TTL

HALF-YEAR REPORT 2018

TTL BETEILIGUNGS- UND GRUNDBESITZ-AG

KEY PERFORMANCE INDICATORS

FOR THE FIRST HALF-YEAR

FOR 1 JANUARY TO 30 JUNE 2018

TEUR	30/06/2018	31/12/2017	Δ
Value of the investments	74,988	46,196	+ 62 %
Equity	44,827	31,055	+ 44 %
Balance sheet total	**78,279**	**47,142**	+ 66 %

	01/01-30/06/18	01/01-30/06/17	Δ
Investment result	2,558	126	> 100 %
Period result	1,508	119	> 100 %
Earnings per share	0.07 €	0.01 €	> 100 %

CONTENT

01 DEAR SHAREHOLDERS,

TTL AG continued its course of growth in the first half of 2018 and greatly increased its operating result.

The consolidated surplus could be improved more than twelve-fold compared to the result for the first half of 2017, and now stands at EUR 1,508,000.

We were also able to improve earnings per share many times over compared to the first half of 2017, from approximately 1 cent to 7 cents, and our share price has increased from EUR 2.56 to approximately EUR 4 since the start of the year.

At the ordinary general meeting of shareholders in Munich on 15 June, shareholders voted by a large majority to accept all agenda items. As a result of raising new approved and contingent capital, the foundation has been laid for further expansion using the capital market. In addition, Mr Michael Bock and Mr Jan Benedikt Rombach were elected to the company's Supervisory Board.

We confirm our aim of a consolidated profit or loss (including minorities) of approximately EUR 3.6 million for 2018 and believe we are on the right path to the continued expansion of TTL AG's position.

Munich, August 2018

Theo Reichert, CEO

Thomas Grimm, CFO

WinX Tower, Frankfurt am Main

Junges Quartier Obersendling, Munich

02 CONSOLIDATED INTERIM MANAGEMENT REPORT

COMPANY BASIS

TTL Beteiligungs- und Grundbesitz-AG, Munich, is a holding company focused on 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 in several stages. TTL AG is invested at over 15 % in DIC Capital Partners (Europe) GmbH, as a result of which it holds an indirect investment in the Deutsche Immobilien Chancen AG Group. Furthermore, TTL AG holds a 30.3 % share in GEG German Estate Group via its direct and indirect investments as at 30 June 2018. Through a share acquisition in July 2018, this percentage was further increased to 33.5 %.

GEG Group is one of the fastest growing investment and asset management platform in the commercial real estate sector in Germany. It focuses on investments in the core segment through opportunistic investments with potential for added value and project developments.

> OUR SHAREHOLDERS BENEFIT FROM OUR STRONG INVESTMENT INCOME FROM DIVERSIFIED INCOME SOURCES FROM ASSET MANAGEMENT AND FUND MANAGEMENT.

ECONOMIC ENVIRONMENT

Despite geopolitical uncertainties, the global economy is on a path for expansion

Global economic growth in the first half of 2018 continues to remain on course, even if concerns over an escalation in international trade disputes and political uncertainties in some European countries cast a shadow on the previously very positive economic climate. In Europe, economic indicators in the first half of 2018 seemed to be somewhat weaker than expected by economists, and even in Germany the mood cooled somewhat across all industries. Growth stimuli in Germany initially continued to come from within Germany in the first quarter: investments in buildings, but also in operating equipment, increased heavily. As a result of the slow momentum in business markets, gross domestic product increased by just 0.3 % in the first quarter over the previous quarter and by 2.3 % over the previous year's quarter. Despite the slightly bleak economic outlook, however, economic analysts refer to the good state of the German economy, which remains positive. In the first half of the year, the ECB continued to pursue its zero-interest policy and announced that interest rate hikes were not to be expected before the middle of 2019.

Investment market: commercial real estate market remains stable

In the first half of 2018, the German investment market recorded a level almost identical to that of the previous year (EUR 25.8 billion) at EUR 25.6 billion. JLL forecast approximately EUR 55 billion in investment sales for the whole of 2018 at the halfway point. Business is driven by low interest rates, the good economy and increasing rents. According to market analysts, large transactions declined in importance and the volume traded was therefore a result of greater trading activity and completions of a number of individual properties.

With a gain of 29 %, the transaction volume of properties in real estate strongholds increased considerably in comparison to the previous year. The averaged prime yields bottomed out in the meantime, barely changed in the second quarter compared to the previous quarter at 3.24 % (3.47 % in the previous year). Yields for properties in prime locations reduced considerably, however, but with poorer building quality and shorter remaining terms which, at 4.00 %, have declined by 12 base points compared to the previous year and for properties in sub-markets away from city centres which, now at 3.59 %, have fallen 30 points in comparison to the previous year. Risk premiums and intervals between prime yields therefore shrunk to a historic low according to the assessments of JLL. The background to this is the shift of investment preferences by investors to products and locations that did not previously meet prime criteria and where rent price growth potential is still viewed with suitable management measures.

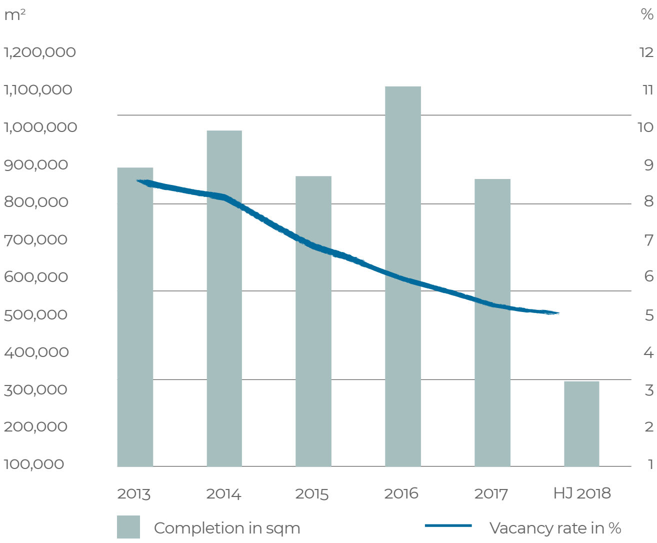
According to JLL analysts, the times of heavier yield compressions are gone for the first time; the focus of value development is increasingly on rent price development and funded asset management that can increase the potential for relevant adjustments.

