,837.

In 2014 and 2016, AR Holding GmbH made total additional payments to TTL AG's equity of EUR 102,395 (see note 25). The recovery agreements concluded in this connection for the individual debt waivers lead to repayment claims of AR Holding GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity threshold mentioned under note 25. The maximum value of the repayment obligation corresponds to the sum of the debt waiver and amounts to EUR 102,395.

As part of the non-cash capital increase, 4,600,000 new shares were issued in July 2017. The shares were acquired by AR Holding GmbH against the contribution of a 100% shareholding in GK Beteiligungs GmbH.

On 17 May 2017, TTL issued a loan of EUR 1,400,000 to DIC Beteiligungsgesellschaft bürgerlichen Rechts. This was repaid plus interest in November 2017. TTL AG is affiliated with DIC Beteiligungsgesellschaft bürgerlichen Rechts through the indirect sole shareholder of AR Holding GmbH, Prof. Schmidt. TTL AG achieved ongoing interest charges of EUR 56,350 (9% p.a.) and performance-related interest charges according to the loan conditions of EUR 208,180 from the loan.

In addition, TTL AG concluded with DIC Capital Partners (Europe) GmbH, Munich, Germany – which is affiliated with TTL AG through the indirect sole shareholder of AR Holding GmbH, Prof. Schmidt – a service agreement regarding analyses, monitoring and consultation in November 2017. TTL AG received remuneration in the amount of EUR 10,000 for this agreement in 2017.

Pursuant to Section 15a WpHG and Section 6.6 of the German Corporate Governance Code, members of the company's Board of Directors and Supervisory Board must report securities transactions relating to the company's shares. Securities transactions by close relatives are also subject to reporting requirements. On 23 August 2016, TTL AG reported the sale of 100,000 shares for a total of EUR 16,000 by Mr Klaus W. Schäfer, a member of the Supervisory Board.

XI. GOVERNING BODIES OF THE COMPANY

Supervisory Board of the public limited company:

- Klaus Kirchberger, (Chairman), Chairman of the Management Board of OFB Projektentwicklung GmbH
- Dr Daniel Schütze, (Deputy Chairman), Attorney at Law, Partner in the law firm Böttcher Bruch Schütze
- Prof. Dr Gerhard Schmidt, Attorney at Law, Tax Consultant, partner in the law firm Weil, Gotshal & Manges LLP (since 23 January 2018).
- Klaus W. Schäfer, independent corporate consultant (until 23 January 2018)

The members of the Supervisory Board were employed in the Supervisory Boards or other management committees of the following companies in the 2017 financial year:

Dr. Daniel Schütze:

- Kraichgau-Klinik AG, Bad Rappenau, Chairman
- Freiherr Carl v. Rothschild´sche Stiftung Carolinum, Frankfurt/Main, member of the Board of Directors

Prof. Dr Gerhard Schmidt:

- GEG German Estate Group AG, Frankfurt am Main, Chairman of the Supervisory Board
- DIC Asset AG, Frankfurt am Main, Chairman of the Supervisory Board
- Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main, Chairman of the Supervisory Board
- Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main, Chairman of the Supervisory Board
- DICP Erste Family Office Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) GmbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DIC Capital Partners Beteiligungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners OpCo (Germany) Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) III Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DICP Capital SE, Munich, Chairman of the Management Board

Board of Directors:

- Dr Wolfgang Gillmaier (until 31 December 2017), Partner in the law firm Dr. Gillmaier & Partner GbR Recht Wirtschaft Steuer
- Theo Reichert (Chairman of the Board of Directors) since 1 October 2017, business graduate
- Thomas Grimm (since 18 January 2018), business graduate

More information on the remuneration of members of the Supervisory Board can be found in the remuneration report under Point F. in the management report.

XII. PROPOSAL FOR THE APPROPRIATION OF PROFITS

TTL Beteiligungs- und Grundbesitz-AG shows a net loss for the financial year. The Board of Directors of TTL Beteiligungs- und Grundbesitz-AG will therefore propose to the annual general meeting of shareholders that the net loss be carried forward to new account for the 2017 financial year.

XIII. GROUP AFFILIATION

The direct and ultimate parent company of the Group is GCS Verwaltungs GmbH, Glattbach. TTL AG prepares the consolidated financial statements for the smallest group of consolidated companies.

XIV. AUDITOR’S FEE

The total fees for services of the auditor Warth & Klein Grant Thornton AG for the 2017 financial year for the services rendered for TTL AG and its subsidiaries were EUR 44,813 (PY: TEUR 87) and include auditing of the financial statements in the amount of EUR 36,500 (PY: TEUR 32), other auditing services in the amount of EUR 8,313 (PY: TEUR 29) and other services in the amount of EUR 0 (PY: TEUR 26). The auditing services include the statutory audit of the annual accounts and consolidated financial statements of TTL AG and the audit review of the annual accounts of TTL AG's subsidiary.

XV. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Liabilities towards GR Capital GmbH shall be revived in the amount of TEUR 1,311 (PY: TEUR 1,311) insofar as TTL AG's equity exceeds an amount of EUR 50 million in future periods (recovery agreement) pursuant to Section 266 Para. 3 A. HGB. In addition, there are liabilities to AR Holding GmbH in the amount of TEUR 102 (previous year: TEUR 102) shall be revived insofar as the company's equity on the balance sheet exceeds an amount of TEUR 50,000 in future periods pursuant to Section 266 Para. 3 A. HGB.

As at 31 December 2017, TTL AG records equity of TEUR 23,911 in its annual accounts pursuant to Section 266 Para. 3 A HGB. Due to current company planning, reaching the threshold of EUR 50,000,000.00 is currently unlikely. For this reason, the reapplicability of the liabilities is not recorded in the accounts.

XVI. INFORMATION ON THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*) was submitted by the Board of Directors and Supervisory Board and made permanently available on the website of TTL AG (https://www.ttl-ag.de/de/investor-relations/corporate-governance/entsprechenserklaerung.html).

XVII. EMPLOYEES

In addition to the Board of Directors, one employee was employed in December 2017. As a result, the number of employees pursuant to Section 285 No. 7 HGB amounts to 0.

As at 1 October 2017, Theo Reichert was appointed as the company's new CEO. The business graduate was previously CEO of the Supreme Group and of auratis AG, inter alia.

As at 18 January 2018, Mr Thomas Grimm was appointed as the company’s Chief Financial Officer. He has been a member of the Board of Directors of Deutsche Immobilien Chancen Beteiligungs AG since June 2013 and a member of management of Deutsche Immobilien Chancen Real Estate GmbH since 2015.

The previous sole member of the Board of Directors, Dr Wolfgang Gillmaier, resigned from his post on 31 December 2017.

XVIII. EVENTS AFTER THE BALANCE SHEET DATE

As at 18 January 2018, Mr Thomas Grimm was appointed as a member of the Board of Directors.

On 23 January 2018, an extraordinary general meeting of shareholders of TTL Beteiligungs und Grundbesitz-AG, Munich, was convened. The following agenda items were decided and approved with a majority:

1. The company name was changed from TTL Information Technology AG to TTL Beteiligungs- und Grundbesitz-AG.
2. The Articles of Association were adapted by expanding the business purpose.
3. Prof. Gerhard Schmidt, Glattbach, was elected by means of a by-election to serve on the Supervisory Board as representative for the shareholders. Mr Klaus W. Schäfer resigned from his role as member of the Supervisory Board with effect from the end of the meeting.
4. The existing authorised capital for 2017 was increased and new authorised capital for 2018 was raised with the option to exclude the right of subscription the corresponding amendment to the Articles of Association. The new authorised capital for 2018 amounts to EUR 7,066,666.
5. The Board of Directors is authorised, with the approval of the Supervisory Board, to issue options and/or convertible bonds, on one or more occasions, with a total nominal value of up to EUR 11,500,000 with the option of excluding the right of subscription and to create 2018/1 contingent capital by up to EUR 2,300,000 and the corresponding amendment to the Articles of Association.

XIX. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Board of Directors on 14 February 2018.

Munich, 14 February 2018

TTL Beteiligungs- und Grundbesitz-AG,
Munich

The Board of Directors

Theo Reichert   Thomas Grimm

AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Audit opinion

We audited the consolidated financial statements of TTL Beteiligungs- und Grundbesitz-AG (until 1 February 2018: TTL Information Technology AG), Munich, and its (Group) subsidiaries, consisting of the consolidated balance sheet as at 31 December 2017, the notes on the consolidated financial statements of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2017 to 31 December 2017, and the consolidated notes including a summary of the relevant accounting methods. In addition, we audited the consolidated management report summarised with the management report (hereinafter the consolidated management report) of TTL Beteiligungs- und Grundbesitz-AG for the financial year from 1 January 2017 to 31 December 2017. We did not examine the declaration on corporate management pursuant to Section 289f and Section 315d HGB in terms of content in accordance with German legal guidelines.

In our opinion, and based on the findings of our audit,

- the attached consolidated financial statements comply in all material regards with IFRS Standards as adopted in the EU and the additional German legal guidelines to be applied pursuant to Section 315e Para. 1 HGB and give a true and fair view of the Group's asset and financial situation as at 31 December 2017 and of its income situation for the financial year from 1 January 2017 to 31 December 2017 in consideration of these regulations and
- the attached consolidated management report, as a whole, provides a suitable view of the Group's situation. In all significant regards, this consolidated management report is consistent with the consolidated financial statements, complies with German legal guidelines and accurately depicts the opportunities and risks of future development. Our audit opinion on the consolidated management report does not extend to the content of the aforementioned declaration on corporate management pursuant to Section 289f and Section 315d HGB.

Pursuant to Section 322 Para. 3 Clause 1 HGB, we declare that our audit did not lead to any objections against the correctness of the consolidated financial statements and consolidated management report.

Basis for the audit opinion

We conducted our audit of the consolidated financial statements and consolidated management report in accordance with Section 317 HGB and the EU Auditing Ordinance (No. 537/2014: hereinafter "EU-APrVO") in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). Our responsibility according to these regulations and principles is described in detail in the section "Responsibility of the auditor for the audit of the consolidated financial statements and consolidated management report" in our auditor's report. We are independent from the Group companies in accordance with commercial and professional regulations under European and German law and have met our other professional obligations in Germany in accordance with these requirements. Moreover, pursuant to Article 10 Para. 2 letter f) EU-APrVO, we declare that we did not render any prohibited non-audit services pursuant to Article 4 Para. 1 EU-APrVO. We believe that the auditing evidence we requested is sufficient and appropriate to serve as a basis for our audit opinion on the consolidated financial statements and consolidated management report.

Particularly important audit facts in the audit of the consolidated financial statements

The particularly important audit facts are those facts that, in our best judgement, were the most important in our audit of the consolidated financial statements for the financial year from 1 January 2017 to 31 December 2017. These facts were considered as a whole in connection with our audit of the consolidated financial statements and in the formation of our audit opinion; we shall not submit any separate audit opinion regarding these facts.

We believe the following facts to be the most significant in our audit of the consolidated financial statements:

❶ The initial valuation of financial assets accounted for using the equity method

❷ The subsequent valuation of financial assets accounted for using the equity method

We structured our presentation of these particularly important audit facts as follows:

① Risk for the accounts

② Audit process

③ Reference to the associated information

❶ The initial valuation of financial assets accounted for using the equity method

① Risk for the accounts

TTL Beteiligungs- und Grundbesitz-AG reports financial assets accounted for using the equity method of EUR 40.3 million in its consolidated financial statements as at 31 December 2017. In the 2017 financial year, as part of a non-cash capital increase and the subscription of a convertible bond from the company, these assets include the shares acquired at fair value in Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main, in the amount of a total of EUR 25.5 million as payment in kind. A fair value of EUR 16.5 million was determined for the shares transferred as part of a non-cash capital increase and a fair value of EUR 9.0 million for the payment in kind within the context of subscribing the convertible bond was determined by the company's Board of Directors; the shares were recognised as at acquisition cost in accordance with IAS 28.10. In order to determine the fair value, the company's Board of Directors relied on company values determined by an independent expert. In both cases, they were measured according to the net income value method.

The result of the assessment is strongly dependent on the planning assumptions and the capitalisation interest rate used and is therefore associated with significant valuation uncertainty. We believe the facts were of particular significance given the amount of the valuations and the effects of the significant valuation uncertainty on the share acquisition costs and therefore on the company's consolidated financial statements.

② Audit process

As part of the audit, we assessed the suitability of each fair value determined by the independent expert. In doing so, we critically appraised the process of the independent expert and its qualification and objectivity. Likewise, by involving our own valuation specialists, we are convinced of the formal and arithmetical accuracy of the valuations included in the expert opinion and the compliance of the process to determine fair values with the principles of corporate assessment pursuant to IDW Standard 1.

We assessed the company plan taken as a basis for the fair values for consistency with the documentation used as a basis for the expert opinion and are convinced that the planning assumptions are appropriate. To do this, we compared the plan data from previous years with the actual results achieved and compared the recorded future income surpluses with the information from the current medium-term plan and industry-specific market expectations. For the capitalisation interest rate used, we critically appraised the parameters used as a basis (in particular the risk-free basic interest rate, the risk premium and the derivation of the company-specific beta factor) and interpreted the calculation method.

③ Reference to the associated information

We refer to the information included in Section IV in the annex to the consolidated financial statements. "Basis of the consolidated financial statements – (7) Shares in financial assets accounted for under the equity method" and Section VI. "Notes on the Balance Sheet - (21) Financial assets a) Information including financial assets valued at equity" in the notes to the consolidated financial statements.

❷ The subsequent valuation of financial assets accounted for using the equity method

① Risk for the accounts

TTL Beteiligungs- und Grundbesitz-AG reports financial assets accounted for using the equity method of EUR 40.3 million in its consolidated financial statements as at 31 December 2017. These include profit shares in companies accounted for under the equity method in the amount of EUR 910,847.00. This results from the pro-rata consolidated result of the shares acquired in Deutsche Immobilien Chancen Real Estate GmbH (an affiliated company of TTL Beteiligungs und Grundbesitz-AG) in the 2017 financial year.

As the associates are themselves a parent company, profit or loss, other comprehensive income and net assets must be considered in the same way that they are shown in the consolidated financial statements of the affiliated company after adjustments to the application of uniform accounting methods across the Group according to IAS 28.27 when applying the equity method. The associates are not obliged to prepare consolidated financial statements and did not prepare such statements voluntarily. TTL Beteiligungs- und Grundbesitz-AG therefore determined a consolidated result for the update of the equity valuation approach based on the information available to TTL Beteiligungs- und Grundbesitz-AG. As TTL Beteiligungs- und Grundbesitz-AG did not have all of the information necessary to prepare a consolidated financial statement, the Board of Directors of TTL Beteiligungs- und Grundbesitz-AG delineated the scope of consolidation, made an adjustment to Group-uniform accounting methods, determined and carried forward the acquired dormant reserves and determined a consolidated result based on the available statements under commercial law and its own assumptions and estimations. We believe these facts were of particular significance given the dependence of the valuation of the financial assets in question on the assumptions and estimations of the Board of Directors and their amount.

② Audit process

Firstly, we appraised the methodology used by the Board of Directors of TTL Beteiligungs- und Grundbesitz-AG to determine the consolidated result of Deutsche Immobilien Chancen Real Estate GmbH for the update of the equity valuation and, based on the description presented and interviews with the Board of Directors, we are convinced of its appropriateness. We appraised the delineation of the scope of consolidation. When assessing the correctness of the initial detailed data determined according to accounting principles under commercial law in the determination of the amount carried forward, we utilised our knowledge from the audit of the significant subsidiaries of Deutsche Immobilien Chancen Real Estate GmbH. Expanding on this, we interpreted and assessed the adjustment of the initial data to Group-uniform accounting methods, the determination and carrying forward of the acquired dormant reserves and the further consolidation methods for determining the amount carried forward.

③ Reference to the associated information

We refer to the information included in Section IV in the notes of the consolidated financial statements. "Basis of the consolidated financial statements – (7) Shares in financial assets accounted for under the equity method", Section V. "Notes on the consolidated income statement (17) Financial result" and Section VI. "Notes on the Balance Sheet – (21) Financial assets a) Information including financial assets valued at equity" in the notes to the consolidated financial statements.

Other information

The Board of Directors is responsible for other information. Other information includes the following information acquired before the date of the auditor's report

- the Corporate Governance Report according to No. 3.10 of the German Corporate Governance Code including the declaration on corporate management pursuant to Section 289f HGB and Section 315d HGB
- assurance pursuant to Section 297 Para. 2 Clause 4 HGB regarding the consolidated financial statements and assurance pursuant to Section 315 Para. 1 Clause 5 HGB regarding the consolidated management report

and the remaining parts of the corporate report we expect to have after this date with the exception of the audited consolidated financial statements, consolidated management report and our auditor’s report.

shows significant discrepancies regarding the consolidated financial statements, consolidated Our audit decisions on the consolidated financial statements and consolidated management report do not extend to other information, and therefore we do not submit any audit opinion or any other form of audit conclusion regarding this information.

In connection with our audit, we have the responsibility of reading the other information and appraising whether the other information

- management report or the findings of our audit or
- otherwise appears to be materially misrepresented.

If, based on other information gathered before the date of this auditor's report, we draw the conclusion that this information includes material misrepresentations based on the work we carried out, we are obliged to report this. In this context, we have nothing to report.

1.2 Liability of legal representatives and the Supervisory Board for the consolidated financial statements and consolidated management report

The legal representatives are responsible for preparing the consolidated financial statements which comply with IFRS as applicable in the EU and the additional German legal guidelines to be applied pursuant to Section 315e Para. 1

HGB in all material regards and for ensuring that the consolidated financial statements give a true and fair view of the asset, financial and income situation of the Group in consideration of these regulations. Furthermore, the legal representatives are responsible for internal controls that have been determined as necessary in order to enable the preparation of consolidated financial statements that are free from significant incorrect presentations, whether planned or unplanned.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's continuation of operations. In addition, they are responsible for indicating facts in connection with the continuation of operations, if relevant. They are furthermore responsible for recording the continuation of operations on the balance sheet based on the accounting principle unless there is the intention to liquidate the Group or cease operations or there is no realistic alternative to these options.

Furthermore, the legal representatives are responsible for preparing a consolidated management report that, on the whole, gives a fair and true view of the Group's situation, corresponds to the consolidated financial statements in all significant regards, complies with German legal guidelines and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for the arrangements and measures (systems) that are deemed necessary in order to enable the preparation of a consolidated management report in accordance with the applicable German legal guidelines and in order to be able to provide sufficient evidence for the statements in the consolidated management report.

The Supervisory Board is responsible for supervising the Group's accounting process for preparing the consolidated financial statements and consolidated management report.

2. LIABILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT

Our objective is to obtain sufficient certainty as to whether the consolidated financial statements as a whole are free from significant false presentations, whether planned or unplanned, and as to whether the consolidated management report as a whole portrays an appropriate image of the Group's situation and is in line with the consolidated financial statements and the knowledge gained during the audit in all significant regards, complies with German legal guidelines and accurately portrays the opportunities and risks of future development in addition to issuing an auditor's report that includes our audit opinion regarding the consolidated financial statements and consolidated management report.

