TTL

2019 ANNUAL REPORT

TTL BETEILIGUNGS- UND GRUNDBESITZ-AG

2019 MILESTONES

2019

05	**MAY 2019**	Annual General Meeting of TTL Beteiligungs- und Grundbesitz-AG resolves to pay a dividend of EUR 0.12 per share for the first time and creates financial framework for further growth. Granting of new authorised capital of around EUR 10.57 million (Authorised Capital 2019). Creation of a new authorisation to issue option and convertible bonds of up to EUR 100 million and granting of new Contingent Capital 2019/I of around EUR 10.57 million. Granting of an authorisation to acquire treasury shares in the amount of up to 10 percent of the share capital.
06	**JUNE 2019**	TTL expands its investment portfolio and signs agreement with Rockstone Real Estate Group (Hamburg, Berlin, Munich) to establish a transaction platform. The platform is to be used to make investments in the German residential and commercial real estate market. TTL Group sells GEG German Estate Group together with Kohlberg Kravis Roberts and Co. (KKR) to DIC Asset AG profitable for EUR 225 million. TTL Real Estate GmbH will receive a total net cash inflow of EUR 165 million from the GEG sale.
07	**JULY 2019**	At the end of July 2019, TTL acquired the outstanding 24 percent of the shares in TTL Beteiligungs GmbH, consolidating the investment structure and making it the sole owner. The total purchase price was around EUR 7.5 million.
09	**SEPTEMBER 2019**	Extraordinary General Meeting approves tax-free special dividend of EUR 0.12 per share.
10	**OCTOBER 2019**	TTL and Rockstone Real Estate Group launch joint investment platform “STONE Capital Partners GmbH”.
12	**DECEMBER 2019**	TTL Real Estate GmbH increases strategic investments in DIC Asset AG to almost 5 percent (7.1 percent since January 2020).

2020

KEY PERFORMANCE INDICATORS

FOR THE FINANCIAL YEAR

FROM 1 JANUARY TO 31 DECEMBER 2019

in TEUR	31/12/2019	31/12/2018	Δ
Value of financial assets	88,580	99,440	-10.92%
Equity of TTL shareholders	47,681	46,831	+1.81%
Balance sheet total	103,905	106,308	-2.26%

	2019	2018	Δ
Income from investments incl. silent partnerships	7,715	7,222	+6.83%
Net profit for the period	4,806	4,135	+16.23%
Earnings per share	€0.22	€0.19	+14.83%

MISSION STATEMENT

TTL AG is a venture capital organisation with focus on the German commercial real estate market. The expansion of our investments has made us a well-positioned company in this market segment. Our goal is to continue the growth of the company and to grow and strengthen our investment portfolio both by expanding our existing investments and via acquisitions, in order to further increase the sustainable earning power in the interests of our shareholders.

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Theo Reichert, CEO

Thomas Grimm, CFO

01

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

TTL Beteiligungs- und Grundbesitz-AG looks back on a very successful year. In 2019, we were able to set a clear course that made a significant contribution to the economic success of the past financial year and will give a strong boost to the continuing development of the TTL Group. TTL was again able to increase its net income compared to the previous year and, at EUR 4.8 million, exceeded its earnings forecast for the year.

The sale of the GEG German Estate Group to DIC Asset AG in June 2019 made a significant contribution in this regard. This transaction, implemented by TTL Real Estate GmbH together with Kohlberg Kravis Roberts & Co, gave us further room for manoeuvre, which we already made use of last year and will continue to use. This is because the sale of the GEG has enabled TTL Group to generate a substantial inflow of funds for new investment. On this basis, we have broadened TTL's business model and thus repositioned the company.

We have been investing in selected listed real estate companies since summer 2019. In addition, together with Rockstone Real Estate GmbH & Co. KG, we founded the StoneCap Partners investment platform in autumn 2019 in order to invest in real estate projects with attractive potential for value creation. StoneCap Partners will support experienced project developers and asset managers in real estate projects with equity and mezzanine capital. With the new strategic orientation, we are in a position to generate sustainable earnings in further growth areas in the future.

TTL Group's investment strategy, which was established in the second half of 2019, is based on four pillars:

1. Since the summer of 2019, TTL AG has been investing in high-dividend listed real estate companies via TTL Real Estate GmbH, in which it holds a 50 percent stake.

2. TTL AG is retaining its stake in DIC Capital Partners (Europe) GmbH, which has been in existence since 2017. As a result, we have an indirect interest in the Deutsche Immobilien Chancen-Group, the anchor shareholder of DIC Asset AG.

3. Through TTL Investments in Germany GmbH, TTL AG participates in joint venture companies and thus invests in local development projects, privately held real estate companies and opportunistic investments in the real estate sector. Since autumn of last year, TTL has been involved in the StoneCap Partners investment platform, which invests in real estate project developments, value-ad properties and portfolios and other projects that promise a sustainable increase in value.

4. TTL AG intends to invest in further real estate portfolios in the future.

The strategy paid off in the past financial year. Since the second half of 2019, TTL AG has significantly expanded its investment portfolio and recorded major achievements.

For example, TTL invested in listed real estate companies via TTL Real Estate GmbH. It acquired shares in DIC Asset AG and steadily expanded this holding. As at 31 December 2019, TTL held a total of almost five percent of DIC Asset; in January 2020, we were able to increase this stake to 7.1 percent as part of a capital increase at DIC Asset. In addition, in 2019 TTL acquired shares in Hamborner REIT AG and then generated an attractive return through their sale.

Our investment platform StoneCap Partners is currently examining several investment opportunities. We have a strong team with many years of experience. The planned project volumes of the StoneCap investment platform range from 20 million euros to 200 million euros with an investment period of 18 to 36 months. Our goal is to establish StoneCap Partners as an attractive investment platform for commercial real estate in Germany.

Our fourth strategic pillar, which provides for investments in additional real estate portfolios, is also picking up speed. We are currently holding talks on various investment opportunities.

Our net income in 2019 is an impressive demonstration that our investment strategy is working. Last year, TTL AG achieved consolidated earnings of around EUR 4.8 million, thus above the upper end of the forecast corridor of EUR 4.0 to 4.5 million for the year. This is an increase of 17 percent compared to the previous year.

We want you, our shareholders, to participate in the sustainable development of our company. The Management Board and Supervisory Board of TTL AG will propose a dividend of EUR 0.20 per share for the 2019 financial year to the Annual General Meeting. This corresponds to a distribution of around 90 percent of our consolidated net income and an increase of 66 percent over our dividend payment of EUR 0.12 per share in May last year.

In 2019, we laid solid and sustainable foundations for the further development of TTL, and we intend to continue to expand this development. Our course for 2020 is clear. We will follow this course.

We will continue to push ahead with the expansion of our strategic pillars. For 2020, we expect consolidated net income of at least EUR 4.8 million euros at the level of the past fiscal year 2019.

We would like to take this opportunity to express our sincere thanks to the members of the Supervisory Board for their constant constructive exchange in all matters of corporate management and for their support of the TTL strategy. Our special thanks go to you, our shareholders, for your trust and support. We look forward to your continued support as we implement our 2020 goals.

Sincerely

Munich, 10 February 2020

Theo Reichert
– CEO –

Thomas Grimm
– CFO –

CURRENT STRUCTURE AND CORPORATE STRATEGY

CURRENT STRUCTURE AND CORPORATE STRATEGY

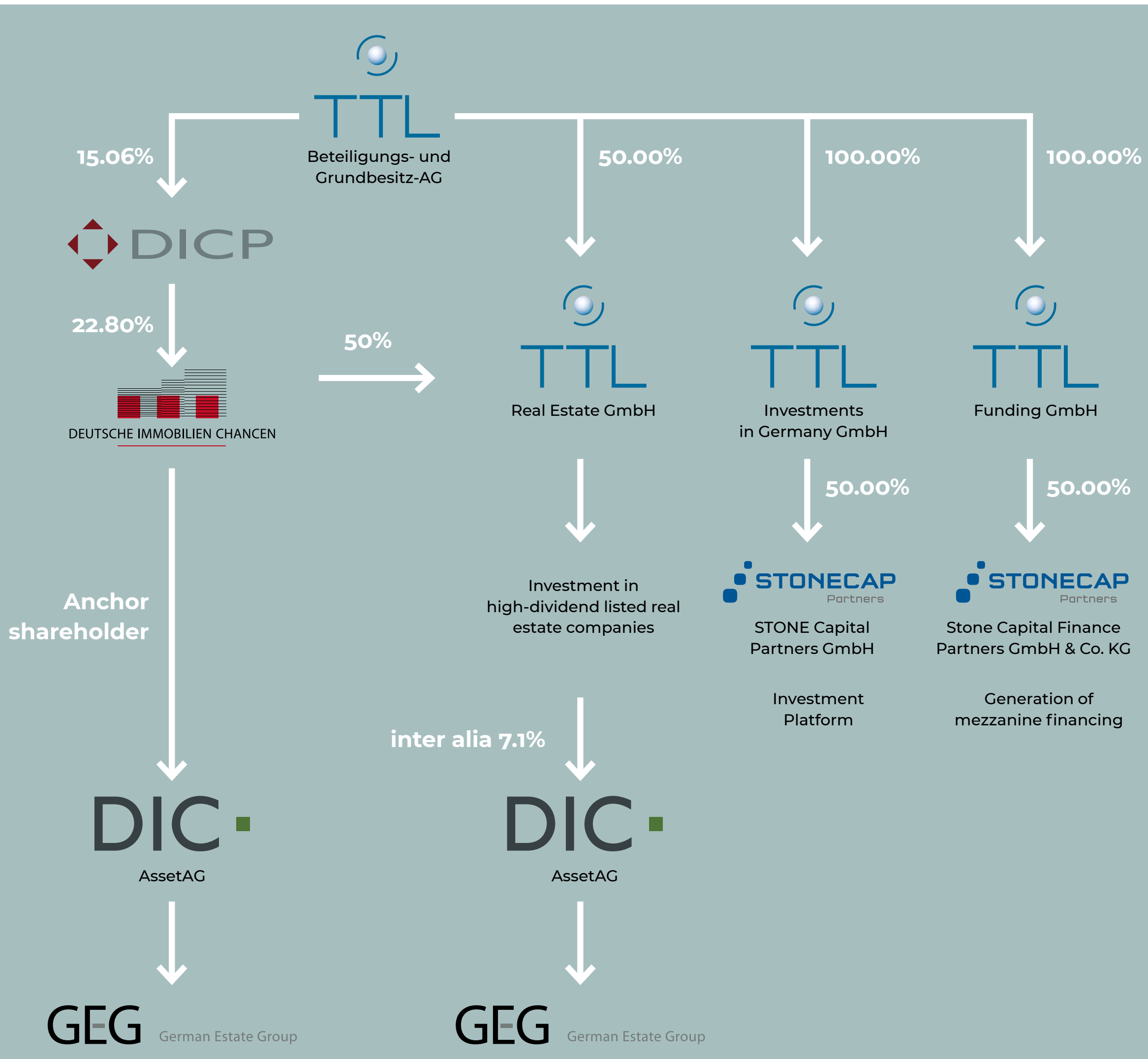
Corporate strategy

As an investment holding company, the aim of TTL Beteiligungs- und Grundbesitz AG is to enter into profitable investments and to support their further development in order to participate in their appreciation and to sustainably increase the earning power of TTL AG in the interest of the shareholders.

TTL invests in both privately held and listed high-dividend real estate companies. In addition, TTL also invests in real estate projects and properties via platforms, with the TTL Group providing mezzanine financing for these investments in addition to equity capital.

Current structure - Overview of holdings

TTL AG is the parent company of TTL Group, a real estate investment and asset management group that has grown into its current structure since its reorganization in 2016.



DIC Capital Partners (Europe) GmbH

TTL AG holds a 15.06% stake in DIC Capital Partners (Europe) GmbH as the controlling shareholder of Deutsche Immobilien Chancen-Group, which in turn is the anchor shareholder of SDAX-listed DIC Asset AG. DIC Asset AG specialises in commercial real estate, in particular office real estate, in Germany and currently manages real estate assets of around EUR 7.6 billion.

TTL AG regularly receives dividend payments and management fees from its investment in DIC Capital Partners (Europe) GmbH.

TTL Real Estate GmbH

In 2017 and 2018, TTL AG increased its stake in TTL Real Estate GmbH from 27.29 percent to its current level of 50 percent of the voting rights and has strategic leadership within the shareholder group.

Investment in the GEG German Estate Group

By increasing its stake in TTL Real Estate GmbH, TTL AG had indirectly acquired a stake in GEG German Estate Group, one of the leading German investment and asset management platforms in the commercial real estate sector.

In June 2019, TTL Real Estate GmbH and its co-shareholder KKR Kohlberg Kravis & Roberts jointly sold their shares in the GEG German Estate Group to DIC Asset AG.

Following the sale of the GEG, TTL AG has repositioned itself on a broader basis and is using the cash inflow from the sale of the GEG to finance further growth.

Investment in listed real estate companies

TTL Real Estate GmbH has been investing in listed high-dividend real estate companies since summer 2019.

In 2019, it built up a stake of almost 5 percent in DIC Asset AG and increased this to 7.1 percent in January 2020. TTL Real Estate GmbH aims to increase its stake in DIC Asset AG to up to 10 percent in 2020.

In addition to the DIC Asset investment, TTL Real Estate GmbH also acquired shares in Hamborner REIT AG in the second half of 2019, which have since been sold at a profit, most recently at the beginning of January 2020.

Investments in Germany GmbH

Through TTL Investments in Germany GmbH, which was founded in the autumn, TTL invests in real estate projects and properties together with partners via platforms. TTL AG holds 100 percent of the shares of TTL Investments in Germany GmbH.

In November 2019, the investment platform STONE Capital Partners GmbH ("StoneCap Partners") was launched, a joint venture of TTL AG and Rockstone Real Estate GmbH & Co. KG. With the Rockstone Group, TTL AG has found a strong partner with whom it will invest in real estate and projects, develop them and sell them again after they increase in value. Both TTL Investments in Germany GmbH and Rockstone Real Estate each have a 50 percent stake in StoneCap Partners.

STONECAP Partners

StoneCap Partners invests in value-added portfolio properties and project developments in Germany. The company's range of services includes the provision of equity and mezzanine capital and the structuring of debt financing. StoneCap Partners thus serves as the interface between capital and real estate markets. The planned project volumes range from EUR 20 million to EUR 200 million, with an investment period of 18 to 36 months.

Our goal is to build a leading investment platform for commercial real estate in Germany with StoneCap Partners.

TTL Funding GmbH

TTL Funding GmbH, founded in autumn 2019, holds a 50 percent stake in Stone Capital Finance Partners GmbH & Co. KG, another joint venture between TTL AG and Rockstone Real Estate.

STONECAP Partners

Stone Capital Finance Partners GmbH & Co. KG

Stone Capital Finance Partners GmbH & Co. KG generates mezzanine capital for local development projects, value-added real estate and privately held companies.

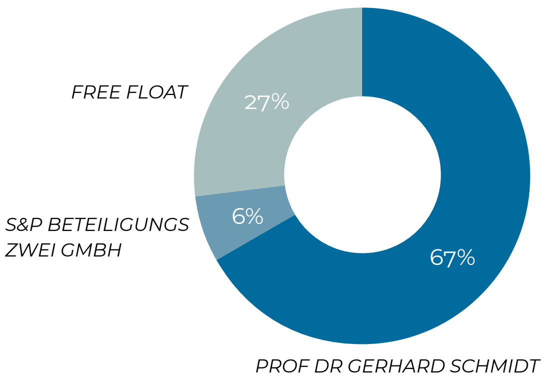
THE SHARE

THE SHARE

SHARE PRICE PERFORMANCE IN THE 2019 FINANCIAL YEAR, IN EUR

Source: Frankfurt Stock Exchange

SHAREHOLDER STRUCTURE



Share capital	EUR 21,075,000
Number of shares	21,075,000 bearer shares
Trading venues	Xetra, all stock exchanges in Germany
Market capitalisation	EUR 75.9 million
Deutsche Börse segment	Regulated market
WKN/ISIN	750100/DE0007501009

04

ORIENTATION AND GOALS 2020

ORIENTATION AND GOALS 2020

The main strategy of TTL, as a listed investment company specialising in the German commercial real estate market, is to expand its business activities both through organic growth and acquisitions, with regional and strategic complementarity to the existing investment portfolio. The company has already positioned itself well in this market segment within a short period of time by building up and developing its investment portfolio and is invested in the most attractive real estate locations in Germany.

TTL expanded its investment focus in the 2019 financial year. A new aspect of our investment strategy is that we have been investing in selected listed real estate companies since summer 2019. In addition, together with Rockstone Real Estate GmbH & Co. KG, we founded the Stone Capital Partners (“StoneCapp”) investment platform in autumn 2019 in order to invest in real estate projects with sustainable potential for appreciation. StoneCapp will support the respective real estate projects with equity and mezzanine capital. The investment platform thus serves as the interface between capital and real estate markets.

With the new strategic orientation, we are in a position to generate sustainable earnings in further growth areas in the future. TTL Group's investment strategy, which was established in mid-2019, is based on four pillars:

1. TTL AG is retaining its stake in DIC Capital Partners (Europe) GmbH, which has been in existence since 2017. As a result, we have an interest in the Deutsche Immobilien Chancen Group, the anchor shareholder of DIC Asset AG.

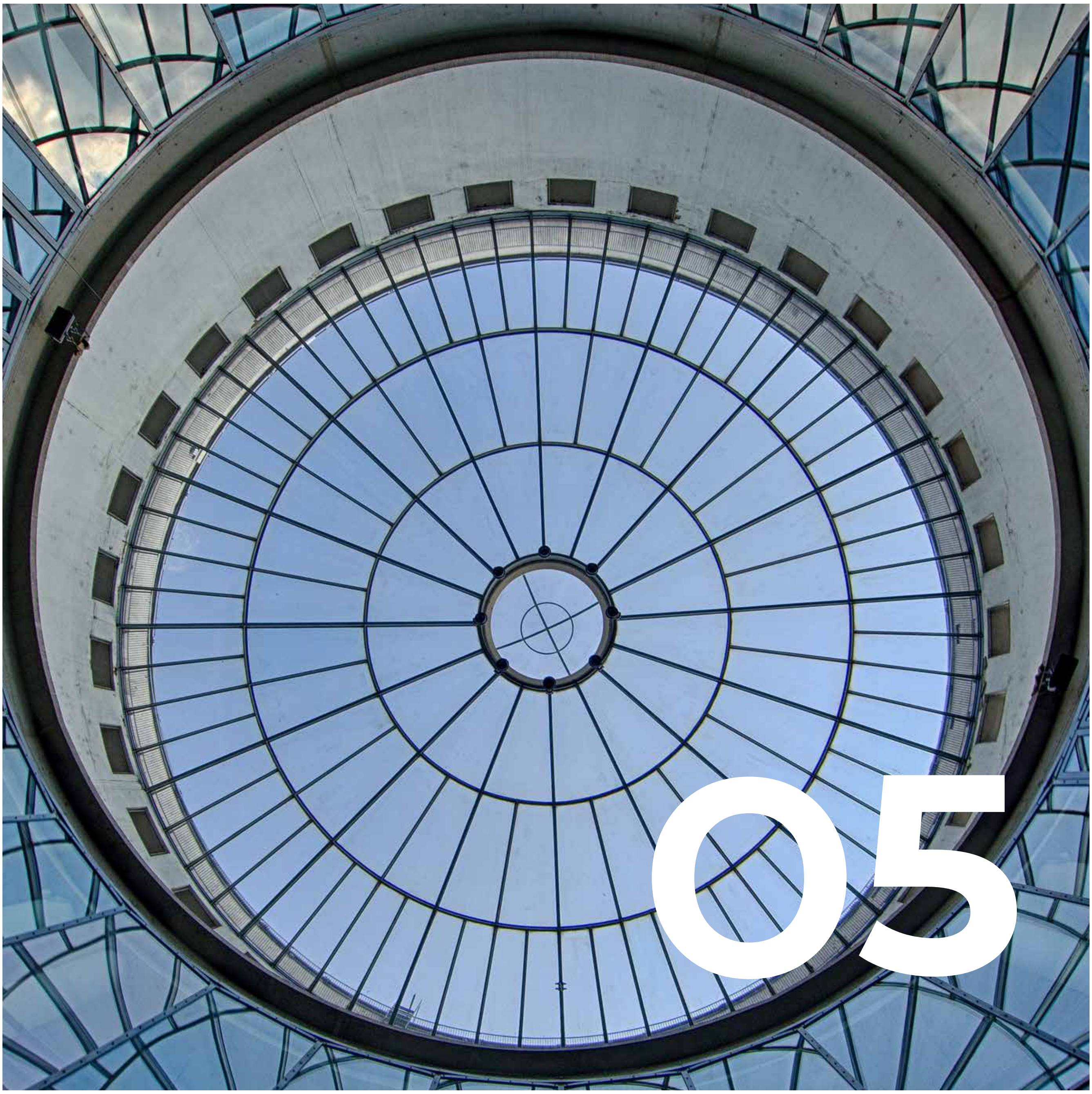
2. Since the summer of 2019, TTL AG has been investing directly in high-dividend listed real estate companies that we consider to be attractively valued via TTL Real Estate GmbH, in which it holds a total of 50%.