The German office property market

Sales stabilised again after a weak first quarter in the office rental market in Germany and are now almost at the level of the previous year. The aggregated vacancy rate over the seven real estate strongholds also declined to 4.3 %, compared to 5.1 % in the previous year. The brokerage company JLL expects a further reduction in the vacancy rate to 4.2 % by the end of the year.

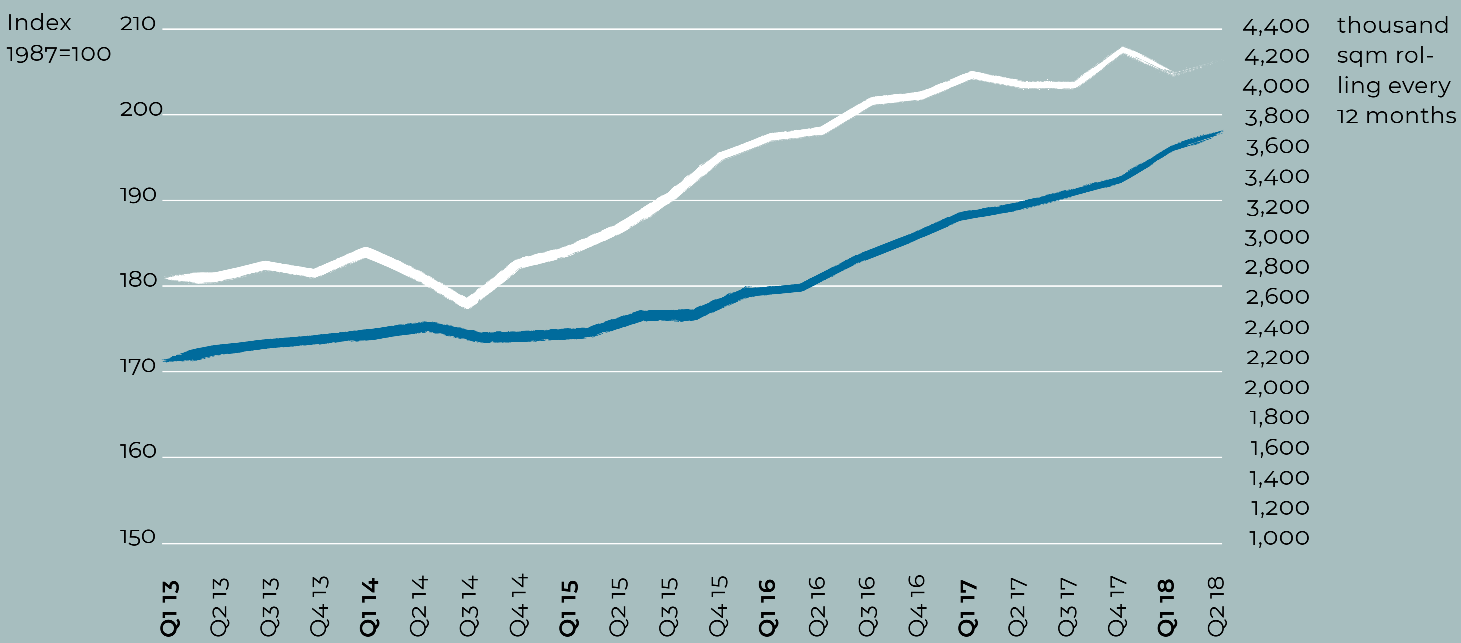
With a share of 45 %, preference for the office usage type continued to increase compared to the previous year (39 %). Brokers established a general lack of available office areas in Germany: in the first half of 2018, 20 % fewer new office areas were completed than in the previous year and a high volume of new free office spaces are not expected to become available for the rest of the year. Of the approximately 647,000 sqm expected for the second half of the year, just under 80 % are already under contract, meaning that only 141,000 sqm will come onto the market at all. Although a considerable increase in completions is forecast for 2019, it still remains to be seen whether these plans can actually be implemented in light of the short capacities of building companies. Due to the space shortages, brokers have observed that rental prices have continued to increase and, in prime locations, have reached a level which is increasingly leading users to seek out alternatives in peripheral locations.

COMPLETION AND VACANCY RATE



Source: JLL, office market overview, 2nd quarter 2018

TOP RENTAL PRICE INDEX AND SLAES DEVELOPMENT



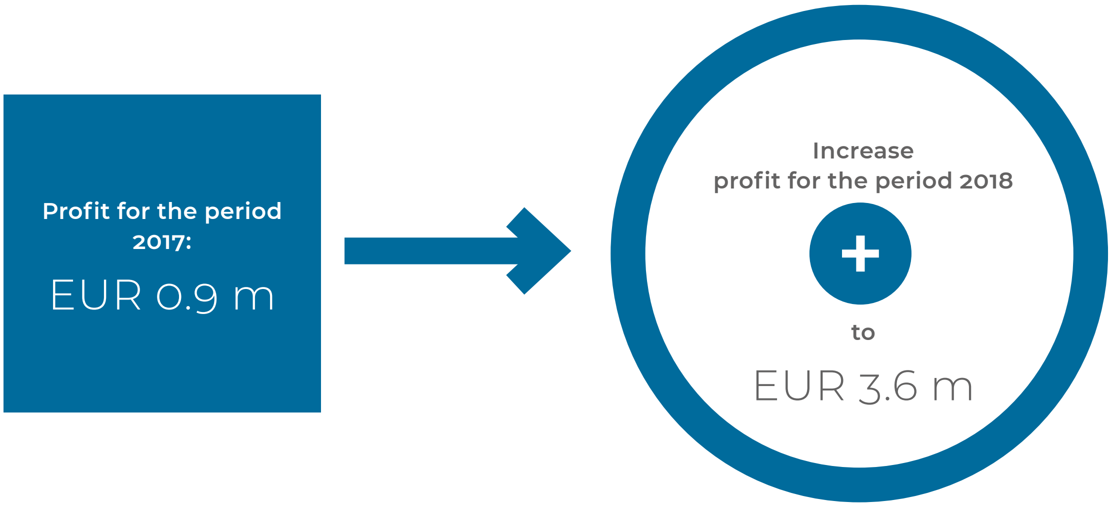
Source: JLL, office market overview, 2nd quarter 2018

