



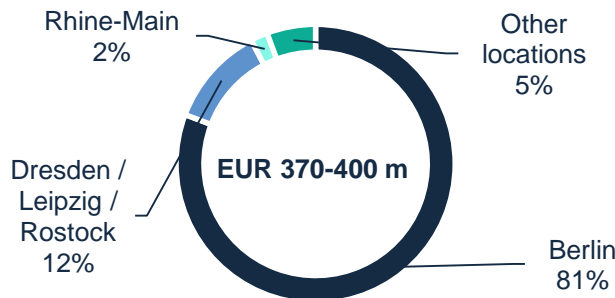
PRELIMINARY PROPERTY VALUATION
RESULTS

TLG IMMOBILIEN PORTFOLIO AS OF 31 DECEMBER 2018

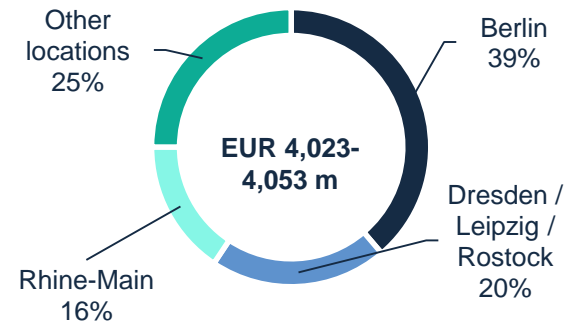
SIGNIFICANT VALUATION UPLIFT BETWEEN EUR 370-400 M UP TO MORE THAN EUR 4 BN ¹

Valuation based on H1 2018				Valuation for FY 2018E			Change		Key drivers
	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Property value (EUR m)	Property Value (%)	
Office	1,830	2,381	5.3%	~2,082	~2,710	~4.7%	~253	~14%	<ul style="list-style-type: none"> ✓ Shifts in market environment due to yield compression ✓ Increase of market rents, in particular with respect to the Berlin portfolio ✓ Revaluations of single assets on the basis of recently renewed rental agreements
Retail	1,469	1,587	7.0%	~1,574	~1,700	~6.6%	~105	~7%	
Hotel	306	2,786	5.4%	~327	~2,975	~5.1%	~21	~7%	
Other	49	571	9.0%	~55	-	~7.9%	~7	~13%	
TOTAL	3,653	1,934	6.0%	4,023-4,053	~2,135	~5.5%	370-400	~11%	

Property value uplift split by geography



Property value split after value uplift by geography



¹ Excluding acquisitions and sales within H2 2018 and approximated
 Note: All figures labeled with “~” or ranges are based on the preliminary revaluation result

BERLIN REGION – BENEFITING PRIMARILY FROM STRONG MARKET DYNAMICS

APPROX. 80% OF FAIR VALUE UPLIFT BASED ON BERLIN PORTFOLIO



OFFICE, Kaiserin-Augusta-Allee



RETAIL, Helene-Weigel-Platz



HOTEL, Die Welle

TLG IMMOBILIEN portfolio as of 31 Dec 2018

	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)
Office	~985	~4,300	~3.4%	12.75	3.1 ¹
Retail	~426	~2,415	~4.7%	10.05	5.3
Hotel	~151	~3,675	~4.8%	15.47	10.2
Other ²	~5	-	-	-	-
TOTAL	~1,567	~3,400	~3.9%	11.86	4.7

Market parameters

Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent
~5.4%	19.52	53.1%
~5.2%	10.55	4.9%
~5.8%	18.57	20.0%
-	-	-
~5.4%	15.46	30.4%

Comments

- ✓ Majority of valuation uplift driven by office asset class (approx. 60%)
- ✓ Approx. 40% of the Berlin valuation uplift contributed by Alexanderstrasse and Englische Strasse
- ✓ Valuation uplift in retail asset class amounts to approx. EUR 47 m due to investment potentials

¹ Including future lease, signed in November 2018 WALT of 4.6 years | ² Not meaningful as majority of Other comprises land plots
 Note: All figures labeled with “~” or ranges are based on the preliminary revaluation result