3. With the StoneCapp investment platform, TTL AG invests in real estate project developments, value-ad properties and portfolios as well as other projects that promise a sustainable increase in value.

4. TTL AG intends to invest in further real estate portfolios in the future.

The strategy paid off in the past financial year. Since the second half of 2019, TTL AG has significantly expanded its investment portfolio and recorded major achievements.

We will continue to push ahead with the expansion of our strategic pillars. For 2020, we expect consolidated net income of at least EUR 4.8 million at the level of the past financial year 2019.



COMBINED MANAGEMENT REPORT

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COMBINED MANAGEMENT REPORT

1. GENERAL INFORMATION

The group management report and the management report of TTL Beteiligungs- und Grundbesitz-AG, Munich, (hereinafter "TTL AG" or "TTL") for the 2019 financial year are combined in accordance with Section 315 (3) of the German Commercial Code (HGB) in conjunction with Section 298 (2) HGB. For this reason, the individual sections are presented in a differentiated manner by individual Group company where this serves to increase clarity. The TTL Group is also referred to as TTL below. Information on TTL AG and its subsidiaries is labelled accordingly. The three companies newly founded in the financial year, STONE Capital Partners GmbH, Stone Capital Finance Partners GmbH & Co. KG and Stone Capital Finance Partners Verwaltung GmbH, are also referred to as “StoneCapp” companies.

2. BASIC INFORMATION ON THE GROUP

TTL Beteiligungs- und Grundbesitz-AG is a listed venture capital organisation specialising in the German commercial real estate market.

Since the beginning of 2017, TTL AG has directly and indirectly invested in Deutsche Immobilien Chancen Group and GEG German Estate Group (hereinafter “GEG” or “GEG Group”) in several stages.

The shares in GEG German Estate Group were sold by TTL Real Estate GmbH, in which TTL AG holds a 50% stake, in June 2019. The basic orientation and strategy of TTL AG as an investment company remains unchanged. By the end of the year, the funds received from the sale of the GEG were used, among other things, to build up a stake of almost five percent in the listed company DIC Asset AG. As part of a capital increase, TTL Real Estate acquired further shares in DIC Asset AG at the end of January 2020 and now holds a stake of 7.1%.

TTL will participate in opportunistic real estate investments, local development projects and individual special projects through privately held companies. In addition, a focus is also on investments in listed, high-dividend companies in the real estate sector.

As part of the implementation of our corporate strategy, TTL AG and the Rockstone Real Estate Group entered into a joint venture during the financial year to establish an investment and transaction platform. In autumn 2019, they founded STONE Capital Partners GmbH (“StoneCapp”) and invest in real estate projects through this company. The StoneCapp investment platform provides both equity capital and mezzanine financing for this purpose, thus serving as the interface between the capital and real estate markets. The planned project volumes range from EUR 20 million to EUR 200 million, with an investment period of 18 to 36 months. The mezzanine capital is generated by Stone Capital Finance Partners GmbH & Co. KG, another joint venture company founded by TTL and the Rockstone Group.

In addition, since 2017 TTL AG’s investment holdings have included a 15% interest in DIC Capital Partners (Europe) GmbH, through which TTL AG holds a direct interest in the Deutsche Immobilien Chancen-Group. Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien (Deutsche Immobilien Chancen Group) is a strategic management holding company with a strong investment focus on the German commercial real estate market. It invests in real estate portfolios, individual properties and project developments as well as in investment and asset management platforms in the commercial real estate sector. The focus of the business model is on corporate investments in the listed company DIC Asset AG, based in Frankfurt am Main.

Both TTL AG and the Group are controlled by a Management Board consisting of two members. The main control parameters are the value of the investments reported in the balance sheet, the income resulting from the investments as well as the consolidated profit or loss for the year after taxes of the TTL Group – if necessary eliminating non-recurring effects. Controlling takes place mainly on the basis of budgets and multi-year corporate plans for TTL AG and its investments, as well as their annual financial statements and other financial reports.

3. ECONOMIC REPORT

3.1. Overall statement on business performance and the position of the Company and the Group

2019 was a very successful year for TTL Beteiligungs- und Grundbesitz-AG (TTL AG), with the company reaching important milestones for the its profitable growth:

- TTL Real Estate GmbH sold its 75% stake in the GEG German Estate Group to DIC Asset AG during the financial year. For TTL Real Estate GmbH, in which TTL holds a 50% stake, this resulted in a net cash inflow of around EUR 165 million. The proceeds generated will be used to further expand the investment portfolio.
- TTL AG and the Rockstone Real Estate Group entered into a very promising joint venture in the financial year with the establishment of the StoneCapp investment and transaction platform.
- TTL was once again able to increase its consolidated net income over the previous year; it rose to EUR 4.8 million, an increase of 17% on the previous year.
- At around EUR 7.7 million (+6.8%), the investment result, including the result from silent partnerships in the Group, is higher than the previous year's result.

3.2. Economic environment

German economy with slower growth

In 2019, the German economy will have grown for the tenth year in succession. However, economic growth has slowed noticeably, with price-adjusted gross domestic product (GDP) growing by 0.6% in 2019, following growth of 2.5% (2017) and 1.5% (2018) in the previous two years. The global downturn in industrial activity was the main reason for the subdued growth.

Consumption and construction support the German economy

International trade conflicts and the dispute over Brexit weighed on Germany's export-oriented industry; the uncertainty slowed investment and dampened the mood, especially in traditional key sectors such as automotive and mechanical engineering, as well as the electrical and chemical industries. Economic output in the manufacturing industry excluding construction, which accounts for just over a quarter of the overall economy, fell by 3.6%.

In contrast, the primarily domestically oriented services and construction industries in Germany experienced a strong upswing. The strongest growth was recorded in the construction industry with a plus of 4.0%. Consumption also remains a stable pillar of the economy. Private consumer spending rose by 1.6%, while government consumption expenditure increased by 2.5%.

The positive drivers from the German domestic economy – fuelled by job creation, high wages from collective bargaining agreements, decreases in taxes and duties, and low interest rates – are thus counteracting the weakness industry and the negative impact of foreign trade and are currently carrying the German economy through the global weak phase.

For the coming year, the Ifo Institute is forecasting a somewhat stronger increase in economic growth of 1.1% (albeit including overlapping calendar effects of 0.4%) and then for 2021 an increase of 1.5% – even though uncertainties remain regarding global economic development as a result of trade conflicts, Brexit has to be dealt with, and the German automotive industry faces major challenges in connection with further technological development.

German economy enters the new year with more confidence

After the sentiment indicators repeatedly hit new lows during the year due to domestic problems in key German industries, the intensifying trade conflicts and the associated cooling of the global economy until August, the mood among German business leaders brightened again towards the end of the year. In particular, the beginning of the easing of tensions in the US-Chinese trade dispute following the announcement of the signing of a partial agreement contributed to the noticeable improvement. The Ifo business climate index rose in December for the third time in 4 months to 96.3, with both the assessment of the current situation and expectations rising. Here too, however, the picture was mixed with regard to sectors. Companies in the service sector assessed their current situation significantly better and are more optimistic about the future, while the manufacturing sector, although assessing the current situation as worse, is less pessimistic about the future. Expectations in the construction industry declined, but the assessment of the current situation remained at a high level.

Monetary policy reacts to growing economic risks

In view of growing economic risks and low inflation rates, the ECB, too, gradually postponed the date for a possible departure from its zero-interest policy further and further in the course of the year. While at the beginning of the year there was still the possibility of an interest rate hike in mid-2019 at the earliest, the ECB postponed the date in March to the end of 2019 at the earliest and at the meeting in June to mid-2020 at the earliest. In September, the ECB cut the rate for deposits, the "penalty rate" for banks that park their money at the ECB, even lower to -0.5%. In November, bond purchases were resumed after having only just been ended at the beginning of the year. The main refinancing rate in the euro area is expected to remain at zero until the inflation outlook in the euro area improves on a sustained basis.

Record sales again on the real estate investment market

Neither global risk factors nor the weaker economic momentum had any effect on the real estate investment market. The commercial investment market closed the decade, which was extremely positive for real estate investors, by setting a new record for sales. With the significant revival in transaction activity at the end of the year and the strongest quarter ever, the annual forecasts of the brokerage houses were in some cases exceeded by a wide margin. CBRE calculated a transaction volume of around EUR 68 billion excluding corporate holdings, Colliers calculated a commercial transaction volume of EUR 71.6 billion including holdings in real estate portfolio holders or their portfolios, and JLL calculated a commercial transaction volume of around EUR 69.5 million for all commercial transaction volumes.

At the end of the year, there was a significant increase of well over 10% compared to the already exceptionally high transaction turnover of the previous year.

The most popular asset class by far is office properties, and the preference for this class continues to increase. After reaching a level of 53% in the previous year, office properties accounted for 59% of investment turnover, putting turnover at over EUR 40 billion, representing an increase of 25% compared to the previous year. Retail properties, which occupy second place, contributed around EUR 16 billion (24%) to the turnover, which corresponds to a 6% decline. The share of logistics properties declined, with a slight increase in the transaction volume, to 10% (EUR 6.9 billion), while hotel properties saw a strong increase in transaction volume from 43% to EUR 5.6 billion an 8% share of investment turnover.

As in the previous year, investors focused on individual transactions. Their share of commercial real estate investments amounted to 71%, representing the strong focus of investors on profitability at the level of individual properties. Colliers and JLL attribute the increase in the volume of portfolio transactions to the increased interest in corporate investments. In view of the continuing lack of products with a corresponding return, the investment transactions, which are also regarded as real estate investments, proved to be a real investment alternative for investors.

Transaction activity on the commercial property market continues to be concentrated on the Big 7 locations, which increased their share to around 60%, with a 21% increase to EUR 44 billion. However, there are strong regional differences.

Berlin and Munich broke through the EUR 10 billion barrier for the first time, while Frankfurt, on the other hand, with a decline of 19% to EUR 7.8 billion, remained a significant 19% below last year's record turnover.

Yields have continued to decline as market dynamics have remained strong. At the end of 2019, according to JLL the average prime office yield in the top 7 cities was 2.93%, which was 18 basis points below the previous year.

Office letting market characterised by a lack of supply

Despite a slowdown in economic momentum, the office letting market remained extremely robust. With a space turnover of just over 4 million sqm, the previous year's result was exceeded by 1.6% and the second strongest turnover result since 2017 was achieved. However, there are clear differences in the individual markets. While sales rose by almost 50% year-on-year in Stuttgart, 33% in Düsseldorf and 19% in Berlin, Munich brought up the rear with a 22% decline. Hamburg (-9%), Frankfurt (-8%) and Cologne (-5%) also reported declining sales figures. With around 1 million sqm, Berlin was the undisputed leader in 2019 in terms of space turnover, followed by Munich with a turnover of around 0.8 million sqm.

HIGHLIGHTS

- TTL Real Estate GmbH, in which TTL AG holds a 50% stake, sold its 75% share in the GEG German Estate Group to DIC Asset AG in June of this financial year. For TTL Real Estate GmbH this resulted in a net cash inflow of around EUR 165 million.

- The proceeds from the GEG sale have been used since summer 2019 to expand the investment portfolio:

    - TTL AG and the Rockstone Real Estate Group entered into a very promising joint venture in the financial year with the establishment of the StoneCapp investment platform.

    - TTL AG invests via TTL Real Estate GmbH, in which it holds a 50% stake, in high-dividend listed real estate companies such as DIC Asset AG, which we consider to be attractively valued.

- At around EUR 7.7 million (+6.8%), the investment result, including the result from silent partnerships, is higher than the previous year's result.

- TTL was again able to increase its net income compared to the previous year and, at EUR 4.8 million, exceeded its earnings forecast for the year.

Consolidated profit 2018:

EUR 4.1 million

Increase of consolidated profit in 2019

+

to

EUR 4.8 million

3.3. Business development

With the strategic realignment of the company as an investment company focused on the German commercial real estate market, TTL AG and the TTL Group continued to grow strongly and profitably in 2019. Due to the positive business development, we were able to exceed our last earnings forecast from August 2019, which had been projected earnings in a range of EUR 4.0 to 4.5 million, with earnings of EUR 4.8 million.

Our share price also reflects the continuous growth since our strategic realignment, particularly against the background of two dividend distributions totalling EUR 5.1 million, or EUR 0.24 per share. Although volatility is relatively high due to the low free float, the steady development of the share price, which rose above EUR 4 at times, and the resulting significant increase in market capitalisation show that TTL AG is on the right track. As a result of the performance of the associated companies to date and the resulting higher income from investments, we significantly increased (+17%) consolidated net income after taxes to EUR 4.8 million compared with the previous year (EUR 4.1 million). The XETRA closing price at the end of 2019 was EUR 3.60, 15.4% above the previous year's closing price of EUR 3.12. Taking into account the dividend of EUR 0.24 per share, this resulted in an increase in value of 23.1% for our shareholders.

Investment and capital measures in 2019

As part of the simplification of the Group structure, the outstanding 24% of the shares in TTL Beteiligungs GmbH were acquired in July 2019 for EUR 7.5 million. This had an impact on the balance sheet due to the increase in the capital reserve of around EUR 1.3 million and the absence of non-controlling interests of minority shareholders (previous year EUR 8.6 million) in equity.

Of the cash received as part of the sale of the GEG in the middle of the year, TTL Real Estate GmbH granted loans totalling EUR 25.0 million to TTL AG. In addition, TTL AG received a distribution from TTL Real Estate GmbH for 2018 in the amount of EUR 1.2 million and further debt capital payments of EUR 1.8 million. TTL AG thus received approximately EUR 28 million from its holding company.

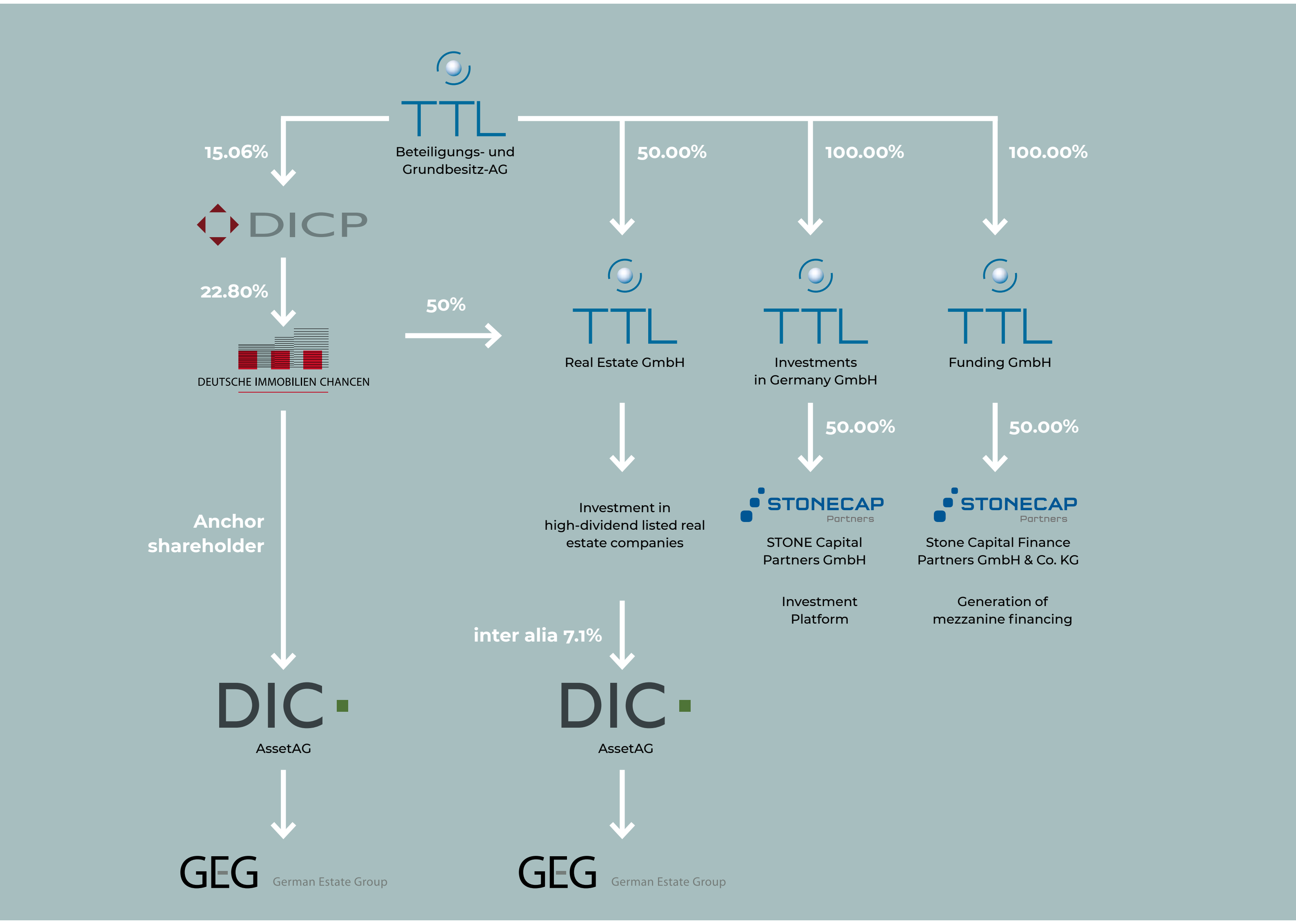
The cash inflows from loans taken out and the dividend payout were used to take over the minority interests in TTL Beteiligungs GmbH, to pay out dividends to shareholders, to finance current operations and to build up cash and cash equivalents.

At the end of 2019, TTL thus held:

- 50% of the ordinary shares in TTL Real Estate GmbH, Frankfurt am Main. TTL Real Estate GmbH invests in listed high-dividend real estate companies. It has held an interest in DIC Asset AG since August 2019 and held almost 5% of the shares at the end of 2019, and approximately 7.1% since the end of January 2020,
- a share of 15.06% in DIC Capital Partners (Europe) GmbH, Munich. TTL AG generates dividend payments and management fees from this investment. DIC Capital Partners (Europe) GmbH is the controlling shareholder of Deutsche Immobilien Chancen-Group, which in turn is the anchor shareholder of SDAX-listed DIC Asset AG.
- 100% of the ordinary shares in TTL Investments in Germany GmbH, Munich, which in turn is a 50% shareholder of STONE Capital Partners GmbH, Frankfurt am Main. STONE Capital Partners GmbH ("StoneCapp") is an investment platform founded in 2019 for real estate companies of TTL and the Rockstone Real Estate Group,
- 100% of the ordinary shares in TTL Funding GmbH, Munich, which in turn is a 50% shareholder of Stone Capital Finance Partners GmbH & Co. KG, Grünwald. Stone Capital Finance Partners GmbH & Co. KG is a joint venture company founded in 2019 to generate mezzanine financing and make it available for StoneCapp real estate projects.

The investment portfolio with a value of EUR 89.1 million (previous year incl. silent partnership EUR 99.4 million) represents the most significant asset item of TTL.

After increasing TTL Real Estate GmbH's stake in DIC Asset AG from almost 5% at the end of 2019 to 7.1% in January 2020, the current shareholding structure is as follows:



TTL AG was able to close the 2019 financial year with consolidated net income of around EUR 4.8 million (previous year EUR 4.1 million). Consolidated net income is thus above the upper end of the forecast corridor from August 2019 of EUR 4.0 to 4.5 million.

3.4. Management Board and employees

Since September 2018, TTL has had four employees (including the Management Board).

3.5. Net asset, financial and income situation of the TTL Group

The position of the TTL Group is primarily characterised by its investments and its financing. The main control parameters are the book value of the investments, the income resulting from the investments (investment and interest income and, if applicable, management fees) and consolidated net income – if necessary, with the elimination of non-recurring effects.

Net assets

The asset situation of the TTL Group saw a slight decline of EUR 2.4 million in the balance sheet total from EUR 106.3 million at the 2018 balance sheet date to EUR 103.9 million.

Due to the dissolution of the silent partnership agreement concluded with TTL Real Estate GmbH in December 2019, loans to related companies decreased by approximately EUR 15.4 million. Financial assets accounted for using the equity method increased by EUR 4.5 million due to the equity result of EUR 4.1 million versus distributions of EUR 1.2 million plus the shares in the StoneCapp companies of EUR 1.6 million. This is offset by an increase in cash and cash equivalents of EUR 11.6 million, which mainly result from dividend payments and loans taken out by TTL Real Estate GmbH.

On the liabilities side of the balance sheet, consolidated equity decreased by EUR 7.7 million. The acquisition of 24% of the shares in TTL Beteiligungs GmbH eliminated the minorities in equity (non-controlling interests), which amounted to EUR 8.6 million in the previous year. The shareholders of TTL AG alone are now entitled to the consolidated equity. The shareholders' equity attributable to the shareholders of TTL AG increased by a total of just under EUR 0.9 million: the distributions of a total of EUR 5.1 million were offset by a net profit attributable to the Group shareholders of EUR 4.6 million and an increase in the capital reserves of EUR 1.3 million.

