



9M 2018 RESULTS

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AGENDA

01



Highlights
9M 2018

02



Portfolio

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Financials

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Outlook

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Strategic
update

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Appendix



HIGHLIGHTS 9M 2018

01

KEY HIGHLIGHTS 9M 2018



Portfolio and Operations

- ✓ TLG IMMOBILIEN is continuing to execute its growth strategy, delivering a 41.8% growth YoY in rental income to EUR 166.3 m for 9M 2018 compared to 9M 2017
- ✓ Acquisitions as key driver for 43.3% YoY FFO increase from EUR 70.1 m to EUR 100.4 m in 9M 2018
- ✓ Persistently strong like-for-like portfolio rental growth of 3.7% and like-for-like vacancy reduction to 2.7% YoY



Balance Sheet

- ✓ EPRA NAV/s of EUR 23.58 increased by 8.0% compared to 31-Dec-2017 as a result of revaluations and delivering strong operating performance
- ✓ Solid balance sheet with conservative leverage structure with Net LTV of 39.0% provides room for value-enhancing investments into TLG IMMOBILIEN portfolio and further acquisitions



Growth

- ✓ Property acquisitions closed mainly in Western German core markets with a total volume of EUR 140.2 m YTD
- ✓ TLG IMMOBILIEN with significant potential for portfolio investments which are currently in the process of being assessed in detail



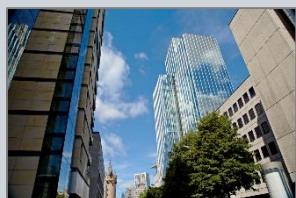
02



PORTFOLIO

TLG IMMOBILIEN PORTFOLIO AS OF 30 SEPTEMBER 2018

PERSISTENTLY STRONG PARAMETERS ACROSS THE PORTFOLIO



OFFICE
Leipzig



RETAIL
Berlin

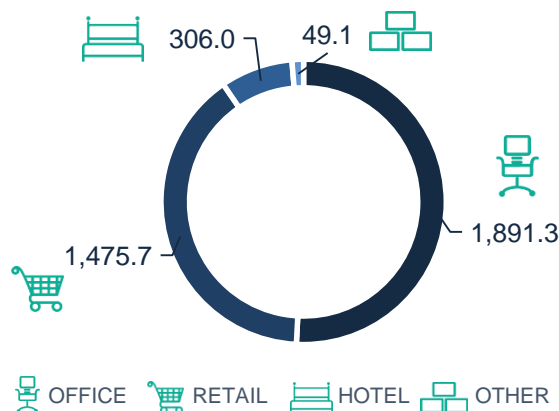


HOTEL
Dresden

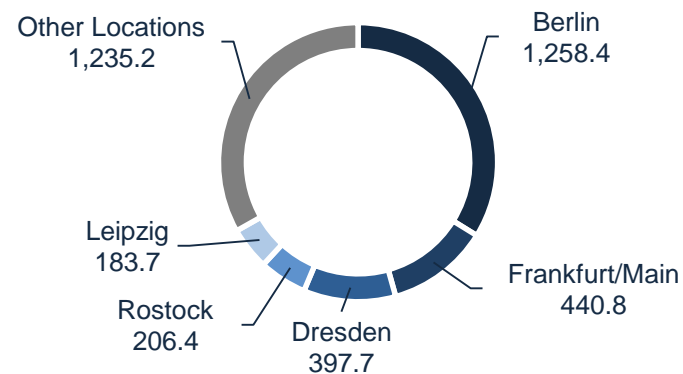
KEY INDICATORS	OFFICE	RETAIL	HOTEL	OTHER	TOTAL 30-Sep-18	TOTAL 31-Dec-17	CHANGE	TOTAL 30-Sep-17	CHANGE
Property value (EUR m) ¹	1,891.3	1,475.7	306.0	49.1	3,722.1	3,400.6	+ 9.5%	2,423.5	+ 53.6%
Properties (number)	66	297	7	44	414	426	- 12 units	364	+ 50 units
Annualised in-place rent (EUR m) ²	101.3	103.1	16.7	4.5	225.5	214.1	+ 5.4%	160.7	+ 40.3%
In-place rental yield (%)	5.4	7.0	5.4	8.9	6.1	6.3	- 0.2 pp	6.6	- 0.5 pp
EPRA Vacancy Rate (%)	4.4	2.9	2.0	8.7	3.6	3.6	+ 0.0 pp	3.7	- 0.1 pp
WALT (years)	4.9	5.8	11.6	7.6	5.9	6.3	- 0.4 yrs	6.0	- 0.1 yrs

¹ In line with values disclosed according to IAS 40, IAS 2, IAS 16 and IFRS 5 | ² The annualised in-place rent is calculated using the annualised rents agreed as at the reporting date – not factoring in rent-free periods