BERLIN: ALEXANDERSTRASSE AND ENGLISCHE STRASSE IN DETAIL

VALUATION UPLIFT PRIMARILY RESULT OF ACTIVE ASSET MANAGEMENT AND POSITIVE MARKET FUNDAMENTALS

Alexanderstrasse



	H1 2018	FY 2018E	Change
Average rent (EUR/sqm)	13.98	15.02	+ 7%
Average market rent (EUR/sqm)	19.87	23.54	+ 18%
WALT (years)	2.6	2.2	- 0.4 years

Property Value (EUR m)	178.5	240.0	+ 34%
Property Value (EUR/sqm)	4,203	5,648	+ 34%
In-place rental yield	3.6%	3.0%	- 0.6 pp
Implied rental yield on market rent	5.6%	5.0%	- 0.6 pp

Key drivers

- ✓ Yield compression
- ✓ Increase in current rental contracts
- ✓ Increase of market rents
- ✓ Development not yet reflected

Englische Strasse



	H1 2018	FY 2018E	Change
Average rent (EUR/sqm)	20.84	20.84	+ 0%
Average market rent (EUR/sqm)	19.00	24.25	+ 28%
WALT (years) ¹	1.5	10.4	+ 8.9 years

Property Value (EUR m)	69.2	136.8	+ 98%
Property Value (EUR/sqm)	3,884	7,679	+ 98%
In-place rental yield	6.4%	3.3%	- 3.2 pp
Implied rental yield on market rent	5.9%	3.8%	- 2.1 pp

Key drivers

- ✓ New letting contracts for ten years
- ✓ No creation of vacancy
- ✓ No tenant improvements required
- ✓ Increase of market rents

¹ Including future lease, signed in November 2018

DRESDEN / LEIPZIG / ROSTOCK / RHINE-MAIN REGION WITH STRONG MARKET FUNDAMENTALS

CONTRIBUTION OF APPROX. 14% TO TOTAL VALUATION UPLIFT

TLG IMMOBILIEN portfolio as of 31 Dec 2018						Market parameters			Comments	
Dresden / Leipzig / Rostock	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)	Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent		
	Office	~352	~1,735	~6.0%	8.80	6.7	~6.5%	9.37	6.4%	✓ Dresden, Leipzig and Rostock contributing approx.12% to the total valuation uplift
	Retail	~259	~1,850	~6.7%	10.77	5.1	~6.9%	10.72	- 0.4%	✓ Additional valuation upside potential from developments mainly in Dresden to be realized going forward
	Hotel	~175	~2,540	~5.2%	11.87	12.2	~6.9%	14.59	22.9%	✓ Rhine-Main region only contributing marginally to valuation uplift as already fairly valued
	Other ¹	~47	-	-	-	-	-	-	-	
TOTAL	~831	~1,800	~6.2%	9.56	7.2	~6.7%	10.05	5.1%		
Rhine-Main region	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)	Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent		
	Office	~632	~2,875	~5.5%	14.31	6.1	~7.4%	14.04	- 1.9%	



OFFICE, Bleichstrasse, Frankfurt Main

¹ Not meaningful as majority of Other comprises land plots
Note: All figures labeled with “~” or ranges are based on the preliminary revaluation result

UPLIFT FROM OTHER MAINLY DRIVEN BY FOOD-ANCHORED RETAIL



OFFICE, Stuttgart



OFFICE, Bonn



RETAIL, Döbeln

TLG IMMOBILIEN portfolio as of 31 Dec 2018

	Property value (EUR m)	Property value (EUR/sqm)	In-place rental yield	Average rent (EUR/sqm)	WALT (years)
Office	~110	~940	~8.3%	7.32	3.9
Retail	~894	~1,460	~7.2%	9.34	7.2
Other ¹	~3	-	-	-	-
TOTAL	~1,007	~1,350	~7.3%	8.84	6.8

Market parameters

Implied rental yield on market rent	Average market rent (EUR/sqm)	Current rent potential to market rent
~8.4%	6.75	- 7.8%
~7.1%	8.85	- 5.3%
-	-	-
~7.2%	8.34	- 5.7%