Sufficient certainty is a high degree of certainty, but no guarantee that an audit carried out in accordance with Section 317 HGB and EU-APrVO in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors) will always uncover material misrepresentations. Misrepresentations may result from violations or inaccuracies and are viewed as significant if it can reasonably be expected that they individually or as a whole influence the economic decisions made by the recipients based on these consolidated financial statements and consolidated management report.

During the audit, we exercise professional judgement and ensure a critical attitude. Furthermore:

- we identify and assess the risks of material misrepresentations, whether planned or unplanned, in the consolidated financial statements and consolidated management report, plan and conduct audit procedures as a reaction to these risks and obtain audit evidence that is sufficient and suitable for acting as a basis for our audit opinion. The risk that material misrepresentations will not be detected is higher in the event of violations than inaccuracies, as violations may include fraudulent collaboration, falsifications, intended incompleteness, misleading presentation or derogation from internal controls.
- we glean an understanding of the internal control system relevant for the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the consolidated management report in order to plan audit procedures that are appropriate for the current circumstances, but do not aim to submit an audit decision on the efficiency of these systems.
- we assess the appropriateness of the accounting methods applied by the legal representatives and the justifiability of values estimated and presented by the legal representatives and associated information.
- we draw conclusions on the appropriateness of the accounting principle applied by the legal representatives for the continuation of operations and, based on the audit evidence obtained, as to whether there is
- significant uncertainty in connection with events or circumstances that could lead to significant doubt in the company's continuation of operations. If we come to the conclusion that there is significant uncertainty, we are obliged in the auditor's report to call attention to the associated information in the consolidated financial statements and consolidated management report if this information is not appropriate for amending our audit decision. We draw our conclusions based on the audit evidence we obtained until the date of our auditor's report. Future events or circumstances may however lead to the Group no longer continuing its operations.
- We assess the overall presentation, development and content of the consolidated financial statements including the information and whether the transactions and events used as a basis for the consolidated financial statements are presented in such a way that the consolidated financial statements give a true and fair view of the company's asset, financial and income situation in consideration of IFRS Standards as applicable in the EU and the additional German legal guidelines to be applied pursuant to Section 315e Para. 1 HGB.
- We obtain sufficient suitable audit evidence for the accounting information of companies or operations within the Group in order to submit audit opinions on the consolidated financial statements and consolidated management report. We are responsible for guiding, monitoring and conducting the audit of the consolidated financial statements. We alone bear responsibility for our audit opinions.
- We assess the consistency of the consolidated management report with the consolidated financial statements, its legal compliance and the image of the Group's situation it portrays.
- We conduct audit procedures on the forward-looking information presented by the legal representatives in the consolidated management report. Based on sufficient and appropriate audit evidence, we understand the material assumptions used as a basis by the legal representatives for the forward-looking information and assess the appropriateness of the forward-looking information derived from these assumptions. We do not submit any independent audit decision on the forward-looking information and its underlying assumptions. There is a considerable unavoidable risk that future events may significantly differ from the forward-looking information.

Inter alia, we discuss the planned scope and schedule of the audit with the persons responsible for supervision in addition to the significant audit findings including any deficiencies in the internal control system which we establish during our audit.

We submit a declaration to the persons responsible for supervision that we have met all of the relevant independence requirements. We discuss all relationships and other facts we can reasonably assume to have an effect on our independence and the protective measures taken for this purpose with the persons responsible for supervision.

From the facts we discussed with the persons responsible for supervision, we determine facts that were most significant for the current reporting period during the audit of the consolidated financial statements and that therefore are the particularly important audit facts. We describe these facts in the auditor's report, unless laws or other legal regulations prohibit the public identification of these facts.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Other information pursuant to Article 10 EU-APrVO

We were selected as the auditor of the consolidated financial statements by the general meeting of shareholders on 2 June 2017. We were commissioned by the Supervisory Board on 20 December 2017. We have continuously acted as the Group auditors of TTL Beteiligungs- und Grundbesitz-AG since the 2011 financial year.

We declare that the audit opinion included in this auditor's report complies with the additional report to the Supervisory Board pursuant to Article 11 EU-APrVO (audit report).

AUDITOR RESPONSIBLE

The auditor responsible for the audit is Mr Andreas Schuster.

Munich, 14 February 2018

Warth & Klein Grant Thornton AG
Auditors

Stephan Mauermeier | Andreas Schuster Auditor

Auditor

Audited Consolidated Financial Statements of TTL Beteiligungs- und Grundbesitz-AG prepared in accordance with IFRS

as of and for the year ended 31 December 2016

and the auditor's report thereon

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016

ASSETS	Annex	31/12/2016 €	31/12/2015 TEUR adjusted*	01/01/2015 TEUR adjusted*
Non-current assets				
Property, plant and equipment	(18)	1.00	0	0
Financial assets	(19)	4,878,909.72	0	0
Current tax assets	(20)	0.00	0	9
		4,878,910.72	0	9
Current assets				
Financial assets	(20)	923.00	0	0
Current tax assets	(20)	4,357.07	7	1
Other assets	(20)	486.81	1	1
Cash and cash equivalents	(21)	19,673.54	13	83
		25,440.42	21	85
Total assets		4,904,351.14	21	94
LIABILITIES				
Equity				
Subscribed capital	(22)	6,550,000.00	6,550	6,550
Contributions made to implement the re-solved capital increase	(22)	1,250,000.00	0	0
Capital reserve	(22)	23,116,120.15	19,360	19,360
Generated equity	(22)	-26,197,056.67	-26,038	-25,910
		4,719,063.48	-128	0
Non-current liabilities				
Financial liabilities	(23)	0.00	25	25
Current liabilities				
Provisions	(23)	84,979.00	70	67
Trade accounts payable	(23)	98,342.66	2	0
Other financial liabilities	(23)	1,966.00	52	2
		185,287.66	124	69
Total liabilities		4,904,351.14	21	94

* See Note (3)

CONSOLIDATED GROUP INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2016

	Annex	2016	2015
		€	TEUR
Other operating income	(13)	28,200.12	5
Other operating costs	(14)	-187,859.20	-133
Result from operating activities		**-159,659.08**	**-128**
Other interest and similar income	(15)	213.43	0
Interest and similar expenses	(15)	0.00	0
Financial result	(15)	213.43	0
Earnings before income taxes		-159,445.65	-128
Taxes on income and earnings	(16)	0.00	0
Comprehensive income		-159,445.65	-128

(all attributable to shareholders of the parent company)

Earnings per share attributable to the shareholders (in € per share)	(17)	-0.02	-0.02

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2016

	Annex	2016 TEUR	2016 TEUR	2015 TEUR	2015 TEUR
A. Operating activities					
Annual result			-159		-128
Change in other assets and liabilities					
Income taxes		3		3	
Current financial assets		-1		0	
Short-term provisions		15		3	
Trade accounts payable		23		2	
Other financial liabilities		-25	15	0	8
Cash flow from operating activities			-144		-120
B. Investing activities					
Payments for investments into financial assets			0		0
Cash flow from investing activities			0		0
C. Financing activities					
Debt financing					
Payments into equity	(3)		150		0
Inflow from borrowings			0		50
Cash flow from financing activities			150		50
D. Change in cash and cash equivalents affecting cash flows (A+B+C)			6		-70
E. Cash and cash equivalents at beginning of period			13		83
F. Cash and cash equivalents at end of period (D+E)	(21)		19		13

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2016

	Notes	Subscribed capital	Contribution made to implement the resolved capital increase	Capital reserve	Equity Retained earnings	Group equity
		€	€	€	€	€
Balance at 1 January 2015 as previously reported		**6,550,000.00**	**0.00**	**19,510,240.75**	**-25,909,824.53**	**150,416.22**
Changes due to correction of errors	(3)	0.00	0.00	-150,000.00	0.00	-150,000.00
Adjusted balance as at 1 January 2015		**6,550,000.00**	**0.00**	**19,360,240.75**	**-25,909,824.53**	**416.22**
Profit distribution	(22)	0.00	0.00	0.00	0.00	0.00
Capital contributions from owners recognised in equity	(22)	0.00	0.00	0.00	0.00	0.00
Total income	(22)	0.00	0.00	0.00	-127,786.49	-127,786.49
As at 1 January 2016		**6,550,000.00**	**0.00**	**19,360,240.75**	**-26,037,611.02**	**-127,370.27**
Profit distribution	(22)	0.00	0.00	0.00	0.00	0.00
Capital contributions from owners recognised in equity	(3, 22)	0.00	1,250,000.00	3,755,879.40	0.00	5,005,879.40
Total income	(22)	0.00	0.00	0.00	-159,445.65	-159,445.65
As at 31 December 2016		**6,550,000.00**	**1,250,000.00**	**23,116,120.15**	**-26,197,056.67**	**4,719,063.48**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2016

I. BASIC INFORMATION

TTL Information Technology AG (hereinafter referred to as "TTL AG" or the "Company") is primarily active as a venture capital organisation. It is registered under HRB 125559 at the local court (*Amtsgericht*) of Munich, Germany, the registered office of the company is at Theresienhöhe 28, 80339 Munich, Germany.

The Company's shares are listed on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the OTC markets of the Munich, Dusseldorf, Berlin and Stuttgart stock exchanges.

The consolidated financial statements were shown in EUR. All financial information is shown in euros, rounded to the nearest thousand, unless otherwise specified.

II. PRINCIPLES AND METHODS

The consolidated financial statements were prepared in accordance with all International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, United Kingdom, valid on the balance sheet date, as well as all interpretations of the IFRS Interpretations Committee that were binding for the past financial year and are to be applied in the European Union. In addition, the provisions of Section 315a (1) and Section 289a of the German Commercial Code (HGB) were applied.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation principles. The annual financial statements of the fully consolidated companies have been prepared as of the reporting date of the consolidated financial statements.

The balance sheet is broken down according to the maturity of the assets and liabilities. Assets and liabilities are regarded as current if they are due within one year or are to be sold. Accordingly, assets and liabilities are classified as non-current if they remain with the Group for more than one year. Trade receivables and payables, current tax assets and tax liabilities are generally reported as current items. Deferred tax assets and liabilities are generally presented as non-current.

The consolidated financial statements were prepared on a going concern basis.

In the consolidated financial statements, assumptions and estimates must be made to a very limited extent which have an effect on the amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities shown in the balance sheet. The main areas of application for assumptions and estimates are in the determination and formation of provisions and in the calculation of the fair value of the liability from debtor warrant agreements. The actual values may differ from the estimates.

III. EFFECTS OF NEW ACCOUNTING STANDARDS

(a) Accounting standards to be applied for the first time in the current financial year

The Group applied the following new and revised standards and interpretations as at 1 January 2016:

IFRS 11 "Joint Agreements"

With "Accounting for acquisitions of shares in a joint operation" (amendments to IFRS 11), IFRS 11 is amended so that the acquirer of shares in a joint operation as defined in IFRS 3 must apply all principles relating to accounting for business combinations under IFRS 3 and other IFRS as long as these do not conflict with the guidelines in IFRS 11.

IAS 16 "Property, Plant and Equipment" / IAS 38 "Intangible Assets" – "Clarification of Acceptable Depreciation Methods"

The provisions of IAS 16 have been amended to clarify that depreciation based on future revenues is not appropriate. This is because revenues represent the expected economic benefit and not its consumption.

The provisions in IAS 38 have been amended to include a refutable assumption that a revenue-based depreciation method is not appropriate for the same reasons as in IAS 16.

IAS 1 "Presentation of Financial Statements" as part of the initiative to improve disclosure requirements

The aim of the clarifications is to prevent the IFRS financial statements from including immaterial information and at the same time to promote the provision of relevant information. Furthermore, comprehensibility should not be restricted by combining relevant information with irrelevant information or aggregating material items of varying nature. It also clarifies that entities must take into account the impact on the comprehensibility and comparability of the financial statements when determining the structure of the notes.

IAS 27 "Separate Financial Statements" – Application of the equity method in the separate financial statements

As a result of the changes, investments in subsidiaries, joint venture company and affiliated companies can in future also be accounted for using the equity method in the IFRS individual financial statements. The options therefore exist for inclusion at amortised cost, as available-for-sale financial instruments and using the equity method.

IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures on Investments in Other Entities" and IAS 28 "Investments in Associates and Joint Venture Company"

The amendments clarify the application of the consolidation exception if the parent company meets the definition of an investment company.

Annual Improvements to IFRS (2010-2012 and 2012-2014 Cycles)

The IASB has published the Annual Improvements to IFRS for the 2010-2012 cycle. This clarifies the following standards and topics:

- IFRS 2: Definition of vesting conditions and market conditions
- IFRS 3: Accounting for contingent consideration in connection with business combinations
- IFRS 8: Information on the aggregation of segments and the requirement for a reconciliation of segment assets
- IFRS 13: Furthermore, discounting may be waived in the fair value measurement of current receivables and liabilities if the effect is insignificant
- IAS 16 and IAS 38: Revaluation method – Determination of accumulated depreciation at the time of a revaluation
- IAS 24: Extension of the definition of related parties to include companies providing management services (management entities)

The IASB has published the 2012-2014 cycle of annual improvements to IFRS. This clarifies the following standards and topics:

- IFRS 5: Guidelines for reclassification to the category held for distribution or vice versa
- IFRS 7: Guidelines on whether a management contract is a continuing commitment in relation to a transferred asset
- IAS 19: Discount rate: Regional market question
- IAS 34: Information provided "elsewhere" in the interim report

The initial application of the standards listed above did not result in any changes in accounting for the Group.

(b) New and amended standards not yet required to be applied in the financial year

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have issued additional standards and interpretations that are not yet mandatory for financial year 2016 or have not yet been endorsed by the EU.

IFRS 9 "Financial Instruments"

IFRS 9 relates to the classification and measurement of financial instruments and the accounting treatment of derivatives and hedging relationships and will replace IAS 39 Financial Instruments. The regulations for a portfolio fair value hedge against interest rate change risks pursuant to IAS 39 have not been replaced. This part will be pursued in a separate "Macro Hedge" project. The standard is effective for reporting periods beginning on or after 1 January 2018 at the earliest. The EU endorsement took place on 29 November 2016.

IFRS 15 "Revenue from Contracts with Customers"

In May 2014, the IASB published IFRS 15, Revenue from Contracts with Customers. This results in new regulations on the timing and amount of revenue recognition. IFRS 15 completely replaces the previous rules on revenue recognition, consisting of IAS 18 and IAS 11 as well as various standard interpretations, and creates new regulations for several aspects. The standard is expected to be effective for financial years beginning on or after 1 January 2018. The EU endorsement took place on 29 October 2016.

IAS 16 "Leases"

On 13 January 2016, the IASB issued IFRS 16, the new standard for lease accounting. The aim is to ensure uniform accounting treatment of all leases by the lessee. There are virtually no changes for the lessor. IFRS 16 must be applied for the first time for financial years beginning on or after 1 January 2019. Early application is permitted if the provisions of IFRS 15 Revenue from Contracts with Customers are applied simultaneously. The EU endorsement is expected for the first half of 2017.

IAS 12 "Recognition of Deferred Tax Assets on Unrealised Losses"

The IASB issued amendments to IAS 12, Income Taxes, on 19 January 2016. This results in a clarification that write-downs on debt instruments measured at fair value lead to the recognition of deferred tax assets for unrealised losses if the tax value corresponds to its acquisition costs. Deferred taxes on items recognised in other comprehensive income are therefore also recognised in other comprehensive income. The standard is effective for financial years beginning on or after 1 January 2017. The EU endorsement is expected for the first half of 2017.

IAS 7 "Appendix Initiative"

The IASB issued amendments to IAS 7, Cash Flow Statement, on 29 January 2016. The aim is to improve information on companies' debt financing activities and liquidity. The standard is effective for financial years beginning on or after 1 January 2017. The EU endorsement is expected for the first half of 2017.

IFRS 2 "Share-based Remuneration"

The IASB issued amendments to IFRS 2, Share-based Remuneration, on 20 June 2016. The amendments concern the classification and assessment of share-based remunerations. The accounting for cash-settled share-based remunerations, the classification of share-based remunerations that are settled at net amount and the accounting for a change from cash-settled share-based remunerations to equity-settled share-based remunerations have been clarified or newly regulated. The amendments are effective for financial years beginning on or after 1 January 2018. Early application is permitted. Retrospective application is only permitted if no better information is obtained at a later date. The EU endorsement is expected for the second half of 2017.

IAS 40 "Investment Property"

On 8 December 2016, the IASB adopted an amendment to IAS 40, Investment Property. The amendment concerns the classification of uncompleted properties and clarifies in which cases the classification of a property as "investment property" begins or ends when the property is still under construction or development. The amendment is effective from 1 January 2018. Earlier application is permitted. The EU endorsement is expected for the second half of 2017.

Annual Improvements to IFRS (2014-2016 Cycle)

The IASB has published the Annual Improvements to IFRS for the 2014-2016 cycle. This clarifies the following standards and topics:

- IFRS 1 First-time Adoption of IFRS: Deletion of a short-term relief provision for first-time users
- IFRS 12 Disclosures on Shares in Other Companies: Clarification that the disclosures also apply to shares that fall within the scope of IFRS 5
- IAS 28 Investments in Associates and Joint Venture Company: Clarification that the option of measuring an investment in an associate or joint venture company at fair value through profit or loss may be exercised differently for each investment on initial recognition.
- The amendments to IFRS 12 are effective from 1 January 2017, the amendments to IFRS 1 and IAS 28 from 1 January 2018. Earlier application is permitted. The EU endorsement for the 2014-2016 cycle took place on 8 December 2016.

The effects on the financial statements of the TTL Group of all IFRS and IFRIC that did not yet enter into force in the 2016 financial year or were not recognised by the European Union were reviewed. The TTL Group currently does not expect the application of the new or amended standards and interpretations to have a material impact on the consolidated financial statements. This does not apply to the provisions of IFRS 9. Under this rule, the measurement at amortised cost of unquoted investments classified as "available for sale" is no longer permitted. The concrete effects of this cannot yet be quantified.

IV. PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Principles of consolidation

The consolidated financial statements are based on the annual financial statements of the subsidiaries included in the Group prepared in accordance with the uniform IFRS to be applied in the EU as at 31 December 2016. In accordance with the definition of IFRS 10, subsidiaries are all companies in which the Group has decision-making authority with regard to the relevant operational processes on a contractual or de facto basis and which are used to achieve variable returns. Acquired subsidiaries are accounted for using the purchase method. Intercompany sales, expenses and income as well as all receivables and liabilities between consolidated companies are eliminated.

(2) Group of consolidated companies

In addition to TTL AG, the following German subsidiaries in which TTL AG directly or indirectly holds the majority of voting rights are included in the consolidated financial statements:

Company name and registered office	Share of TTL AG
TTL International GmbH, Munich	100%
1st DATA Solution Vertriebs-GmbH, Munich	100%
TTL Consult IT GmbH, Munich	100%
C-CONNECTION Computer & Network Solutions GmbH, Munich	100%

The group of consolidated companies and the shareholdings in the consolidated companies have not changed compared to the previous year.