COMPANY DEVELOPMENT AND SITUATION

HIGHLIGHTS

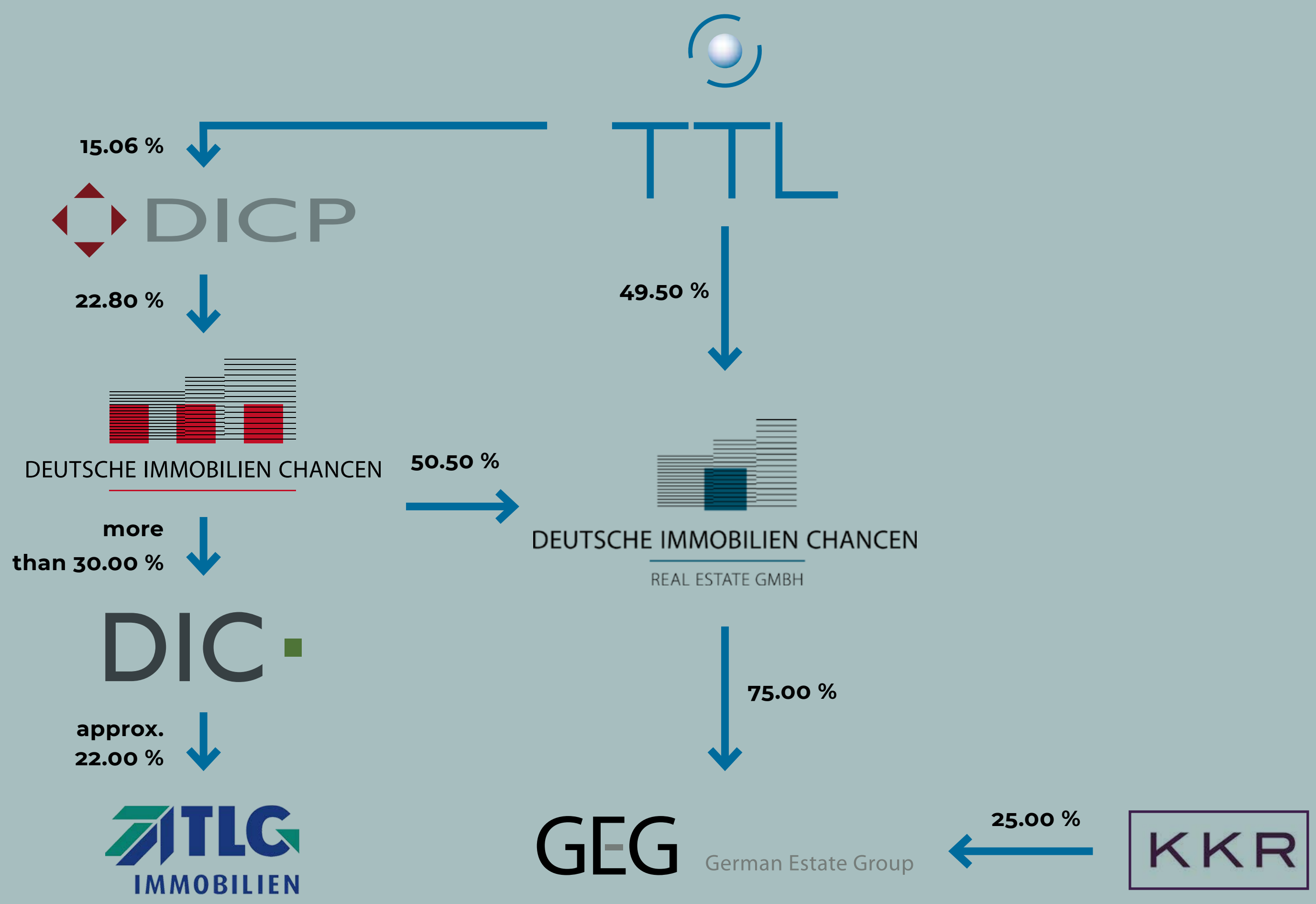
- The company recorded positive business development in all of its investments.
- The consolidated profit or loss increased in the first half of 2018 in comparison to the previous year's period from EUR 119,000 to EUR 1.5 million. The company's equity increased through various capital measures and based on the half-year result from approximately EUR 31.1 million to EUR 44.8 million.
- The scope of our investment commitment has increased by EUR 28.8 million since the start of the year, to EUR 75.0 million (previous year: EUR 46.2 million).
- At EUR 2.6 million, the investment result is considerably higher than the total result for 2017 of EUR 1.2 million.
- The adjusted annual goal for 2018 has been confirmed.

TTL AG also continued to see rapid growth and an increase in profits in the first half of 2018. It was also confirmed in the second quarter of 2018 that our business model generates reliable income. Even when expanding our investments, we continue to forge a successful path. The share price also reflects continuous growth. The consistent development of the share price to over EUR 4 and the considerable increase in TTL AG market capitalisation shows that we are on the right path with our company. Based on the company's previous development in relation to investment companies and the resulting higher investment income in the first half of 2018, we adjusted our 2018 annual goals at the start of June after a strong result in the first quarter of 2018 and now assume a consolidated profit or loss including minorities of EUR 3.6 million for the 2018 financial year. We will thus more than quadruple the consolidated profit or loss before and after taxes in comparison to 2017 (EUR 860,000).