On balance, liabilities increased by EUR 5.3 million and amounted to EUR 56.2 million on the reporting date. This is mainly due to the increase in long-term loan liabilities to TTL Real Estate Mezzanine Investments GmbH & Co. KG of EUR 26.8 million and the elimination of liabilities due to the dissolution of the silent partnership with TTL Real Estate GmbH of EUR 15.4 million.

Financial position

The TTL Group's cash and cash equivalents increased significantly as of the reporting date. At the end of the year, the Group had cash and cash equivalents of around EUR 13.9 million (previous year EUR 2.3 million).

Within investment activities, cash outflows from the formation of the StoneCapp companies of EUR 1.6 million are offset by dividends received from TTL Real Estate GmbH of EUR 1.2 million. Overall, there was an outflow of approx. EUR 0.5 million (previous year cash inflow of EUR 0.3 million).

In financing activities there were cash inflows from borrowings of EUR 26.8 million from the TTL Real Estate Group. This is offset by dividends paid of EUR 5.1 million and payments for capital measures of around EUR 0.4 million. At the same time, EUR 7.5 million was spent on the acquisition of minority interests in TTL Beteiligungs GmbH, resulting in a total cash inflow from financing activities of EUR 13.8 million (previous year cash inflow of EUR 2.3 million).

These payments are offset by net payments of EUR 1.7 million (previous year EUR 0.9 million) from operating activities.

TTL AG's interest-bearing liabilities are generally concluded at fixed interest rates. The average interest rate on interest-bearing liabilities was 3.5% as at 31 December 2019 (previous year 3.7%). The average remaining term of these financial liabilities is about 1.3 years (previous year just over one year).

Results of operations

Due to its holding activity, the earnings position of TTL Group is significantly influenced by the financial result. The main source of income is the result from TTL Real Estate GmbH, which contributed around EUR 7.7 million (previous year EUR 6.9 million) to consolidated net income in 2019. In 2019, this resulted in income from the silent partnership amounting to EUR 3.6 million (previous year EUR 4.5 million), which is shown in interest income. The pro-rata earnings of TTL Real Estate GmbH, which are accounted for using the equity method, amounted to EUR 4.1 million compared to EUR 2.4 million in the previous year.

During 2019, there was a structural change within TTL Real Estate GmbH. Until the middle of 2019, TTL Real Estate GmbH held 75% of the shares in GEG German Estate Group, which were sold by contract dated 5 June 2019. From this, TTL AG generated a result of approximately EUR 1.4 million from income of TTL Real Estate GmbH, which was accounted for using the equity method. TTL Real Estate GmbH invested the funds from the sale of the shares in the GEG German Estate Group, among other things, in building up a stake of nearly 5% in the listed company DIC Asset AG and was thus able to participate in its share price increase, particularly in the last two months of the year. In the second half of the year, this was the main reason why TTL Real Estate GmbH generated earnings of EUR 2.7 million.

The interest expenses are compared to the previous year due to full-year effects and an increase in the financing volume of EUR 1.0 million to EUR 2.4 million.

The expansion of business operations through the establishment of structures in the administrative and controlling areas has been completed, so that both operating expenses of EUR 0.9 million, mainly legal and consulting costs in connection with capital measures as well as accounting and auditing costs, and personnel expenses of EUR 1.1 million are almost unchanged from the previous year. This is offset by increased revenues of around EUR 1.2 million (previous year EUR 0.6 million) for the assumption of services for affiliated companies.

In the 2019 financial year, the TTL Group generated consolidated net income of EUR 4.8 million, compared with a consolidated net income of EUR 4.1 million in the previous year. Of the consolidated net income, EUR 4.6 million (previous year EUR 3.3 million) was attributable to the shareholders of TTL AG and EUR 0.2 million (previous year EUR 0.8 million) to minority interests. Basic and diluted earnings per share amounted to EUR 0.22, after EUR 0.19 in the previous year.

3.6. Net asset, financial and income situation of the TTL Group

Net assets and financial position

The assets of the parent company TTL Beteiligungs- und Grundbesitz-AG comprise the direct and indirect holding in TTL Real Estate GmbH, which also received the proceeds from the sale of GEG. The value of the directly held 23% share of TTL Real Estate GmbH remains at approx. EUR 37.3 million. TTL Beteiligungs GmbH holds a share of around 27% in TTL Real Estate GmbH via its subsidiary TTL Beteiligungs GmbH. Through the assumption of the 24% minority stake in TTL Beteiligungs GmbH for EUR 7.5 million in July 2019, TTL AG holds all shares in TTL Beteiligungs GmbH, which is now EUR 35.0 million (previous year EUR 27.5 million).

In the 2019 financial year, shares in TTL Investments in Germany GmbH, which was founded by TTL AG, were added in the amount of EUR 15.0 million. Furthermore, TTL Funding GmbH was founded for EUR 29,000. Through these two wholly-owned subsidiaries, TTL AG holds 50% of the shares in STONE Capital Partners GmbH and Stone Capital Finance Partners GmbH & Co. KG, which were jointly founded with the Rockstone Group.

The 15.06% interest in DIC Capital Partners (Europe) GmbH is still stated at acquisition costs of around EUR 5.9 million.

Taking into account the dissolution of the silent partnership amounting to EUR 7.0 million, financial assets increased by a total of EUR 15.5 million year-on-year and, at EUR 93.2 million (previous year EUR 77.7 million), account for around 99% of total assets (previous year around 94%).

Receivables from companies in which an equity investment is held were reduced by the amount of the loan liabilities of TTL Real Estate Mezzanine Investments GmbH & Co. KG from EUR 2.1 million in the previous year to EUR 724,000, which is due from DIC Capital Partners (Europe) GmbH.

Current assets decreased in the area of cash and cash equivalents to EUR 0.2 million (previous year EUR 2.3 million). Substantial cash funds in the amount of EUR 13.4 million were held in the subsidiary TTL Investments in Germany GmbH.

Total assets rose to EUR 94.2 million compared with EUR 82.4 million in the previous year.

As a result of the distribution to shareholders totalling EUR 5.1 million, which is partially offset by the net income for the year of EUR 0.3 million, equity fell by EUR 4.7 million from EUR 46.5 million in the previous year to around EUR 41.8 million.

At the end of the year, the company was financed in the long-term by liabilities in addition to equity in the amount of EUR 52.5 million. As in the previous year, the company is therefore financed almost entirely (99%) by equity and long-term liabilities.

TTL AG used funds of around EUR 1.7 million (previous year EUR 0.9 million) for operating activities. In the investment area, a total of around EUR 15.1 million was used for the establishment of TTL Investments in Germany GmbH and TTL Funding GmbH, and around EUR 7.5 million for the acquisition of the outstanding 24% of TTL Beteiligungs GmbH. Dividends received amount to approximately EUR 0.6 million. Within the scope of financing activities, borrowings of EUR 26.7 million from TTL Real Estate are offset in particular by dividend payments of around EUR 5.1 million. The financial resources in the annual financial statements of TTL Beteiligungs- und Grundbesitz-AG decreased from EUR 2.3 million in the previous year to around EUR 0.2 million as at 31 December 2019. Substantial cash in the amount of EUR 13.4 million is available to TTL AG through its subsidiary TTL Investments Germany GmbH.

Results of operations

Sales from service contracts amounting to EUR 1.2 million (previous year EUR 0.6 million), interest income of around EUR 2.5 million (previous year EUR 2.1 million) and income from investments of EUR 0.5 million (previous year EUR 0.6 million) had the main influence on the earnings situation.

This is offset by operating expenses, especially for personnel, which remained almost unchanged from the previous year at EUR 1.1 million. Other operating expenses (mainly consulting and auditing costs) amounted to around EUR 1.0 million (previous year EUR 1.1 million), while interest expenses amounted to EUR 1.8 million (previous year EUR 0.6 million).

Income from the investment in TTL Real Estate GmbH/German Estate Group AG for 2019 is not yet included in TTL AG's net income for the year here, and will not take effect until next year on the basis of the dividends received.

In total, TTL AG closed the financial year with a result of EUR 0.3 million which is lower than previous year's result of EUR 2.3 million. The previous year was characterized by a merger gain of EUR 1.8 million.

Achievement of targets in 2019

In the report on expected developments of the previous year, a profit expectation of more than EUR 6 million for 2019 was communicated at Group level. In connection with the sale of the GEG German Estate Group in mid-2019, TTL adjusted its forecast in August of this year to a consolidated net income of EUR 4.0 to 4.5 million with the publication of the figures for the first half of 2019. After a good fourth quarter, with higher than planned income, particularly from the investment in DIC Asset AG at the level of TTL Real Estate GmbH, TTL was able to increase its consolidated net income once again compared with the previous year and, at EUR 4.8 million, exceeded its earnings forecast which had been updated during the year.

As expected, TTL AG's net income for the year of EUR 0.3 million was at the previous year's level of EUR 0.5 million (adjusted for the above-mentioned merger gain of EUR 1.8 million).

The goal of stable value development of the investments forecast for 2018 was achieved; there were no impairments. Since the second half of 2019, TTL AG has significantly expanded its investment portfolio and recorded major achievements. For example, TTL has acquired shares in DIC Asset AG via TTL Real Estate GmbH and has steadily expanded this holding. As at 31 December 2019, TTL held a total of almost five percent of DIC Asset; in January 2020, we were able to increase this stake to 7.1% as part of a capital increase at DIC Asset. This investment has performed very well and generated high valuation gains at the end of 2019. The discount to net asset value ("NAV") that still exists confirms that we acquired these investments at attractive prices, and shows that there is further potential for price increases. In addition, we expect significant dividend distributions in the future.

At EUR 4.8 million, TTL AG was able to significantly increase its net income by 17% compared to the previous year's figure of EUR 4.1 million. With investment income of EUR 7.7 million, including the result from the silent partnerships, TTL confirms the forecasted stable performance of its investment income.

TTL and the Rockstone Real Estate Group established a very promising joint venture in the 2019 financial year with the StoneCapp transaction platform. We have a strong team with many years of experience. The planned project volumes of the StoneCapp investment platform range from 20 million euros to 200 million euros with an investment period of 18 to 36 months. Our goal is to establish StoneCapp as an investment platform for commercial real estate in Germany.

4. REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS

Opportunity and risk management system

Opportunity and risk management is a central component of the corporate management of TTL AG and the Group. The opportunity and risk policy is derived from the above-mentioned business strategy. Compared with the previous year, opportunity and risk management was expanded, particularly in the areas of monitoring investments, liquidity planning and the controlling and reporting functions. This is done on the basis and analysis of budgets and multi-year corporate plans relating to TTL AG and its investments as well as their annual and other financial reports and information and ad hoc analyses.

TTL AG's risk management system, in particular the early recognition, identification, analysis and communication of risks, is geared to the TTL Group's current situation, with the aim of identifying at an early stage any developments that might jeopardise the continued existence of the company in order to be able to take effective countermeasures. At the same time, it helps to take advantage of existing opportunities, tap new potential for success and increase the value of the company by taking a controlled approach to managing risks. Balancing opportunities and risks keeps possible negative effects on the company's success to a minimum.

The Management Board controls and monitors the opportunities and risks of TTL AG and the Group on an ongoing basis and reports on these to the Supervisory Board at its meetings.

Opportunities and risks from investing activities

The main focus of opportunity and risk management is on monitoring the development of business and thus the value of the investments entered into. A lack of profit distributions from the associated companies could have a negative impact on both the earnings and the financial position. A negative performance by the associated companies or a deterioration of their economic environment, including the interest rate landscape, could require a correction of their valuation. This in turn would have a negative impact on the financial position of TTL AG.

Opportunities exist in particular in the continued positive development of the companies in which investments have been made, the expansion of the real estate exposure, in particular of the German Estate Group, as well as the expansion of existing investments and the assumption of new exposures to companies and projects in the commercial real estate market.

Due to the successful history of our associated companies, in particular our indirect investment in DIC Asset AG, and the continued positive market environment in the commercial real estate sector, we currently consider the risks to be low. We consider the potential financial impact of this to be moderate.

Operational opportunities and risks

Since TTL AG, as an investment company, does not conduct any operating business itself, operating risks result primarily from non-compliance with accounting rules and from non-compliance with formal deadlines and dates. In the current environment, the Management Board considers this risk to be low. We consider the possible financial impact of this to be low.

Financing opportunities and risks

In the past financial year, the liquidity situation of TTL AG improved considerably due to the sale of the German Estate Group shares at the level of TTL Real Estate GmbH. TTL Real Estate GmbH, in which TTL AG holds 50% of the shares, achieved sales proceeds of around EUR 165 million with an effect on liquidity. TTL is currently financed almost exclusively by equity and long-term debt. Through appropriate use of the available financial resources and returns from existing investments, cash surpluses can also be expected in subsequent years.

Interest rate risks arise from market-related fluctuations in interest rates (market interest rate volatility) and from the company's own interest rate exposure. They can affect the profitability, liquidity, financial position and expansion opportunities of the TTL Group. Due to TTL AG's equity base, we see opportunities to keep TTL AG's financing stable even after taking planned distributions into account and possibly to expand the financing due to the positive capital market environment. To hedge against interest rate fluctuations, TTL AG's interest-bearing liabilities are generally concluded at fixed interest rates.

Under debtor warrant agreements, the company's payment obligations of EUR 1.4 million can be revived if the equity reported in the annual financial statements reaches EUR 100 million. However, on the basis of planning for the development of the Company's equity, the Management Board assumes that it is unlikely that it will be utilized in the foreseeable future; the equity reported in the annual financial statements of TTL AG amounted to EUR 41.8 million at the end of 2019 (previous year EUR 46.5 million).

Overall, we consider the opportunities and risks of financing to be low in terms of their probability of occurrence and impact.

Overall assessment of the risk and opportunity situation

In summary, the risk and opportunity situation of the company and the Group improved further due to the positive effects of the investment and capital measures.

Risk reporting in relation to the use of financial instruments

The Group's existing financial instruments mainly include long-term financial assets in the form of company shares, long-term and short-term credit liabilities to related companies and bank balances as well as receivables from and payables to suppliers. Appropriate measures are taken or adjustments made where default and credit risks are identifiable for financial assets. Liabilities are paid within the agreed payment periods. The Company pursues a conservative risk policy in managing its financial positions.

Internal control and risk management related to the accounting process

The internal control and risk management system of the TTL Group related to accounting methods contains instruments and measures that are appropriate to the business environment and transaction volume of the Group and can be used to prevent accounting-related risks in a coordinated manner or to identify, evaluate and eliminate them in a timely manner. The accounting process of the TTL Group is geared to holding-specific focal points such as the measurement of investments and financing functions. The Management Board is also responsible for the content of these topics. Material information and facts relevant to TTL AG's accounting are critically assessed by the Management Board for their conformity with applicable accounting regulations before they are recorded in the outsourced financial accounting. In addition, the Management Board regularly reviews the monthly evaluations. The Management Board uses an Excel-based planning tool to avoid these risks and to document the workflows to be performed in the process to prepare the individual and consolidated financial statements, their chronological sequence and the (external) persons responsible for them.

Forecast report

- **Overall statement on 2020**

Based on the forecast stability of the German economy and the German real estate market, we do not expect any significant changes in the direct environment of the company for the 2020 financial year. Nevertheless, unexpected changes in interest rates, further acquisitions or sales of investments and changes in other premises for the 2020 financial year could affect the forecast.

- **Economic environment**

As the inflation rate and economic projections have moved further away from the ECB's target, and in fact have moved downwards, interest rate hikes before 2021 seem unlikely.

In view of the still very attractive financing conditions and the lack of investment alternatives, JLL does not expect the trend towards falling peak yields in the top office markets to reverse in 2020, but instead expects peak yields to settle at a low level. Outside of top locations and core properties, the compression of yields is likely to continue next year.

Since the monetary policy environment remains favourable, there is currently no reversal in interest rates in sight, and the yields on fixed-interest investment alternatives are well below real estate yields, CBRE also forecasts continued strong demand on the investment market.

Due to the continuing high demand for space coupled with the lack of attractive space, rising top rents were observed in all Big 7 locations year-on-year. Over the year, the average level rose by 5.4%, the highest level since 1992. JLL also expects a further increase in the top rent index for 2020, albeit with significantly weaker growth momentum.

- **Expected development for TTL**

Due to the expansion of the investment portfolio in the past financial year, we expect stable value development of our investments.

We expect a positive result both from the point of view of the Group and from that of TTL AG. For the consolidated financial statements we expect – if necessary by eliminating non-recurring effects – a result at the level of 2019 in the amount of at least EUR 4.8 million for 2020; for TTL AG we expect net income of around EUR 0.5 million.

The Management Board intends to remain squarely on the path of the adopted corporate strategy in the 2020 financial year and to take advantage of opportunities for equity interests in real estate companies. The aim is to further consolidate TTL's position as an important investment company in the real estate sector.

Via TTL Real Estate GmbH, in which it holds a 50% stake, TTL has currently built up a 7.1% stake in the listed company DIC Asset and already benefited from substantial price gains in the past financial year. Although share prices are subject to fluctuation, the discount to net asset value ("NAV") that still exists confirms that we acquired these investments at attractive prices, and shows that there is further potential for price increases. In addition, we also expect significant dividend distributions in the current year.

Our investment platform StoneCapp is currently examining several investment opportunities. We have a strong team with many years of experience. The planned project volumes of the StoneCapp investment platform range from 20 million euros to 200 million euros with an investment period of 18 to 36 months. Our goal is to establish StoneCapp as an investment platform for commercial real estate in Germany.

In connection with the company's expansion, direct investment in real estate is also conceivable.

We expect investment income of around EUR 3.5 to 4.5 million at group level and EUR 0.5 to 1.0 million at TTL AG level in the coming year.

Key assumptions for the business forecast are, in particular

- The German economy and labour market remain robust
- No significant worsening of the sovereign debt crisis in the euro area
- No resurgence of the banking crisis in the euro area
- Brexit has no dramatic consequences for the euro area economy
- There is no abrupt departure of the central banks from the policy of cheap money
- There is no significant tightening of requirements in the financing policy of the credit institutions, which would have an inhibiting effect on the transaction process
- No unforeseen regulatory changes enter into force
- There continues to be high demand from institutional investors for real estate investments managed by our investment companies

If the underlying assumptions do not materialise or other extraordinary developments occur, our forecast may differ materially from the actual results.

5. OTHER LEGAL DISCLOSURE REQUIREMENTS

5.1. Declaration on corporate governance in accordance with Sections 289 f/315 d HGB

The corporate governance statement is published on the Company's website at https://www.ttl-ag.de/en/investor-relations/corporate-governance/corporate-governance-report.html.

5.2. Remuneration report

Remuneration of the Supervisory Board

On 10 May 2019, the Annual General Meeting revised Section 14 of the Articles of Association of TTL AG regarding the remuneration of the Supervisory Board. Accordingly, as at 1 January 2019, the members of the Supervisory Board will receive a fixed remuneration of EUR 25,000.00 for each full financial year of their membership of the Supervisory Board, payable at the end of the financial year. The Chairman of the Supervisory Board receives twice this amount and the Deputy Chairman receives 1.5 times this amount. Members of the Supervisory Board who belong to a committee of the Supervisory Board that has met at least once in the financial year receive additional remuneration of EUR 5,000.00 per committee for each full financial year of their membership of this committee, but in total no more than EUR 10,000.00. The chairman of a committee receives twice this additional remuneration. In the years in which they take office or leave office, Supervisory Board members receive remuneration pro rata temporis. In addition to remuneration, each member of the Supervisory Board is reimbursed for expenses and any value added tax payable on the remuneration. In 2019, the remuneration of the Supervisory Board members totalled EUR 162,500 (previous year EUR 38,800).

Remuneration of the Management Board

The Management Board is entitled to a maximum remuneration of EUR 959,363.71 (previous year EUR 931,549.33) for the past financial year. This remuneration includes components partially based on success or components with a long-term incentive effect.

MR THEO REICHERT

Mr Reichert received fixed remuneration of EUR 250 k for his activities in the 2019 financial year. Additional benefits consist of the provision of a company car, mobile phone and, based on appropriate amounts, limited subsidies for insurance, in particular accident, health and pension insurance or another private pension fund. There are no commitments for a company pension scheme. He is entitled to a performance-related variable remuneration of a maximum of EUR 193 k (remuneration with a short-term incentive effect) for the past financial year, which is also determined by the Supervisory Board.

Mr Reichert was also granted variable remuneration with a long-term incentive effect, which is based on the development of the share price of the company (virtual share options). This remuneration is the result of any positive difference between the average closing price in a reference period of ten trading days prior to the exercise of the options and the contractually regulated exercise price of EUR 1.50 per virtual share with regard to 35,000 shares and can be exercised at the earliest on 30 September 2020 (vesting period) and at the latest on 31 March 2021 (expiration date). According to the Black-Scholes model, the value of the stock option was at EUR 55 k as at 31 December 2019 (prior year: EUR 27 k), taking into account the previous service period.

No benefits were promised in the event of premature or regular termination of his employment.