(3) Correction of errors

In a letter dated 27 October 2016, the German Financial Reporting Enforcement Panel established incorrect financial reporting for the financial year 2014, which was corrected in these financial statements in accordance with IAS 8, adjusting the relevant items in the financial statements for previous years. The adjustment related to the balance sheet items financial assets and capital reserves, which were each reported TEUR 150 too high as at 31 December 2014, as the definition criteria for the recognition of a financial asset and an additional payment into the capital reserve were not given. The following table summarises the effects on the consolidated balance sheet. There were no effects on the consolidated statement of comprehensive income. The receivable in the amount of TEUR 150 was paid in 2016 and recorded as an increase in equity.

as at 1 January 2015	Effects of the correction of errors		
	As previously reported TEUR	Adjustments TEUR	Adjusted TEUR
Non-current assets	**9**	**0**	**9**
Financial assets	150	150	0
Current tax assets	1	0	1
Other assets	1	0	1
Cash and cash equivalents	83	0	83
Current assets	**235**	**150**	**85**
Total assets	**244**	**150**	**94**
Retained earnings	19,510	150	19,360
Other	-19,360	0	-19,360
Equity	**150**	**150**	**0**
Total liabilities	**94**	**0**	**94**

as at 31 December 2015	Effects of the correction of errors		
	As previously reported TEUR	Adjustments TEUR	Adjusted TEUR
Non-current assets	**0**	**0**	**0**
Financial assets	150	150	0
Current tax assets	7	0	7
Other assets	1	0	1
Cash and cash equivalents	13	0	13
Current assets	**171**	**150**	**21**
Total assets	**171**	**150**	**21**
Retained earnings	19,510	150	19,360
Other	-19,488	0	-19,488
Equity	**22**	**150**	**-128**
Total liabilities	**149**	**0**	**149**

(4) Currency translation

In the individual financial statements of the Group companies, all receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Corresponding foreign currency gains/losses are recorded in the consolidated income statement.

(5) Intangible assets

Purchased intangible assets are carried at acquisition cost. They were subject to scheduled depreciation over their respective useful lives. Intangible assets are amortised on a straight-line basis over a period of 3 to 15 years. The goodwill arising in connection with company acquisitions was already written off in full in previous years. Impairments are recognised through extraordinary depreciation.

(6) Property, plant and equipment

Property, plant and equipment is carried at acquisition or production cost less usage-based depreciation. Impairment losses in value that exceed the consumption of value due to use are accounted for by depreciation.

(7) Financial instruments

Financial instruments are all contracts that give rise to a financial asset at one entity and a financial liability or equity instrument at another entity. The Group's financial assets mainly comprise cash and cash equivalents, loans receivable and shares in a limited liability company (GmbH). Financial liabilities include in particular trade account payables and other financial liabilities.

Due to the short maturity of cash and cash equivalents, trade receivables and payables and other current receivables and liabilities, it is assumed that the respective fair value corresponds to the carrying amount.

a) Financial assets

Available-for-sale financial assets

Financial assets categorised as "available-for-sale financial assets" are measured at fair value after initial recognition if management believes that this can be reliably measured.

The investment in BDI, which was classified as available for sale in the previous year, was written down in full and treated as a disposal due to the completed liquidation.

The shares in DIC Capital Partners (Europe) GmbH acquired on this date as part of a contribution in kind in accordance with the contribution agreement dated 21 December 2016 were recognised at their fair value at the time of initial recognition. The fair value was determined taking into account the share valuation agreed in the contribution agreement, the determination of which was derived from the amortised cost of the contributor as well as the preliminary financial statements for 2016 and the corporate planning of DIC Capital Partners (Europe) GmbH for 2017 to 2020.

Subsequent valuation is at amortised cost.

The parent company holds 12.56% of the voting rights in DIC Capital Partners (Europe) GmbH and therefore has neither a significant influence within the meaning of IAS 28 nor control over this company within the meaning of IFRS 10. Consequently, the investment in the Company is accounted for using the equity method in accordance with "IAS 39 Financial Instruments: Recognition and Valuation" is accounted for as an available-for-sale financial asset. Changes to the fair value are generally shown directly under equity. Since there are no quoted prices on an active market for these unlisted shares in DIC Capital Partners (Europe) GmbH and their fair value cannot be reliably determined, they are carried at (amortised) cost. As of the balance sheet date, there were no discernible indications of impairment.

Financial instruments recognised at fair value are divided into various measurement levels in accordance with IFRS 7. The investment in DIC Capital Partners (Europe) GmbH is thus at level 3: "using input factors that are not based on observable market prices". The income value model used to determine the fair value is based on a detailed planning phase of four years and a subsequent perpetuity model. A discount rate of 6.2% was used to discount the expected earnings figures for the years 2017 to 2020 and 5.2% from 2021. The earnings forecasts contained specific estimates for the expected distributions of DIC Capital Partners (Europe) GmbH by the Board of Directors, in particular taking into account the earning power of the affiliated company and its investments. Subsequent valuation is at amortised cost.

Other financial assets

Financial assets categorised as "loans and receivables" are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include bank balances. Cash and cash equivalents are measured at amortised cost.

b) Financial liabilities

Financial liabilities are measured at fair value on initial recognition. Subsequent valuation is at amortised cost. Financial liabilities are derecognised when the contractual obligations have been settled or cancelled.

If liabilities are to be derecognised due to a waiver of receivables by a shareholder acting in his/her capacity as a shareholder, this is recognised directly in equity. Any related obligations from debtor warrant agreements are recognised as financial liabilities at fair value through profit or loss at the time of addition. In the event of future changes in the expected payments arising from a recovery agreement, the financial liability is adjusted through profit or loss.

(8) Current and deferred taxes

Current and deferred taxes are recognised in the tax expense for the period. Taxes are recognised in the income statement unless they relate to items recognised directly in equity or other comprehensive income. In this case, taxes are also recognised in equity or other comprehensive income.

The effects of deferred taxes resulting from temporary differences between the assets and liabilities in the IFRS financial statements and the tax bases of assets and liabilities are accounted for in accordance with IAS 12. Deferred tax assets and liabilities are measured on the basis of the tax rates and tax laws adopted at the time the differences are reversed. This also includes deferred taxes on tax loss carry forwards in accordance with IAS 12.34.

The decisive factor in assessing the recoverability of deferred tax assets is management's assessment of the realisation of the deferred tax assets. This depends on the generation of future taxable profits during the periods in which tax valuation differences are reversed and tax loss carry forwards can be claimed. As in the previous year, there were no deductible temporary differences as of the balance sheet date.

Deferred taxes are generally measured on the basis of the tax rates applicable or expected to apply at the time of realisation.

(9) Provisions

Provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) to the extent that legal or constructive obligations to third parties exist that are based on past business transactions or events and are likely to result in outflows of assets that can be reliably determined. Provisions are recognised at the expected settlement amount (present value of expected expenditure), taking into account all identifiable risks, and are not offset against recourse claims. The settlement amount with the highest probability of occurrence is assumed.

(10) Non-financial liabilities

Non-financial liabilities are recognised at their repayment amount.

(11) Recognition of income and expenses

Other operating income is generally recognised when the service has been rendered, the amount of the income can be reliably determined and the economic benefit will probably flow to the Group.

Operating expenses are recognised in the income statement when the service is used or when they are incurred. Interest is posted as an expense for the period.

(12) Impairments

IAS 36 requires an enterprise to assess at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. Regardless of whether there is any indication of impairment, an enterprise must annually test intangible assets with an indefinite useful life or intangible assets that are not yet ready for use and acquired goodwill for impairment. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows expected from the continuing use of the asset. If the recoverable amount is less than the carrying amount, the difference represents the impairment, which is generally recognised in profit or loss. An assessment must be made at each balance sheet date as to whether an impairment still exists. Write-ups are made if the reasons for an impairment no longer exist. Write-ups are made up to a maximum of the amount that would have resulted without prior impairment. Impairments of goodwill may not be reversed.

No impairments were recognised in accordance with IAS 36 in financial year 2016.

V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

(13) Other operating income

Other operating income is composed as follows:

	2016 TEUR	2015 TEUR
Reversal of provisions	3	5
Derecognition of liabilities	25	0
Total	28	5

(14) Other operating costs

	2016 TEUR	2015 TEUR
Costs of preparing the annual financial statements and audit costs	62	76
Public relations costs	67	30
Other expenses	57	27
Total	188	133

(15) Financial result

	2016 TEUR	2015 TEUR
Interest income	0	0
Interest expenses	0	0
Total	0	0

(16) Income taxes

As in the previous year, there were no tax expenses or tax income in the financial year.

Group companies are subject to corporate income tax of 15.0%. The solidarity surcharge is unchanged from the previous year at 5.5% of the corporate income tax charge. Including trade tax with an assessment rate of 490.0%, the overall tax rate in 2016 was 32.98%, as in the previous year. Income tax includes taxes on income paid or owed in Germany and deferred taxes. Deferred taxes result from the different valuations between IFRS and tax balance sheet values. The reported income tax expense differs from the expected tax expense, which theoretically would result from the application of the German tax rate of 32.98% (previous year: 32.98%) on the Group's earnings before income taxes. The difference between expected and reported income tax expense is attributable to the following factors:

		2016	2015
Earnings before income taxes	TEUR	-159	-128
Applicable tax rate	%	32.98	32.98
Expected tax expense(+)/income(-)	TEUR	-52	-42
Losses of the current year for which no deferred tax assets were recognised	TEUR	52	42
Other	TEUR	0	0
Actual total tax expense(+)/income(-)	TEUR	0	0
Effective tax rate	%	0.0	0.0

Deferred tax assets on temporary differences and tax loss carry forwards are only recognised to the extent that sufficient taxable income will be available in future to utilise the deferred tax assets. No deferred taxes were formed for corporate income tax loss carry forwards in the amount of around EUR 18.2 million (previous year: EUR 17.9 million) and trade tax loss carry forwards of around 16.6 million EUR (previous year: 16.4 million EUR) as, at the present time, the future use of the loss carry forwards cannot be assumed with sufficient certainty, in particular due to the relevant tax regulations in connection with (harmful) acquisitions (Section 8c KStG and Section 8d KStG) and the loss history of the individual Group companies.

(17) Earnings per share

The key figures for earnings per share in accordance with IAS 33 are determined as follows:

	2016 EUR	2015 EUR
Period result	-159,445.65	-127,786.49
Weighted average number of shares outstanding	6,587,671	6,550,000
Earnings per share (basic earnings per share)	-0.02	-0.02

For the calculation of the weighted average number of ordinary shares outstanding, the date of initial recognition of the consideration received is taken into account with regard to the date of the newly issued shares as part of the non-cash capital increase.

Basic earnings per share correspond to diluted earnings per share, as there were no potential ordinary shares on the balance sheet date.

VI. NOTES ON THE BALANCE SHEET

(18) Property, plant and equipment

Property, plant and equipment is carried at historical acquisition cost less usage-based depreciation. Borrowing costs were not capitalised. Assets are depreciated on a straight-line basis pro rata temporis in accordance with their useful lives. Property, plant and equipment had already been fully depreciated as at 1 January 2007.

(19) Financial assets

The parent company increased the subscribed capital by EUR 1,250,000.00, excluding the subscription rights of existing shareholders, as part of a restructuring concept and after corresponding approval by BaFin. The capital increase was carried out by AR Holding GmbH by way of a contribution in kind of a 12.56% share in DIC Capital Partners (Europe) GmbH.

The investment in DIC Capital Partners (Europe) GmbH is classified as "available for sale" in accordance with IAS 39. It was recognised at fair value (TEUR 4,879) at the time it was added. Subsequent valuation is at amortised cost in accordance with IAS 39.46(c).

(20) Other assets and current tax assets

	Remaining term up to 1 year TEUR	Remaining term more than TEUR	Total 31/12/ 2016 TEUR	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2015 TEUR
Current tax assets	4	0	4	7	0	7
Other financial assets	0	0	0	0	0	0
Other assets	1	0	1	1	0	1
	5	0	5	8	0	8

The non-current and current assets shown are stated at their nominal value less impairments. If default or other risks exist, they are taken into account by impairments. As in the previous year, no impairment losses were recognised as expenses in the past financial year. As in the previous year, there were no impairments on the balance sheet date. The current tax assets relate to income taxes.

(21) Cash and cash equivalents

The cash and cash equivalents shown are bank balances.

Cash and cash equivalents are stated at nominal value. The development of cash and cash equivalents in accordance with IAS 7 is shown in the cash flow statement.

(22) Equity

Share capital

The share capital of TTL Information Technology AG amounted to EUR 6,550,000.00 as at 31 December 2016 and was fully paid up as of the balance sheet date. It is divided into 6,550,000 no-par-value shares with a notional value of EUR 1.00 each.

The parent company increased the subscribed capital by EUR 1,250,000.00, excluding the subscription rights of existing shareholders, as part of a restructuring concept and after corresponding approval by BaFin at the end of 2016. The capital increase was registered on 9 January 2017. The capital increase was carried out by AR Holding GmbH by way of a contribution in kind of a 12.56% share in DIC Capital Partners (Europe) GmbH.

Contributions made to implement the resolved capital increase

Until the capital increase takes effect on 9 January 2017, the contribution made to implement the resolved capital increase, insofar as it relates to the share capital, will be shown under a corresponding item, otherwise under the capital reserves within equity, as the contribution was made at the free disposal of the parent company’s Board of Directors on the balance sheet date and entry in the commercial register was highly probable.

Authorised capital

At the annual general meeting of shareholders on 4 August 2016, authorised capital of up to EUR 3,275,000.00 was created. Of this amount, EUR 2,025,000.00 remained after the non-cash capital increase. Through a cash capital increase at the end of March 2017, the authorised capital in the amount of a further EUR 1,733,333.00 was used.

Capital reserve

The investment in DIC Capital Partners (Europe) GmbH made as part of the non-cash capital increase through contributions in kind was valued at EUR 4,878,909.72 as part of an income value procedure. The amount of EUR 3,628,909.72, which exceeded the nominal value of the capital increase, was transferred to the capital reserve after deduction of the costs for the capital increase. The costs for the capital increase will be deducted on an after-tax basis if the costs lead to realisable tax advantages.

Furthermore, in the financial years 2012 to 2016, allocations to capital reserves in the amount of TEUR 1,413 were made due to conditional waivers of claims by (indirect) shareholders of the parent company. The waived loan receivables are revived in accordance with the contractual provisions (recovery agreement) if and to the extent that a certain equity capital (equity threshold) is exceeded in the parent company's annual accounts in subsequent periods. In calculating the relevant equity, the repayment claim is not to be taken into account.

The waivers of receivables and the development of the equity threshold are shown below:

Date Waiver	Nominal amount waived receivables EUR	Waived receivables (accumulated) EUR	Equity threshold EUR	Waiving shareholder
31/12/2012	973,086.00	973,086.00	8,000,000.00	TR Asset Managem. GmbH
31/12/2013	130,000.00	1,103,086.00	8,000,000.00	TR Asset Managem. GmbH
31/12/2014	207,751.63	1,310,837.63	8,000,000.00	TR Asset Managem. GmbH
31/12/2014	51,869.86	1,362,707.49	8,000,000.00	AR Holding GmbH
22/01/2016	50,525.00	1,413,232.49	8,000,000.00	AR Holding GmbH
	1,413,232.49			

The individual components of equity and their development in the reporting year are shown in the statement of changes in equity. The allocation to capital reserves is composed as follows:

	2016 EUR	2015 EUR
Premium from non-cash capital increase through contributions in kind 2016	3,628,909.72	0.00
Proceeds from debt waiver 2016	50,525.00	0.00
Proceeds from debt waiver 2014	150,000.00	0.00
Costs of raising equity	-73,555.32	0.00
	3,755,879.40	0.00

(23) Liabilities

	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2016 TEUR	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2015 TEUR
Provisions	85	0	85	70	0	70
Trade Payables	98	0	98	2	0	2
Financial liabilities	2	0	2	52	25	77
	185	0	185	124	25	149

Provisions	As at 01/01/2016 TEUR	Utilisation TEUR	Addition TEUR	Reversal TEUR	As at 31/12/2016 TEUR
Annual accounts	50	37	41	3	51
General meeting of share-holders	15	15	30	0	30
Other	5	1	0	0	4
Total	70	53	71	3	85

The provisions are uncertain only in terms of amount. The amounts recognised represent the best possible estimates of future expenses.

Financial liabilities are composed as follows:

	2016 TEUR	2015 TEUR
Obligation from debtor warrant agreement	0	25
Loan AR Holding GmbH	0	50
Other	2	2
Total	2	77

The obligation from debtor warrant agreements (see note 22) is measured at fair value as of the balance sheet date. The valuation at fair value was classified as level 3 based on the input factors of the valuation technique used. The expected value of future net cash flows was discounted using a risk-adjusted interest rate (8.0%, previous year: 8.0%). In addition to the discount rate, the main, unobservable input factor is the estimated future annual result of the parent company for determining the development of equity.

With an amendment agreement dated 3 March 2017, the threshold of the parent company's equity previously relevant for the revival of the waived receivables was raised from TEUR 6,000 to TEUR 8,000. Based on the planning of the development of the equity of the parent company, the Board of Directors assumes that a future recovery of the receivables is highly unlikely in the foreseeable future. An obligation was therefore not recognised. The obligation that was recognised for this in the previous year in the amount of TEUR 25 was derecognised.

(24) Segment information

Due to the current activities of the Group, no segment information is used by the Board of Directors.

VII. INFORMATION ON FINANCIAL RISK MANAGEMENT

The following matrix provides an overview of the financial risks that exist in the Group and the respective balance sheet items affected:

	Market risk	Credit/default risk	Liquidity risk
Financial assets	X	X	X
Other financial assets	X	X	X
Provisions			X
Trade accounts payable			X
Other financial liabilities			X

Credit risk/default risk

Credit or default risk is defined as the risk of financial loss that arises when a contracting party fails to meet its payment obligations. The maximum default risk results from the carrying amounts of the financial instruments shown in the balance sheet.

The management of credit and default risk in the TTL Group is primarily aimed at concluding transactions exclusively with creditworthy third parties. Appropriate impairments for doubtful accounts are made on receivables of identifiable risks in order to avoid payment defaults.

Liquidity risk

Liquidity risk is the risk that a company is not in a position to raise the financial resources it needs to settle obligations entered into.

The Group counters liquidity risks by means of liquidity management adapted to the scope and complexity of its business activities, which ensures the availability of sufficient liquidity at all times despite the lack of inflows from sales revenues. The company's liabilities are all due within one year.

As of the balance sheet date, the liquidity risk is minimised as AR Holding GmbH has granted a loan of TEUR 100, of which TEUR 60 has been waived. The loan has not yet been called. In addition, AR Holding GmbH granted a further loan of TEUR 1,000 in connection with the capital increase and paid it out in full to TTL AG on 11 January 2017. The receivable from TR Asset Management of TEUR 150 was fully settled in April 2016.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument will change due to fluctuations in market prices. Market risks include interest rate risks and other price risks.