TTL AG capital measures in the first half of 2018

The company carried out the following capital measures in the first half of 2018 and at the start of the second half of the year, continuously expanding its investment portfolio. Overall, the company's situation improved greatly due to the capital measures, resulting in further improvements in the net asset, financial and income situationof TTL AG. Moreover, at the start of the second half of the year, we increased our shares in Deutsche Immobilien Chancen Real Estate GmbH; the current shareholding structure (since July 2018) is therefore as follows:



Asset and financial situation

The asset and financial situation is characterised in particular by the further expansion of the commitments to Deutsche Immobilien Chancen Real Estate GmbH and therefore indirectly in German Estate Group and its financing through equity and third-party capital.

In total, the shareholders of Deutsche Immobilien Chancen Real Estate GmbH brought 6.05 % of the regular business shares in this company into TTL AG by means of non-cash capital increases in two transactions and in return received approximately 2.8 million new shares in TTL AG. As a result, TTL AG was able to expand its investment commitment and also broaden its shareholder basis at the same time.

In April 2018, TTL AG purchased a further 11.67 % in Deutsche Immobilien Chancen Real Estate GmbH from the Deutsche Immobilien Chancen Group at the purchase price of approximately EUR 18.7 million. The acquisition was financed through an internal Group loan.

At the end of the first six months, TTL AG therefore has approximately EUR 69.0 million in shares invested in Deutsche Immobilien Chancen Real Estate GmbH, corresponding to a capital share of approximately 40.3 % in this company and 30.3 % indirectly in German Estate Group.

In addition, TTL AG was able to raise cash funds of approximately EUR 2.5 million as part of a cash capital increase by issuing 701,711 shares. EUR 1.5 million of these funds were used to repay loans.

Overall, equity increased by approximately EUR 12.1 million through the issue of new shares. The company is financed at around 57 % via equity (including minority interests) and at around 90 % via equity and long-term borrowed funds (convertible bonds and financial liabilities).

There was no outflow of funds as a result of financing the expansion of our investment commitment through capital increases or long-term loans. Inflows from the cash capital increase were spent on debt repayment and financing ongoing business operations. The amount of cash funds remained almost the same in the first half of 2018 on balance and amounts to EUR 621,000 (start of the year: EUR 619,000).

Results of operations

The Group's income situation also considerably reflects its expanded operations: income from investments amounted to over EUR 2.5 million in the first half of 2018, compared to EUR 126,000 in the previous year's period. This included EUR 2.2 million from the pro-rata result of Deutsche Immobilien Chancen Real Estate GmbH (including German Estate Group) – in which TTL AG had not yet invested in the previous year's period – which was achieved using the equity method. In addition, it was possible to receive a distribution from DIC Capital Partners (Europe) GmbH in the amount of EUR 350,000 (previous year: EUR 126,000).

On the expenditure side, financing the expanded scope of business led to increased interest expenses (interest result – EUR 594,000; previous year EUR +20,000). The expanded scope of business is reflected in the operating result through personnel expenses in the amount of EUR 459,000 (previous year EUR 0) and other operating expenses and income of EUR -302,000 (previous year EUR 2,000). TTL AG was able to release EUR 305,000 from services to investment companies.

Overall, a considerably higher period result of approximately EUR 1.5 million was achieved in comparison to EUR 119,000 in the first half of 2017. EUR 1,141,000 (previous year: EUR 119,000) of this was allocated to TTL AG shareholders and earnings per share were approximately 7 cents (previous year approximately 1 cent).

Forecasts and opportunity and risk report

TTL Group is primarily indirectly invested via investment companies in real estate portfolios and individual properties in addition to investment and asset management platforms in the commercial real estate sector. The real estate sector is generally cyclical and is subject to strong and sometimes sharp fluctuations in demand. Economic crises in the past have therefore led to a considerable increase in demand in the real estate sector, as investors consider property to be a secure form of investment in such situations. On the other hand, economic upswings in the past have led to investor interest in real estate declining as investors prefer other forms of investment. Demand for real estate can also be affected by other factors, however.

We discuss the opportunities and risks of the company's operations in the consolidated financial statements and the consolidated management report for the 2017 financial year published in February 2018 and provide information on the risk management system and internal control system. In particular, the company's equity and income basis continued to improve as a result of the capital measures implemented this year. Furthermore, no significant changes occurred either in the company or in the relevant environment.