MR THOMAS GRIMM

Mr Grimm received fixed remuneration of EUR 200 k for his activities in the 2019 financial year. There are no commitments for a company pension scheme. He is entitled to a performance-related variable remuneration of a maximum of EUR 200 k (remuneration with a short-term incentive effect) for the past financial year, which is also determined by the Supervisory Board.

Mr Grimm was also granted variable remuneration with a long-term incentive effect, which is based on the development of the share price of the company (virtual share options). This remuneration is the result of any positive difference between the average closing price in a reference period of ten trading days prior to the exercise of the options and the contractually regulated exercise price of EUR 1.50 per virtual share with regard to 35,000 shares and can be exercised at the earliest on 30 December 2020 (vesting period) and at the latest on 30 June 2021 (expiration date). According to the Black-Scholes model, the value of the stock option was at EUR 50 k as at 31 December 2019 (prior year: EUR 21 k), taking into account the previous service period.

No benefits were promised in the event of premature or regular termination of his employment.

OVERVIEW OF MANAGEMENT BOARD REMUNERATION IN THE 2019 FINANCIAL YEAR

In EUR	Fixed remuneration	Variable remuneration*	Share price-based remuneration**	Additional benefits	**Total 2019**	Total 2018
Theo Reichert	250,000	250,000	28,689	1,781	**530,470**	523,508
Thomas Grimm	200,000	200,000	28,894	0	**428,894**	408,041
Total	**450,000**	**450,000**	**57,583**	**1,781**	**959,364**	**931,549**

* Amount of provisions as at 31 December 2019; the payment for the previous year, which was below the amount of provisions, amounted to EUR 50,000.

** Amount of provision as at 31 December 2019

5.3. Report on the takeover situation and other disclosures pursuant to Sections 289a (1) and 315a (1) HGB

Composition of subscribed capital

As at 31 December 2019, the subscribed capital of TTL Beteiligungs- und Grundbesitz-AG consisted of 21,075,000 no-par value bearer shares. There are no shares with special rights conferring powers of control.

The company's ordinary general meeting took place on 10 May 2019 in Munich and passed the following key resolutions:

Cancellation of the existing Authorised Capital 2018/II and creation of new Authorised Capital 2019

The authorisation of the Management Board resolved by the Annual General Meeting on 15 June 2018 to increase the share capital of the Company, with the consent of the Supervisory Board, by up to EUR 8,800,000.00 until 14 June 2023 by issuing new no-par value bearer shares against cash and/or non-cash contributions was cancelled, insofar as it had not been utilised by the time of cancellation, with effect from the time of entry of the new Authorised Capital 2019, as regulated below, and the corresponding amendment to the Articles of Association in the Company's Commercial Register. At the same time, the Management Board was authorised to increase the share capital on one or more occasions up to a total of EUR 10,537,500.00 (Authorised Capital 2019) by 9 May 2024 with the approval of the Supervisory Board by issuing new bearer shares against cash or non-cash contributions.

Cancellation of Contingent Capital 2017/I and Contingent Capital 2018/II and creation of new Contingent Capital 2019/I

The Contingent Capital 2017/1 resolved by the Annual General Meeting on 2 June 2017, which at that time still amounted to EUR 1,291,666.00, and the Contingent Capital 2018/II resolved by the Annual General Meeting on 15 June 2018 were cancelled. At the same time, the share capital was conditionally increased by up to EUR 10,537,500.00 by issuing up to 10,537,500 new bearer shares (Contingent Capital 2019/I).

Authorisation to issue bonds 2019

The Management Board was authorised, with the approval of the Supervisory Board, to issue registered or bearer bonds with warrants and/or convertible bonds with or without a limited term to maturity up to a total nominal amount of EUR 100,000,000.00 on one or more occasions up to 9 May 2024 and to grant the holders or to grant or impose option or conversion rights or option or conversion obligations on the creditors of bonds for bearer shares in the Company with a proportionate amount of the share capital of up to a total of EUR 10,537,500.00 in accordance with the detailed provisions of the option or convertible bond conditions (together "bond conditions").

Authorisation to acquire treasury shares

The Company's Management Board was authorised, with the prior consent of the Supervisory Board, to acquire treasury shares in the Company up to a total of 10% of the Company's share capital until 9 May 2024. This percentage will be based on the share capital at the time the Annual General Meeting resolves on the present authorisation or – if this is less – the existing share capital at the time the present authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by the Company or attributable to it in accordance with Sections 71a et seq. AktG, may at no time account for more than 10% of the Company's share capital. The acquisition may not be made for the purpose of trading in treasury shares.

Direct and indirect investments in the capital exceeding 10% of the voting rights

According to the last notification of voting rights received, AR Holding GmbH, Frankfurt am Main, has held a total of 14,137,595 no-par value bearer shares (corresponding to 67.08% of the voting rights) since 14 November 2019. The Federal Financial Supervisory Authority (BaFin) exempted AR Holding GmbH from the obligation to submit a mandatory offer in connection with the restructuring of TTL AG.

There are no other direct or indirect interests in the capital that exceed 10% of the voting rights.

Statutory provisions and provisions of the Articles of Association regarding the appointment and dismissal of members of the Management Board and amendments to the Articles of Association

The appointment and dismissal of members of the Management Board is governed by Sections 84 et seq. AktG. Pursuant to Article 7 of the Articles of Association, the number and appointment of ordinary and deputy members of the Management Board, the conclusion of employment contracts and the revocation of appointments are determined by the Supervisory Board. The Supervisory Board may appoint a member of the Management Board as Chairman of the Management Board.

Amendments to the Articles of Association are made in accordance with the regulations in Sections 179 et seq. AktG. The resolutions of the Annual General Meeting require a simple majority of the votes cast, unless the law prescribes otherwise (Section 20 of the Articles of Association).

5.4. Relations with affiliated companies

The Company has prepared a dependent company report on its relationships with affiliated companies in accordance with Section 312 AktG. This report lists all legal transactions which the Company or its subsidiaries have undertaken in the past financial year with affiliated companies or at the instigation or in the interest of one of these companies in the past financial year, and all other measures which the Company has undertaken or omitted to undertake at the instigation or in the interest of these companies in the past financial year.

The report concludes with the following declaration:

“We hereby declare that according to the circumstances known to us at the time when the legal transactions were carried out, our Company received appropriate consideration or remuneration for each legal transaction. No action was taken or omitted at the instigation or in the interest of the controlling company.”

Munich, 10 February 2020

Theo Reichert
– CEO –

Thomas Grimm
– CFO –

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CONSOLIDATED BALANCE SHEET AS AT 31/12/2019

ASSETS

in TEUR	Notes	31/12/2019	31/12/2018
Non-current assets			
Property, plant and equipment	(3, 20)	5	5
Financial assets			
Financial assets accounted for using the equity method	(4, 21)	82,609	78,119
Other equity investments	(22)	5,971	5,971
Loans to related parties	(5, 23)	0	15,350
		88,580	**99,440**
Deferred tax assets	(10, 18)	500	0
		89,085	**99,445**
Current assets			
Other financial assets	(5, 24)	902	4,532
Income tax assets	(5, 24)	1	33
Other assets	(5, 24)	9	10
Cash and cash equivalents	(6, 24)	13,908	2,288
		14,820	**6,863**
TOTAL ASSETS		**103,905**	**106,308**

EQUITY & LIABILITIES

in TEUR	Notes	31/12/2019	31/12/2018
Equity			
Subscribed capital	(26)	21,075	21,075
Additional paid-in capital	(26)	27,898	32,578
Reserve for financial assets at fair value through profit or loss	(26)	114	114
Retained earnings	(26)	-1,406	-6,936
Equity attributable to shareholders of TTL AG		**47,681**	**46,831**
Non-controlling interests	(26)	0	8,595
Equity		**47,681**	**55,426**
Non-current liabilities			
Other liabilities	(27)	0	48
Long-term loans payable	(27)	50,964	43,195
		50,964	**43,243**
Current liabilities			
Tax provisions	(27)	107	617
Trade accounts payable	(27)	4	341
Current loans payable	(27)	3,889	5,973
Other liabilities	(27)	1,260	708
		5,260	**7,639**
Total debts		**56.224**	**50.882**
TOTAL LIABILITIES AND EQUITY		**103,905**	**106,308**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2019

in TEUR	Note	2019	2018
Revenues	(14)	1,174	605
Other operating income	(15)	54	67
Personnel expenses	(16)	-1,090	-1,147
Depreciation		-3	-3
Other operating expenses	(15)	-948	-1,008
Result from operating activities		**-813**	**-1,486**
Income from investments	(17)	0	350
Profit shares from companies accounted for under the equity method	(17)	4,037	2,393
Other interest and similar income	(17)	3,678	4,479
Other interest and similar expenses	(17)	-2,357	-984
Financial result		**5,358**	**6,238**
Result before income taxes		**4,545**	**4,752**
Current income tax	(18)	-239	-617
Deferred income taxes	(18)	500	0
RESULT FOR THE YEAR		**4,806**	**4,135**
thereof attributable to shareholders of TTL AG		4,589	3,340
thereof attributable to minority interests		217	795
Basic / diluted earnings per share (EUR)	(19)	0.22	0.19
CONSOLIDATED RESULT		**4,806**	**4,135**
OTHER INCOME			
Profit/loss from the measurement of equity instruments measured at fair value through profit or loss (items to be measured in the future that cannot be reclassified to the income statement in the future)	(22)	0	114
COMPREHENSIVE INCOME		**4,806**	**4,249**
thereof attributable to shareholders of TTL AG		4,589	3,454
thereof attributable to minority interests		217	795

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 2019 FINANCIAL YEAR

in TEUR	Notes Chapter IX	2019	2018
Cash flow from operating activities			
Profit before tax		**4,545**	**4,752**
Increase/ decrease in provisions		203	477
Income from investments		0	-501
Profit shares from companies accounted for under the equity method		-4,037	-2,393
Other non-cash income/expenses		4	-59
Interest income		-3,678	-4,479
Interest expense		2,356	983
Tax paid		-750	0
Changes in assets and liabilities			
other receivables and assets		-794	-8
other liabilities		414	303
CASHFLOW FROM OPERATING ACTIVITIES		-1,737	-925
Cashflow from investing activities			
Acquisition/disposal of property, plant and equipment		-3	3
Investments in other investments		0	39
Investments in investments accounted for using the equity method		-1,618	0
Payments for the acquisition of consolidated companies		-4	-264
Payments for the acquisition of financial assets		0	-1,600
Payments received for short-term loans from affiliated companies		0	1,600
Dividends received		1,165	501
CASHFLOW FROM INVESTING ACTIVITIES		-460	279
Cashflow from financing activities			
Capital measures		0	2,526
Proceeds from loans received from affiliated companies		26,814	1,500
Payments for the acquisition of minority interests		-7,488	0
Repayment of loans to affiliated companies		0	-1,711
Payments for capital measures		-451	0
Dividends (distribution to shareholders)		-5,058	0
CASHFLOW FROM FINANCING ACTIVITIES		13,817	2,315
Net change in cash and cash equivalents		**11,620**	**1,669**
Cash and cash equivalents at the beginning of the reporting period		2,288	619
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		13,908	2,288

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR 2019

in TEUR	Subscribed capital	Capital reserve
Notes Note 26		
As at 01 January 2018	**14,133**	**35,763**
Capital contribution from owners recognised in equity	6,942	13,180
Release of capital reserves	0	-16,365
Consolidated profit or loss	0	0
Other income	**0**	**0**
As at 31 December 2018	**21,075**	**32,578**
Allocation to capital reserves / Acquisition of minority interests	0	1,320
Release of capital reserves	0	-6,000
Consolidated profit or loss	0	0
Distribution to shareholders	0	0
AS AT 31 DECEMBER 2019	**21,075**	**27,898**

Reserve for financial instruments measured at fair value through profit and loss	Retained earnings	Total TTL AG shareholder equity	Minority interests	Total equity
0	**-26,641**	**23,255**	**7,800**	**31,055**
0	0	20,121	0	20,121
0	16,365	0	0	0
0	3,340	3,340	795	4,135
114	**0**	**114**	**0**	**114**
114	**-6,936**	**46,831**	**8,595**	**55,426**
0	0	1,320	-8,812	-7,492
0	6,000	0	0	0
0	4,589	4,589	217	4,806
0	-5,058	-5,058	0	-5,058
114	**-1,406**	**47,681**	**0**	**47,681**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2019

I. BASIC INFORMATION

TTL Beteiligungs- und Grundbesitz-AG (hereinafter referred to as "TTL AG" or the "Company") operates as a holding company in Germany. TTL AG's indirectly operating investment companies predominantly deal with investment and asset management. The Company's registered office is at Theresienhöhe 28/1 in 80339 Munich, Germany, and it is registered under HRB 125559 at the local court in Munich.

The Company's shares are listed in XETRA trading and on all German stock exchanges.

The consolidated financial statements were prepared in euros. All financial information is shown in euros, rounded to the nearest thousand, unless otherwise specified. For legal reasons, rounding differences may occur in tables and references to the values (TEUR; percentages (%) etc.) resulting from the exact subject matter.

II. PRINCIPLES AND METHODS

The consolidated financial statements were prepared in observation of all International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as applicable on the reporting date and all binding interpretations of the IFRS Interpretations Committee for the past financial year as are to be applied as mandatory in the European Union. In addition, the provisions of German commercial law pursuant to Section 315e (1) and Section 289a 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 accounts of the fully consolidated companies are prepared on the reporting date of the consolidated financial statements.

The balance sheet is classified according to the maturity of the assets and liabilities. Assets and debts are viewed as current if they are due or are to be sold within a year. Correspondingly, those of the Group's assets and liabilities that mature in over a year are classified as non-current. Trade payables, claims for tax rebates and tax liabilities are essentially recorded as current items. Deferred tax assets or liabilities are essentially shown 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 that affect the amounts and classification of assets and liabilities, income and expenses and contingent liabilities must be made to a strictly limited extent. The main areas of application for assumptions and estimates are determining the fair value of financial assets, the valuation of provisions and the calculation of the fair value of the liability from recovery agreements. Actual values may differ from the estimates made.

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 quoted (unadjusted) in active markets for identical assets or liabilities

- **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) New and revised standards and interpretations to be applied for the first time during the financial year

As at 1 January 2019, the Group applied the following new and revised standards and interpretations.

> Amendments to IAS 28 "Investments in Associates" - Non-current Investments in Associates and Joint Ventures The amendments relate to the clarification of the exclusion of equity investments within the meaning of IAS 28 from the scope of IFRS 9. IFRS 9 is not applied to investments in associates or joint ventures accounted for using the equity method. IFRS 9 is always applied to non-current investments that form part of the net investment in an associate or joint venture. The changes are to be applied for the first time as at 1 January 2019. This did not result in any changes to the consolidated financial statements.

> IFRS 16 "Leases": IFRS 16 replaces the previously applicable standards and interpretations IAS 17, IFRIC 4, SIC-15 and SIC-27. In future, the new regulations will eliminate the distinction between finance and operating lease agreements. Instead, the lessee must account for the economic right to the leased asset in the form of a right of use, which is depreciated over the term of the lease agreement. Correlating to this, a liability in the amount of the present value of the future lease payments is to be carried as a liability and carried forward using the effective interest method. The accrual of leases by the lessor essentially corresponds to the regulations of IAS 17, which was previously applicable. The standard came into force on 1 January 2019. The EU endorsement was issued on 31 October 2017. This did not result in any changes to the consolidated financial statements.

> Amendments to IFRS 9 "Financial Instruments" - Prepayment Features with Negative Compensation: The amendment relates to the classification of financial instruments with prepayment features with negative compensation. According to the previous regulations, the cash flow condition is not fulfilled if the lender has to pay an early repayment penalty in the event of termination by the borrower. The new regulation provides for measurement at amortised cost (or at fair value with no effect on income) even in the case of negative compensation payments. It was also clarified that the carrying amount of a financial liability must be adjusted immediately through profit or loss after modification. The changes have been applied retrospectively since 1 January 2019. This did not result in any changes to the consolidated financial statements.

> Amendment to IAS 19: Plan amendments, curtailments or settlements: On 7 February 2018, the IASB published amendments to IAS 19. The amendments to IAS 19 now specifically stipulate that after an amendment, settlement or curtailment of a defined benefit plan during the year, current service cost and net interest for the remaining period must be recalculated using current actuarial assumptions. In addition, the amendment clarifies how changes, reductions or settlements in the plans affect the required asset ceiling. The changes have been applied since 1 January 2019. The amendments have no effect on the consolidated financial statements.

> Annual Improvements to IFRSs (Cycle 2015-2017): On 12 December 2017, the IASB published the Amending Standard Annual Improvements to IFRSs (Cycle 2015-2017). The planned changes within the framework of the 2015-2017 cycle comprise three standards and concern in detail:

- **IFRS 3 and IFRS 11:** Clarification of accounting for previously held interests in joint operations in the event that joint control is achieved for the first time. If an investor acquires sole control for the first time, the previously held shares must be revalued. If, on the other hand, only joint control is acquired, there is no reason for a remeasurement.

- **> IAS 12:** Clarification of the accounting for tax effects of financial instruments recognised as equity. This clarified that all income tax effects of dividends must be shown in the operating result, regardless of how they are incurred.

- **> IAS 23:** Clarification of the determination of borrowing costs when an asset previously under construction has been completed. Clarification that borrowed funds raised for a qualified asset are also available to finance other assets after the completion or sale of that asset.

The changes have been applied since 1 January 2019. This clarification did not have any material impact on the consolidated financial statements.

> IFRIC 23 "Uncertainty over Income Tax Treatments" The new interpretation clarifies the uncertainties about the tax burden to be paid for the financial year, as the tax recognition of the arrangements made will not be clarified until a later point in time. If recognition for tax purposes is uncertain but probable, accounting is in accordance with the tax return, without taking uncertainty into account. If the tax recognition is not probable, the tax burden is valued either at the most probable value or at the expected value. The interpretation has been applied since 1 January 2019. The new interpretation has no material effect on the consolidated financial statements.

b) Standards and interpretations not applied (published but not yet mandatory or in part not yet applicable in the EU)

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 2019 or whose recognition by the EU is still pending.

> IFRS 17 "Insurance Contracts": IFRS 17 'Insurance Contracts' was issued on 18 May 2017. The new standard pursues the goal of consistent, principle-based accounting for insurance contracts and requires the measurement of insurance liabilities at current settlement value. This results in a more uniform assessment and presentation of all insurance contracts. The standard is to be applied for financial years starting from 01 January 2021. The EU endorsement is still pending.

> Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 9 "Financial Instruments": Interest Rate Benchmark Reform: On 26 September 2019, the IASB published amendments to IAS 39 and IAS 9. The IASB is reacting to the existing uncertainty regarding the IBOR reform. The amendments relate to hedging relationships under IFRS. The topics discussed include the prospective assessment of the effectiveness of hedging relationships, the adjustment of the "highly probable" criterion in relation to cash flow hedges and the IBOR risk component. The amendments are to be applied for financial years beginning on or after 1 January 2020. The EU endorsement is still pending at the moment.

> Revision of the Conceptual Framework On 29 March 2018, the IASB published a revised version of the conceptual framework. It contains revised definitions of assets and liabilities as well as new guidelines on measurement and derecognition, presentation and disclosure. The updates of the cross-references in the individual standards are to be applied from 1 January 2020, subject to the EU adoption planned for 2019.

> Amendments to IFRS 3 "Definition of a Business": On 22 October 2018, the IASB published amendments to IFRS 3 concerning the "Definition of a Business". The amendment is intended to clarify whether a business or a group of assets has been acquired. The amendment supplements text numbers in the notes, the application guidelines and examples which clarify the three elements of a business. The amendments are to be applied for financial years beginning on or after 1 January 2020. The EU endorsement is still pending.

> Amendments to IAS 1 and IAS 8 "Definition of Materiality": On 31 October 2018, the IASB issued amendments to the definition of materiality of financial statement information. The amendments relate to IAS 1 and IAS 8. Together with additional explanatory notes, the amendments are intended in particular to facilitate the assessment of materiality for preparers of IFRS financial statements. In addition, the amendments ensure that the definition of materiality is uniform in the IFRS rules and regulations. The amendments are to be applied for financial years beginning on or after 1 January 2020. The EU endorsement is still pending.

The first-time application of the aforementioned standards and interpretations is not expected to have any material impact on the consolidated financial statements of TTL AG.

IV. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENT

1. Consolidation principles

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 2019, of the Group's subsidiaries. According to the definition of IFRS 10, subsidiaries are all companies where the Group has the authority to make decisions regarding relevant operating processes on a contractual or factual basis and this is used to achieve variable returns. Acquired subsidiaries are accounted for according to the acquisition method. Group-internal sales, expenses and income and all receivables and payables between the consolidated companies are eliminated.

2. Group of consolidated companies

In addition to TTL AG, the following domestic subsidiaries are included in the consolidated financial statements in which TTL AG directly or indirectly holds the majority of the voting rights:

Company name and registered office	TTL AG share	
	31/12/2019	31/12/2018
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	100%	100%
TTL Beteiligungs GmbH, Glattbach	100%	76%
TTL Funding GmbH, Munich	100%	0%
TTL Investments in Germany GmbH, Munich	100%	0%

The Group companies prepare its financial statements on the reporting date of the consolidated financial statements.