Market risk is also managed by the Group's Board of Directors. In order to present market risks, IFRS 7 requires sensitivity analyses which show the effects of hypothetical changes in relevant risk variables on earnings and equity.

The interest rate risk is the risk that the value of a financial instrument may change due to fluctuations in market prices. This risk is now insignificant for the company. The effects of a 100 basis point increase or decrease in market interest rates as of the balance sheet date would have no impact on earnings and equity. Currency and price risks are of minor significance for the TTL Group and are therefore not explained further.

Capital management

The goal of capital management in the TTL Group is to effectively achieve the goals and strategies in the interest of all shareholders, employees and other stakeholders. Since the companies are not currently operating, the main objective is to secure the continued existence of all Group companies. To this end, liquidity management is carried out at Group level for all individual companies. In this way, if necessary, support can be provided and optimal use can be made of existing liquidity. The capital to be managed comprises all cash and cash equivalents, financial assets and financial liabilities.

VIII. INFORMATION ON THE CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of all categories of financial assets and liabilities of the TTL Group:

	31/12/2016 TEUR	31/12/2015 TEUR
Financial assets		
Cash and cash equivalents	20	13
Financial assets	4,879	0
Loans and receivables	1	0
	4,900	13
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade accounts payable	98	2
Other financial liabilities	2	77
	100	79

The fair value of cash and cash equivalents, financial assets, trade receivables and payables, and current financial receivables and liabilities approximates their carrying amount. The main reason for this is the short term of such instruments or an acquisition date shortly before the balance sheet date.

Cash and cash equivalents are measured at fair value in accordance with level 1 of the measurement hierarchy of IFRS 13. This is based on market prices used in an active market.

The investment in DIC Capital Partners (Europe) GmbH reported under financial assets is thus at level 3: "valued using input factors that are not based on observable market prices". Since there are no quoted prices on an active market for these unlisted shares in DIC Capital Partners (Europe) GmbH and their fair value cannot be reliably determined, they are carried at (amortised) cost. As of the balance sheet date, there were no discernible indications of impairment.

Net losses result from other financial liabilities in the amount of TEUR 0 (previous year: TEUR 1) from interest expenses. Net profit from other financial liabilities in the amount of TEUR 25 (previous year: TEUR 0) relate to the derecognition of liabilities. As in the previous year, there were no further net profit or losses in the financial year.

IX. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement shows the origin and use of the cash flows in the financial years compared. In accordance with IAS 7 "Cash Flow Statements", a distinction is made between cash flows from operating, investing and financing activity. The cash and cash equivalents in the cash flow statement comprise all liquid assets shown in the balance sheet, i.e., cash in hand, cheques, Bundesbank balances and bank balances, provided that they are available within three months. Cash and cash equivalents are not subject to any restraints on disposal. Cash flows from investing and financing activity are determined on a payment-related basis, whereas cash flows from operating activities are derived indirectly from net income after income taxes. The cash flow from operating activities includes interest paid in the amount of TEUR 0 (previous year: TEUR 1).

The cash and cash equivalents shown in the cash flow statement comprise cash in hand and bank balances.

X. RELATIONSHIPS TO RELATED COMPANIES AND PERSONS

Related parties within the meaning of IAS 24 are, in particular, companies that belong to the same group as the reporting company and persons and their close relatives who control or have significant influence over the reporting company or hold a key position in the management of the reporting company.

Accordingly, the following persons or companies are or were related to the TTL Group:

- AR Holding GmbH, Frankfurt
- TR Asset Management Holding, Frankfurt
- Klaus W. Schäfer, Supervisory Board, Shareholder
- Klaus Kirchberger, Supervisory Board
- Dr Daniel Schütze, Supervisory Board
- Dr Wolfgang Gillmaier, Board of Directors

The expenses include EUR 0 (previous year: EUR 0) for the remuneration of the Supervisory Board and EUR 0 (previous year: EUR 0) for the remuneration of the Board of Directors.

In 2016, Claudia D. Gillmaier, Attorney at Law, charged TEUR 35 (previous year: TEUR 38) for accounting and financial statement services. As of the reporting date, there were no current liabilities (previous year: TEUR 1).

TR Asset Management GmbH, all of whose shares are held by GR Capital GmbH, made additional payments to the equity of TTL AG in the years 2012 to 2014 in the total amount of TEUR 1,311 (previous year: TEUR 1,311) (see note 22). The debtor warrant agreements concluded in this connection for the individual debt waivers lead to repayment claims of TR Asset Management GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity threshold mentioned in note 22. The maximum value of the repayment obligation corresponds to the sum of the waiver of receivables and amounts to TEUR 1,311 (previous year: TEUR 1,311).

In 2014 and 2016, AR Holding GmbH made additional payments to the equity of TTL AG in the total amount of TEUR 102 (previous year: TEUR 52) (see note 22). The recovery agreements concluded in this connection for the individual debt waivers lead to repayment claims of AR Holding GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity threshold mentioned in note 22. The maximum value of the repayment obligation corresponds to the sum of the waiver of receivables and amounts to TEUR 102 (previous year: TEUR 52).

In December 2016, AR Holding GmbH contributed a 12.5% interest in DIC Capital Partners (Europe) GmbH in return for 1,250,000 new no-par-value shares as part of a non-cash capital increase. The investment was valued at TEUR 4,879.

Pursuant to Section 15a WpHG and Section 6.6 of the German Corporate Governance Code, members of the company's Board of Directors and Supervisory Board must report securities transactions relating to the company's shares. Securities transactions by close relatives are also subject to reporting requirements. On 23 August 2016, TTL AG was notified of the sale of 100,000 shares for a total of EUR 16,000 by Supervisory Board member Klaus W. Schäfer.

XI. GOVERNING BODIES OF THE COMPANY

Supervisory Board of the public limited company:

- Klaus Kirchberger, (Chairman), Chairman of the Management Board of OFB Projektentwicklung GmbH
- Klaus W. Schäfer, self-employed management consultant
- Dr Daniel Schütze, (Deputy Chairman), Attorney at Law, Partner in the law firm Böttcher Bruch Schütze

The total remuneration of the Supervisory Board in 2016 amounted to EUR 0 (previous year: EUR 0).

The members of the Supervisory Board served on the Supervisory Board or other controlling bodies of the following companies in the 2016 financial year:

Dr Daniel Schütze:

- Kraichgau-Klinik AG, Bad Rappenau, Chairman
- Freiherr Carl v. Rothschild´sche Stiftung Carolinum, Frankfurt/Main, Member of the Board of Directors

Board of Directors:

- Dr Wolfgang Gillmaier, Attorney at Law, Partner in the law firm Dr. Gillmaier & Partner GbR Recht · Wirtschaft Steuer

XII. PROPOSAL FOR THE APPROPRIATION OF PROFITS

TTL Information Technology AG reports a net loss for the financial year. The Board of Directors of TTL Information Technology AG will therefore propose to the annual general meeting of shareholders that the net loss be carried forward to new account for the 2016 financial year.

XIII. GROUP AFFILIATION

The direct and ultimate parent company of the Group is TTL Information Technology AG, Munich.

XIV. AUDITOR'S FEE

The total fee charged for the financial year for services provided by Warth & Klein Grant Thornton AG, the auditor of the consolidated financial statements, amounted to TEUR 87 for the financial year 2016 (previous year: TEUR 34) and relates to audit services TEUR 32 (previous year: TEUR 31), other certification services TEUR 29 (previous year: TEUR 3) and other services TEUR 26 (previous year: TEUR 0).

XV. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Liabilities to TR Asset Management GmbH exist up to an amount of TEUR 1,311 (previous year: TEUR 1,311) to the extent that the equity of the company within the meaning of Section 266 (3) A. HGB exceeds an amount of TEUR 8,000 in future periods (recovery agreement).

In addition, there are liabilities to AR Holding GmbH in the amount of TEUR 102 (previous year: TEUR 52) to the extent that the company's balance sheet equity within the meaning of Section 266 (3), A. HGB exceeds an amount of TEUR 8,000 in future periods.

XVI. INFORMATION ON THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*) was submitted by the Board of Directors and Supervisory Boards and made permanently available on the website of TTL AG (http:/www.ttl-ag.de/leasing/investoren/entsprechen.cfm).

XVII. EMPLOYEES

In the period from 1 January to 31 December 2016, the average number of employees was 0 (previous year: 0).

XVIII. EVENTS AFTER THE BALANCE SHEET DATE

The non-cash capital increase of TEUR 1,250 resolved in December 2016 was entered in the commercial register of the local court (*Amtsgericht*) of Munich, Germany, on 9 January 2017.

At the beginning of January 2017, AR Holding GmbH paid out a long-term loan of EUR 1.0 million to the company.

At the end of March 2017, 1,733,333 shares with a nominal value of EUR 1,733,333.00 were issued by the parent company from authorised capital (Authorised Capital 2106/I) as part of a cash capital increase. The new shares were admitted to trading on 28 March 2017 and are entitled to dividends from 1 January 2017. Following the implementation of this measure, the share capital now amounts to EUR 9,533,333.00, divided into 9,533,333 non-par-value shares.

XIX. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Board of Directors on 24 April 2017.

Munich, 24 April 2017

TTL Information Technology AG,
Munich

The Board of Directors
Dr Wolfgang Gillmaier

AUDITOR'S REPORT:

We have audited the consolidated financial statements prepared by TTL Information Technology AG, Munich, comprising the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the consolidated management report for the financial year from 1 January 2016 to 31 December 2016. The preparation of the consolidated financial statements and the consolidated management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a para. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net asset, financial and income situation in the consolidated financial statements in accordance with the applicable financial reporting framework and in the consolidated management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on the basis of samples within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and principles of consolidation used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of TTL Information Technology AG, Munich, for the financial year from 1 January 2016 to 31 December 2016, comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net asset, financial and income situation of the Group in accordance with these requirements. The consolidated management report is consistent with the consolidated financial statements, complies with legal guidelines and, as a whole, provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 24 April 2017

Warth & Klein Grant Thornton AG
Auditors

Mauermeier Auditor	Schuster Auditor

Audited Consolidated Financial Statements of TTL Beteiligungs- und Grundbesitz-AG prepared in accordance with IFRS

as of and for the year ended 31 December 2015

and the auditor's report thereon

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

	Annex	31/12/2015	31/12/2014
ASSETS		€	TEUR
Non-current assets			
Property, plant and equipment	(17)	1.00	0
Available-for-sale financial assets	(18)	0.00	0
Current tax assets	(19)	0.00	9
		1.00	9
Current assets			
Financial assets	(19)	150,398.00	150
Current tax assets	(19)	7,028.14	1
Other assets	(19)	773.60	1
Cash and cash equivalents	(20)	13,376.99	83
		171,576.73	235
Total assets		171,577.73	244
LIABILITIES			
Equity			
Subscribed capital	(21)	6,550,000.00	6,550
Capital reserve	(21)	19,510,240.75	19,510
Generated equity	(21)	-26,037,611.02	-25,910
		22,629.73	150
Non-current liabilities			
Financial liabilities	(22)	24,992.69	25
Current liabilities			
Provisions	(22)	69,790.00	67
Trade accounts payable	(22)	2,008.43	0
Other financial liabilities	(22)	52,156.88	2
		123,955.31	69
Total liabilities		171,577.73	244

CONSOLIDATED GROUP INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015

	Annex	2015	2014
		EUR	TEUR
Other operating income	(11)	5,189.99	6
Other operating costs	(12)	-132,780.44	-116
Result from operating activities		**-127,590.45**	**-110**
Other interest and similar income	(13)	328.96	0
Interest and similar expenses	(13)	-525.00	-4
Financial result	(13)	-196.04	-4
Earnings before income taxes		-127,786.49	-114
Taxes on income and earnings	(14)	0.00	0
Period result		-127,786.49	-114
(all attributable to the shareholders of the parent company)			
Other result		0.00	0
Total income (all attributable to the shareholders of the parent company)		**-127,786.49**	**-114**

		2015	2014
		EUR	EUR
Earnings per share attributable to the shareholders (in € per share)	(15)	-0.02	-0.02

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2015

	Annex	2015		2014	
		TEUR	TEUR	TEUR	TEUR
A. Operating activities					
Annual result			-128		-114
Change in other assets and liabilities					
Income taxes		3		2	
Financial assets		0		0	
Short-term provisions		3		-19	
Trade accounts payable		2		-37	
Other financial liabilities		0	8	3	-51
Cash flow from operating activities			-120		-165
B. Financing activities					
Debt financing					
Payments into equity			0		130
Inflow/outflow from borrowing/repayment of loans			50		94
Cash flow from financing activities			50		224
C. Change in cash and cash equivalents affecting cash flows (A+B)			-70		59
D. Cash and cash equivalents at beginning of period			83		24
E. Cash and cash equivalents at end of period (C+D)	(20)		13		83

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2015

	Annex	Subscribed capital	Capital reserve	Generated equity		Group equity
				Retained earnings	Adjustment item for currency translation	
		€	€	€	€	€
As at 1 January 2014		**6,550,000.00**	**19,250,619.26**	**-25,795,655.07**	**0.00**	**4,964.19**
Profit distribution	(21)	0.00	0.00	0.00	0.00	0.00
Capital contributions from owners recognised in equity	(21)	0.00	259,621.49	0.00	0.00	259,621.49
Total income	(21)	0.00	0.00	-114,169.46	0.00	-114,169.46
As at 1 January 2015		**6,550,000.00**	**19,510,240.75**	**-25,909,824.53**	**0.00**	**150,416.22**
Profit distribution	(21)	0.00	0.00	0.00	0.00	0.00
Capital contributions from owners recognised in equity	(21)	0.00	0.00	0.00	0.00	0.00
Total income	(21)	0.00	0.00	-127,786.49	0.00	-127,786.49
As at 31 December 2015		**6,550,000.00**	**19,510,240.75**	**-26,037,611.02**	**0.00**	**22,629.73**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2015

I. BASIC INFORMATION

The parent company of the Group trades as TTL Information Technology AG (hereinafter "TTL AG" or the "Company") with its registered office in Munich. The address of this company is Theresienhöhe 28, 1st Floor, 80339 Munich, Germany.

After completion of the Chapter 11 proceedings of ArchBrook Laguna Holdings LLC, in which TTL AG held an indirect interest via BDI Laguna (Nevada) Holdings, Inc., USA (hereinafter "BDI"), BDI was also liquidated. As a result, there is no longer an affiliated company in the Group. The fully consolidated companies of the Group do not have operations.

II. PRINCIPLES AND METHODS

The consolidated financial statements were prepared in accordance with all International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, United Kingdom, valid on the balance sheet date, as well as all interpretations of the IFRS Interpretations Committee that were binding for the past financial year and are to be applied in the European Union. In addition, the provisions of Section 315a (1) and Section 289a of the German Commercial Code (HGB) were applied.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation principles. The annual financial statements of the fully consolidated companies have been prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements were prepared in euros. Individual items in the income statement and the balance sheet are combined to improve clarity. They are explained in the Notes. The balance sheet is broken down according to the maturity of the assets and liabilities. Assets and liabilities are regarded as current if they are due within one year or are to be sold. Accordingly, assets and liabilities are classified as non-current if they remain with the Group for more than one year. Trade receivables and payables, current tax assets, tax liabilities and inventories are generally reported as current items. Deferred tax assets and liabilities are generally presented as non-current.

The consolidated financial statements were prepared on a going concern basis.

In the consolidated financial statements, assumptions and estimates must be made to a very limited extent which have an effect on the amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities shown in the balance sheet. The main areas of application for assumptions and estimates are in the determination and formation of provisions and in the calculation of the fair value of the liability from debtor warrant agreements. The actual values may differ from the estimates.

III. EFFECTS OF NEW ACCOUNTING STANDARDS

(1) Accounting standards to be applied for the first time in the current financial year

The following standards and interpretations must be applied for the first time from the 2015 financial year:

Standard / Interpretation	Description	First-time application mandatory in the EU
IFRIC 21	Levies	1 January 2015
Annual Improvement Project Cycle 2011-2013	Amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40	1 January 2015

This did not have any material impact on the consolidated financial statements. The other new standards, amendments to standards or interpretations requiring mandatory application for the 2015 financial year have no effect on the consolidated financial statements.

(2) New and amended standards not yet required to be applied in the financial year

The effects on the financial statements of the TTL Group of all IFRS and IFRIC that did not yet enter into force in the 2015 financial year or were not recognised by the European Union were reviewed. The TTL

Group currently does not expect the application of the new or amended standards and interpretations to have a material impact on the consolidated financial statements.

IV. PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Principles of consolidation

The consolidated financial statements are based on the annual financial statements of the subsidiaries included in the Group prepared in accordance with the uniform IFRS to be applied in the EU as at 31 December 2015. In accordance with the definition of IFRS 10, subsidiaries are all companies in which the Group has decision-making authority with regard to the relevant operational processes on a contractual or de facto basis and which are used to achieve variable returns. Acquired subsidiaries are accounted for using the purchase method. Intercompany sales, expenses and income as well as all receivables and liabilities between consolidated companies are eliminated.

(2) Group of consolidated companies

In addition to TTL AG, the following German subsidiaries in which TTL AG directly or indirectly holds the majority of voting rights are included in the consolidated financial statements:

Company name and registered office	Share of TTL AG
TTL International GmbH, Munich	100%
1st DATA Solution Vertriebs-GmbH, Munich	100%
TTL Consult IT GmbH, Munich	100%
C-CONNECTION Computer & Network Solutions GmbH, Munich	100%

The group of consolidated companies and the shareholdings have not changed compared to the previous year.

(3) Currency conversion

In the individual financial statements of the Group companies, all receivables and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Corresponding foreign currency gains/losses are recorded in the consolidated income statement.

(4) Intangible assets

Purchased intangible assets are carried at acquisition cost. They were subject to scheduled depreciation over their respective useful lives. Intangible assets are amortised on a straight-line basis over a period of 3 to 15 years. The goodwill arising in connection with company acquisitions was already written off in full in previous years. Impairments are recognised through extraordinary depreciation.

(5) Property, plant and equipment

Property, plant and equipment is carried at acquisition or production cost less usage-based depreciation. Impairment losses in value that exceed the consumption of value due to use are accounted for by depreciation.

(6) Financial instruments

Financial instruments are all contracts that give rise to a financial asset at one entity and a financial liability or equity instrument at another entity. The Group's financial assets mainly comprise cash and cash equivalents, loans receivable and preferential shares. Financial liabilities include in particular trade accounts payables and other financial liabilities.

(a) Financial assets

Available-for-sale financial assets

The investment in BDI categorised as available for sale in the previous year was measured at fair value. There were no available-for-sale financial assets as at 31 December 2015.

Financial assets classified as "available-for-sale financial assets" are measured at fair value after initial recognition if management believes that this can be reliably measured.