Comments

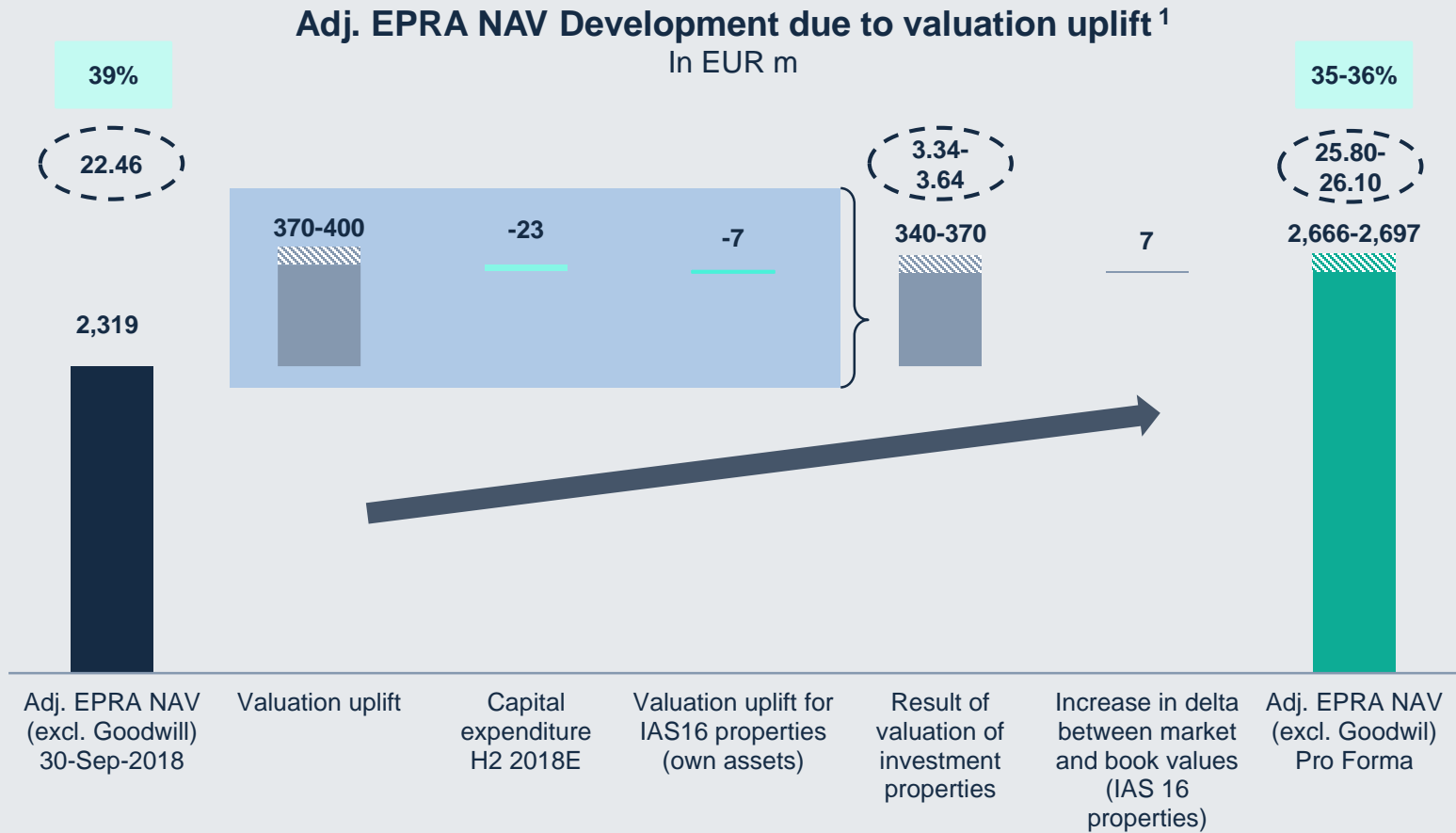
- ✓ Majority of Other comprises food-anchored retail properties
- ✓ Valuation uplift from retail properties of approx. EUR 20 m highlighting that food-anchored retail in strong micro locations is less impacted by e-commerce

¹ Not meaningful as majority of Other comprises land plots

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PRO-FORMA EPRA NAV/S GROWS TO EUR 25.80-26.10 AND NET LTV DECREASES TO 35-36%

VALUATION UPLIFT DRIVES EPRA NAV BY APPROX. 15%



Adj. EPRA NAV/s (excl. goodwill, in EUR) Net LTV

¹ EPRA NAV illustration only considers effects of valuation uplift
Note: All figures labeled with “~” or ranges are based on the preliminary revaluation result

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