TTL Funding GmbH and TTL Investments in Germany GmbH were newly established in the financial year. In July 2019, TTL AG acquired the outstanding 24% of the shares in TTL Beteiligungs GmbH for 7,464,000 euros; the effects on the consolidated financial statements are described in section 26 in the notes on capital reserves and non-controlling interests.

3. Property, plant and equipment

Property, plant and equipment is carried at acquisition or production cost less depreciation. Factory and office equipment is depreciated over three to five years. Impairments that exceed the usage-dependent decline in value are taken into account through extraordinary depreciation.

4. Shares in financial assets accounted for under the equity method

Associated companies 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 associated 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 associated 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 associated 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 cumulative 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 shareholdings in associated 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 Group's shares in financial assets accounted for using the equity method relate to TTL Real Estate GmbH and the three companies newly founded in the financial year: STONE Capital Partners GmbH, Frankfurt am Main, Stone Capital Finance Partners GmbH & Co. KG, Grünwald (D) and Stone Capital Finance Partners Verwaltung GmbH (the “StoneCapp” companies), Grünwald (D), in which the TTL Group holds 50.00% each via TTL Investments in Germany GmbH and TTL Funding GmbH.

TTL Beteiligungs GmbH, in which TTL AG holds a 100% stake (previous year 76%) after the acquisition of all minority interests in July 2019, holds a stake of around 27% in TTL Real Estate GmbH. The remaining 23% of the shares in TTL Real Estate GmbH are held directly by TTL AG.

TTL Real Estate GmbH is itself a parent company, so in accordance with IAS 28.27, when applying the equity method, the profit or loss, other comprehensive income and net assets must be recognised as they are shown in the consolidated financial statements of the associated company after adjustments to apply uniform accounting policies.

TTL Real Estate GmbH is not obliged to prepare consolidated financial statements and has not prepared them 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.

To this end, the Company had subgroup results for TTL Real Estate GmbH prepared by the respective companies on the basis of corresponding accounting instructions and determined the consolidated result by extrapolating acquired hidden reserves and taking into account uniform Group accounting methods.

5. Receivables and other financial assets

Receivables and other financial assets are measured at amortised cost if the following two criteria are met:

- The business model for managing these financial instruments is geared towards holding them in order to generate the underlying contractual cash flows (business model criterion) and
- the resulting contractual cash flows consist exclusively of interest and repayment on the outstanding principal amount (cash flow criterion).

The subsequent valuation of these financial assets is carried out using the effective interest method and is subject to the regulations for impairment in accordance with IFRS 9.5.5 et seq. If the business model criterion and/or the cash flow criterion are not met, the assets are measured at fair value. Depending on the underlying classification rules of IFRS 9.4.1, this is either recognised in profit or loss or not recognised in profit or loss. Debt instruments measured at fair value through profit or loss are also subject to the impairment provisions of IFRS 9.5.5 et seq.

Financial assets, with the exception of financial assets measured at fair value through profit or loss, contract assets in accordance with IFRS 15, leasing receivables, loan commitments and financial guarantees, are subject to impairment in accordance with IFRS 9.5.5. Accordingly, the Group recognizes an impairment loss for these assets based on the expected credit losses. Expected credit losses result from the difference between the contractually agreed cash flows and the expected cash flows, measured at present value using the original effective interest rate. Expected cash flows also include proceeds from security sales and other loan collateral that are an integral part of the respective contract.

Expected credit losses are generally recognised in three stages. For financial assets for which there has been no significant increase in default risk since initial recognition, the impairment loss is measured at the amount of the expected 12-month credit loss (Level 1). In the event of a significant increase in the default risk, the expected credit loss is determined for the remaining term of the asset (Level 2). The Group generally assumes that there is a significant increase in the credit risk if the loan is 30 days past due. This principle can be ignored if, in an individual case, reliable and justifiable information indicates that the credit risk has not increased. If there is objective evidence of impairment, the underlying assets are allocated to Level 3.

The Group applies the simplified approach pursuant to IFRS 9.5.15 for trade receivables. The impairment is then always measured in the amount of the expected credit losses over the term of the loan. For further details on the calculation of impairment losses, please refer to the Risk Management Report.

For the remaining assets that are within the scope of the amended impairment model of IFRS 9 and are subject to the general approach, financial assets are combined accordingly on the basis of common credit risk characteristics or individual default information and existing collateral is used to measure expected losses.

The Group generally assumes default if the contractual payments are overdue by more than 90 days. In addition, in individual cases, internal or external information is also used which indicates that the contractual payments cannot be made in full. Financial assets are derecognised if there is no reasonable expectation of future payment. Other assets are measured at amortised cost.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term time deposits, provided they are available within three months.

7. Non-current assets held for sale

Non-current assets held for sale and associated liabilities are measured in accordance with IFRS 5 and reported as current. Assets held for sale are assets that can be sold immediately in their present condition and whose sale will most probably take place within twelve months of the balance sheet date and whose sale has been approved by management. These may be individual non-current assets or groups of assets (disposal groups) held for sale. In accordance with IFRS 5.38, liabilities that are sold together with assets in a transaction are also reported separately from other liabilities in the balance sheet as “Liabilities associated with assets held for sale”.

They are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are no longer amortised. The interest and expenses that can be added to the liabilities of this group continue to be recognised in accordance with IFRS 5.25.

8. Share-based remuneration

Share-based remuneration issued by the Group is accounted for in accordance with IFRS 2 "Share-based Remuneration". The "virtual stock options" are cash-settled share-based remuneration transactions that are measured at fair value at each balance sheet date. Remuneration expense is accrued pro rata, taking into account the work performed pro rata temporis during the vesting period, and recognised in profit or loss until the vesting date.

9. Liabilities

Financial liabilities mainly comprise loans payable to related parties, trade accounts payable Other liabilities. With the exception of derivative financial instruments, liabilities are recognised at amortised cost. The Group considers transaction costs directly attributable to the acquisition or issue of financial instruments in determining the carrying amount only to the extent that the financial instruments are not measured at fair value through profit or loss. Liabilities are classified as current if they are due within 12 months of the balance sheet date.

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 recovery 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.

10. 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 carryforwards 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 carryforwards 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.

11. 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.

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. Impairment

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. The write-up is made up to a maximum of the amount that would have resulted without prior impairment. Impairments of goodwill may not be reversed.

No impairment losses were recognised in accordance with IAS 36 in financial year 2019.

V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

14. Revenues

Revenues of EUR 1,174,000 (previous year EUR 605,000) result in full from services rendered to DIC Capital Partners (Europe) GmbH and TTL Real Estate GmbH. plus cost transfers of EUR 24,000.

15. Other operating income and expenses

Other operating income related to:

TEUR	2019	2018
Release of provisions	54	52
Other	0	15
Total	**54**	**67**

Other operating expenses can be broken down as follows:

TEUR	2019	2018
Audit expenses	179	146
Public relations expenses	68	79
Legal and advisory expenses	203	475
Other expenses	498	308
Total	**948**	**1,008**

16. Personnel expenses

At EUR 1,090,000, personnel expenses are almost unchanged from the previous year (EUR 1,147,000). As in the previous year, four persons (including the Management Board) worked for the company throughout the year.

Personnel expenses include the wages and salaries of the employees of TTL AG and the associated social security contributions totalling EUR 29,000 (previous year EUR 22,000), including contributions to the statutory pension scheme of EUR 12,000 (previous year EUR 8,000).

Details regarding the remuneration of the Management Board in accordance with Section 314 (1) No. 6 a) Sentences 5 to 9 HGB are provided in the remuneration report, which is an integral part of the management report, in the "Corporate Governance" section.

17. Financial result

TEUR	2019	2018
Income from investments	0	350
Profit shares from companies accounted for under the equity method (see Section 21)	4,037	2,393
Interest income	3,678	4,479
Interest expenses	-2,357	-984
Total	**5,358**	**6,238**

The following income resulted from the investment in TTL Real Estate GmbH:

TEUR	2019	2018
Share of profit according to the equity method	4,080	2,393
Silent partnership	3,678	4,479
Total	**7,758**	**6,872**

18.Taxes on income and earnings

As in the previous year, the Group companies are subject to corporation tax, including the solidarity surcharge of 15.825%. Including trade tax with a mixed assessment rate of 490%, the total tax rate in 2019 was 32.98% (previous year 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 as well as tax loss carry-forwards. The reported income tax expense differs from the expected tax expense that would theoretically result from applying the domestic tax rate of 32.98% (previous year 32.98%) to the Group's earnings before taxes. The difference between expected and reported income tax expense is as follows:

TEUR	2019	2018
Result before income taxes	4,545	4,752
Applicable tax rate	32.98%	32.98%
Expected tax expense (+)/ income (-)	1,499	1,567
Effects from measurement at equity	-1,331	-789
Deferred taxes on tax losses carried forward	-500	0
Tax-free income according to Section 8b KStG	0	-110
Other tax-exempt expenses/income	**71**	**-51**
Total actual tax expense (+)/income (-)	-261	617
Effective tax rate	**-5.7%**	**13.0%**

Deferred tax assets on temporary differences and tax loss carryforwards are only recognised to the extent that sufficient taxable income will be available in future to utilise the deferred tax assets.

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 carryforwards can be claimed. Based on the planning, TTL AG assumes that future taxable income will probably be sufficient to realise the recognised deferred tax assets. We have taken this tax advantage into account in 2019 in the amount of EUR 500,000. The current assessment regarding the recoverability of deferred tax assets may change and impairments may be necessary.

No deferred taxes were capitalized on corporate income tax loss carryforwards of around EUR 6,912,000 (previous year EUR 10,062,000) or trade tax loss carryforwards of around EUR 5,825,000 (previous year EUR 9,124,000).

19. Earnings per share

Earnings per share (diluted/basic) according to IAS 33 are calculated as follows:

Basic earnings/diluted earnings per share

EUR	2019	2018
Profit attributable to equity holders of the company	4,589,346	3,340,277
Average number of shares issued	21,075,000	17,613,547
Basic earnings per share	**0.22**	**0.19**

Basic earnings per share are calculated by dividing the profit attributable to shareholders of TTL AG by 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. At present, TTL AG has not issued any financial instruments that could lead to dilution. The existing Authorised and Contingent Capital (see explanations on equity in Note 26) may have a dilutive effect in the future.

For 2019, the Management Board will propose a dividend of EUR 4.215 million (EUR 0.20 per share based on 21,075,000 outstanding shares). The dividend will be paid in full from the tax deposit account and is therefore not subject to any capital gains tax. In these consolidated financial statements, this dividend is not recognised as a liability in accordance with IAS 10.

VI. Notes to the balance sheet

20. Property, plant and equipment

Operating and office equipment amounting to EUR 5,000 (previous year: EUR 5,000) is capitalised as property, plant and equipment. 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 2019 can be broken down as follows:

TEUR	2019	2018
ACQUISITION COSTS		
As at 01/01	10	140
Additions	2	4
Disposals	0	-134
Balance at 31/12	**12**	**10**
DEPRECIATION		
As at 01/01	4	135
Additions	3	3
Disposals	0	-134
Balance at 31/12	**7**	**4**
Carrying amount 01/01	6	5
Carrying amount 31/12	5	5

21. Financial assets accounted for using the equity method

The financial assets accounted for using the equity method relate to the 50% stake in TTL Real Estate GmbH and the shares in STONE Capital Partners GmbH, Stone Capital Finance Partners GmbH & Co. KG and Stone Capital Finance Partners Verwaltung GmbH (“StoneCapp companies”), in which the TTL Group holds a 50% stake each via TTL Investments in Germany GmbH and TTL Funding GmbH, as part of a joint venture agreement with the Rockstone Real Estate Group on the establishment of a joint transaction platform.

Until the first half-year of 2019, TTL Real Estate GmbH bundled its operating business in its 75% investment in German Estate Group GmbH & Co. KG. Since the sale of the shares in the German Estate Group in June 2019, TTL Real Estate has invested in high-dividend listed companies; the main position is a strategic investment in DIC Asset AG of almost 5% at the end of 2019 and around 7.1% since the end of January 2020.

The StoneCapp companies were founded at the end of 2019 together with the Rockstone Group as an investment platform for real estate project developments, value-added existing properties and portfolios and other projects that promise an attractive increase in value. The results for 2019 mainly relate to start-up costs for the business to be developed.

The shares in TTL Real Estate GmbH (TTL RE) and in the StoneCapp companies performed as follows:

TEUR	TTL RE	StoneCapp	Total
Carrying amount 01/01/2018	**40,346**	**0**	**40,346**
Additions	37,356	0	37,356
Income recognised using the equity method	2,393	0	2,393
Distributions	-1,976	0	-1,976
Carrying amount 31/12/2018 / 1/1/2019	**78,119**	**0**	**78,119**
Additions	0	1,618	1,618
Income recognised using the equity method	4,080	-43	4,037
Distributions	-1,165	0	-1,165
Carrying amount 31/12/2019	**81,034**	**1,575**	**82,609**

Of the additions in 2018, only a partial amount of EUR 1.6 million had an effect on cash.

The aggregated financial statement data of TTL Real Estate GmbH are as follows:

TEUR	2019	2018
Ownership share	**50.00%**	**50.00%**
Non-current assets	53,908	27,904
Current assets	179,923	165,526
Current liabilities	-12,890	-80,406
Non-current liabilities (preference shares)	-60,000	-60,000
Net assets attributable to ordinary shares (100%)	160,861	53,015
Group share of net assets	**80,431**	**26,508**
Goodwill	0	51,611
Carrying amount of investment in associates	**81,034**	**78,119**
Revenues	13,921	18,366
Profit from continuing operations (100%)	8,160	4,786
Other comprehensive income (100%)	0	0
Group share of total comprehensive income	**4,080**	**2,393**

The aggregated financial statement data of the StoneCapp companies founded in 2019 are as follows:

TEUR	2019	2018
Ownership share	**50.00%**	**0.00%**
Non-current assets	2	0
Current assets	3,057	0
Current liabilities	-47	0
Non-current liabilities	0	0
Net assets attributable to ordinary shares (100%)	3,012	0
Group share of net assets	**1,506**	**0**
Goodwill	0	0
Carrying amount of investment in associates	**1,575**	**0**
Revenues	0	0
Profit from continuing operations (100%)	-86	0
Other comprehensive income (100%)	0	0
Group share of total comprehensive income	**-43**	**0**

No changes occurred in the past financial year in other comprehensive income at TTL Real Estate GmbH and the StoneCapp companies. For this reason, there were also no effects on the other comprehensive income of TTL AG as at 31 December 2019.

22. Other equity investments

TTL AG holds 15.06% of the shares in the unlisted DIC Capital Partners (Europe) GmbH. There are no prices quoted on an active market (Level 3 in accordance with IFRS 13) for these shares in DIC Capital Partners (Europe) GmbH. The fair value of these shares was determined by discounting the expected income from the investment. 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. There was no valuation effect to be taken into account in the 2019 financial year (previous year EUR 116,000).

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. A change of +/- 10% in the distribution amount results in a measurement change of approximately EUR +/- 0.6 million.

The shares in DIC Capital Partners (Europe) GmbH developed as follows:

TEUR	2019	2018
Balance at 01/01	5,971	5,850
Additions/disposals netted	0	5
Measurement effect	0	116
Balance at 31/12	**5,971**	**5,971**

As at 31 December 2018 (latest information available), the equity of DIC Capital Partners (Europe) GmbH amounted to EUR 35.662 million (31 December 2017: EUR 33.435 million) and the net income for 2018 was EUR 4.222 million (2017: EUR 881,000).

23. Loans to related parties

Loans to related parties in the previous year consisted of a typical silent partnership with TTL Real Estate GmbH, which was dissolved at the end of the year and offset against loan liabilities. For a description and conditions, please see the comments in Chapter X "RELATIONSHIPS WITH AFFILIATED COMPANIES".

24. Current financial assets

The current financial assets totalling EUR 902,000 include a receivable from the service agreement with DICP Europe amounting to EUR 728,000. In the previous year, the item totalling EUR 4.479 million related to remuneration claims from the typical silent partnership with TTL Real Estate GmbH. For a description and conditions, please see the comments in Chapter X "RELATIONSHIPS WITH AFFILIATED COMPANIES".

As in the previous year, current assets have a remaining term of less than one year.

If there are default risks or other risks, they are considered under 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.

25. Cash and cash equivalents

The cash and cash equivalents reported relate to bank balances.

Cash is accounted for at amortised cost. The development of cash that constitutes financial resources pursuant to IAS 7 is shown in the cash flow statement.

26. Equity

The individual equity components and the equity performance in the reporting year can be seen from the statement of changes in equity.

Share capital

The share capital of TTL Beteiligungs- und Grundbesitz AG amounted to EUR 21,075,000.00 as at 31 December 2019 and is divided into 21,075,000 no-par value shares with a notional value of EUR 1.00 each. Compared to the previous year, the share capital is unchanged.

Authorised capital

At the Company's Annual General Meeting on 10 May 2019, the shareholders of the Company resolved to cancel Authorised Capital 2018/II and to create new Authorised Capital 2019/I with the option to exclude subscription rights. By resolution of the Annual General Meeting of TTL Beteiligungs- und Grundbesitz-AG on 10 May 2019, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital against cash and/or non-cash contributions on one or more occasions until 9 May 2024 by a total of up to EUR 10,537,500.00, whereby shareholders' subscription rights may be excluded (Authorised Capital 2019/I). The authorised capital 2017/I and 2018/II were cancelled.

Contingent capital

By resolution of the Annual General Meeting on 10 May 2019, the Management Board is authorised to increase the Company's share capital conditionally by up to a total of EUR 10,537,500.00 (Contingent Capital 2019/I).

The Management Board was authorised, with the approval of the Supervisory Board, to issue registered or bearer bonds with warrants and/or convertible bonds with or without a limited term to maturity up to a total nominal amount of EUR 100,000,000.00 on one or more occasions up to 9 May 2024 and to grant the holders or to grant or impose option or conversion rights or option or conversion obligations on the creditors of bonds for bearer shares in the Company with a proportionate amount of the share capital of up to a total of EUR 10,537,500.00 in accordance with the detailed provisions of the option or convertible bond conditions (together "bond conditions").

The Company's Management Board was authorised, with the prior consent of the Supervisory Board, to acquire treasury shares in the Company up to a total of 10% of the Company's share capital until 9 May 2024. This percentage will be based on the share capital at the time the Annual General Meeting resolves on the present authorisation or – if this is less – the existing share capital at the time the present authorisation is exercised. The shares acquired on the basis of this authorisation, together with other treasury shares held by the Company or attributable to it in accordance with Sections 71a et seq. AktG, may at no time account for more than 10% of the Company's share capital. The acquisition may not be made for the purpose of trading in treasury shares.

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. According to contractual regulations (recovery agreement), the waived debts shall become valid again if and provided that certain equity (equity threshold) is exceeded in the subsequent periods in the parent company's annual accounts. In calculating the relevant equity, the repayment claim is not to be taken into account.

Waiving shareholder	Date of waiver	Waived receivables EUR
GR Capital GmbH	31/12/2012	973,086
GR Capital GmbH	31/12/2013	130,000
GR Capital GmbH	31/12/2014	207,752
AR Holding GmbH	31/12/2014	51,870
AR Holding GmbH	22/01/2016	50,525
		1,413,233

The relevant equity capital in accordance with Section 266 (3), A. HGB of the company amounts to EUR 41.8 million as at 31 December 2019. Based on current corporate planning, the Management Board does not currently consider it probable that the threshold of EUR 100.0 million will be reached. For this reason, the obligation is valued at EUR 0.

At the end of 2019, a partial amount of the capital reserve of EUR 6,000,000 was released in accordance with Section 272 (2) No. 4 HGB in favour of the balance sheet profit.

Reserve for financial assets measured at fair value directly in equity

EUR 114,000 was allocated to the reserve for financial assets measured at fair value directly in equity for the first time in the 2018 financial year. This relates to the change in value after taxes of the 15% interest in DIC Capital Partners (Europe) GmbH recognised at fair value directly in equity. There were no adjustments in the financial year.

Non-controlling interests

Non-controlling interests are valued at the time of acquisition at their corresponding share in the identifiable net aggregated assets. In the TTL AG Group, there were non-controlling interests in TTL Beteiligungs GmbH, in which minority shareholders held a 24% stake. With the share purchase agreement dated 26 July 2019, TTL AG acquired all shares of the minority shareholders with effect from July 2019 at a purchase price of EUR 7.464 million, whereby the difference of EUR 1,348.000 between the purchase price paid and the carrying amount of the non-controlling interests was allocated to the capital reserve.