Other financial assets

Financial assets categorised as "loans and receivables" are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include bank balances. Cash and cash equivalents are measured at amortised cost.

(b) Financial liabilities

Financial liabilities are measured at fair value on initial recognition. Subsequent valuation is at amortised cost. Financial liabilities are derecognised when the contractual obligations have been settled or cancelled.

If liabilities are to be derecognised due to a waiver of receivables by a shareholder acting in his/her capacity as a shareholder, this is recognised directly in equity. Any related obligations from debtor warrant agreements are recognised as financial liabilities at fair value through profit or loss at the time of addition. In the event of future changes in the expected payments arising from a recovery agreement, the financial liability is adjusted through profit or loss.

Non-financial liabilities are recognised at their repayment amount.

(7) Current and deferred taxes

Current and deferred taxes are recognised in the tax expense for the period. Taxes are recognised in the income statement unless they relate to items recognised directly in equity or other comprehensive income. In this case, taxes are also recognised in equity or other comprehensive income.

The effects of deferred taxes resulting from temporary differences between the assets and liabilities in the IFRS financial statements and the tax bases of assets and liabilities are accounted for in accordance with IAS 12. Deferred tax assets and liabilities are measured on the basis of the tax rates and tax laws adopted at the time the differences are reversed. This also includes deferred taxes on tax loss carry forwards in accordance with IAS 12.34. As no positive future tax results of the company are currently discernible, no asset item was formed in this respect. The company is subject to trade tax, corporation tax and the solidarity surcharge.

(8) Provisions

Provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) to the extent that legal or constructive obligations to third parties exist that are based on past business transactions or events and are likely to result in outflows of assets that can be reliably determined. Provisions are recognised at the expected settlement amount (present value of expected expenditure), taking into account all identifiable risks, and are not offset against recourse claims. The settlement amount with the highest probability of occurrence is assumed.

(9) Recognition of income and expenses

Other operating income is generally recognised when the service has been rendered, the amount of the income can be reliably determined and the economic benefit will probably flow to the Group.

Operating expenses are recognised in the income statement when the service is used or when they are incurred. Interest is posted as an expense for the period.

(10) Impairments

IAS 36 requires an enterprise to assess at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. Regardless of whether there is any indication of impairment, an enterprise must annually test intangible assets with an indefinite useful life or intangible assets that are not yet ready for use and acquired goodwill for impairment. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows expected from the continuing use of the asset. If the recoverable amount is less than the carrying amount, the difference represents the impairment, which is generally recognised in profit or loss. An assessment must be made at each balance sheet date as to whether an impairment still exists. Write-ups are made if the reasons for an impairment no longer exist. Write-ups are made up to a maximum of the amount that would have resulted without prior impairment. Impairments of goodwill may not be reversed.

Similarly, for financial assets accounted for using the equity method, an impairment test is performed following the update of the equity value in accordance with IAS 28.31 to determine whether there is any evidence of impairment. Goodwill is part of the equity investment and is not tested separately for impairment. Instead, the entire carrying amount of the equity investment is tested for impairment. Impairment losses are not allocated to the assets included in the equity value including goodwill. Impairment losses must be reversed to the extent that the recoverable amount of the equity investment subsequently increases again.

V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

(11) Other operating income

Other operating income is composed as follows:

	2015 TEUR	2014 TEUR
Reversal of provisions	5	6
Other operating income	0	0
Total	5	6

(12) Other operating expenses

	2015 TEUR	2014 TEUR
Costs of preparing the annual financial statements and audit costs	76	72
Public relations costs	30	17
Other expenses	26	27
Total	132	116

(13) Financial result

	2015 TEUR	2014 TEUR
Interest income	0	0
Interest expenses	-1	-4
Total	-1	-4

Interest expenses mainly relate to the loan from TR Asset Management GmbH and the loan from AR Holding GmbH as well as the discounting of provisions.

(14) Income taxes

As in the previous year, there were no tax expenses or income in the financial year.

Group companies are subject to corporate income tax of 15.0%. The solidarity surcharge is unchanged from the previous year at 5.5% of the corporate income tax charge. Including trade tax with an assessment rate of 490.0%, the overall tax rate in 2015 was 32.98%, as in the previous year.

Income tax includes taxes on income paid or owed in Germany and deferred taxes. Deferred taxes result from the different valuations between IFRS and tax balance sheet values. The reported income tax expense differs from the expected tax expense, which theoretically would result from the application of the German tax rate of 32.98% (previous year: 32.98%) on the Group's earnings before income taxes. The difference between expected and reported income tax expense is attributable to the following factors:

		2015	2014
Earnings before income taxes	TEUR	-128	-114
Applicable tax rate	%	32.98	32.98
Expected tax expense(+)/income(-)	TEUR	-42	-38
Change in impairment on deferred taxes	TEUR	42	38
Other	TEUR	0	0
Actual total tax expense(+)/income(-)	TEUR	0	0
Effective tax rate	%	0.0	0.0

Deferred tax assets on temporary differences and tax loss carry forwards are only recognised to the extent that sufficient taxable income will be available in future to utilise the deferred tax assets. As at 31 December 2015, a total of TEUR 17,934 (previous year: TEUR 18,712) in corporation tax loss carry forwards were utilised and trade tax loss carry forwards in the amount of TEUR 16,424 (previous year: TEUR 17,202) were not recognised as deferred tax assets. The loss carry forwards can be used indefinitely.

(15) Earnings per share

The key figures for earnings per share in accordance with IAS 33 are determined as follows:

	2015 EUR	2014 EUR
Net profit for the period	-127,786.49	-114,169.46
Issued shares	6,550,000	6,550,000
Earnings per share (basic earnings per share)	-0.02	-0.02

Basic earnings per share correspond to diluted earnings per share, as there were no potential ordinary shares on the balance sheet date.

VI. NOTES ON THE BALANCE SHEET

(17) Property, plant and equipment

Property, plant and equipment is carried at historical acquisition cost less usage-based. Borrowing costs were not capitalised. Assets are depreciated on a straight-line basis pro rata temporis in accordance with their useful lives. Property, plant and equipment had already been fully depreciated as at 1 January 2007.

(18) Available-for-sale financial assets

In the previous year, the company reported shares in BDI as available for sale. BDI has already been liquidated and correspondingly derecognised in the financial year.

(19) Financial assets and current tax assets

	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2015 TEUR	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2014 TEUR
Current tax assets	7	0	7	10	0	10
Financial assets	150	0	150	151	0	151
Other assets	1	0	1	1	0	1
	158	0	158	162	0	162

The assets shown are stated at their nominal value less impairments. If default or other risks exist, they are taken into account by impairments. As in the previous year, no impairments were recognised as expenses in the past financial year. As in the previous year, there were no impairments on the balance sheet date. TEUR 150 of the financial assets (previous year: TEUR 150) relate to a receivable to the shareholder, AR-Holding GmbH, which was fully paid in April 2016. The current tax assets relate to income tax.

(20) Cash and cash equivalents

The cash and cash equivalents shown are bank balances.

Cash and cash equivalents are stated at nominal value. The development of cash and cash equivalents in accordance with IAS 7 is shown in the cash flow statement.

(21) Equity

The share capital amounts to EUR 6,550,000.00 as at 31 December 2015 and is fully paid up as at the balance sheet date. It is divided into 6,550,000 no-par-value shares with a notional value of EUR 1.00 each. The number of shares in circulation of 4,977,000 did not change in the year under review. The admission of the 1,573,000 shares from the capital increase in 2002 is still pending. At the annual general meeting of shareholders on 30 August 2012, authorised capital of up to EUR 3,275,000.00 was created.

The capital reserve contains the amount that was generated in previous years from the issue of shares as part of the capital increases in excess of the calculated value (premium).

Furthermore, in the financial years 2012 to 2014, allocations to capital reserves in the amount of TEUR 1,363 were made due to conditional waivers of claims by (indirect) shareholders of the parent company. The waived loan receivables are revived in accordance with the contractual provisions (recovery agreement) if and to the extent that a certain equity capital (equity threshold) is exceeded in the parent company's annual accounts in subsequent periods. In calculating the relevant equity, the repayment claim is not to be taken into account.

The waivers of receivables and the development of the equity threshold are shown below:

	Nominal amount waived receivables EUR	Waived receivables (cumulative) EUR	Equity threshold EUR	Waiving shareholder
31/12/2012	973,086.00	973,086.00	500,000.00	TR Asset Management GmbH
31/12/2013	130,000.00	1,103,086.00	630,000.00	TR Asset Management GmbH
31/12/2014	207,751.63	1,310,837.63	837,751.63	TR Asset Management GmbH
31/12/2014	51,869.86	1,362,707.49	889,621.49	AR Holding GmbH
	1,362,707.49			

The individual components of equity and their development in the reporting year are shown in the statement of changes in equity.

(22) Debts

	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2015 TEUR	Remaining term up to 1 year TEUR	Remaining term more than 1 year TEUR	Total 31/12/2014 TEUR
Provisions	70	0	70	67	0	67
Trade payables	2	0	2	0	0	0
Financial liabilities	50	25	75		27	27
	52	25	147	70	27	94

Provisions	As at 01/01/2015 TEUR	Utilisation	Addition	Reversal	As at 31/12/2015 TEUR
Annual accounts	49	49	50	0	50
Filing	5	0	0	5	0
General meeting of share-holders	8	8	15	0	15
Other	5	0	0	0	5
Total	67	57	5	0	70

The provisions are uncertain only in terms of amount. The amounts recognised represent the best possible estimates of future expenses.

The financial liabilities relate to obligations arising from the recovery agreement listed under note 21 (TEUR 25, previous year: TEUR 25). The obligation is measured at fair value as at the balance sheet date. The valuation at fair value was classified as level 3 based on the input factors of the valuation technique used. The expected value of future net cash flows was discounted using a risk-adjusted interest rate (8.0%, previous year: 8.0%). In addition to the discount rate, the main, unobservable input factor is the estimated future annual result of the parent company for determining the development of equity. The fair value of the obligation would increase (decrease) if the future estimated annual result of the parent company were higher (lower) or the discount rate lower (higher).

Furthermore, the other financial liabilities include a loan from AR Holding GmbH in the amount of TEUR 51 (previous year: TEUR 0).

(23) Segment information

The Group sold its operating business in 2004 and has not operated since then, with the exception of the search for suitable investments. Information used by the responsible corporate body (Board of Directors) is based on the format of these financial statements. The Board of Directors does not use any further segment information. Separate segment reporting is not necessary.

VII. INFORMATION ON FINANCIAL RISK MANAGEMENT

The following matrix provides an overview of the financial risks that exist in the Group and the respective balance sheet items affected:

	Market risk	Credit/default risk	Liquidity risk
Other financial assets	X	X	X
Provisions			X
Trade accounts payable			X
Other financial liabilities			X

Credit risk/default risk

Credit or default risk is defined as the risk of financial loss that arises when a contracting party fails to meet its payment obligations. The maximum default risk results from the carrying amounts of the financial instruments shown in the balance sheet.

The management of credit and default risk in the TTL Group is primarily aimed at concluding transactions exclusively with creditworthy third parties. Appropriate impairments for doubtful accounts are made on receivables of identifiable risks in order to avoid payment defaults.

Liquidity risk

Liquidity risk is the risk that a company is not in a position to raise the financial resources it needs to settle obligations entered into.

The Group counters liquidity risks by means of liquidity management adapted to the scope and complexity of its business activities, which ensures the availability of sufficient liquidity at all times despite the lack of inflows from sales revenues. The company's liabilities are all due within one year.

As at the balance sheet date, the liquidity risk is minimised because the shareholder AR Holding GmbH waived its receivables from TTL AG against a recovery agreement. In addition, AR Holding GmbH granted TTL AG a further credit facility of TEUR 100 as at 22 January 2016. On the same date, AR Holding waived repayment of the amounts still to be paid out under this loan agreement in the amount of TEUR 60. The receivable from TR Asset Management of TEUR 150 as at 31 December 2014 was fully settled in April 2016.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument will change due to fluctuations in market prices. Market risks include currency risks, interest rate risks and other price risks.

Market risk is also managed by the Group's Board of Directors. In order to present market risks, IFRS 7 requires sensitivity analyses which show the effects of hypothetical changes in relevant risk variables on earnings and equity.

The interest rate risk is the risk that the value of a financial instrument may change due to fluctuations in market prices. This risk is now insignificant for the company. The effects of a 100 basis point increase or decrease in market interest rates as of the balance sheet date would have an impact on earnings and equity in the amount of TEUR +/- 0.2 (previous year: +/- TEUR 0.2). Currency and price risks are of minor significance for the TTL Group and are therefore not explained further.

Capital management

The goal of capital management in the TTL Group is to effectively achieve the goals and strategies in the interest of all shareholders, employees and other stakeholders. Since the companies are not currently operating, the main objective is to secure the continued existence of all Group companies. To this end, liquidity management is carried out at Group level for all individual companies. In this way, if necessary, support can be provided and optimal use can be made of existing liquidity. The capital to be managed comprises all cash and cash equivalents, financial assets and financial liabilities.

VIII. INFORMATION ON THE CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts of all categories of financial assets and liabilities of the TTL Group:

	31/12/2015 TEUR	31/12/2014 TEUR
Financial assets		
Cash and cash equivalents	13	83
Loans and receivables	150	150
	163	233
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade accounts payable	2	0
Financial liabilities	75	27
	77	27

The fair value of cash and cash equivalents, trade receivables and payables, current financial receivables and liabilities and other financial liabilities approximates their carrying amount. The main reason for this is the short maturity of such instruments. Available-for-sale financial assets and other financial liabilities are recognised at fair value.

Cash and cash equivalents are measured at fair value in accordance with level 1 of the measurement hierarchy of IFRS 13. This is based on market prices used in an active market.

Net losses result from other financial liabilities in the amount of TEUR 1 (previous year: TEUR 1) from interest expenses. As in the previous year, there were no further net profits or losses in the financial year.

IX. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement shows the origin and use of the cash flows in the financial years compared. In accordance with IAS 7 "Cash Flow Statements", a distinction is made between cash flows from operating, investing and financing activities. The cash and cash equivalents in the cash flow statement comprise all liquid assets shown in the balance sheet, i.e., cash in hand, cheques, Bundesbank balances and bank balances, provided that they are available within three months. Cash and cash equivalents are not subject to any restraints on disposal. Cash flows from investing and financing activity are determined on a payment-related basis, whereas cash flows from operating activities are derived indirectly from net income after income taxes. The cash flow from operating activities includes interest paid in the amount of TEUR 1 (previous year: TEUR 4).

The cash and cash equivalents shown in the cash flow statement comprise cash in hand and bank balances.

X. RELATIONSHIPS TO RELATED COMPANIES AND PERSONS

Related parties within the meaning of IAS 24 are, in particular, companies that belong to the same group as the reporting company and persons who control or have significant influence over the reporting company or hold a key position in the management of the reporting company.

Accordingly, the following persons or companies are or were related to the TTL Group:

- AR Holding GmbH, Frankfurt
- TR Asset Management Holding, Frankfurt
- Klaus W. Schäfer, Supervisory Board, Shareholder
- Klaus Kirchberger, Supervisory Board
- Dr Daniel Schütze, Supervisory Board
- Dr Wolfgang Gillmaier, Board of Directors

The expenses include TEUR 0 (previous year: TEUR 0) for the remuneration of the Supervisory Board and TEUR 0 (previous year: TEUR 0) for the remuneration of the Board of Directors.

In 2015, Claudia D. Gillmaier, Attorney at Law, charged TEUR 38 (previous year: TEUR 28) for accounting and financial statement services. As at the balance sheet date, current liabilities in the amount of TEUR 1 (previous year: TEUR 13) existed for this purpose.

TR Asset Management GmbH, all of whose shares are held by Sawtch International Corporation, Panama, made additional payments to the equity of TTL AG in the years 2012 to 2014 in the total amount of TEUR 1,311 (see note 21). The debtor warrant agreements concluded in this connection for the individual debt waivers lead to repayment claims of TR Asset Management GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity threshold mentioned in note 21. The maximum value of the repayment obligation corresponds to the sum of the debt waivers and amounts to TEUR 1,311.

In 2014, AR Holding GmbH made additional payments to the equity of TTL AG in the total amount of TEUR 52 (see note 21). The recovery agreements concluded in this connection for the individual debt waivers lead to repayment claims of AR Holding GmbH, insofar as the balance sheet equity of TTL AG in the subsequent periods exceeds the equity threshold mentioned in note 21. The maximum value of the repayment obligation corresponds to the sum of the waiver of receivables and amounts to TEUR 52.

In financial year 2015, AR Holding GmbH granted a loan in the amount of TEUR 50 plus EUR 525 in interest accrued in the financial year.

Pursuant to Section 15a WpHG and Section 6.6 of the German Corporate Governance Code, members of the company’s Board of Directors and Supervisory Board must report securities transactions relating to the company’s shares. Securities transactions by close relatives are also subject to reporting requirements. No such transactions were reported to TTL AG in the 2015 financial year.

XI. GOVERNING BODIES OF THE COMPANY

Supervisory Board of the public limited company:

- Klaus Kirchberger, (Chairman), Chairman of the Management Board of OFB Projektentwicklung GmbH
- Klaus W. Schäfer, self-employed management consultant
- Dr Daniel Schütze, Attorney at Law, Partner in the law firm Böttcher Bruch Schütze

The total remuneration of the Supervisory Board in 2015 amounted to TEUR 0 (previous year: TEUR 0).

The members of the Supervisory Board served on the Supervisory Board or other controlling bodies of the following companies in the 2015 financial year:

Dr Daniel Schütze:

- Kraichgau-Klinik AG, Bad Rappenau, Chairman
- Freiherr Carl v. Rothschild'sche Stiftung Carolinum, Frankfurt/Main, Member of the Board of Directors

Board of Directors:

- Dr Wolfgang Gillmaier, Attorney at Law, Partner in the law firm Dr. Gillmaier & Partner GbR Recht • Wirtschaft Steuer

XII. PROPOSAL FOR THE APPROPRIATION OF PROFITS

TTL Information Technology AG reports a net loss for the financial year. The Board of Directors of TTL Information Technology AG will therefore propose to the annual general meeting of shareholders that the net loss be carried forward to new account for the 2015 financial year.

XIII. GROUP AFFILIATION

The direct and ultimate parent company of the Group is TTL Information Technology AG, Munich.

According to Section 21 et seq. of the German Securities Trading Act, listed companies are obliged to provide the public with precise information on the composition of their shareholder base. These disclosure regulations serve to promote transparency in securities trading. In 2015, the company did not publish any voting rights or ad hoc announcements.

XIV. AUDITOR’S FEE

The fees for services of the Group auditor Warth & Klein Grant Thornton AG for the 2015 financial year for auditing services amount to TEUR 34 (previous year: TEUR 30).

XV. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

There are no other financial obligations.

XVI. INFORMATION ON THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz*) was submitted by the Board of Directors and Supervisory Boards and made permanently available on the website of TTL AG (http:/www.ttl-ag.de/leasing/investoren/entsprechen.cfm).