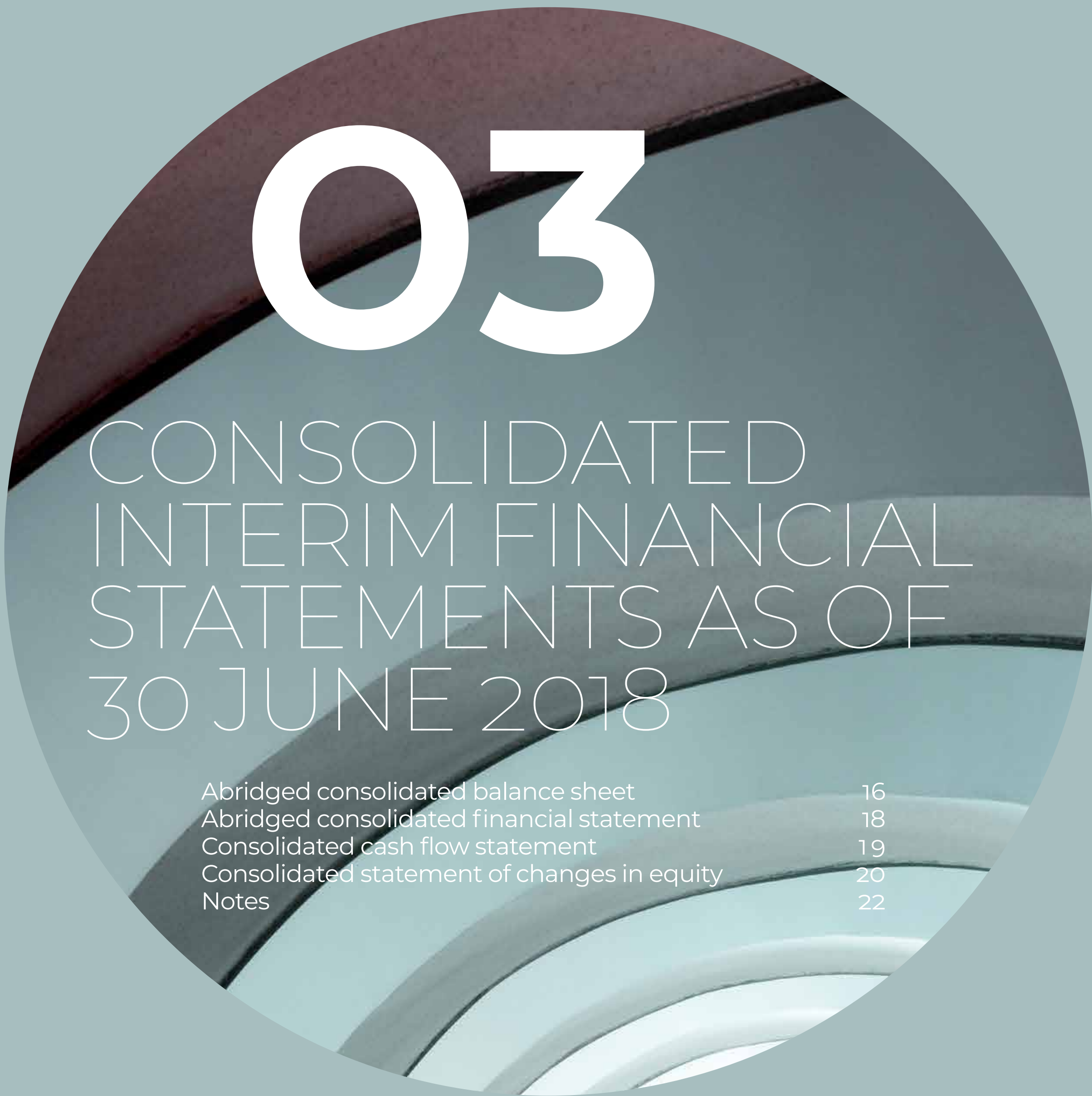
Due to the company's previous development and the increased investments, in June 2018 we significantly increased our result forecast for the whole of 2018 compared to our estimate in the 2017 business report, in which we expected a slight increase compared to the 2017 result. TTL Group continues to expect a considerably more positive annual result (including minority interests) of approximately EUR 3.6 million from the investments in DIC Capital Partners (Europe) GmbH and the investment in GEG German Estate Group as a result of the corresponding use of financing and returns.

> ”
> We enable our shareholders to participate in the success of our rapidly growing GEG German Estate Group asset management platform which, in the three years since starting operations, has already provided assets under management (AUM) of approximately EUR 2.5 billion.

Pasing Central, Munich

Triforum, Cologne

Double X, Hamburg



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CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2018

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

ASSETS

TEUR	30/06/2018	31/12/2017
Non-current assets		
Property, plant and equipment	5	5
Financial assets assessed under the equity method	69,017	40,346
Other equity investments	5,971	5,850
	74,993	**46,201**
Current assets		
Other financial assets	2,616	248
Income tax claims	37	42
Other assets	12	32
Cash and cash equivalents	621	619
	3,286	**941**
	78.279	**47.142**

EQUITY & LIABILITIES

TEUR	30/06/2018	31/12/2017
Equity		
Subscribed capital	17,600	14,133
Capital reserve	44,446	35,763
Generated equity	-25,386	-26,641
TTL AG shareholder equity	**36,660**	**23,255**
Non-controlling interests	8,167	7,800
	44,827	**31,055**
Non-current liabilities		
Bonds	8,320	8,053
Long-term financial liabilities	17,295	343
	25,615	**8,396**
Current liabilities		
Other provisions	227	267
Trade accounts payable	24	76
Other financial liabilities	7,586	7,348
	7,837	**7,691**
	78,279	47,142

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

TEUR	1st half-year 2018	1st half-year 2017
Revenues	305	0
Personnel expenses	-459	0
Other operating income and expenses	-302	2
Result from operating activities	**-456**	**2**
Share of the profit or loss of associated companies	2,208	0
Income from investments	350	126
Interest result	-594	20
Financial result	**1,964**	**146**
Earnings before income taxes	**1,508**	**148**
Income taxes	0	-29
PERIOD RESULT	**1,508**	**119**
Attributable to TTL AG shareholders Attributable to non-controlling shareholders	1,141 367	119 0
Earnings per share (diluted and undiluted being the same)	0.07 €	0.01 €

TOTAL INCOME FOR THE PERIOD

1 JANUARY TO 30 JUNE 2018

TEUR	1st half-year 2018	1st half-year 2017
Profit for the period	1,508	119
Other comprehensive income	114	0
COMPREHENSIVE INCOME	**1,622**	**119**
Attributable to TTL AG shareholders Attributable to non-controlling shareholders	1,255 367	119 0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST HALF OF 2018

TEUR	1st half-year 2018	1st half-year 2017
Earnings before taxes	**1,508**	**148**
Share of the profit or loss of associated companies	-2,208	0
Investment income	-350	-126
Interest result	594	-20
Other non-cash income/expenses and profit-neutral changes in operating receivables/liabilities	-213	-47
CASH FLOW FROM OPERATING ACTIVITIES	**-669**	**-45**
Acquisition of investments	-89	0
Payments for loans	0	-1,400
CASH FLOW FROM INVESTMENT ACTIVITIES	**-89**	**-1,400**
Inflows from capital increases	2,472	1,584
Repayment of liabilities	-1,712	0
CASH FLOW FROM FINANCING ACTIVITIES	**760**	**1,584**
INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**2**	**139**
Cash and cash equivalents 1 January	619	20
Cash and cash equivalents 30 June	**621**	**159**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST HALF OF 2018