27. Debts

TEUR	2019 Remaining term up to 1 year	2019 Remaining term more than 1 year	2019 Total 31/12/2019	2018 Remaining term up to 1 year	2018 Remaining term more than 1 year	2018 Total 31/12/2018
Non-current liabilities						
Non-current other liabilities	0	0	0	0	48	48
Long-term loans payable	0	50,964	50,964	0	43,195	43,195
	0	**50,964**	**50,964**	**0**	**43,243**	**43,243**
Current liabilities						
Tax provisions	107	0	107	617	0	617
Trade accounts payable	4	0	4	341	0	341
Short-term loans payable	3,889	0	3,889	5,973	0	5,973
Other liabilities	1,260	0	1,260	708	0	708
	5,260	**0**	**5,259**	**7,639**	**0**	**7,641**
	5,260	**50,964**	**56,224**	**7,639**	**43,243**	**50,882**

All financial liabilities are unsecured. On 17 May 2017, AR Holding provided the company with a loan facility in the amount of up to EUR 1,000,000 until 31 December 2021. The loan facility is available to TTL AG as borrower until 31 December 2021 inclusive. This line was not used in the 2019 financial year and no fee was charged for it.

The long-term loan liabilities relate to liabilities to TTL Real Estate Mezzanine Investments GmbH & Co. KG.

The short-term loan liabilities result from a loan from TTL Real Estate Mezzanine Investments GmbH & Co. KG in the amount of EUR 2.874 million (previous year: EUR 5.973 million) to TTL Beteiligungs GmbH. The loan agreement may be terminated by both parties giving notice of three months to the end of the year. In addition, a loan from TTL Real Estate GmbH to TTL Beteiligungs GmbH in the amount of EUR 1.015 million is reported under current assets with daily notice periods by way of an agreement dated 25 April 2019, which was transferred to TTL Real Estate Mezzanine Investments GmbH & Co. KG by contract dated 26 April 2019. These loans are to be charged interest of 3.5% p.a. from the disbursement onwards. Interest amounting to EUR 389,000 (previous year: EUR 341,000) was recorded for the funds made available in the reporting year.

The obligation from recovery agreements (see comments on equity in Note 25) is valued at its fair value on the balance sheet date. The valuation 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 factor, a significant input factor that cannot be observed is the future estimated annual result of the parent company for determining the development of equity. With the amendment agreement of 2 October 2018, the previously crucial parent company equity threshold for all liabilities associated with recovery agreements was raised to EUR 100 million for the revival of the waived debt.

Other current liabilities include performance-related remuneration agreements in the form of a share price-oriented remuneration model with the members of the Management Board. As in the previous year, the two members of the Management Board held options for 70,000 "virtual" shares in the company at the end of 2019. The prerequisite for exercising these options is the expiration of three years of service as a member of the Management Board of TTL AG. Company measures the fair value as at 31 December 2019 at EUR 2.13 and EUR 2.17, respectively, for Mr Reichert and Mr Grimm. The measurement is based on the Black-Scholes option pricing model. The main parameters for the measurement model are the share price on the balance sheet date of EUR 3.60 (previous year: EUR 3.12), the exercise price of EUR 1.50 each, the expected volatility of 60.38% (previous year: 63.18%) and the maturity-dependent annual risk-free interest rate of 0.01%, unchanged from the previous year. The volatility measured by the standard deviation of the expected share price yields is based on statistical analyses of the daily share prices of the previous year.

No "virtual stock options" were exercisable as at the balance sheet date; the remaining vesting periods are 1 and 0.75 years, respectively. The fair value of all options granted amounted to EUR 106,000 as at the balance sheet date (previous year: EUR 48,000). This means that a total of EUR 58,000 (previous year: EUR 43,000) in expenses for stock options were recorded under personnel expenses in the financial year.

The total change in debt items in the balance sheet as at 31 December 2019, compared to the previous year, amounting to EUR 5.357 million, is largely composed of borrowing of EUR 26.8 million with an effect on cash, non-cash dissolution of the silent partnership contribution of EUR 15.3 million and offsetting of interest receivables from the silent partnership of EUR 7.5 million, or an increase in loan liabilities from other interest expenses in 2019 of EUR 2.1 million.

28. Segment information

In compliance with the management approach, the Management Board does not use segmented management information. Therefore, no segment reporting is presented.

VII. INFORMATION ABOUT FINANCIAL RISK MANAGEMENT

The following matrix provides an overview of the financial risks existing 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 manages and monitors these risks primarily through its financing activities.

At the level of investment companies internal guidelines have been issued 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.

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 2019 and 2018. Payments are recorded including the estimated interest payments.

TEUR	Due within one year	Due between one and five years	Due in more than five years	Total
	2019	**2019**	**2019**	**2019**
Trade accounts payable	4	0	0	**4**
Loans payable	4,025	52,748	0	**56,773**
Other liabilities	1,260	0	0	**1,260**
	2018	**2018**	**2018**	**2018**
Trade accounts payable	341	0	0	**341**
Loans payable	6,384	44,833	0	**51,217**
Other liabilities	708	0	0	**708**

On 17 May 2017, AR Holding provided the company with a loan facility in the amount of up to EUR 1,000,000 until 31 December 2021. The agreed interest rate is 2.5% p.a. in arrears. The credit line was not utilised at the end of 2019 (previous year TEUR 0), no interest expenses were incurred. This means that the Group still has EUR 1.0 million available as a liquidity reserve. The short-term loans payable have a fixed term until 31 December 2019 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 2019, there are no impairments for financial liabilities, and likewise no liabilities were outstanding on the closing 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 changes in market prices. Market risks include interest risks and other price risks. The interest rate risk is the risk that the value of a financial instrument may change due to market price fluctuations.

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. Since TTL AG is financed by fixed-interest loans, which are carried at amortised cost, there are no effects of changes in market interest rates on earnings and equity. Currency and price risks are also of minor significance for the TTL Group and are therefore not explained further.

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 2019 and 31 December 2018:

TEUR	31/12/2019	31/12/2018
equity of the TTL Group	**47,681**	**55,426**
as % of total capital	45.9%	52.1%
Non-current liabilities	50,964	43,243
Current liabilities	5,260	7,639
Debt capital of the TTL Group	**56,239**	**50,883**
as % of total capital	54.1%	47.9%
Total capital of TTL AG	**103,905**	**106,308**
Cash and cash equivalents	13,908	2,288

The capital structure of the TTL Group changed in the 2019 financial year, mainly due to the dissolution of the silent partnership, the acquisition of minority interests and borrowings in connection with the sale of the GEG and the associated increase in cash and cash equivalents. Total capital decreased by EUR 2.4 million to EUR 103.9 million. As a result, the TTL Group's equity ratio including minority interests decreased by 6.3 percentage points to 45.9% compared to the previous year. This development is mainly due to the acquisition of the 24% minority interest in TTL Beteiligungs GmbH in 2019 for EUR 7.5 million (see comments on non-controlling interests in Note 26). The external equity ratio increased to 54.1% accordingly.

VIII. INFORMATION ON CARRYING AND MARKET AMOUNTS OF FINANCIAL INSTRUMENTS

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 essentially relevant for the Group are:

TEUR	Measurement category according to	31/12/2019	31/12/2019	31/12/2018	31/12/2018
Assets	**IFRS 9**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Investments	FVtOCI	5,971	5,971	5,971	5,971
Loans to related parties	FAAC	0	0	15,350	16,596
Cash and cash equivalents	FAAC	13,908	13,908	2,288	2,288
Total	**FVtOCI**	**5,971**	**5,971**	**5,971**	**5,971**
Total	**FAAC**	**13,908**	**13,908**	**17,638**	**18,884**
		19,879	**19,879**	**23,609**	**24,855**
Liabilities					
Trade accounts payable	FLAC	4	4	341	341
Loans payable	FLAC	54,853	54,853	49,168	49,168
Other financial liabilities	FLAC	1,260	1,260	708	708
Total		**56,117**	**56,117**	**50,217**	**50,217**

- 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.

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 Capital Partners (Europe) GmbH. In the previous year, this resulted in an increase in the investment of EUR 116,000, deferred taxes in this connection amounting to EUR 2,000 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. A change of +/- 10% in the distribution amount results in a measurement change of approximately EUR +/- 0.6 million.

The changes in the fair value of Level 3 financial instruments are as follows:

TEUR	2019	2018
Balance at 01/01	5,971	5,850
Additions/disposals netted	0	5
Measurement effect	0	116
Balance at 31/12	**5,971**	**5,971**

The valuation effect is shown under other comprehensive income due to its allocation to the FVtOCI valuation category.

In the previous year, the loans included a silent partnership interest in TTL Real Estate GmbH in the amount of EUR 15.350 million, which was received at the end of the 2018 financial year and dissolved in December 2019. The cash flows due up to the earliest maturity date were discounted at a discount rate of 8% to the balance sheet date.

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.

Net financial income

TEUR	2019	2018
From financial assets measured at amortised cost	3,678	4,479
From financial assets measured at fair value directly in equity	0	464
From financial liabilities at amortised cost	-2,357	-984
Total	**1,321**	**3,959**

Net profits and losses on financial liabilities measured at amortised cost and on loans and receivables relate to interest income.

Net profits from financial assets measured at fair value through profit or loss include profit distributions of EUR 350,000 and measurement effects of EUR 114,000 recognised directly in equity.

IX. INFORMATION ON THE CASH FLOW STATEMENT

The cash flow statement shows the origin and use of cash flows compared across different financial years. In accordance with IAS 7 “Cash Flow Statements”, a distinction is made between cash flows from operating, investing and financing activities. Cash in the cash flow statement comprises 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 restrictions on disposal. Cash flows from investing and financing activities 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 reported in the cash flow statement comprise cash on hand and bank balances.

For an explanation of non-cash changes in liabilities, please refer to Note 27 Liabilities.

X. RELATIONSHIPS WITH RELATED PARTIES

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
- GCS Beteiligungs 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
- TTL Real Estate GmbH, Frankfurt am Main
- DIC Capital Partners (Europe) GmbH, Munich
- DIC Capital Partners GmbH, Erlangen
- TTL Real Estate Mezzanine Investments GmbH & Co. KG, Frankfurt am Main
- TTL 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
- Prof Dr Gerhard Schmidt (Chairman of the Supervisory Board),
- Mr Klaus Kirchberger (Deputy Chairman of the Supervisory Board)
- Dr Daniel Schütze (member of the Supervisory Board),
- Mr Jan B. Rombach (member of the Supervisory Board),
- Mr Michael Bock (member of the Supervisory Board),
- Mr Theo Reichert (Chairman of the Management Board),
- Mr Thomas Grimm (member of the Management Board).

Remuneration of key management personnel

EUR	2019	2018
Current benefits*	901,781	888,099
share-based remuneration	57,583	43,450
	959,364	**931,549**

* maximum contractual claim

Please see the remuneration report with regard to the salaries of the Management Board 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:

EUR	2019	2018
Revenues and other income		
DIC Capital Partners (Europe) GmbH (revenues)	800,000	255,000
TTL Real Estate GmbH (revenues plus reimbursement of costs)	367,735	350,000
TTL Real Estate GmbH (profit share)	4,036,513	2,390,365
TTL Real Estate GmbH (interest income from silent partnership.)	3,677,604	4,478,836
DIC Capital Partners (Europe) GmbH (profit distribution)	0	350,000
	8,881,852	**7,824,200**
Interest expenses		
TTL Real Estate Mezzanine Investments GmbH & Co. KG	2,356,568	983,222
AR Holding GmbH	0	1,563
	2,356,568	**984,784**

EUR	31/12/2019	31/12/2018
Receivables		
DIC Capital Partners (Europe) GmbH	728,875	0
TTL Real Estate GmbH (other)	21,104	0
TTL Real Estate GmbH (silent partnership)	0	15,350,000
TTL Real Estate GmbH (interest income from silent partnership.)	0	4,478,836
	749,979	**19,828,836**
Liabilities		
TTL Real Estate Mezzanine Investments GmbH & Co. KG	54,853,237	49,168,013
	54,853,237	**49,168,013**

GR Capital GmbH, the legal successor to TR Asset Management GmbH, made additional payments to TTL AG's equity totalling EUR 1.311 million (previous year: EUR 1.311 million) in the years 2012 to 2014 (see Note 26). The debtor warrant agreements agreed in this connection for the individual debt waivers lead to repayment claims by GR Capital GmbH to the extent that TTL AG's balance sheet equity capital exceeds the respective equity thresholds described in Note 26 in subsequent periods. The maximum value of the repayment obligation corresponds to the sum of the debt waivers and amounts to EUR 1.311 million

In June 2018, TTL AG concluded with DIC Capital Partners (Europe) GmbH, Munich – which is associated with TTL AG through the indirect sole shareholder of AR Holding GmbH, Prof. Schmidt – a service agreement regarding analyses, monitoring and consultation. In a supplement dated 18 December 2019, against the background of the development of a strategic investment in DIC Asset AG and the establishment of a joint venture with the Rockstone Group, the remuneration was increased to EUR 800,000 p.a. due to the associated commitment on the part of TTL. (previous year EUR 255,000), of which EUR 729,000 is outstanding as a receivable.

In March 2018, TTL AG concluded a service agreement for analyses, controlling and consulting with TTL Real Estate GmbH, Frankfurt, in which TTL AG holds a direct and indirect stake of 50.00%. TTL AG received remuneration in the amount of EUR 350,000 for this agreement in 2019. In addition, a reimbursement of costs in connection with the GEG sale of EUR 18,000 is shown.

Under two loan agreements dated 25 April 2019, TTL AG and TTL Beteiligungs GmbH received loans of EUR 844,000 and EUR 992,000, respectively, from TTL Real Estate GmbH. With an interest rate of 3.5% p.a. in arrears, this resulted in interest expenses totalling around EUR 41,000 in the financial year. Under the contribution agreement dated 26 April 2019, TTL Real Estate GmbH will contribute the two receivables to TTL Real Estate Mezzanine Investments GmbH & Co. KG.

Under two loan agreements dated 24 and 26 June 2019, TTL AG received loans of EUR 14 million and EUR 11 million from TTL Real Estate GmbH as part of the sale of the GEG Group in the first half of 2019. With an interest rate of 3.5% p.a. in arrears, this resulted in interest expenses totalling around EUR 437,000 in the financial year. Under the contribution agreement dated 27 June 2019, TTL Real Estate GmbH will contribute the two receivables to TTL Real Estate Mezzanine Investments GmbH & Co. KG.

Under the share purchase agreement dated 26 July 2019, TTL AG acquired 2.14% of the shares in TTL Beteiligungs GmbH from SPG Verwaltungs GmbH for a purchase price of EUR 666,000 as part of the simplification of the Group structure.

With the contract amendments dated 17 December 2019, all loan agreements between TTL Real Estate Mezzanine Investments GmbH & Co. KG and TTL AG were extended to 31 January 2021. Thereafter, the contracts will be extended for a further year if they are not terminated with twelve months' notice to the end of the quarter.

Under an agreement dated 1 November 2018, TTL Real Estate GmbH and TTL AG and TTL Beteiligungs GmbH concluded a partnership agreement to establish a typical silent partnership. The two companies contributed a total of EUR 15.350 million, with EUR 7.055 million and EUR 8.295 million, respectively, in accordance with their respective shares. The contributions were made on 1 November 2018 through the contribution of a corresponding receivable of TTL Real Estate GmbH with respect to the companies. Interest at a rate of 3.5% p.a. shall be charged on the respective receivables until they are settled or offset. The two companies receive remuneration of 25% p.a. on each capital contribution. In this connection, with the contribution agreement dated 1 November 2018, TTL Real Estate GmbH transferred its existing receivable from the agreement on the establishment of the silent partnership to TTL Real Estate Mezzanine Investments GmbH & Co. KG in the amount of the aforementioned EUR 15.350 million.

Under a takeover and assignment agreement dated 1 August 2019, TTL Beteiligungs GmbH assigned its claims from the silent partnership to TTL AG, thus ending the silent partnership between TTL Beteiligungs GmbH and TTL Real Estate GmbH. In return, TTL AG assumed the liability of TTL Beteiligungs GmbH to TTL Real Estate GmbH, which was deferred due to the contribution owed in the nominal amount of EUR 8,295 million and bore interest at 3.5% until it was settled or offset.

By supplement no. 1 of 13 December 2019 to the agreement on the establishment of a silent partnership dated 1 November 2018, the silent partnership between TTL AG and TTL Real Estate GmbH was terminated in its entirety on 15 December 2019.

In an agreement dated 23 December 2019 on the offsetting of receivables and liabilities, TTL AG, TTL Beteiligungen and TTL Real Estate Mezzanine Investments GmbH & Co. KG declared that the receivables and liabilities to be paid under the agreement on the establishment of a silent partnership are to be offset against the respective outstanding receivables of TTL Real Estate Mezzanine Investments GmbH & Co. KG. In the 2019 financial year, interest expenses of EUR 358,000 and interest income of EUR 2.465 million were incurred at TTL AG from these agreements on the silent partnership; at TTL Beteiligungs GmbH, the silent partnership resulted in interest expenses of EUR 168,000 and interest income of EUR 1.213 million.

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 with reference to shares in the company. The securities of related parties must also be reported.

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, GCS Beteiligungs GmbH and Prof Dr Gerhard Schmidt, a member of the Supervisory Board. Prof Dr Gerhard Schmidt is indirectly attributed 64.90% (previous year 58.13%) of the votes in TTL AG via GCS Beteiligungs GmbH, 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 Dr Gerhard Schmidt was 14,199,960 or 67.38% (PY 66.78%).

In the reporting period, the following transactions were carried out by Prof Dr Gerhard Schmidt, a member of the Supervisory Board, or by the companies attributable to him:

Transaction	Date	Price (EUR/ share)	Volume (EUR)	Shares (units)	Company
Purchase via stock exchange	19/02/2019	4.22	190,111	45,050	AR Holding GmbH
Sale outside the trading venue	26/02/2019	3.86	5,097,130	1,320,000	SPG Verwaltungs GmbH
Purchase outside the trading venue	26/02/2019	3.86	5,097,130	1,320,000	AR Holding GmbH
Purchase via stock exchange	29/11/2019	3.00	187,095	62,365	AR Holding GmbH

XI. GOVERNING BODIES OF THE COMPANY

Supervisory Board of the stock corporation:

- Prof Dr Gerhard Schmidt, (Chairman), attorney at law/tax consultant and partner in the law firm, Weil, Gotshal & Manges LLP
- Klaus Kirchberger, (Deputy Chairman), Chairman of the Management Board of OFB Projektentwicklung GmbH
- Dr Daniel Schütze, Attorney at Law, Partner in the law firm Böttcher Bruch Schütze
- Michael Bock, graduate in business administration, Managing Partner, REAL-KAPITAL Vermögensmanagement GmbH, Leverkusen
- Jan Benedikt Rombach, BA (Hons), Owner and Managing Director of Steripower GmbH & Co. KG, Starnberg

The members of the Supervisory Board were employed in the Supervisory Boards or other management committees of the following companies in the 2019 financial year:

Prof Dr Gerhard Schmidt:

- 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. Kommanditgesellschaft auf Aktien, Munich, Chairman of the Supervisory Board
- DICP Asset Management Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Chairman of the Supervisory Board
- DICP Capital SE, Munich, Chairman of the Management Board/Managing Director**
- DIC Capital Partners Beteiligungs GmbH, Munich, Chairman of the Supervisory Board**
- DIC Capital Partners (Germany) Verwaltungs GmbH, Munich, Chairman of the Supervisory Board**
- Grohe AG, Hemer, Chairman of the Supervisory Board
- DIC Asset AG, Frankfurt am Main, Chairman of the Supervisory Board*
- Novalpina Capital Group S.à r.l., Luxemburg, Non-Executive Chairman
- STONE Capital Partners GmbH, Frankfurt am Main, Chairman of the Supervisory Board**
- GEG German Estate Group AG, Frankfurt am Main, Member of the Supervisory Board*

* Mandates within the meaning of Section 100 (2) sentence 2 AktG
** No supervisory board is legally required to be formed

Klaus Kirchberger:

- AVW Versicherungsmakler GmbH, Bosau, Member of the Supervisory Board (until 31 December 2019)**
- ImmoMediaNet GmbH & Co. KG, Schenefeld, Member of the Supervisory Board (until 31 December 2019)**

** No supervisory board is legally required to be formed

Dr Daniel Schütze:

- Kraichgau-Klinik AG, Bad Rappenau, Chairman of the Supervisory Board
- Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main, Member of the Supervisory Board (since 19 December 2019)
- Dr Hans Wuttke Stiftung, Zug, Switzerland,, Vice-President of the Board of Trustees (since 7 November 2019)

Michael Bock:

- MEDICLIN AG, Offenburg, member of the Supervisory Board and Chairman of the Audit Committee.

Jan Benedikt Rombach:

- B&D Central AG, Zollikon/Switzerland, Chairman of the Board of Directors
- R&B Immo Invest AG, Zurich, Switzerland, Vice-President of the Board of Directors
- DICP Erste Family Office Beteiligungsgesellschaft mbH & Co. KGaA, Munich, Member of the Supervisory Board

Management Board:

- Theo Reichert (Chairman of the Management Board), graduate in business administration
- Thomas Grimm, graduate in business administration

The members of the Management Board were employed in the Supervisory Boards or other management committees of the following companies in the 2019 financial year:

Theo Reichert

- CGS AG Zurich, Switzerland: Member of the Board of Directors

Further information on the remuneration of the members of the Supervisory Board can be found in the remuneration report in the management report.