XVII. EMPLOYEES

In the period from 1 January to 31 December 2015, the average number of employees was 0 (previous year: 0).

XVIII. EVENTS AFTER THE BALANCE SHEET DATE

Up to 30 April 2016 (release of the financial statements for forwarding to the Supervisory Board for approval), events occurred that are material for the assessment of the income, financial and asset position of the TTL Group. On 26 April 2016, AR Holding GmbH paid in the receivable of TEUR 150 reported as a financial asset.

In addition, a loan agreement for TEUR 100 was concluded with AR Holding GmbH on 22 January 2016 and an agreement on the debt waiver against a recovery agreement concluded with the same date.

XIX. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Board of Directors on 30 April 2016.

Munich, 30 April 2016

TTL Information Technology AG,
Munich

The Board of Directors
Dr Wolfgang Gillmaier

AUDITOR'S REPORT:

We have audited the consolidated financial statements prepared by TTL Information Technology AG, Munich, comprising the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the consolidated management report for the financial year from 1 January 2015 to 31 December 2015. The preparation of the consolidated financial statements and the consolidated management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a para. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net asset, financial and income situation in the consolidated financial statements in accordance with the applicable financial reporting framework and in the consolidated management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on the basis of samples within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and principles of consolidation used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of TTL Information Technology AG, Munich, for the financial year from 1 January 2015 to 31 December 2015, comply with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net asset, financial and income situation of the Group in accordance with these requirements. The consolidated management report is consistent with the consolidated financial statements and, as a whole, provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 30 April 2016

Warth & Klein Grant Thornton AG
Auditors

Dr Kusterer	Schuster
Auditor	Auditor

Audited Non-Consolidated Financial Statements of TTL Beteiligungs- und Grundbesitz-AG prepared in accordance with HGB (*Handelsgesetzbuch*)

as of and for the year ended 31 December 2017

and the auditor's report thereon

BALANCE SHEET AS AT 31/12/2017

ASSETS			31/12/2017 EUR	31/12/2016 EUR
A.	**Fixed assets**			
	I.	**Property, plant and equipment**		
		Other equipment, factory and office equipment	5,140.00	1.00
	II.	**Financial assets**		
		1. Interests in affiliated companies	25,761,942.99	4.00
		2. Investments	5,850,030.72	4,878,909.72
			31,611,973.71	**4,878,913.72**
			31,617,113.71	**4,878,914.72**
B.	**Current assets**			
	I.	**Receivables and other assets**		
		1. Receivables from affiliated companies	7,012.41	0.00
		2. Receivables from companies in which investments are held	150,600.00	0.00
		3. Other assets	74,311.13	937.08
			231,923.54	**937.08**
	II.	**Bank balances**	604,842.47	19,673.54
			836,766.01	**20,610.62**
C.	**Accrued and deferred items**		**983,650.92**	**486.81**
			33,437,530.64	**4,900,012.15**

BALANCE SHEET AS AT 31/12/2017 (Continued)

LIABILITIES			31/12/2017 EUR	31/12/2016 EUR
A.	**Equity**			
	I.	Subscribed capital (contingent capital EUR 4,766,660.00; PY EUR 0.00)	14,133,333.00	6,550,000.00
	II.	Contributions made to implement the resolved capital increase	0.00	1,250,000.00
	III.	Capital reserve	23,054,740.65	10,167,900.65
	IV.	Other retained earnings	300,000.00	300,000.00
	V.	Net loss	-13,577,020.27	-13,551,283.40
			23,911,053.38	**4,716,617.25**
B.	**Other provisions**		**252,550.08**	**84,400.00**
C.	**Liabilities**			
	1.	Bonds of which convertible EUR 9,035,000.00 (EUR 0.00) of which with a remaining term of more than one year EUR 9,035,000.00 (EUR 0.00), of which with a remaining term of up to one year EUR 9,530.06 (EUR 0.00)	9,044,530.06	0.00
	2.	Trade accounts payable of which with a remaining term of up to one year EUR 69,258.29 (EUR 97,028.90)	69,258.29	97,028.90
	3.	Liabilities to companies in which participations are held, of which with a remaining term of more than one year EUR 151,062.50 (EUR 0.00)	151,062.50	0.00
	4.	Other liabilities of which from taxes EUR 8,907.83 (EUR 0.00) of which with a remaining term of up to one year EUR 9,076.33 (EUR 1,966.00)	9,076.33	1,966.00
			9,273,927.18	**98,994.90**
			33,437,530.64	**4,900,012.15**

PROFIT AND LOSS ACCOUNT FROM 01/01/2017 TO 31/12/2017

		2017 EUR	2016 EUR
1.	Sales revenues	10,000.00	0.00
2.	Other operating income	62,090.67	9,893.43
		72,090.67	9,893.43
3.	Personnel expenses		
a)	Wages and salaries	119,944.81	0.00
b)	Social security contributions and expenses for pensions and support	1,793.50	0.00
		121,738.31	0.00
4.	Depreciation on property, plant and equipment	687.27	0.00
5.	Other operating costs	537,471.65	509,724.56
6.	Income from investments	276,200.00	0.00
7.	Income from other securities and loans on financial assets	23,817.21	0.00
8.	Other interest and similar income of which from affiliated companies EUR 28,879.50 (EUR 253,061.30)	293,409.50	253,061.30
9.	Interest and similar expenses	31,357.02	0.00
10.	Income after taxes	-25,736.87	-246,769.83
11.	Annual shortfall	25,736.87	246,769.83
12.	Loss carried forward from the previous year	13,551,283.40	13,304,513.57
13.	**Net loss**	**13,577,020.27**	**13,551,283.40**

NOTES ON 31 DECEMBER 2017

GENERAL INFORMATION ON THE ANNUAL ACCOUNTS

The annual accounts of TTL Beteiligungs- und Grundbesitz-AG (until 1 February 2018: TTL Information Technology AG) were prepared based on the accounting guidelines of the German Commercial Code (HGB).

In addition to these guidelines, the regulations of the German Stock Corporation Act (*Aktiengesetz*) were also observed.

Information that may be given in the balance sheet, profit and loss account or in the notes are all listed in the notes.

The total cost method was used for the profit and loss account.

Pursuant to the criteria specified in Section 267 Para. 3 HGB, the company is considered a large corporation.

Information on the company's identification according to the register court

Company name according to the register court:	TTL Beteiligungs- und Grundbesitz-AG
Registered office according to the register court:	Munich
Register entry:	Commercial register
Register court:	Munich
Register number:	HRB 125559

INFORMATION ON ACCOUNTING AND VALUATION METHODS

Principles of accounting and measurement

Assets

Fixed assets

Property, plant and equipment was measured at acquisition cost requiring capitalisation less planned depreciation. Planned depreciation of the property, plant and equipment was made according to the linear method. In the case of expected long-lasting impairments, extraordinary depreciation shall be made. Financial assets are recognised at acquisition cost requiring capitalisation or the lower fair value if there is an expected long-lasting impairment. The lower fair value of the financial assets was to be selected as there were no reasons to suggest an increase in value.

Shares in affiliated companies acquired as part of contributions in kind were assessed at their fair value. In order to determine the fair value, the company's Board of Directors relied on a company value determined by an independent expert.

Current assets

Receivables and other assets are recognised at their par value. Recognisable individual risks shall be considered through impairments. Flat-rate impairments were not required on the balance sheet date.

Cash are recognized at its nominal value.

Accrued and deferred items includes expenses representing expenditure after the reporting date.

The option of capitalising deferred taxes (tax rate of 32.98%) for any tax burden that may arise was not exercised.

Liabilities

Subscribed capital is recognised at nominal value.

Other provisions consider all recognisable risks and uncertain obligations and are recognised at the settlement amount required according to a reasonable commercial assessment.

Liabilities were recognised at their settlement amount.

Different accounting and valuation methods compared to the previous year

There was no essential change to the accounting and valuation methods compared to the previous year.

INFORMATION ON THE BALANCE SHEET

Fixed asset movement schedule for individual asset items

Financial assets increased in the financial year by a total of EUR 26,733,059.99. Additions include shares in affiliated companies in the amount of EUR 25,761,938.99 and investments in the amount of EUR 971,121.00.

Additions to shares in affiliated companies involve contributions in kind from AR Holding GmbH, Frankfurt am Main, as part of the capital increase carried out on 17 July 2017. The 100% company share in GK Beteiligungs GmbH, Glattbach, with a value of EUR 16,500,000.00, was included. In addition, ancillary acquisition costs in the amount of EUR 166,938.99 were accrued.

On 20 December 2017, a convertible bond from TTL Beteiligungs- und Grundbesitz-AG was issued that was subscribed by the minority shareholders of AIRE Asset Investments in Real Estate Beteiligungs GmbH, Glattbach, and for which 25% of the shares in AIRE Asset Investments in Real Estate Beteiligungs GmbH, Glattbach, were brought into the company as payment in kind. The fair value of the contribution in kind matches the nominal value of the newly created convertible bond in the amount of EUR 9,035,000.00.

In addition, ancillary acquisition costs in the amount of approximately EUR 60,000.00 were accrued.

The addition relating to the investment in DIC Capital Partners (Europe) GmbH, Munich, results from the acquisition of a 2.5% company share in DIC Capital Partners (Europe) GmbH at the price of EUR 971,121.00 that took place on 27 November 2017.

The development of individual asset items is shown in the following fixed asset movement schedule:

Notes on 31 December 2017 (Continued)

	Acquisition/production costs			Depreciation			Carrying amounts	
	As at 01/01/2017	Additions	As at 31/12/2017	As at 01/01/2017	Financial year	As at 31/12/2017	As at 31/12/2017	As at 31/12/2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed assets								
I. Property, plant and equipment								
Other equipment, factory and office equipment	133,632.39	5,826.27	139,458.66	133,631.39	687.27	134,318.66	5,140.00	1.00
Total property, plant and equipment	133,632.39	5,826.27	139,458.66	133,631.39	687.27	134,318.66	5,140.00	1.00
II. Financial assets								
1. Interests in affiliated companies	22,946,660.19	25,761,938.99	48,708,599.18	22,946,656.19	0.00	22,946,656.19	25,761,942.99	4.00
2. Investments	4,878,909.72	971,121.00	5,850,030.72	0.00	0.00	0.00	5,850,030.72	4,878,909.72
Total financial assets	27,825,569.91	26,733,059.99	54,558,629.90	22,946,656.19	0.00	22,946,656.19	31,611,973.71	4,878,913.72
Total fixed assets	27,959,202.30	26,738,886.26	54,698,088.56	23,080,287.58	687.27	23,080,974.85	31,617,113.71	4,878,914.72

Information on receivables

Receivables from companies in which participations are held in the amount of EUR 150,600.00 (PY: EUR 0.00) is a result of the profit distribution of DIC Capital Partners (Europe) GmbH, Munich, that was decided on 21 December 2017.

TTL Beteiligungs- und Grundbesitz-AG provides certain subsidiaries with current account loans. Using this credit line amounted to EUR 34,036.34 (PY: 258,811.16) as at 31 December 2017. Due to this company's economic situation, TTL Beteiligungs- und Grundbesitz-AG declared subordination with regard to its repayment claim and impaired these receivables in the amount of EUR 34,036.34 (PY: EUR 258,811.16).

All receivables have a remaining term of less than one year as in the previous year.

Other assets

Other assets have a remaining term of less than one year as in the previous year.

Capitalised debt discount

A debt discount from the convertible bonds issued on 20 December 2017 in the amount of EUR 986,840.00 in total was recorded under accrued and deferred items. The linear depreciation of the discount incurred during the 2017 financial year amounts to EUR 5,948.08 and the deferred income incurred on the discount as at the reporting date is therefore EUR 980,891.92.

Share capital

The share capital of TTL Beteiligungs- und Grundbesitz-AG amounts to EUR 14,133,333 as at 31 December 2017 and has been fully paid-up on the balance sheet date. It is divided into 14,133,333 no-par-value shares, each with a calculated value of EUR 1.00.

Within the context of the restructuring plan at the end of 2016, the parent company increased the subscribed capital excluding old shareholders' subscription rights by EUR 1,250,000. The capital increase was registered on 9 January 2017. The capital increase was carried out by AR Holding GmbH by means of a contribution in kind of a 12.56% company share in DIC Capital Partners (Europe) GmbH.

At the end of March 2017, 1,733,333 shares with a nominal value of EUR 1,733,333 were issued by the parent company from authorised capital (2016/I authorised capital) as part of a cash capital increase. The new shares were admitted to trading on 28 March 2017 and are entitled to dividends from 1 January 2017.

The TTL AG Board of Directors decided to increase the company's share capital by EUR 4,600,000, from EUR 9,533,333 to EUR 14,133,333 by issuing 4,600,000 no-par-value shares (ordinary shares) against a contribution in kind at the issue amount of EUR 1.00 per share on 27 June 2017 with approval of the Supervisory Board on that same day by partially using the authorised capital. The capital increase was carried out by AR Holding GmbH by means of a contribution in kind of a 100% company share in GK Beteiligungs GmbH.

Information on the authorised capital

In the general meeting of shareholders of 4 August 2016, authorised capital of up to EUR 3,275,000 was raised. EUR 2,025,000 of this remained after executing the non-cash capital increase in January 2017. The authorised capital in the amount of an additional EUR 1,733,333 was used through a cash capital increase at the end of March 2017.

In the general meeting of shareholders of 2 June 2017, authorised capital on one or more occasions up to a total of EUR 4,766,666 (2017 authorised capital) by 1 June 2022 was created with the approval of the Supervisory Board by issuing no-par-value shares against cash or non-cash contributions. The authorised capital in the amount of an additional EUR 4,600,000 was used through a non-cash capital increase on 27 June 2017.

Development of capital reserves

The investment in GK Beteiligungs GmbH included in the non-cash capital increase was valued at EUR 16,500,000 under the Ertragswertverfahren (net income value method) and set as the purchase price. The amount of EUR 11,900,000.00 exceeding the nominal value of the capital increase was allocated to the capital reserve.

The allocations to the capital reserve in the amount of EUR 1,413,232 that took place in the 2012-2016 financial years were based on conditional debt waivers of (indirect) shareholders of the parent company. The waived loan receivables are revived in accordance with the contractual provisions (recovery agreement) if and to the extent that a certain equity capital (equity threshold) is exceeded in the parent company's annual financial statements in subsequent periods. In calculating the relevant equity, the repayment claim is not to be taken into account.

Debt waivers are shown as follows:

Date Waiver	Nominal value of the waived debts EUR	Waived debts (accumulated) EUR	Waiving shareholder
31/12/2012	973,086.00	973,086.00	GR Capital GmbH
31/12/2013	130,000.00	1,103,086.00	GR Capital GmbH
31/12/2014	207,752.00	1,310,838.00	GR Capital GmbH
31/12/2014	51,870.00	1,362,707.00	AR Holding GmbH
22/01/2016	50,525.00	1,413,232.00	AR Holding GmbH
	1,413,233.00		

As at 31 December 2017, the company records equity of EUR 23,911,053.38 in its annual accounts pursuant to Section 266 Para. 3 A HGB. Due to current company planning, reaching the threshold of EUR 50,000,000.00 is currently unlikely. For this reason, the reapplicability of the liabilities is not recorded in the accounts.

An amount of EUR 12,866,840.00 was recorded in the financial year under capital reserves. Its composition is shown in the following table:

The capital reserve developed as follows:	Amount EUR
As of 1 January 2017	10,167,900.65
Premium from non-cash capital increase	11,900,000.00
Premium from convertible bonds	986,840.00
As of 31 December 2017	**23,054,740.65**

Contingent capital

As a result of the decision of the TTL AG general meeting of shareholders of 2 June 2017, the Board of Directors is authorised, with the approval of the Supervisory Board, to issue bearer option or convertible bonds until 1 June 2022 on one or several occasions with or without term restriction for a total nominal value of up to EUR 20,000,000 and to grant or impose option or conversion rights to the holders or creditors of bonds or option or conversion obligations to TTL bearer shares with a pro-rata amount in the share capital of a total of up to EUR 4,766,666 with more detailed option or convertible bond conditions.

The bonds can be issued against cash and/or payment in kind. Option and/or conversion rights or obligations resulting from the bonds issued as a result of the authorisation are hedged by the 2017/I contingent capital of up to EUR 4,766,666 by the issue of up to 4,766,666 TTL no-par-value shares. The 2017/I contingent capital and the amendments to the articles of association in Section 6b were recorded in the commercial register on 14 June 2017.

Information on the existence of profit participation certificates or comparable securities and rights

The TTL AG Board of Directors issued bearer convertible bonds ("convertible bonds") with a total nominal value of EUR 9,035,000.00 divided into 90,350 partial bonds with a nominal value of EUR 100.00 each with a term of up to five years from the issuing date of 20 December 2017. The issue price of the convertible bonds corresponds to its nominal value.

The convertible bonds are provided with a nominal interest rate below the market interest rate. The difference between the calculated issue amount determined based on the market interest rate and the nominal value was recorded under the capital reserve pursuant to Section 272 Para. 2 No. 2 HGB.

The convertible bonds have a term of up to five years and have been subject to interest of 3.5% p.a. since 20 December 2017.

The conversion right can be exercised for the first time from 1 July 2018 onwards up to the tenth business day before the final maturity date (including both days), subject to the early repayment of the bonds or in the non-exercise period. If the last day of an exercise period is not a business day, then the exercise period in question shall end on the business day directly preceding this day. If the last day of the exercise period falls in a non-exercise period, then the exercise period shall end on the last business day before the start of the non-exercise period in question. The bond debtor shall grant each bond creditor the right to convert each bond fully, however not partially, into bond debtor no-par-value bearer shares (no-par-value shares) on any business day during the exercise period with a pro rata amount of the bond debtor’s share capital of EUR 1.00 attributable to one share on the issue day.

This conditional capital increase shall only be executed in this respect if the holders of options certificates make use of their conversion right.

The conditional capital increase took place as a result of three minority shareholders of AIRE Asset Investment in Real Estate Beteiligungs GmbH ("AIRE"), in which TTL Beteiligungs- und Grundbesitz-AG indirectly holds 51% of shares, subscribing the newly issued convertible bonds against the contribution of a 25% investment in AIRE. TTL Beteiligungs- und Grundbesitz-AG therefore increases its share in AIRE to a total of 76% with the contribution in kind.

Net loss development

	Amount EUR
As of 1 January 2017	-13,551,283.40
Distribution to shareholders	0.00
2017 annual shortfall	-25,736.87
As of 31 December 2017	**-13,577,020.27**

Information and notes on provisions

Other provisions mainly concern acquisition costs, costs for issuing convertible bonds, royalties, costs of the general meeting of shareholders and annual accounts costs.

Other provisions all have a remaining term of up to one year up to the provision for the share options of the Chairman of the Board of Directors in the amount of EUR 3,100.00 (PY: EUR 0.00).

Information on remaining terms

The amount of liabilities with a remaining term of up to one year is EUR 87,864.68 (previous year: EUR 98,994.90).