TEUR	Subscribed capital	Deposits made to execute the agreed capital increase
As at 31 December 2016	**6,550**	**1,250**
Capital contributions from owners recognised in equity	2,983	-1,250
Total income	0	0
AS AT 30 JUNE 2017	**9,533**	**0**
Capital contributions from owners recognised in equity	4,600	0
Equity stake of the convertible bonds	0	0
Change in the scope of consolidated companies	0	0
Comprehensive income	0	0
As at 31 December 2017	**14,133**	**0**
Capital contributions from owners recognised in equity	3,467	0
Comprehensive income	0	0
AS AT 30 JUNE 2018	**17,600**	**0**

Capital reserve	Retained earnings	Total TTL AG shareholder equity	Non-controlling interests	Total equity
23,116	**-26,197**	**4,719**	**0**	**4,719**
-48	0	1,685	0	1,685
0	119	119	0	119
23,068	**-26,078**	**6,523**	**0**	**6,523**
11,709	0	16,309	0	16,309
987	0	987	0	987
0	-970	-970	7,465	6,495
0	407	407	335	742
35,763	**-26,641**	**23,255**	**7,800**	**31,055**
8,683	0	12,150	0	12,150
0	1,255	1,255	367	1,622
44,446	**-25,386**	**36,660**	**8,167**	**44,827**

NOTES

TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2018

GENERAL INFORMATION ON REPORTING

The interim report includes abridged consolidated interim financial statements and an interim consolidated management report. The abridged interim consolidated financial statements were prepared according to the regulations of International Financial Reporting Standards (IFRS) as applicable in the EU for interim reporting (IAS 34). The financial statements of the included companies are based on uniform principles of accounting and measurement. The consolidated interim management report was prepared in consideration of the applicable regulations of the German Securities Act (WpHG).

The same methods were applied in the interim consolidated financial statements to consolidation, currency conversion, accounting and measurement as in the consolidated financial statements for the 2017 financial year, with the exception of the changes shown below. Income tax was demarcated based on the tax rate expected for the whole year.

These abridged interim consolidated financial statements do not contain all information required pursuant to IFRS and should therefore be read in connection with the consolidated financial statements as at 31 December 2017 which show the basis for these interim financial statements. In addition, with regard to significant changes and transactions until 30 June 2018, we refer to the interim management report in this document.

Within the context of preparing the statements, estimates and assumptions must be made by the company's management. These influence both the amounts indicated for assets, debts and contingent liabilities on the balance sheet date and the amount of the statement of income and expenses in the reporting period. Actual amounts accrued may differ from these estimates. At the end of June 2018, no adjustments had been made due to a change in estimates or assumptions.

NEW STANDARDS AND INTERPRETATIONS

The company implemented all mandatory application regulations adopted and revised by the EU as of 1 January 2018. With regard to the detailed representation of the new standards, we refer to the 2017 annual report and the following implemented measures:

IFRS 9 "Financial Instruments"

IFRS 9 affects the classification and measurement of financial instruments as well as the accounting of derivatives or hedge relationships and replaced IAS 39 "Financial Instruments" in this respect. The regulations for a portfolio fair value hedge against interest rate change risks pursuant to IAS 39 have not been replaced. This part will be pursued in a separate "Macro Hedge" project. The standard came into force for reporting periods beginning on or after 1 January 2018. EU endorsement was given on 22 November 2016.

Based on the analyses conducted, we have come to the conclusion that the classification of financial instruments shall remain unchanged. In contrast to IAS 39, IFRS 9 no longer permits the recycling of profit-neutral changes in value recorded in other comprehensive income of financial assets classified as "profit-neutral at fair value" recorded in the profit and loss statement.

In addition, some standards and changes came into force which had no influence on the consolidated financial statements or the abridged interim consolidated financial statements. These include:

- Annual Improvements to IFRS Standards (2014-2016 Cycle) – IFRS 1, IFRS 12 and IAS 28
- IFRIC 22 “Transactions in foreign currency and considerations paid in advance”
- Changes to IFRS 2 “Share-based remuneration”
- Amendments to IAS 40 “Property held as financial investments”

SIGNIFICANT TRANSACTIONS

Extraordinary general meeting of shareholders on 23 January 2018

The extraordinary general meeting of shareholders on 23 January 2018 authorised the Board of Directors, with the approval of the Supervisory Board, to increase the company’s share capital by up to EUR 7,066,666.00 (authorised capital 2018).

Capital increases in March and April 2018

The company, by partially utilising the authorised capital, increased its share capital from EUR 14,133,333.00 to EUR 2,764,956.00 in March and April by means of two non-cash capital increases and by a further EUR 701,711.00 by means of a cash capital increase to a total of EUR 17,600.000.00.

As a result of the non-cash capital increases, a further 6.05 % of regular company shares in Deutsche Immobilien Chancen Real Estate GmbH were assumed, and the company received funds of approximately EUR 2,526,000 (before issue costs) as a result of the cash capital increase.

Acquisition of new shares in Deutsche Immobilien Chancen Real Estate GmbH

In April 2018, the company acquired a further 11.67 % in Deutsche Immobilien Chancen Real Estate GmbH at a purchase price of approximately EUR 18.7 million, thereby expanding its controlling share in the company to 45.0 %. The acquisition was financed through third-party financing.

Ordinary general meeting of shareholders on 15 June 2018

The company’s ordinary general meeting of shareholders took place on 15 June 2018 in Munich. The general meeting of shareholders in particular authorised the Board of Directors to increase the share capital on one or more occasions up to a total of EUR 8,800,000.00 (2018/II authorised capital) by 14 June 2023 with the approval of the Supervisory Board by issuing no-par-value shares against cash or non-cash contributions.