XII. PROPOSAL FOR THE APPROPRIATION OF EARNINGS

For 2019, the Management Board will propose a dividend of EUR 4.215 million (EUR 0.20 per share based on 21,075,000 outstanding shares). The dividend will be paid in full from the tax deposit account and is therefore not subject to any capital gains tax. In these consolidated financial statements, this dividend is not recognised as a liability in accordance with IAS 10.

XIII. GROUP AFFILIATION

GCS Verwaltungs GmbH, Glattbach, is the immediate and ultimate parent company of the group. TTL AG prepares the consolidated financial statements for the smallest and largest group of consolidated companies.

XIV. AUDITOR'S FEE

The total fee charged for the 2019 financial year by the group auditor Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft for services rendered to TTL AG and its subsidiaries amounted to EUR 167,000 (previous year: EUR 157,000) and relates to auditing services amounting to EUR 55,000 (previous year: EUR 57,000), other certification services EUR 63,000 (previous year: EUR 63,000) and other services EUR 49,000 (previous year: EUR 37,000). The auditor's services include the statutory audit of the annual financial statements and consolidated financial statements of TTL AG as well as the review of the annual financial statements of subsidiaries of TTL AG and the review of the half-year financial report of TTL AG.

XV. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Liabilities to GR Capital GmbH are revived up to an amount of EUR 1.311 million (previous year: EUR 1.311 million) to the extent that TTL AG's equity exceeds an amount of EUR 100 million in future periods within the meaning of Section 266 (3), A. of the German Commercial Code (HGB) (debtor warrant agreement). In addition, liabilities to AR Holding GmbH in the amount of EUR 102,000 (previous year: EUR 102,000) are revived to the extent that the balance sheet equity of the company within the meaning of Section 266 (3), A. HGB exceeds EUR 100 million in future periods.

As at 31 December 2019, TTL AG reported equity of EUR 47.7 million in its annual financial statements in accordance with Section 266 (3), A. HGB. Based on current corporate planning, it is currently not probable that the threshold of EUR 100.0 million will be reached. 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 (AktG) 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

As at December 2019, two employees were employed in addition to the Management Board. This results in a number of employees within the meaning of Section 285 No. 7 HGB of two (previous year two).

XVIII. EVENTS AFTER THE REPORTING DATE

On 21 January 2020, TTL Real Estate GmbH, an associated company of TTL Beteiligungs- und Grundbesitz-AG, increased its direct shareholding in DIC Asset AG from around 5% to 7.1%. The newly acquired 2.3 million shares were subscribed to as part of a capital increase by DIC Asset AG at a placement price of EUR 16 per share.

XIX. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Management Board on 10 February 2020.

Munich, 10 February 2020

TTL Beteiligungs- und Grundbesitz-AG,

Munich

Theo Reichert
– CEO –

Thomas Grimm
– CFO –

07

CORPORATE GOVERNANCE REPORT

DECLARATION ON CORPORATE GOVERNANCE AND THE CORPORATE GOVERNANCE REPORT OF TTL BETEILIGUNGS- UND GRUNDBESITZ-AG (TTL AG)

The Management Board reports – also on behalf of the Supervisory Board – on the Company's corporate governance in accordance with Section 3.10 of the German Corporate Governance Code.

The declaration on corporate governance for the company and the Group is a component of the Management Report or Consolidated Management Report.

Corporate governance means managing and controlling companies in a conscientious manner, geared towards long-term added value. The Management Board and Supervisory Board also address compliance with the recommendations of the German Corporate Governance Codex in the 2019 financial year. Consultation led to the adoption of a Declaration of Compliance on 03 December 2019, updated on an annual basis and permanently made publicly accessible on the company's website.

Declaration of Conformity pursuant to Section 161 AktG

Pursuant to Section 161 AktG, TTL AG's Management Board and Supervisory Board declare:

TTL AG has complied with the recommendations published in the official section of the German Federal Gazette of the "Government Committee on the German Corporate Governance Codex" in its version of 7 February 2017 onwards since the submission of its most recent Declaration of Compliance with the following exceptions and shall comply with it with the following exceptions:

Section 3.8.

An excess that complies with statutory regulations should be agreed for the Management Board in D&O insurance for the Supervisory Board.

There is a D&O insurance policy for the members of the Supervisory Board which does not provide for a deductible for the members of the Supervisory Board. We believe that the motivation and responsibility with which members of the Supervisory Board undertake their duties would not be improved as a result of an excess in the D&O insurance.

Section 4.1.3.

Employees should be granted the opportunity, in a suitable manner which protects them, to provide information on legal violations in the company.

Compliance with the recommendation is not necessary due to the currently low number of employees.

Section 4.2.3.

Both positive and negative developments should be taken into consideration when designing the variable parts of remuneration. The variable remuneration components shall be based on demanding, relevant comparison parameters.

Performance-related payments (emoluments) and options to “virtual” shares were promised to a member of the Management Board as variable remuneration. Pursuant to Point 4.2.3(2)(4) of the Codex, variable parts of remuneration should consider positive and negative developments within the agreed measurement period as payments may transpire to be accordingly higher or lower, or fully fail to materialise. When exercising the options, the Members of the Management Board shall receive share-price-dependent payments that are based solely on the stock-market price of the company's share within a reference period. In deviation from Point 4.2.3(2)(7) of the Codex, options to virtual shares therefore do not relate to “demanding, relevant comparison parameters” pursuant to the Codex. We do not believe that an increase in motivation and feeling of responsibility can be achieved through additional comparison parameters.

The total remuneration and the variable components of the remuneration should be capped.

The options on so-called "virtual" shares granted to members of the Management Board as long-term variable remuneration components were and are limited in number. Upon exercise, the options grant a right to a cash payment, the amount of which is calculated as the positive difference between the average closing price of the TTL Beteiligungs- und Grundbesitz-AG share in a reference period prior to exercise of the options and the contractually agreed exercise price. Members of the Management Board may therefore benefit from the price increase potential of the shares in the reference period. With regard to participation in the price increase potential at the time of exercising the options, no limit for the amount has been set. In our opinion, such a further limitation of this share-based compensation component would counteract its main incentive, namely to work towards an increase in enterprise value. In view of this lack of a limit on the amount, the remuneration of the members of the Management Board does not therefore have any maximum limits on the total amount.

When concluding agreements for the Board of Directors, it should be ensured that payments to one member of the Board of Directors do not exceed the value of two years of remuneration upon the premature ending of Board activity, including ancillary services, (cap on severance payment) and that remuneration is only awarded for the remainder of the employment agreement.

The Company has not and will not agree a severance payment cap when concluding Management Board contracts. Such remuneration contradicts the essential understanding of the Management Board Agreement that was regularly concluded for the period of the appointment and cannot be ordinarily terminated. Furthermore, the company cannot unilaterally enforce a limitation on severance payments if the Board activity, as is frequently the case in practice, is ended by mutual agreement. In the event of a premature termination of a Board Member Agreement, we will endeavour to bear the fundamental idea of the recommendation in mind.

The Chairman of the Supervisory Board shall inform the Annual General Meeting once about the main features of the remuneration system for the Management Board and then about any changes to it.

The principles of the remuneration system for the Management Board and any changes thereto are set out in the management report and reproduced in the annual report. The corresponding information is thus available to the shareholders and no further information is provided at the Annual General Meeting.

Section 4.2.5.

According to the recommendation in Section 4.2.5 (3) and (4), the remuneration of the Management Board shall be disclosed on an individualised basis using the sample tables attached to the Code as an annex.

Insofar as the Company deviates from the recommendation in Section 4.2.3 on the setting of maximum limits for the amount of Management Board remuneration, the recommendation on disclosure of such amounts cannot be complied with either. In addition, other information required in the model tables is not relevant for the remuneration structure of the Management Board of TTL Beteiligungs- und Grundbesitz-AG.

In the opinion of the Management Board and Supervisory Board, there is therefore no discernible added value in terms of information for shareholders. Against this background, we will present the remuneration of the Management Board in accordance with the legal requirements from the 2019 financial year onwards. We therefore deviate from the recommendations in Section 4.2.5 paragraph 3 and paragraph 4 of the Code.

Section 5.1.2.

The Supervisory Board should also consider diversity when composing the Management Board.

The Supervisory Board decides on the composition of the Management Board primarily according to expertise and competence. Further qualities such as gender or national or religious affiliation were and are of secondary importance for decision-making.

Section 5.3.1.

The Supervisory Board should form specially qualified committees depending on the specific circumstances of the company and the number of members.

The Supervisory Board consists of five members. In view of this small number of members, the formation of committees would not lead to the more efficient operation of the Supervisory Board.

Section 5.3.2.

The Supervisory Board should set up an Audit Committee which in particular deals with monitoring invoicing, the invoicing process, the efficacy of the internal control system, risk management and the internal auditing system, the audit and compliance.

In view of the small number of Supervisory Board members, the formation of an Audit Committee would not lead to a more efficient operation of the Supervisory Board.

Section 5.3.3.

The Supervisory Board should form a Nominations Committee which is exclusively occupied by shareholder representatives and provides the Supervisory Board with suitable candidates for suggestions to the Shareholders' Meeting to elect members of the Supervisory Board.

As the Supervisory Board only includes shareholder representatives and the previous practice of preparing election suggestions in the full supervisory board has proven to be efficient, the Supervisory Board does not see the need to form a Nominations Committee.

Section 5.4.1.

The Supervisory Board should name specific objectives for its composition and develop a skills profile for the full board. For its composition, within the context of the company-specific situation, it should appropriately consider the company's international activity, potential conflicts of interest, the number of independent members of the Supervisory Board, an age limit for Supervisory Board members to be established, a control limit to be established for the term of belonging to the Supervisory Board and diversity.

With the exception of an age limit for members of the Supervisory Board and the proportion of women on the Supervisory Board, the Supervisory Board has not specified any specific objectives for its composition contrary to Item 5.4.1 (2) of the Code and has not developed a competence profile for the entire Supervisory Board and will not specify such objectives and will not develop a formal competence profile. However, the Supervisory Board believes that it currently has an appropriate number of independent members, in its opinion. The Codex does not however conclusively govern the term of independence of Supervisory Board Members, but negatively defines it through examples of rules, in which cases there is no longer any independence "in particular". Furthermore, the Supervisory Board shall no longer be independent if significant, and not only temporary, conflicts of interest may rise without it depending on whether conflicts of interest actually arise or not. As a result, the question arises for the Supervisory Board as to when independence pursuant to Point 5.4.2 of the Codex can be assumed in individual cases appears to be subject to too much legal uncertainty than the determination of a specific number shows. With regard to the control limit for the term of belonging to the Supervisory Board, the Supervisory Board believes that it is more beneficial for the company's interests to be able to also rely in individual cases on the many years of experience of individual members in the Supervisory Board and to weigh up continuity and replacement in individual cases. Potential conflicts of interest and competence requirements are also considered without formal specifications by the Supervisory Board. For these reasons, the Supervisory Board has waived formal specifications. Due to no relevant objectives and a skills profile for the full board, in this respect there is no consideration for the election suggestions of the Supervisory Board in the Shareholders' Meeting nor any publication on the status of implementation, including the number of independent members and their names.

The proposal of candidates shall be accompanied by a curriculum vitae and published on the website annually updated for all members of the Supervisory Board, and the Supervisory Board shall disclose the personal and business relationships of each candidate to the company, to the corporate bodies of the company and to a shareholder significantly involved in the company in the case of election proposals to the Annual General Meeting for the election of the Supervisory Board.

The company does not believe that the recommendation of the Code governs, with sufficient specificity, which candidate relationships need to be disclosed and the extent to which they need to be disclosed when providing suggestions for election to the Shareholders' Meeting in order to satisfy 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 believe that the statutory disclosure requirements in Section 124(3)(4) and Section 125(1)(5) AktG *) consider the information requirement of shareholders and shall in due course examine and decide whether, when suggestions for election are given to the Shareholders' Meeting, additional information regarding the candidates and/or the other Supervisory Board members should be made available on a voluntary basis where the recommendation of the Code is not binding.*

Munich, 03 December 2019

Corporate governance practices

The Management Board and Supervisory Board undertake to ensure the existence of the company and long-term added value through conscientious and long-term oriented corporate governance. Managing risks in a responsible manner is part of good corporate governance for TTL AG and its Group companies. The Management Board shall therefore ensure appropriate risk management and control in the company (see also the information in the risk and opportunity report) and shall ensure legal compliance in the company and Group and compliance with the recommendations of the German Corporate Governance Codex according to the annual Declaration of Compliance. The Management Board regularly informs the Supervisory Board about existing risks and their development. Control, reporting and compliance structures within the company are regularly examined, further developed and adjusted to amended framework conditions.

Working methods of the Management Board and the Supervisory Board

In accordance with German stock corporation law, TTL AG has a dual management system consisting of a Management Board and Supervisory Board. This means a clear separation between management and supervisory bodies. The company's management body is the Management Board which is supervised and advised by the Supervisory Board with regard to corporate governance. Good corporate governance requires trustworthy and efficient cooperation between the Management Board and Supervisory Board. Open communication and close cooperation is of particular importance. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all relevant issues.

The Management Board shall assume management as a collegial body. It determines corporate objectives, the strategic orientation, the company policy and Group organisation, coordinates this with the Supervisory Board and ensures they are implemented. In doing so, it is tied to the Group-wide company interests and is obliged to ensure the sustainable increase of the company's value in addition to the concerns of shareholders, clients, employees and other Groups associated with the company. The members of the Management Board jointly bear responsibility for the entire management of the company. Regardless of the full responsibility, individual members of the Management Board are responsible for managing the departments assigned to them by means of decisions of the Management Board. The distribution of business between members of the Management Board can be found in the distribution-of-business plan. The Management Board has a quorum if at least a majority of the members participate in the passing of resolutions and passes its resolutions by a simple majority of votes. The Supervisory Board appoints and dismisses members of the Management Board and is jointly responsible for long-term succession planning together with the Management Board. According to the rules of procedure for the Management Board, the approval of the Supervisory Board is required for individually defined measures of major importance, such as major investments.

The Supervisory Board shall be included by the Management Board in strategy, planning and all matters of fundamental importance for the company. The Chairman of the Supervisory Board coordinates the work on the Supervisory Board, conducts its meetings and externally presents the concerns of the Committee. The Management Board shall inform the Supervisory Board in good time, in detail, in writing and per telephone in addition to in the meetings of the Supervisory Board of the development of the company and the Group's situation. If necessary, an extraordinary meeting of the Supervisory Board shall be convened in the case of significant events. The Supervisory Board has set out rules of procedure for its work. The Supervisory Board generally passes its resolutions in meetings. By order of the Chairman of the Supervisory Board, they may also be passed in telephone conferences or outside a meeting, e.g. by telephone, in writing or by voting by e-mail. Resolutions can also be made through a combination of voting submissions in meetings and other forms of voting submission. The Supervisory Board has a quorum if all members are invited and at least three members take part in the vote. Resolutions of the Supervisory Committee are generally passed with a simple majority of the submitted votes if the law does not provide for another majority. The meetings of the Supervisory Board are recorded in minutes, the minutes are signed by the chairman of the meeting (usually the chairman of the Supervisory Board). Resolutions passed outside meetings are also recorded in writing. A copy of the minutes or decision made outside the meeting shall be sent to all members of the Supervisory Board without delay.

No committees have been formed.

Composition of the bodies

When appointing the members of the Management Board and Supervisory Board, priority is given to the knowledge, skills and professional experience required to fulfil the tasks.

In addition to Mr Theo Reichert (Chairman of the Management Board), Mr Thomas Grimm (Chief Financial Officer) has been appointed to the Management Board by the Supervisory Board. At the time this report was prepared, the Management Board of TTL AG therefore consisted of two members.

The Supervisory Board consists of five members, all of whom are elected by the Annual General Meeting. The Supervisory Board has elected one Chairman and one Deputy Chairman. During the 2019 financial year and currently, the Supervisory Board consisted and consists of the following persons:

- Prof Dr Gerhard Schmidt (Chairman)
- Mr Klaus Kirchberger (Deputy Chairman)
- Dr Daniel Schütze
- Mr Jan B. Rombach
- Mr Michael Bock

The terms of office of the Supervisory Board members Prof Dr Gerhard Schmidt, Mr Klaus Kirchberger and Dr Daniel Schütze run until the end of the Annual General Meeting which resolves on the discharge for the 2023 financial year. The terms of office of the Supervisory Board members Mr Jan B. Rombach and Mr Michael Bock will run until the end of the Annual General Meeting which resolves on the discharge for the 2022 financial year.

Objectives of the Supervisory Board with regard to its composition

The Supervisory Board named an age limit for Supervisory Board members in the rules of procedure for the Supervisory Board. According to these rules, only persons who have not yet reached 71 may be recommended for election to the Supervisory Board.

TTL AG, as a listed and non-co-determined company, is legally obliged to set target numbers for the proportion of women in the Supervisory Board and Management Board. As there is no management tier below the Management Board, the Management Board did not bear any related obligation for setting target numbers for management tiers.

The Supervisory Board decided on a target number of 0% for the Supervisory Board and likewise 0% for the Management Board. The target numbers should each be achieved by 30 November 2020.

Furthermore, in deviation from Point 5.4.1(2) of the German Corporate Governance Codex, the Supervisory Board has not named any other specific objectives and has not developed any formal skills profile for the full board. Reference is made to the aforementioned Declaration of Compliance for the reasons for this.

The Supervisory Board and the Management Board in their current composition meet the aforementioned targets.

Disclosure of conflicts of interest

Each member of the Management Board and Supervisory Board shall disclose conflicts of interest that may arise in consideration of the German Corporate Governance Codex. No conflicts of interest arose in the 2019 financial year.

D&O insurance

There is Directors and Officers insurance (D&O insurance) for the members of the Management Board and Supervisory Board. Claims for compensation of the company, shareholders or third parties are insured in this insurance that may be asserted due to the bodies violating due diligence. The costs for the insurance are borne by the company. Members of the Management Board are covered in the event of a claim with an excess.

Transparency – Communication with the capital market and accounting principles

All relevant company information, Annual Reports and any Interim Reports are published on our website, www.ttl-ag.de, where they are made permanently accessible. TTL AG also publishes the current Declaration of Compliance and an archive of previous Declarations of Compliance in the Investor Relations area.

Regular reporting and ad hoc publicity

Relevant reports are published twice per year when preparing the Annual and Half-Yearly Reports. Ad-hoc reports are distributed across Europe and made immediately accessible online.

Financial calendar

The company's most important dates are published in a financial calendar.

Accounting principles

TTL AG's consolidated financial statements are prepared according to IFRS (International Financial Reporting Standards). TTL AG's annual accounts as the Group parent company are prepared according to the accounting regulations of the German Commercial Code (HGB). Both sets of statements are audited and certified by an independent auditing firm.

Remuneration structures of the Management Board

In addition to its Board function, the Management Board also has a contractual relationship with the company. The Supervisory Board is responsible for concluding service agreements with the Management Board. The rights and obligations of the members of the Management Board are established in the agreement, including remuneration.

Remuneration system for the Management Board:
The Supervisory Board establishes the total remuneration for individual members of the Management Board, decides on the remuneration system for the Management Board and regularly reviews it.

Total remuneration is appropriately proportionate to the task of each member of the Management Board, his personal performance, economic situation, success and future prospects of TTL AG and are also appropriate in consideration of the comparative environment and remuneration structure that otherwise applies in the company. The remuneration structure in particular sets long-term conduct incentives with share-based remuneration and is overall geared towards sustainable company development. At the same time, the remuneration is structured in such a way that it is competitive.

Remuneration for the Management Board is composed of three components. It comprises (i) fixed remuneration and additional benefits, (ii) variable remuneration depending on the achievement of certain objectives (long-term performance-related component) and (iii) share-based remuneration (components with a long-term incentive effect).

Fixed remuneration and fringe benefits:
Fixed remuneration is paid in equal monthly instalments. Additional benefits consist of the provision of a company car, mobile phone and, based on appropriate amounts, limited subsidies for insurance, in particular accident, health and pension insurance or another private pension fund.

Variable, performance-related remuneration:
The variable, performance-related remuneration of the Management Board (emoluments) is based on TTL AG's operating result and therefore considers both positive and negative developments. A requirement for granting the emoluments for all members of the Management Board is a positive operating result for TTL AG Group. The amount of emoluments is based on the extent to which corporate and personal objectives were achieved. Company-related and personal targets are weighted by the Supervisory Board at 50 % each when the bonus is determined. The variable remuneration (bonus) is limited to 50% of the total remuneration (total of fixed remuneration and variable remuneration). The Supervisory Board decides on the bonus by 31 May of the following year each year. Emoluments are paid on the last bank business day of the month in which the Supervisory Board decides on the emoluments.