The amount of liabilities with a remaining term of more than one year is EUR 9,186,062.50 (previous year: EUR 0.00).

INFORMATION ON THE PROFIT AND LOSS ACCOUNT

Other operating income includes income from the sale of financial assets in the amount of EUR 56,208.55 (PY: EUR 0.00) and income from the reversal of provisions in the amount of EUR 5,882.12 (PY: EUR 1,893.43).

Other operating costs mainly include expenses from the one-off impairment of receivables of EUR 34,036.34 (PY: EUR 258,811.16), legal and consultation costs of EUR 249,838.58 (PY: EUR 102,669.82) and ongoing administration costs of a total of EUR 248,035.28 (PY: EUR 146,180.49).

Recorded investment income in the amount of EUR 276,200.00 (PY: EUR 0.00) is a result of the profit distribution of DIC Capital Partners (Europe) GmbH decided in the financial year 2017.

Interest income is a result of the interest on a loan in the amount of EUR 264,530.00 (PY: EUR 0.00) and from the interest on receivables from affiliated companies in the amount of EUR 28,879.50 (PY: EUR 253,061.30).

Interest expenses amount to EUR 31,357.02 (PY: EUR 0.00).

Breakdown of sales revenues

Sales revenues are broken down as follows pursuant to Section 285 No. 4 HGB:

Area of activity	**Turnover EUR**
Consultation services (Germany)	10,000.00

OTHER INFORMATION

Average number of employees employed during the financial year

In addition to the Board of Directors, one employee was employed in December 2017. As a result, the number of employees pursuant to Section 285 No. 7 HGB amounts to 0.

Name of the members of the Board of Directors and Supervisory Board

The following persons were on the Board of Directors until the preparation of these annual accounts in the past financial year:

Dr Wolfgang Gillmaier, attorney at law, partner at Dr. Gillmaier & Partner GbR (retired as at 31 December 2017)

Theo Reichert, Chairman of the Board of Directors (as of 1 October 2017)

Thomas Grimm, Financial Board (as of 18 January 2018).

The Supervisory Board was comprised of the following persons:

Klaus Kirchberger, (Chairman), Chairman of the Management Board of OFB Projektentwicklung GmbH

Dr Daniel Schütze, (deputy Chairman), attorney at law, partner at Sozietät Böttcher Bruch Schütze

Klaus W. Schäfer, independent corporate consultant (retired as at 23 January 2018)

Prof. Dr Gerhard Schmidt, attorney at law, tax consultant, partner of the law firm Weil, Gotshal & Manges LLP (appointed on 23 January 2018).

Remuneration of the members of the board of Directors and Supervisory Board

Overall remuneration of the Board of Directors amounted to EUR 118,094.81.

This amount only includes remuneration for the Chairman of the Board of Directors Theo Reichert, as Dr Wolfgang Gillmaier waived remuneration as in the previous year.

This remuneration includes components partially based on success or components with a long-term incentive effect. Information on success-based and independent remuneration can be found in the remuneration report under Point 6.2 in the management report.

The Supervisory Board waived remuneration for its activity in the 2017 financial year, meaning that this amounted to EUR 0.00 (PY: EUR 0.00).

Some members of the Supervisory Board were employed in the 2017 financial year on the Supervisory Board or in other management committees in the following companies:

Dr Daniel Schütze:

- Kraichgau-Klinik AG, Bad Rappenau, Chairman of the Supervisory Board
- Freiherr Carl v. Rothschild´sche Stiftung Carolinum, Frankfurt/Main, member of the Board of Directors

Dr Gerhard Schmidt:

- GEG German Estate Group AG, Frankfurt am Main, Chairman of the Supervisory Board
- DIC Asset AG, Frankfurt am Main, Chairman of the Supervisory Board
- Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main, Chairman of the Supervisory Board
- Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main, Chairman of the Supervisory Board
- DICP Erste Family Office Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) GmbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DIC Capital Partners Beteiligungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners OpCo (Germany) Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DIC Capital Partners (Germany) III Verwaltungs GmbH, Munich, Chairman of the Supervisory Board
- DICP Capital SE, Munich, Chairman of the Management Board.

Mr Klaus Kirchberger and Mr Klaus W. Schäfer did not belong to any other Supervisory Board or comparable management committee pursuant to Section 125 Para. 1 Page 3 AktG.

Information on shareholdings

Pursuant to Section 285 No. 11 HGB, a report is given on the following companies:

Notes on 31 December 2017 (Continued)

Company name/registered office	Stake	Annual result EUR	Equity EUR
TTL International GmbH, Munich	100.00%	-2,637.13	-21,481.13
1st DATA Solution Vertriebs-GmbH, Munich	100.00%	-30,363.93	-5,804,336.88
C-Connection Computer & Network Solutions GmbH, Munich	100.00%	-1,103.62	-3,199.95
TTL Consult IT GmbH, Munich	100.00%	-1,287.57	-7,670.20
GK Beteiligungs GmbH, Munich	100.00%	-10,952.11	16,585,823.39
AIRE Asset Investment in Real Estate, Beteiligungs GmbH, Glattbach	76.00% 51.00%**)	-4,527.31	8,265,732.09
AIRE Asset Investment in Real Estate GmbH, Glattbach	76.00% **)	1,566,537.90***)	2,875,049.14***)
DIC Capital Partners (Europe) GmbH, Munich	15.06%	786,343.93*)	34,884,118.56*)
Deutsche Immobilien Chancen Re-al Estate GmbH, Frankfurt am Main	20.74%**)	10,990,055.74	101,138,825.54

*) Values as at 31/12/2016
**) of which a direct shareholding
***) preliminary values of 31/12/2017

Information on exempting consolidated financial statements

TTL Beteiligungs- und Grundbesitz-AG, as a parent company pursuant to Section 315a HGB prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU for the smallest and largest groups of companies. The annual accounts of TTL Beteiligungs- und Grundbesitz-AG are included in the consolidated financial statements. The consolidated financial statements are submitted to the operator of the electronic version of the German Federal Gazette and then announced in the electronic version of the German Federal Gazette.

Auditor fee

The information on the auditor's fee is included in the company's consolidated financial statements as at 31 December 2017. The auditing services specified therein concern the statutory audit of the annual accounts and consolidated financial statements of TTL AG and the audit review of the annual accounts of TTL AG's subsidiary.

Information on the existence of a shareholding in the company of which the company had been informed pursuant to Section 20 Para. 1 or 4 AktG

WARBURG-Invest LUXEMBOURG S.A., Luxembourg informed us on 15 September 2017 that its share of voting rights in TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany, fell below the 3% threshold on 14 September 2017 and amounted to 2.92% (412,783 voting rights) on this day.

AR Holding GmbH, Frankfurt, Germany, informed us on 17 July 2017 that its share of voting rights in TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany, had changed on 17 July 2017 and amounted to 75.00% (10,600,000 voting rights) on this day.

Mr Klaus W. Schäfer, Munich, Germany, a member of the company's Supervisory Board, informed us on 3 April 2017 that his share of voting rights in TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany, amounted to 9.80% (764,640 voting rights) on 9 January 2017.

Mr Wilhelm Konrad Thomas Zours, Heidelberg, Germany, informed us on 29 March 2017 that his share of voting rights in TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany, fell below the 3% threshold on 27 March 2017 and amounted to 2.80% (266,532 voting rights) on this day.

Finanzkontor Zurich AG, Risch, Switzerland, informed us on 7 March 2017 that its share of voting rights in TTL Beteiligungs- und Grundbesitz-AG, Munich, Germany, fell below the 3% threshold on 30 January 2013 and amounted to 2.70% (177,100 voting rights) on this day.

Suggestion or decision for the use of profits

Fully carrying over the net loss from 2017 to the new account is suggested.

Events after the reporting date

With effect as of 18 January 2018, the Supervisory Board appointed Mr Thomas Grimm to the position of the company's new CFO. The business graduate is replacing Dr Wolfgang Gillmaier, who left his position on 31 December 2017.

At the company's extraordinary general meeting of shareholders of 23 January 2018, the company's shareholders decided on a new authorised capital in the amount of EUR 7,066,666.00 and an authorisation to issue convertible bonds with a par value of up to EUR 11,500,000.00 and contingent capital in the amount of EUR 2,300,000.00 in order to meet the conversion rights or obligations resulting from the issue of convertible bonds.

Furthermore, approval was given to rename the company as "TTL Beteiligungs- und Grundbesitz-AG".

In addition, Dr Gerhard Schmidt was chosen to be a new member of the Supervisory Board of TTL AG after Mr Klaus W. Schäfer stepped down from office with effect from the end of the extraordinary general meeting of shareholders.

Declaration on the Corporate Governance Code

The statement of compliance pursuant to Section 161 AktG was submitted by the Board of Directors and Supervisory Board in order to comply with the German Corporate Governance Code and made permanently accessible at the homepage of TTL Beteiligungs- und Grundbesitz-AG (https://www.ttl-ag.de/investor-relations/corporate- governance/entsprechenserklaerung.html).

Signature of the Board of Directors
Munich, 14 February 2018

Place, date

Theo Reichert

Thomas Grimm

AUDITOR’S REPORT

Opinion on the audit of the annual accounts and management report

Audit opinion

We audited the annual accounts of TTL Beteiligungs- und Grundbesitz-AG (until 1 February 2018: TTL Information Technology AG), Munich, consisting of the balance sheet as at 31 December 2017, the profit and loss account for the financial year from 1 January 2017 until 31 December 2017 and the notes, including the presentation of the accounting and valuation methods as at 31 December 2017. Furthermore, we audited the management report summarised with the consolidated management report (hereinafter: management report) of TTL Beteiligungs- und Grundbesitz-AG for the financial year from 1 January 2017 until 31 December 2017. We did not examine the declaration on corporate management pursuant to Section 289f and Section 315d HGB in terms of content in accordance with German legal guidelines.

In our opinion, and based on the findings of our audit,

- the attached annual accounts comply in all significant regards with German regulations that apply to corporations under commercial law and portrays an image of the company’s asset and financial situation as at 31 December 2017 and its income situation for the financial year from 1 January 2017 to 31 December 2017 that corresponds to true circumstances in consideration of generally accepted accounting principles and
- the attached management report overall portrays an accurate image of the company's situation. In all significant regards, this management report is in accordance with the annual accounts, complies with German legal guidelines and accurately depicts the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the aforementioned declaration on corporate management pursuant to Section 289f and Section 315d HGB.

Pursuant to Section 322 Para. 3 Clause 1 HGB, we declare that our audit did not lead to any objections against the correctness of the annual accounts and the management report.

Basis for the audit opinion
We conducted our audit of the annual accounts and management report in accordance with Section 317 HGB and the EU Auditing Ordinance (No. 537/2014: hereinafter "EU-APrVO") in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). Our responsibility according to these regulations and principles is described in detail in the section "Responsibility of the auditor for the audit of the annual accounts and management report" in our auditor’s report. We are independent from the company in accordance with commercial and professional regulations under European and German law and have met our other professional obligations in Germany in accordance with these requirements. Moreover, pursuant to Article 10 Para. 2 letter f) EU-APrVO, we declare that we did not render any prohibited non-audit services pursuant to Article 4 Para. 1 EU-APrVO. We believe that the audit evidence we requested is sufficient and appropriate to serve as a basis for the auditor’s opinion on the annual accounts and management report.

Particularly important audit facts in the audit of the annual accounts
The particularly important audit facts are those facts that, in our best judgement, were the most important in our audit of the annual accounts for the financial year from 1 January 2017 to 31 December 2017. These facts were considered as a whole in connection with our audit of the annual accounts and in the formation of our auditing opinion; we shall not submit any separate auditing opinion regarding these facts.

We present the audit facts we deem to be particularly important below. We structured our presentation of these particularly important audit facts as follows:

① Risk for the accounts
② Audit process
③ Reference to the associated information

Initial assessment of the shares in affiliated companies

① Risk for the accounts

TTL Beteiligungs- und Grundbesitz-AG has shares in affiliated companies with a carrying amount of EUR 25.7 million as at 31 December 2017. The company purchases these shares as part of a non-cash capital increase and the subscription of one of the company's convertible bonds at fair value as contribution in kind. For the shares transferred as part of the non-cash capital increase, the company's Board of Directors determined a fair value of EUR 16.5 million and determined a fair value of EUR 9.0 million for the contribution in kind for the subscription of the convertible bond and recognised them at the shares' acquisition costs. In order to determine the fair value, the company's Board of Directors relied on company values determined by an independent expert. In both cases, they were measured according to the net income value method.

The result of the measurement is strongly dependent on the planning assumptions and the capitalisation interest rate used and is therefore associated with significant valuation uncertainty. We believe the facts were of particular significance given the amount of the valuations and the effects of the significant valuation uncertainty on the share acquisition costs and therefore on the company's annual accounts.

② Audit process

As part of the audit, we assessed the suitability of each fair value determined by the independent expert. In doing so, we critically appraised the process of the independent expert and its qualification and objectivity. Likewise, by involving our own valuation specialists, we are convinced of the formal and arithmetical accuracy of the valuations included in the expert opinion and the compliance of the process to determine fair values with the principles of corporate assessment pursuant to IDW S 1.

We assessed the company plan taken as a basis for the fair values for consistency with the documentation used as a basis for the expert opinion and are convinced that the planning assumptions are appropriate. To do this, we compared the plan data from previous years with the actual results achieved and compared the recorded future income surpluses with the information from the current medium-term plan and industry-specific market expectations. For the capitalisation interest rate used, we critically appraised the parameters used as a basis (in particular the risk-free basic interest rate, the risk premium and the derivation of the company-specific beta factor) and reproduced the calculation method.

③ Reference to the associated information

We refer to the information included in the "Principles of accounting and measurement" and "Notes on the Balance Sheet - Financial assets" sections in the notes to the annual accounts.

Other information

The Board of Directors is responsible for other information. Other information includes:

- The declaration on corporate management pursuant to Section 289f and Section 315d HGB and
- assurance pursuant to Section 264 Para. 2 Clause 3 HGB regarding the annual accounts and assurance pursuant to Section 289 Para. 1 Clause 5 HGB regarding the management report.

Our audit decisions on the annual accounts and management report do not extend to other information, and therefore we do not submit any audit opinion or any other form of audit conclusion regarding this information.

In connection with our audit, we have the responsibility of reading the other information and appraising whether the other information

- shows significant discrepancies regarding the annual accounts, the management report or the knowledge we gleaned from the audit
- otherwise appears to be materially misrepresented.

If we draw the conclusion that this information includes material misrepresentations based on the work we carried out, we are obliged to report this. In this context, we have nothing to report.

The legal representatives are responsible for preparing the annual accounts which comply with the applicable German commercial regulations for corporations in all important regards and for ensuring that the annual accounts portray an image of the company’s asset, financial and income situation that corresponds to true circumstances in consideration of German generally accepted accounting principles. Furthermore, the legal representatives are responsible for internal controls that have been determined as necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual accounts that are free from significant incorrect presentations, whether planned or unplanned.

When preparing the annual accounts, the legal representatives are responsible for assessing the company's continuation of operations. In addition, they are responsible for indicating facts in connection with the continuation of operations, if relevant. Moreover, they are responsible for recording the continuation of operations on the balance sheet based on the accounting principle provided that actual or legal circumstances do not oppose this.

Furthermore, the legal representatives are responsible for preparing a management report that overall portrays an accurate image of the company’s situation and is in line with the annual accounts in all significant regards, complies with German legal guidelines and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for the arrangements and measures (systems) that are deemed necessary in order to enable the preparation of a management report in accordance with the applicable legal German legal guidelines and in order to be able to provide sufficient evidence for the statements in the management report.

The Supervisory Board is responsible for supervising the company's accounting process for preparing the annual accounts and management report.

LIABILITY OF THE AUDITOR FOR THE AUDIT OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT

Our objective is to obtain sufficient certainty as to whether the annual accounts as a whole are free from significant false presentations, whether planned or unplanned, and as to whether the management report as a whole portrays an appropriate image of the company’s situation and is in line with the annual accounts and the knowledge gained during the audit in all significant regards, complies with German legal guidelines and accurately portrays the opportunities and risks of future development in addition to issuing an auditor’s report that includes our audit opinion regarding the annual accounts and management report.

Sufficient certainty is a high degree of certainty, but no guarantee that an audit carried out in accordance with Section 317 HGB and EU-APrVO in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors) will always uncover material misrepresentations. Misrepresentations may result from violations or inaccuracies and are viewed as significant if it can reasonably be expected that they individually or as a whole influence the economic decisions made by the recipients based on these annual accounts and the management report.

During the audit, we exercise professional judgement and ensure a critical attitude. Furthermore:

- we identify and assess the risks of material misrepresentations, whether planned or unplanned, in the annual accounts and management report, plan and conduct audit procedures as a reaction to these risks and obtain audit evidence that is sufficient and suitable for acting as a basis for our audit opinion. The risk that material misrepresentations will not be detected is higher in the event of violations than inaccuracies, as violations may include fraudulent collaboration, falsifications, intended incompleteness, misleading presentation or derogation from internal controls.
- we glean an understanding of the internal control system relevant for the audit of the annual accounts and the arrangements and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate for the current circumstances, but do not aim to submit an audit decision on the efficiency of the company’s systems.
- we assess the appropriateness of the accounting methods applied by the legal representatives and the justifiability of values estimated and presented by the legal representative and associated information.
- we draw conclusions on the appropriateness of the accounting principle applied by the legal representatives for the continuation of operations and, based on the audit evidence obtained, as to whether there is significant uncertainty in connection with the events or circumstances that could

lead to significant doubt in the company's continuation of operations. If we come to the conclusion that there is significant uncertainty, we are obliged in the auditor's report to call attention to the associated information in the annual accounts and management report if this information is not appropriate for amending our audit decision. We draw our conclusions based on the audit evidence we obtained until the date of our auditor's report. Future events or circumstances may however lead to the company no longer continuing its operations.

- We assess the overall presentation, development and content of the annual accounts including the information and whether the transactions and events used as a basis for the annual accounts are presented in such a way that the annual accounts portray an image of the company's asset, financial and income situation that corresponds to true circumstances in consideration of German generally accepted accounting principles.
- We assess the consistency of the management report with the annual accounts, its legal compliance and the image of the company's situation it portrays.
- We conduct audit procedures on the forward-looking information presented by the legal representatives in the management report. Based on sufficient and appropriate audit evidence, we implement in particular the material assumptions used as a basis by the legal representatives for the forward-looking information and assess the appropriateness of the forward-looking information derived from these assumptions. We do not submit any independent audit decision on the forward-looking information and its underlying assumptions. There is a considerable unavoidable risk that future events may significantly differ from the forward-looking information.

Inter alia, we discuss the planned scope and schedule of the audit with the persons responsible for supervision in addition to the significant audit findings including any deficiencies in the internal control system which we establish during our audit.

We submit a declaration to the persons responsible for supervision that we have met all of the relevant independence requirements. We discuss all relationships and other facts we can reasonably assume to have an effect on our independence and the protective measures made for this purpose with the persons responsible for supervision.