Furthermore, the Board of Directors was authorised, with the approval of the Supervisory Board, to issue bearer options or convertible bonds until 14 June 2023 on one or more occasions for a total par value of up to EUR 60,000,000.00 and to grant option or conversion rights to the holders conversion obligations to the company’s bearer shares with a pro-rata amount in the share capital of a total of up to EUR 4,033,334.00 with more detailed option or convertible bond conditions.

In addition, the number of members of the Supervisory Board was increased from three to five and Mr Michael Bock and Mr Jan Benedikt Rombach were elected to the Supervisory Board as members.

Transactions with related parties and companies

The company is to be considered a company dependent on AR Holding GmbH and its (direct and indirect) shareholders, GR Capital GmbH, GCS Verwaltungs GmbH and Prof. Gerhard Schmidt pursuant to Section 17 AktG [German Stock Corporation Act] due to its direct majority shareholding in AR Holding GmbH.

GR Capital GmbH and AR Holding GmbH waived their claims for repayment from the aforementioned loans in the total amount of EUR 1,413,000 under the resolutive condition of reaching a threshold of EUR 50 million of the company’s equity recorded in the company’s annual accounts (“debtor warrant agreement”) in several resolutive conditional debt waiver agreements.

In March 2018, AR Holding subscribed 1,641,334 shares as part of a non-cash capital increase by introducing 3.59 % of regular company shares with voting rights in Deutsche Immobilien Chancen Real Estate GmbH. In April 2018, the private Rhein-Main Beteiligungsgesellschaft [venture capital organisation]associated with Prof. Gerhard Schmidt subscribed 501,711 shares from a cash capital increase at an issue price of EUR 3.60/share (total volume of EUR 1,806,000). We would also refer you to the information under Director's Dealings.

On 17 May 2017, AR Holding provided the company with a facility loan in the amount of up to EUR 1,000,000. All interest rates are agreed in arrears at 2.5 % p.a. Using this credit line amounted to EUR 150,000 as at 31/12/2017 and was repaid in the first half of 2018 including interest of EUR 3,000.

In addition, TTL AG, with DIC Capital Partners (Europe) GmbH, Munich, and Deutsche Immobilien Chancen Real Estate GmbH, Frankfurt am Main, which are associated via the direct sole shareholder of AR Holding GmbH, Prof. Schmidt, concluded service agreements regarding analyses, monitoring and consultation in the first half of 2018. TTL AG received remuneration in the amounts of EUR 125,000 and EUR 175,000 respectively for these agreements in the first half of 2018.

In April 2018, TTL AG acquired 11.67 % of the regular company shares in Deutsche Immobilien Chancen Real Estate GmbH from Deutsche Immobilien Chancen AG & Co. KGaA, which is associated with TTL AG through the direct sole shareholder of AR Holding GmbH, Prof. Schmidt, at a purchase price of EUR 18,678,000. The acquisition was financed in the same amount through a loan from DIC Real Estate Mezzanine Investments GmbH & Co KG, a subsidiary of Deutsche Immobilien Chancen Real Estate GmbH, which was charged interest of 3.5 %. In the first half of the year, interest in the amount of EUR 117,000 was accrued. A partial amount of EUR 1,500,000 was repaid in May 2018.

At the level of the fully consolidated AIRE Asset Investment in Real Estate GmbH (TTL AG share 76.0 %), there is a loan of EUR 7.5 million to DIC Real Estate Mezzanine Investments GmbH & Co KG. In the first half of the year, interest in the amount of approximately EUR 206,000 was accrued.

Information on financial instruments

There are no listed prices on any active market for the non-listed shares held by the Group in DIC Capital Partners (Europe) GmbH (Level 3 according to IFRS 13). The fair value of these shares was determined by discounting the distributions expected by this company. As part of the initial application of IFRS 9 as of 1 January 2018, TTL AG applies the FVtOCI (Fair Value through Other Comprehensive Income) option for its investment in DICP (Europe) GmbH. This led to an increase in the investment by EUR 116,000. In this context, deferred taxes of EUR 2,000 were recorded.

A significant input factor in the measurement of the shares in DICP (Europe) GmbH is the discounting interest rate used and the assumptions on the expected distribution to TTL. If the distribution amount is changed by +/- 10 %, this will lead to a change in measurement of approximately +/- EUR 0.6 million.

The following table shows the carrying amounts and fair values of the individual financial assets and debts for every individual category of financial instruments and shows them under their corresponding balance sheet items. The valuation categories according to IFRS 9 that are essentially relevant for the Group are:

- FAAC - Financial Assets measured at Amortised Cost
- FVtOCI - Financial Assets at Fair Value through Other Comprehensive Income
- FLAC - Financial Liabilities measured at Amortised Cost
- FLFV - Financial Liabilities at Fair Value through profit & loss.

TEUR	Assessment category according to IFRS 9	Carrying amount 30/06/2018	Fair value 30/06/2018	Carrying amount 31/12/2017	Fair value 31/12/2017
ASSETS					
Investments	FVtOCI	5,971	5,971	5,850	5,850
Loans and receivables	FAAC	2,616	2,616	248	248
Liquid assets	FAAC	621	621	619	619
Total FAAC	FAAC	**3,237**	**3,237**	**867**	**867**
		9,208	**9,208**	**6,717**	**6,717**
LIABILITIES					
Trade accounts payable	FLAC	24	24	76	76
Bonds	FLAC	8,320	8,320	8,053	8,053
Loans payable	FLAC	24,831	24,831	7,673	7,673
Other financial liabilities	FLAC	52	52	19	19
		33,227	**33,227**	**15,821**	**15,821**

The performance of Level 3 financial instruments is shown as follows:

TEUR	2018	2017
As at 01/01	**5,850**	4,879
Net addition/disposal	5	971
Valuation effect	116	0
As at 30/06 / 31/12	**5,971**	**5,850**

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

EARNINGS PER SHARE

Undiluted earnings per share are calculated by forming the ratio of the profit to which equity providers are entitled and the average number of shares issued during the financial year.