Share-based remuneration with long-term incentive effect:
In addition, the members of the Management Board have options to "virtual" shares in TTL AG which consider both positive and negative developments. The number of options granted is individually contractually governed and capped. The options are notional and only grant the right to cash payment. Exercising options is associated with the fulfilment of a certain number of years of service (vesting period). The vesting period is three years. When exercising the options, special remuneration is determined as the positive difference between the average closing rate within a reference period of ten trading days before exercising the options and the contractually governed exercise price in the amount of EUR 1.50 per virtual share. Members of the Management Board may therefore benefit from the price increase potential of the shares in the reference period. With regard to participation in the price increase potential at the time of exercising the options, no limit for the amount has been set. The fair value of the options as at 31 December 2019 was EUR 105,983.

Activities that the members of the Management Board exercise in executive management and/or supervisory functions in TTL AG subsidiaries or investment companies are compensated for with the remuneration of the Management Board at TTL AG.

Provisions in the event of termination of a Management Board member's contract:
Board agreements for members of the Management Board in office shall not receive any express promise of a severance payment. In deviation from the recommendation in Point 4.2.3 of the German Corporate Governance Codex, it has not been agreed that payments to one member of the Management Board will exceed the value of two years of remuneration upon the premature ending of Board activity, including ancillary services, (cap on severance payment) or that remuneration is only awarded for the remainder of the employment agreement.

Should a member of the Management Board pass away during the term of his Board agreement, the fixed annual salary and variable remuneration must be paid to surviving relatives for six months after the end of the month in which the member of the Management Board passed away on a pro rata temporis basis. If a member of the Management Board is unable to work on a long-term basis during the term of the agreement, the Board agreement shall end three months after the end of the half-year in which the long-term work incapacity was determined. In the event of illness, salary payments shall continue for six months, however at the latest until the end of the Board agreement.

There are no commitments for the company pension scheme for members of the Management Board.

Remuneration structure of the Supervisory Board

On 10 May 2019, the Annual General Meeting revised Section 14 of the Articles of Association of TTL AG regarding the remuneration of the Supervisory Board. Accordingly, as at 1 January 2019, the members of the Supervisory Board will receive a fixed remuneration of EUR 25,000.00 for each full financial year of their membership of the Supervisory Board, payable at the end of the financial year. The Chairman of the Supervisory Board receives twice this amount and the Deputy Chairman receives 1.5 times this amount. Members of the Supervisory Board who belong to a committee of the Supervisory Board that has met at least once in the financial year receive additional remuneration of EUR 5,000.00 per committee for each full financial year of their membership of this committee, but in total no more than EUR 10,000.00. The chairman of a committee receives twice this additional remuneration. In the years in which they take office or leave office, Supervisory Board members receive remuneration pro rata temporis. In addition to remuneration, each member of the Supervisory Board is reimbursed for expenses and any value added tax payable on the remuneration. In 2019, the remuneration of the Supervisory Board members totalled EUR 162,500 (previous year: EUR 38,700).

08

Prof Dr Gerhard Schmidt

REPORT OF THE SUPERVISORY BOARD

TTL AG 2019 ANNUAL REPORT : 80

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In the following, we report on the work of the Supervisory Board in the 2019 financial year:

Advice, monitoring and review by the Supervisory Board

In the 2019 financial year, the Supervisory Board continuously monitored the management of TTL Beteiligungs- und Grundbesitz-AG by the Management Board and regularly and carefully advised the Management Board. In 2019, the Management Board informed the Supervisory Board regularly and in a timely manner about all matters of material importance to the Company. In particular, the corporate planning, the situation and development of the Company and the Group as well as risk management and the internal control system were the subject of oral and written reports.

The Management Board informed the Supervisory Board comprehensively about the situation of TTL Beteiligungs- und Grundbesitz-AG and its affiliated companies. The Supervisory Board monitored the legality, regularity and efficiency of the Company's management and performed the duties incumbent upon it under the law and the Articles of Association. The Supervisory Board received regular reports on corporate planning, sales and earnings development, the financial and liquidity situation, and details and background information on the main influences on earnings and other key financial figures.

The reports of the Management Board met the requirements of the law and the Supervisory Board with regard to their content and scope. The Supervisory Board examined the reports of the Management Board for plausibility and critically evaluated them. The Supervisory Board passed its resolutions on the basis of detailed information provided by the Management Board. The Supervisory Board has no reason to believe that the management of the Company in 2019 was illegal, improper, inappropriate or inefficient. The discussions with the auditors at the meetings of the Supervisory Board also did not give rise to any indications of this.

In the 2019 financial year, four ordinary Supervisory Board meetings and four extraordinary Supervisory Board meetings were held in the form of face-to-face meetings and telephone conferences. No member of the Supervisory Board attended only half or less of the meetings of the Supervisory Board during his term of office. The Chairman of the Supervisory Board was also informed by the Management Board between meetings. The Management Board attended all meetings of the Supervisory Board, with the exception of the meeting regarding the decision on the variable remuneration of the Management Board.

The Management Board explained and discussed the business development and the financial situation with the Supervisory Board in all ordinary meetings. The Supervisory Board received the documents in good time for the preparation of each meeting. Where necessary, decisions were made by circular letter.

Focal points of the meetings

The ordinary meeting on 18 February 2019 focused on the adoption of the annual financial statements and the approval of the consolidated financial statements for the 2018 financial year. The Supervisory Board approved the Management Board's report on relations with affiliated companies and concurred with the auditor's findings in examining this report. In addition, capital market activities and preparations for the Annual General Meeting in May were discussed.

In the meeting on 4 April, the Supervisory Board dealt with the personnel changes at the GEG German Estate Group, an investment of TTL Real

Estate GmbH, and discussed strategic options regarding the investment in the German Estate Group.

In the meeting on 9 May, the current business situation, the preparation for the extraordinary general meeting and the investment pipeline, including the Rockstone options, were discussed and the Management Board was authorised to continue negotiations regarding the investment pipeline and to conduct further discussions, in particular with Rothschild, regarding strategic options for the investment in the German Estate Group.

At its meeting on 4 June 2019, the Supervisory Board discussed the sale of the German Estate Group by TTL Real Estate GmbH and KKR ("Project Kusama"). The negotiated contracts were explained in detail by the Management Board. After a detailed discussion of the key points of the transaction and the contractual documents, the Supervisory Board came to the conclusion that the execution of the transaction, under the conditions contained in the purchase agreement, was clearly in the interest of the company and shareholders and unanimously passed a resolution on the morning of 5 June authorising the Management Board to carry out the transaction.

The Supervisory Board meeting on 17 June served as a preliminary discussion and resolution to hold an extraordinary general meeting with the sole item on the agenda to approve a special dividend of 12 cents per share. The Management Board was also authorised to sign the term sheet with the Rockstone Group and to negotiate the final cooperation agreements.

At the Supervisory Board meeting on 8 August, the Supervisory Board approved the appointment of Mr Grimm and Mr Wege as Managing Directors of the joint venture companies with the Rockstone Group and the acquisition of shares in DIC Asset AG and Hamborner REIT AG.

On 12 September, the Supervisory Board was informed in detail about the course of business to date, in particular the purchasing activities at DIC Asset AG and Hamborner REIT AG and the finalisation of the contracts with the Rockstone Group. In addition, the purchase opportunities for two portfolios presented by the Management Board were discussed.

At the meeting on 11 December, the Supervisory Board was informed in detail about the course of business, the preview of the expected annual results and the status of the purchasing activities, and the schedule and date for the Annual General Meeting on 27 March 2020 were approved.

Corporate governance reviewed and declaration updated

In the 2019 financial year, the Supervisory Board again regularly dealt with the company's corporate governance. It also conducted an efficiency review of its activities in the fourth quarter of the year. The current Declaration of Compliance with the recommendations of the German Corporate Governance Code pursuant to Section 161 AktG was issued by the Supervisory Board together with the Management Board on 3 December 2019. It is available on the company's website, where the Declaration of Compliance is reproduced in full.

There were no conflicts of interest in the reporting period.

Annual and consolidated financial statements for 2019 audited and approved

Before the Supervisory Board proposed to the Annual General Meeting that Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, be appointed auditor for the 2019 financial year, the Supervisory Board satisfied itself that the auditor was independent.

The Management Board prepared the annual financial statements for the 2019 financial year in accordance with the provisions of HGB, the consolidated financial statements in accordance with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e HBG and the management report created with the group management report. These were audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, which was appointed as the auditor by the Annual General Meeting on 10 May 2019, and each received an unqualified audit opinion.

The annual and consolidated financial statements for the 2019 financial year, the management report combined with the group management report and the Management Board's proposal for the appropriation of profits were examined by the Supervisory Board. The auditor's reports were available to the Supervisory Board for this examination. On 10 February 2020, the auditor reported to the Supervisory Board on the focal points and key findings of its audit, discussing the key audit matters and the audit procedures performed. No significant weaknesses in the internal control and risk management system relating to the accounting process were reported. In addition, the auditor was available to the members of the Supervisory Board for discussion and further questions. There were no circumstances that could indicate a conflict of interest on the part of the auditor. The documents submitted by the Management Board and the reports were finally discussed and examined at the Supervisory Board meeting on 10 February 2020. At this meeting, the members of the Supervisory Board were able to satisfy themselves that the audit had been properly conducted by the auditor and that the audit reports had been properly prepared. The Supervisory Board concurred with the results of the audit. On the basis of its own examinations, it came to the conclusion that there were no objections to be raised. In its assessment of the situation of TTL Beteiligungs- und Grundbesitz-AG and the TTL Group, the Supervisory Board concurred with the assessment of the Management Board in its management report and group management report and approved the annual and consolidated financial statements prepared by the Management Board. The annual financial statements of TTL Beteiligungs- und Grundbesitz-AG were thus adopted.

Audit of relations with affiliated companies

The Management Board prepared a report on relations with affiliated companies for the period from 1 January 2019 to 31 December 2019. The auditor also examined this report, reported on the results in writing and issued the following unqualified audit opinion:

"Based on our audit and assessment performed in accordance with professional standards, we confirm that

1. the factual statements made in the report are correct,

2. that the consideration paid by the company for the transactions listed in the report was not inappropriately high or that disadvantages were offset."

The reports of the Management Board and the auditors were submitted to the individual members of the Supervisory Board in good time for examination. These reports were also discussed in detail at the Supervisory Board meeting on 10 February 2020. The auditor attending the meeting reported on the main results of its audit. Following its own examination, the Supervisory Board approved the Management Board's report on relations with affiliated companies and also concurred with the results of the auditor's examination of the report. On the basis of its own examination, the Supervisory Board came to the conclusion that there were no objections to the declaration of the Management Board at the end of the report on relations with affiliated companies.

Personnel changes

There are no changes to report.

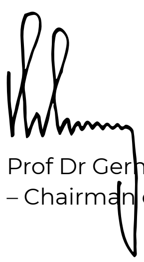
Committees

The Supervisory Board of TTL Beteiligungs- und Grundbesitz-AG did not form any committees in the 2019 financial year.

2019 was an important year for the company. Thanks to the successful realignment, a remarkable result was achieved and a dividend was proposed for the first time in many years. The Supervisory Board would like to thank the Management Board and the employees for their outstanding work in the 2019 financial year.

Munich, 10 February 2020

The Supervisory Board



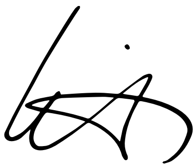
Prof Dr Gerhard Schmidt
– Chairman of the Board –

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT

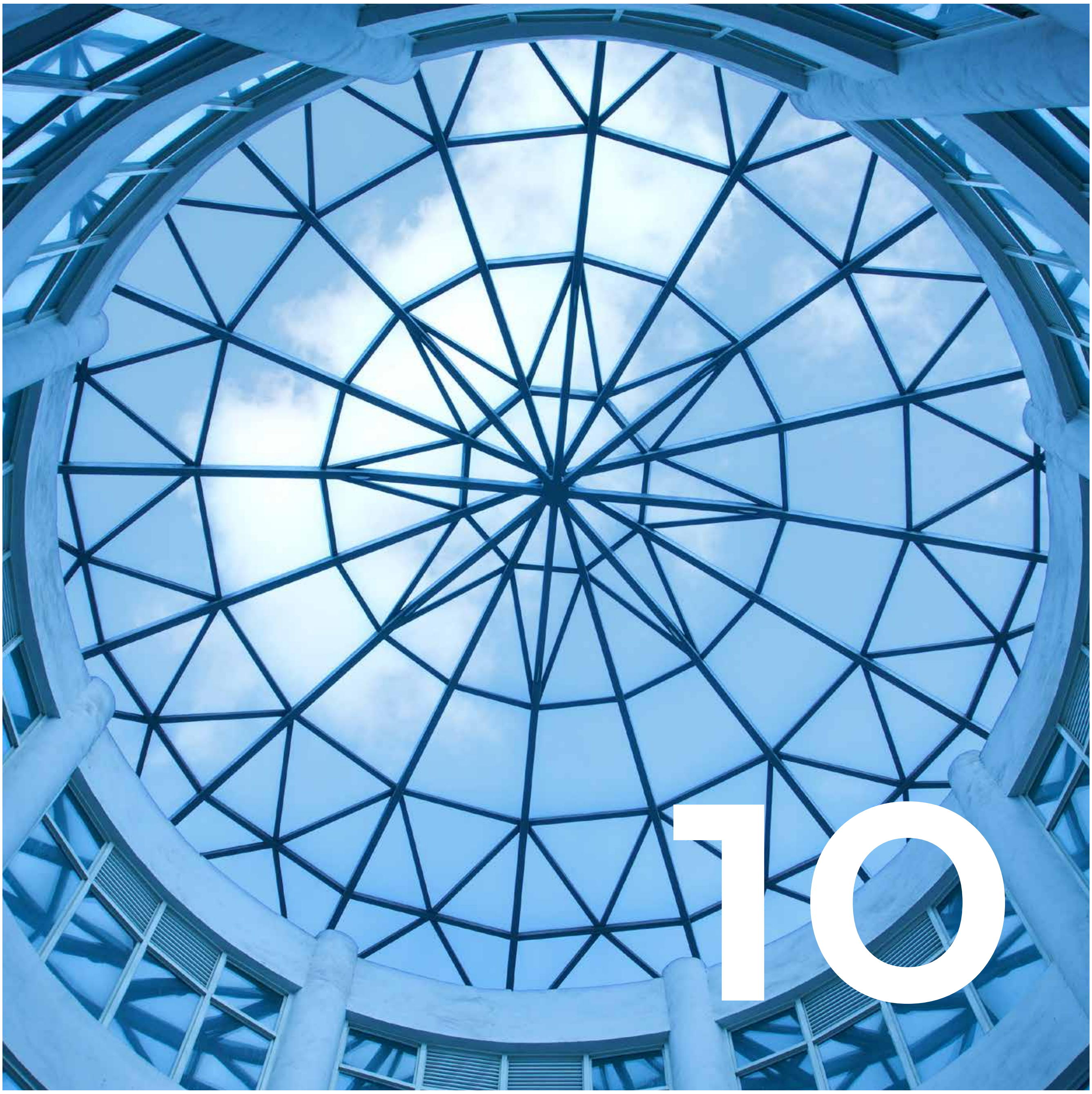
To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report, which is combined with the management report of TTL Beteiligungs- und Grundbesitz-AG, including the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Munich, 10 February 2020



Theo Reichert
– CEO –

Thomas Grimm
– CFO –



AUDITOR'S REPORT

AUDITOR'S REPORT

To TTL Beteiligungs- und Grundbesitz-AG

OPINION ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

Audit opinions

We have audited the consolidated financial statements of TTL Beteiligungs- und Grundbesitz-AG and its subsidiaries (the Group), comprising the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2019 and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of TTL Beteiligungs- und Grundbesitz-AG for the financial year from 1 January to 31 December 2019. In accordance with German legal requirements, we have not audited the content of the components of the combined management report listed in the appendix.

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 regulations to be applied pursuant to Section 315e (1) HGB and give a true and fair view of the Group's asset and financial situation as at 31 December 2019 and of its income situation for the financial year from 1 January to 31 December 2019 in consideration of these regulations and
- and the combined management report as a whole provides a suitable view of the Group's position. In all significant regards, this combined management report is consistent with the consolidated financial statements, complies with statutory German regulations and accurately depicts the opportunities and risks of future development. Our audit opinion on the combined management report does not extend to the contents of the components of the combined management report listed in the appendix.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and combined 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 (2) f EU-APrVO, we declare that we did not render any prohibited non-audit services pursuant to Article 4 (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 to 31 December 2019. 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.

From our point of view, the facts described below were the most significant in the context of our audit:

Subsequent measurement of financial assets accounted for using the equity method

- **Reasons for designation as a particularly important audit matter**

The consolidated financial statements of TTL Beteiligungs- und Grundbesitz-AG as at 31 December 2019, include financial assets accounted for using the equity method in the amount of EUR 82.609 million. Profit shares from companies accounted for under the equity method amount to EUR 4.037 million. In order to determine these profit shares, the Management Board of TTL Beteiligungs- und Grundbesitz-AG made estimates in the context of the reconciliation of the annual results under commercial law to the at-equity results to be allocated. In view of the existing uncertainties in estimates and the amount of profit shares of companies accounted for using the equity method, we consider this matter to be of particular importance.

- **Our audit procedure**

Our audit procedures included reviewing the appropriateness and consistency of the reconciliation of the annual results under commercial law to the attributable at-equity results. Furthermore, we have reconstructed the adjustments made to the uniform Group accounting and valuation principles and the adjustments to hidden reserves in the reconciliation of the annual results under commercial law to the at-equity results to be allocated in the context of determining the attributable pro rata result. In doing so, we applied our findings from audits of the financial statements of companies accounted for using the equity method.

- **Reference to the associated information**

With regard to the accounting policies applied for the subsequent measurement of financial assets accounted for using the equity method and the related disclosures on the exercise of discretionary powers, we refer to the information in the notes to the consolidated financial statements in Section “4. Shares in financial assets accounted for using the equity method” under Basis of preparation of the consolidated financial statements and “21. Financial assets accounted for using the equity method” under Notes to the balance sheet.

Other information

The legal representatives are responsible for the other information. Other information includes:

- the components of the combined management report listed in the appendix to the auditor’s report that have not been audited with regard to content,
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements, the combined management report and our audit opinion,
- the Corporate Governance Report according to No. 3.10 of the German Corporate Governance Code and
- the assurance pursuant to Section 297 (2) sentence 4 HGB regarding the consolidated financial statements and assurance pursuant to Section 315 (1) sentence 5 HGB regarding the combined management report

Our audit decisions on the consolidated financial statements and combined management report do not extend to other information, and therefore we do not submit any audit decision 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 consolidated financial statements, combined management report or the findings of our audit or
- our audit findings or otherwise appears to be materially misstated.

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.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the combined 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 regulations to be applied pursuant to Section 315e (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.

In preparing the consolidated financial statements, management is responsible for evaluating the Group's ability to continue 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 combined 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 regulations 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 combined management report in compliance with the applicable legal German regulations and in order to be able to provide sufficient evidence for the statements in the combined management report.

The Supervisory Board is responsible for supervising the Group's accounting process for preparing the consolidated financial statements and combined management report.

LIABILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED 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 combined 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 legal German regulations 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 combined 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 combined management report.

During the audit, we exercise professional judgement and ensure a critical attitude. In addition,

- we identify and assess the risks of material misrepresentations, whether planned or unplanned, in the consolidated financial statements and combined management report, plan and conduct an audit 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 combined management report in order to plan audit activities 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 the events or circumstances that could lead to significant doubt in the Group's ability to continue 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 combined 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 regulations to be applied pursuant to Section 315e (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 combined 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 combined management report with the consolidated financial statements, its legal compliance and the image of the Group's situation it portrays.

- We conduct audit activities on the forward-looking information presented by the legal representatives in the combined 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 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 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 according to Article 10 EU-APrVO

We were appointed as auditors of the consolidated financial statements by the Annual General Meeting on 10 May 2019. We were commissioned by the Supervisory Board on 22 November 2019. We have continuously acted as the Group auditors of TTL Beteiligungs- und Grundbesitz-AG since the 2018 financial year.

We declare that the audit opinion included in this auditor's report complies with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (audit report).

AUDITOR RESPONSIBLE

The auditor responsible for the audit is Karsten Luce.

Nuremberg, 10 February 2020

Rödl & Partner GmbH
Auditors
Tax consulting company

Hübschmann Auditor	Luce Auditor

APPENDIX TO THE AUDITOR'S REPORT COMPONENTS OF THE COMBINED MANAGEMENT REPORT NOT AUDITED FOR CONTENT

We have not examined the content of the following components of the combined management report:

- the corporate governance statement contained in Section 5.1 of the combined management report.

NOTICES

NOTICES

ADDRESS AND LEGAL NOTICE

TTL BETEILIGUNGS- UND GRUNDBESITZ-AG

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E-mail address for press inquiries:
presse@ttl-ag.de

FORWARD-LOOKING STATEMENTS

This Annual Report contains information relating to future developments. These statements represent estimates that we have made on the basis of the information currently available to us. Should the assumptions on which the statements are based fail to materialise or risks – as mentioned in the risk report – materialise, actual results may differ from those currently expected.

NOTE

This report is published in German (original version) and English (non-binding translation).

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