From the facts we discussed with the persons responsible for supervision, we determine facts that were most significant for the current reporting period during the audit of the annual accounts and that therefore are the particularly important audit facts. We describe these facts in the auditor's report, unless laws or other legal regulations prohibit the public identification of these facts.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Other information pursuant to Article 10 EU-APrVO

We were selected as the auditor of the annual accounts by the general meeting of shareholders on 2 June 2017. We were commissioned by the Supervisory Board on 20 December 2017. We have continuously acted as the auditors of TTL Beteiligungs- und Grundbesitz-AG since the 2011 financial year.

We declare that the audit opinion included in this auditor's report comply with the additional report to the Supervisory Board pursuant to Article 11 EU-APrVO (audit report).

AUDITOR RESPONSIBLE

The auditor responsible for the audit is Mr Andreas Schuster.

Munich, 14 February 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft (Auditors)

Mauermeier	Schuster
Auditor	Auditor

Audited Non-Consolidated Financial Statements of Deutsche Immobilien Chancen Real Estate GmbH
prepared in accordance with HGB (*Handelsgesetzbuch*)

as of and for the year ended
31 December 2017

and the auditor's report thereon

BALANCE SHEET AS AT 31 DECEMBER 2017

Assets in EUR	**31/12/2017**	**31/12/2016**
FIXED ASSETS		
Financial assets		
Interests in affiliated companies	30,241,547.00	40,136,447.00
CURRENT ASSETS		
Receivables and other assets		
Receivables from affiliated companies	72,002,589.24	45,694,511.72
Other assets	0.00	1,015,986.75
	72,002,589.24	**46,710,498.47**
Cash and cash equivalents	3,277,497.00	10,434,046.19
	75,280,086.24	**57,144,544.66**
BALANCE SHEET TOTAL	**105,521,633.24**	**97,280,991.66**

Liabilities in EUR	**31/12/2017**	**31/12/2016**
EQUITY		
Subscribed capital	4,450,000.00	3,000,000.00
Capital reserve	85,635,000.00	87,085,000.00
Result carried forward	63,769.80	0.00
Net income	10,051,971.10	5,063,769.80
	100,200,740.90	**95,148,769.80**
PROVISIONS		
Tax provisions	3,659,729.94	608,047.65
Other provisions	29,876.00	26,250.00
	3,689,605.94	**634,297.65**
LIABILITIES		
Trade accounts payable	103.50	981.75
Liabilities to affiliated companies	931,182.90	487,042.46
Other liabilities	0.00	9,900.00
	931,286.40	**497,924.21**
Deferred tax liabilities	700,000.00	1,000,000.00
BALANCE SHEET TOTAL	**105,521,633.24**	**97,280,991.66**

PROFIT AND LOSS ACCOUNT OF DEUTSCHE IMMOBILIEN CHANCEN REAL ESTATE GMBH FROM 1 JANUARY TO 31 DECEMBER 2017

in EUR	**01/01/2017–31/12/2017**	01/01/2016–31/12/2016
Other operating income	**1,982,549.66**	10,556.67
Other operating costs	**-103,086.94**	-332,792.20
Income from investments of which from affiliated companies: EUR 7,931,507.86 (PY: EUR 5,183,786.80)	**7,931,507.86**	5,183,786.80
Other interest and similar income of which from affiliated companies: EUR 2,486,926.66 (PY: EUR 1,052,395.45)	**3,082,268.33**	1,545,223.09
Interest and other expenses of which in affiliated companies: EUR 86,779.04 (PY: EUR 22,588.72)	**-87,136.04**	-29,941.35
Taxes on income and earnings of which deferred taxes: EUR -300,000.00 (PY: EUR 1,000,000.00)	**-2,751,682.29**	- 1,303,799.00
Income after taxes	**10,054,420.58**	5,073,044.01
Other taxes	**-2,449.48**	-9,274.21
Net income	**10,051,971.10**	5,063,769.80

NOTES TO THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2017

I. GENERAL INFORMATION

Deutsche Immobilien Chancen Real Estate GmbH has its registered office in Frankfurt am Main and is registered in Commercial Register B at the District Court of Frankfurt (Reg. No. HRB 94128).

The guidelines of the German Commercial Code (HGB) on the accounting of small corporations and the supplementary guidelines of the law concerning companies with limited liability are taken as the basis for the annual accounts as at 31 December 2017. Partial use was made of preparation simplifications for small corporations. The total cost method was used for the profit and loss account.

II. APPLIED ACCOUNTING AND VALUATION PRINCIPLES

The recognition options and measurement methods applied were unchanged from the previous year.

Financial assets are valued at the lower of acquisition cost or fair value

Financial assets are valued at cost or their lower fair value.

Receivables and other assets are valued at acquisition cost in accordance with the lower of cost or market principle. Recognisable individual risks were considered through impairments.

Bank balances are recognised at nominal value.

Subscribed capital is recognised at nominal value.

Provisions are recognised at the settlement amount required according to a reasonable commercial assessment.

Liabilities are recognised at the settlement amount.

The expected short-term tax burden is recognised as deferred tax liabilities due to the differences between commercial and tax valuations.

III. NOTES ON THE BALANCE SHEET

The preparation of shareholdings as at 31 December 2017 is a result of the following overview:

Company name (Registered office in Frankfurt am Main)	Capital share in %	Equity as at 31/12/2017 in TEUR	2017 annual result in TEUR
DIC Real Estate Mezzanine GmbH	100.0	17	-7
DIC Real Estate Mezzanine Investments GmbH & Co. KG	100.0	6	0
German Estate Group GmbH & Co. KG	75.0	40,000	0
GEG Verwaltungs GmbH	75.0	43	2

Notes to the annual accounts for the financial year 2017 (Continued)

As at 31 December 2017, the following indirect investments are held:

Company name (Registered office in Frankfurt am Main)	Capital share in %	Equity as at 31/12/2017 in TEUR	2017 annual result in TEUR
GEG German Estate Group Management Holding OHG 1)	100.0	18,381	934
GEG German Estate Group AG 1)	100.0	20,233	0
GEG Betriebsvorrichtungs GmbH 1)	100.0	252	-86
Global Tower GmbH & Co. KG 1)	100.0	2,175	-1,901
GEG Sapporobogen Holding GmbH & Co. KG 2)	100.0	7,960	42
Diamond Holding 1 GmbH 2)	100.0	15,700	0
GEG Emittent GmbH & Co. KG 2)	100.0	-9	-9
GEG Emittent Verwaltungs GmbH 2)	100.0	21	-4
Global Tower Verwaltungs GmbH 2)	100.0	19	-6
BCP Düsseldorf BVO GmbH2)	100.0	15	-10
GEG Triforum FinCo. GmbH & Co. KG 2)	100.0	44	-57
BCP Düsseldorf Holding GmbH & Co. KG 2)	100.0	8,572	-39
GEG RIVERPARK GmbH & Co. KG 2)	100.0	583	-18
Diamond Verwaltungs GmbH 2)	100.0	20	-5
BCP Verwaltungs GmbH 2)	100.0	21	-4
GEG Triforum Holding GmbH & Co. KG 2)	100.0	7,598	-57
GEG Triforum BVO GmbH 2)	100.0	21	-4
Diamond BVO GmbH 2)	100.0	29	4
BCP Düsseldorf GmbH 2)	100.0	7,270	-1,310
GEG Triforum GmbH 2)	100.0	25	0
BCP Düsseldorf Interims GmbH & Co. KG 2)	100.0	14,773	0
HCC Dortmund Holding GmbH & Co. KG 2)	100.0	4,493	-8
GEG Real Estate Management GmbH 2)	100.0	15,026	0
GEG Development GmbH 3)	100.0	25	0
GEG Real Estate Beteiligungs- und Verwaltungs GmbH 3)	100.0	182	8
GEG Real Estate Fund Management GmbH 4)	100.0	7	-2
GEG Real Estate Fund Management VK GmbH 4)	100.0	7	-9
Diamond Holding 2 GmbH 5)	100.0	12,035	2,010

1 indirectly through German Estate Group GmbH & Co. KG
2 indirectly through GEG German Estate Group AG
3 indirectly through GEG Real Estate Management GmbH
4 indirectly through GEG Real Estate Beteiligungs- und Verwaltungs GmbH
5 indirectly through DIC Real Estate Mezzanine Investments GmbH & Co. KG

Receivables and other assets have a remaining term of less than one year with the exception of a loan of EUR 11,434,219.44 (previous year: EUR 2,067,433.33) with a remaining term of more than one year.

Receivables from affiliated companies include trade receivables in the amount of EUR 6,203.33 (previous year: EUR 10,566.67).

With the shareholder decision of 12 December 2017, the company's share capital was increased by EUR 1,450,000.00 to EUR 4,450,000.00 by converting capital reserves of EUR 3,000,000.00.

All liabilities have a remaining term of up to one year.

Liabilities to affiliated companies include trade accounts payable in the amount of EUR 0.00 (previous year: EUR 11,930.94).

Other operating income includes income from the accrual of a subsidiary in the amount of EUR 1,040,000.00.

IV. OTHER INFORMATION

There were no employees in the financial year.

Frankfurt am Main, 26 March 2018

Dr Gerhard Schmidt	Thomas Grimm
– Managing Director –	– Managing Director –

AUDITOR'S REPORT

On Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main:

We have audited the annual accounts of Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main for the financial year from 1 January to 31 December 2017 consisting of the balance sheet, profit and loss account, notes, accounts and management report. The accounting and preparation of the annual accounts and management report according to commercial German guidelines are the responsibility of the company's legal representative. Our task is to make an assessment of the annual accounts including the accounting and the management report based on our audit.

We conducted our audit of the annual accounts in accordance with Section 317 HGB in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). These standards require that we plan and perform the audit such that material misstatements affecting the presentation of the net asset, financial and income situation in the annual accounts in accordance with generally accepted accounting principles and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in accounting, the annual accounts and the management report are examined primarily on the basis of samples within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual accounts and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual accounts comply with legal guidelines and give a true and fair view of the net asset, financial and income situation of the company in consideration of generally accepted accounting principles. The management report is consistent with the annual accounts, complies with legal guidelines and, as a whole, provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Nuremberg, 26 March 2018

Rödl & Partner GmbH
Auditors
Tax consulting company

Signed, Hübschmann	Signed, Luce
Auditor	Auditor

Audited Non-Consolidated Financial Statements of Deutsche Immobilien Chancen Real Estate GmbH
prepared in accordance with HGB (*Handelsgesetzbuch*)

as of and for the year ended
31 December 2016

and the auditor's report thereon

BALANCE SHEET AS AT 31 DECEMBER 2016

Assets in EUR	31/12/2016	31/12/2015
FIXED ASSETS		
Financial assets		
Interests in affiliated companies	40,136,447.00	30,091,547.00
CURRENT ASSETS		
Receivables and other assets		
Receivables from affiliated companies	45,694,511.72	2,224,128.64
Other assets	1,015,986.75	9,274.21
	46,710,498.47	**2,233,402.85**
Cash on hand, bank balances	10,434,046.19	11,339.06
	57,144,544.66	**2,244,741.91**
BALANCE SHEET TOTAL	**97,280,991.66**	**32,336,288.91**

Liabilities in EUR	31/12/2016	31/12/2015
EQUITY		
Subscribed capital	3,000,000.00	1,000,000.00
Capital reserve	87,085,000.00	29,085,000.00
Result carried forward	0.00	-47,096.44
Net income	5,063,769.80	1,631,732.41
	95,148,769.80	**31,669,635.97**
PROVISIONS		
Tax provisions	608,047.65	304,248.65
Other provisions	26,250.00	1,750.00
	634,297.65	**305,998.65**
LIABILITIES		
Trade accounts payable	981.75	0.00
Liabilities to affiliated companies	487,042.46	355,472.16
Other liabilities	9,900.00	5,182.13
	497,924.21	**360,654.29**
Deferred tax liabilities	1,000,000.00	0.00
BALANCE SHEET TOTAL	**97,280,991.66**	**32,336,288.91**

PROFIT AND LOSS ACCOUNT FROM 1 JANUARY TO 31 DECEMBER 2016

in EUR	01/01/2016 – 31/12/2016	01/01/2015 – 31/12/2015
Other operating income	**10,566.67**	0.00
Other operating costs	**-332,792.20**	-14,174.95
Income from investments of which from affiliated companies: EUR 5,183,786.80 (PY: EUR 2,198,264.06)	**5,183,786.80**	2,198,264.06
Other interest and similar income of which from affiliated companies: EUR 1,052,395.45 (PY: EUR 864.58)	**1,545,223.09**	864.58
Interest and similar expenses of which in affiliated companies: EUR 22,588.72 (PY: EUR 153,977.04)	**-29,941.35**	-248,972.63
Taxes on income and earnings	**-1,303,799.00**	-304,248.65
Income after taxes	**5,073,044.01**	**1,631,732.41**
Other taxes	**-9,274.21**	0.00
Annual surplus	**5,063,769.80**	**1,631,732.41**

NOTES TO THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2016

I. GENERAL INFORMATION

Deutsche Immobilien Chancen Real Estate GmbH has its registered office in Frankfurt am Main and is entered in the commercial register at the local court (*Amtsgericht*) of Frankfurt (HRB 94128).

The annual accounts as at 31 December 2016 are based on the provisions of the German Commercial Code as amended by the Accounting Directive Implementation Act (BilRuG) on the accounting of small corporations and the supplementary provisions of the Act on Limited Liability Companies. The options for simplified presentation for small corporations have been made use of. The total cost method was used for the profit and loss account.

II. APPLIED ACCOUNTING AND MEASUREMENT PRINCIPLES

The recognition options and valuation methods applied were unchanged from the previous year.
The valuation was carried out as follows:

Financial assets are valued at the lower of acquisition cost or fair value.

Receivables and other assets are valued at acquisition cost in accordance with the lower of cost or market principle.

Bank balances are recognised at nominal value.

Subscribed capital is recognised at nominal value. Provisions are recognised at the settlement amount required according to a reasonable commercial assessment.

Liabilities are recognised at the settlement amount.

The expected future tax burden due to differences between commercial and tax valuations is recognised as deferred tax liabilities.

III. NOTES ON THE BALANCE SHEET

The list of shareholdings as at 31 December 2016 is shown in the following table:

Company name (registered office in Frankfurt am Main)	Capital share in %	Equity as at 31/12/2016 in TEUR	2016 annual result in TEUR
DIC Real Estate Mezzanine GmbH	100.0	25	182
DIC Real Estate Mezzanine Investments GmbH & Co. KG	100.0	10	0
Diamond Holding 2 II GbR	100.0	11,310	1,275
German Estate Group GmbH & Co. KG	75.0	45,578	5,578
GEG Verwaltungs GmbH	75.0	41	2

As at 31 December 2016, the following indirect investments are held:

Company name (registered office in Frankfurt am Main)	Capital share in %	Equity as at 31/12/2016 in TEUR	2016 annual result in TEUR
Diamond Holding 2 III GbR 1)	100.0	11,310	0
Diamond Holding 2 GmbH 1)	100.0	10,024	-0.7
GEG Real Estate Management GmbH 2)	100.0	15,026	0
GEG German Estate Group AG 2)	100.0	20,100	0
GEG Betriebsvorrichtungs GmbH 2)	100.0	338	-136
Global Tower GmbH & Co. KG 2)	100.0	-133	-133
Diamond Interim Holding 1 GbR 2)	100.0	10	0
GEG Real Estate Management GmbH 3)	100.0	15,026	0
GEG Development GmbH 4)	100.0	25	9
GEG Real Estate Beteiligungs- und Verwaltungs GmbH 4)	100.0	174	133
GEG Real Estate Fund Management GmbH 5)	100.0	9	-12
GEG Real Estate Fund Management VK GmbH 5)	100.0	16	-7

1) indirectly through Diamond Holding 2 II GbR
2) indirectly through German Estate Group GmbH & Co. KG
3) indirectly through GEG German Estate Group AG
4) indirectly through GEG Real Estate Management GmbH
5) indirectly through GEG Real Estate Beteiligungs- und Verwaltungs GmbH

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

By shareholders' resolution of 20 November 2015, the share capital was increased by EUR 1,000,000.00 and the capital reserve in accordance with Section 272 (2) No. 4 HGB increased in the amount of EUR 29,000,000.00 by the admission of a new shareholder. The contribution was made in cash and the capital increase was entered in the commercial register on 18 January 2016.

By shareholders' resolution of 28 September 2016, the share capital was increased by EUR 1,000,000.00 and the capital reserve in accordance with Section 272 (2) No. 4 HGB increased in the amount of EUR 29,000,000.00 by the inclusion of another new shareholder. The contribution was made in cash and the capital increase was entered in the commercial register on 5 October 2016.

All liabilities have a remaining term of up to one year.

Liabilities to shareholders amount to EUR 386,377.93 (previous year: EUR 355,472.16), which are shown under liabilities to affiliated companies. These are mainly financial liabilities. Liabilities to associated companies include trade payables of EUR 11,930.94.

IV. OTHER INFORMATION

The management was carried out by the managing directors

- Professor Gerhard Schmidt, Attorney at Law
- Thomas Grimm, Business Graduate
- Klaus-Jürgen Sontowski, Entrepreneur (until 31/07/2016).

There were no employees in the financial year.

On 28 February 2017, the shareholders' meeting resolved to make an advance distribution of EUR 5,000,000.00 from the net income of EUR 5,063,769.80.

The management proposes to the shareholders' meeting to carry forward the remaining amount of the balance sheet profit of EUR 63,769.80 to new account.

In accordance with Section 271 (2) of the German Commercial Code (HGB) in conjunction with Section 290 HGB, the company is an affiliated company of Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main.

There are other financial obligations from a loan commitment to an affiliated company in the amount of EUR 4,000,000.00.

Frankfurt am Main, 25 April 2017

Prof. Dr Gerhard Schmidt	Thomas Grimm
– Managing Director –	– Managing Director –

AUDITOR'S REPORT

To DIC Real Estate GmbH, Frankfurt am Main:

We have audited the annual accounts, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of DIC Real Estate GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2016. The accounting and preparation of the annual accounts and management report according to commercial German guidelines are the responsibility of the company's legal representative. Our task is to make an assessment of the annual accounts including the accounting and the management report based on our audit.

We conducted our audit of the annual accounts in accordance with Section 317 HGB in consideration of the German principles of proper auditing determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). These standards require that we plan and perform the audit such that material misstatements affecting the presentation of the net asset, financial and income situation in the annual accounts in accordance with generally accepted accounting principles and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in accounting, the annual accounts and the management report are examined primarily on the basis of samples within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual accounts and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual accounts comply with legal guidelines and give a true and fair view of the net asset, financial and income situation of the company in consideration of generally accepted accounting principles. The management report is consistent with the annual accounts, complies with legal guidelines and, as a whole, provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Nuremberg, 25 April 2017

Rödl & Partner GmbH
Auditors
Tax consulting company

Signed, Hübschmann

Auditor

Signed, Luce

Auditor