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

When determining diluted earnings per share, potential ordinary shares (3,475,000 units) from conversion rights were not considered as they would not lead to any dilution in the reporting period.

	30/06/2018	30/06/2017
TTL AG shareholder profit share in TEUR	1,255	119
Weighted average number of shares (where undiluted and diluted are the same)	15,445,867	8,659,259
Earnings per share in EUR	0.074	0.014

EVENTS AFTER THE REPORTING DATE

In July, TTL AG took over a further 4.5 % of regular company shares in Deutsche Immobilien Chancen Real Estate GmbH. The purchase price was approximately EUR 7.2 million and was financed through third-party funds from DIC Real Estate Mezzanine Investments GmbH & Co KG. TTL AG's overall share (directly and indirectly held investments) in Deutsche Immobilien Chancen Real Estate GmbH therefore increased to 44.68 %. TTL AG's indirect investment in GEG German Estate Group increased at the same time to 33.51 %.

REPORT ON THE TAKEOVER SITUATION AND DIRECTORS' DEALINGS

AR Holding GmbH is the direct majority shareholder of TTL AG. Its overall share of voting rights is assigned to GR Capital GmbH, GCS Verwaltungs GmbH and Prof. Gerhard Schmidt, a member of the Supervisory Board. After a change in the overall number of voting rights as a result of the capital measures of 8 May 2018, 69.55 % of the votes in TTL AG are allocated to Prof. Gerhard Schmidt indirectly through GCS Verwaltungs GmbH, GR Capital GmbH and AR Holding GmbH. Including the votes allocated indirectly via the private Rhein-Main Beteiligungsgesellschaft [venture capital organisation], the total number of votes allocated to Prof. Gerhard Schmidt was 12,743,045 or 72.40 %.

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

Transaction	Date	Price (EUR/share)	Volume (EUR)	Shares (units)	Company
Purchase via stock exchange	25/05/2018	3.90	3,155	809	Rhein-Main Beteiligungsgesellschaft mbH
Purchase via stock exchange	24/05/2018	3.88	74,445	19,191	Rhein-Main Beteiligungsgesellschaft mbH
Acquisition of 501,711 shares through the Group-internal inclusion of the private Rhein-Main Beteiligungsgesellschaft.	24/05/2018	n/a	n/a	501,711	Rhein-Main Beteiligungsgesellschaft mbH
Subscription/acquisition of shares from the capital increase	30/04/2018	3.60	1,806,160	501,711	Rhein-Main Finanz- und Beteiligungsgesellschaft under private law
Subscription/acquisition of shares from the non-cash capital increase	21/03/2018	3.50	5,744,670	1,641,334	AR Holding GmbH

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RESPONSIBILITY STATEMENT

To the best of our knowledge, we provide assurance that the abridged consolidated interim statements prepared in accordance with applicable accounting principles for interim financial reporting represent a true and fair view of the Group's asset, financial and income situation and that the consolidated interim management report presents the course of business, including business results and the situation of the Group, such that a true and fair view is conveyed and that significant risks and opportunities inherent in the anticipated development of the Group during the remaining financial year are described.

Munich, August 20, 2018

TTL AG Beteiligungs- und Grundbesitz-AG

Theo Reichert   Thomas Grimm

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REPORT ON THE AUDIT REVIEW

We conducted an audit review of the abridged interim consolidated financial statements – consisting of the profit and loss account, comprehensive statement of income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the consolidated interim management report of TTL Beteiligungs- und Grundbesitz-AG, Munich, for the period 1 January to 30 June 2018, which are components of the half-yearly financial report pursuant to Section 115 German Securities Trading Act (WpHG). The company's Board of Directors is responsible for preparing the abridged interim consolidated financial statements in line with International Financial Reporting Standards (IFRS) for interim reporting as applicable in the EU and for preparing the interim consolidated management report in accordance with the regulations of the WpHG as applicable for interim consolidated management reports. Our task is to submit a certificate regarding the abridged interim consolidated financial statements and the consolidated interim management report based on our audit review.

We conducted an audit review of the abridged interim consolidated financial statements and the interim consolidated management report in consideration of the German principles for auditing financial statements determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors). In accordance with these regulations, the audit review must be planned and conducted in such a way that we may, in the event of critical appraisal, exclude with some certainty that the abridged interim consolidated financial statements, in all material respects, have not been prepared in accordance with the IFRS for interim reporting as applicable in the EU and that the consolidated interim management report, in all material respects, has not been prepared in accordance with the regulations of the WpHG as applicable to interim consolidated management reports. An audit review is limited in the first instance to interviews with the company's staff members and to analytical assessments and therefore does not provide the certainty that can be achieved through an audit. As it was not our task to conduct an audit, we are not able to issue an auditor's report.

Based on our audit review, we did not become aware of any facts that would lead us to the conclusion that the abridged interim consolidated financial statements, in all material respects, were not prepared in accordance with the IFRS for interim reporting as applicable in the EU or that the consolidated interim management report, in all material respects, was not prepared in accordance with the regulations of the WpHG as applicable to interim consolidated management reports.

Nuremberg, August 20, 2018

Rödl & Partner GmbH
Auditors
Tax consulting company

Hübschmann	Luce
Auditor	Auditor

LEGAL NOTES

TTL BETEILIGUNGS- UND GRUNDBESITZ-AG

Postal address:
Theresienhöhe 28/1, 80339 Munich
Office address:
Maximilianstraße 35, Haus C, 80539 Munich

Tel: +49 89 381611-0
Fax: +49 89 391592

Email: info@ttl-ag.de
Internet: www.ttl-ag.de

Email for Investor Relations issues:
ir@ttl-ag.de
Email for press
presse@ttl-ag.de

FORWARD-LOOKING STATEMENTS
This annual report contains statements related to future developments. These statements represent assessments made by us based on the currently available information. If the assumptions made in these statements or risks occur – as discussed in the risk report – actual results may deviate from the currently expected results.

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

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