Property Value Split by Asset Class
In EUR m

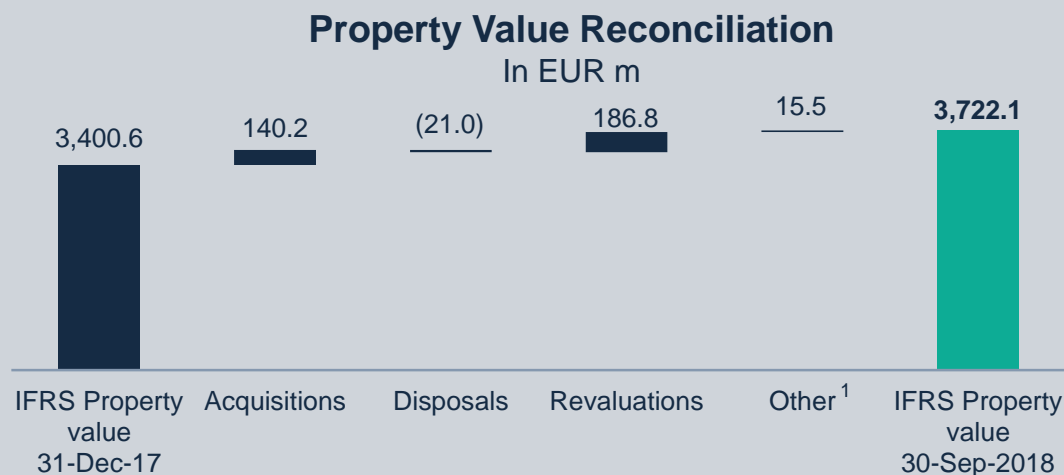


Property Value Split by Region
In EUR m



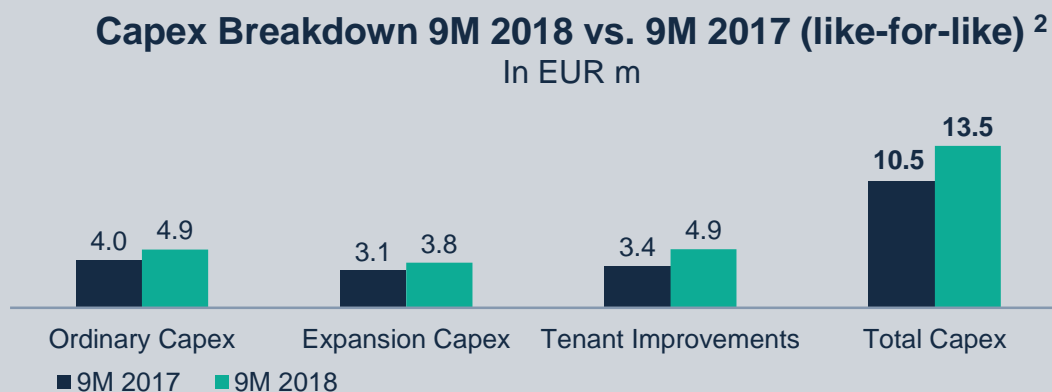
DEVELOPMENT OF PROPERTY VALUES DURING 9M 2018

REVALUATIONS AND ACQUISITIONS AS KEY DRIVERS FOR YTD PORTFOLIO GROWTH



Comments

- ✓ In 2018 acquisitions in Western German core markets, primarily in the Rhine-Main region as well as in Hamburg
- ✓ Main revaluation driver continues to be Berlin office which is showing persistently strong market dynamics
- ✓ Increase in ordinary capex resulting from fire protection measures for acquired properties
- ✓ Increase in tenant improvements predominantly stemming from new lettings (e.g. Kapweg in Berlin and Astropark in Frankfurt)



¹ Incl. capitalization of refurbishments and depreciation of self-used properties

² Like-for-like excl. effects from consolidation of WCM

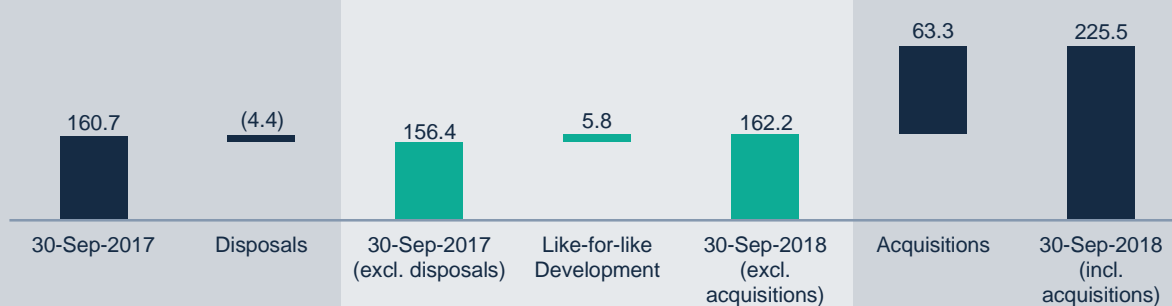
DEVELOPMENT OF KEY METRICS (1/3)

LFL RENTAL GROWTH IS STRONG AND CONTINUOUS TO BE PRIMARILY DRIVEN BY THE OFFICE ASSET CLASS

Annualised In-place Rent ¹

In EUR m

LIKE-FOR-LIKE DEVELOPMENT



Comments

- ✓ Annualised in-place rent YoY improvement of EUR 64.8 m or 40.3% to EUR 225.5 m
- ✓ EUR 5.8 m like-for-like rental growth (+3.7%) across the portfolio compared to the previous year
- ✓ Office asset class as the major contributor to rental growth (c. 87%)
- ✓ In terms of region, Berlin remains key contributor (c. 75%) followed by Frankfurt (c. 16%) due to reduction in vacancy and new lettings

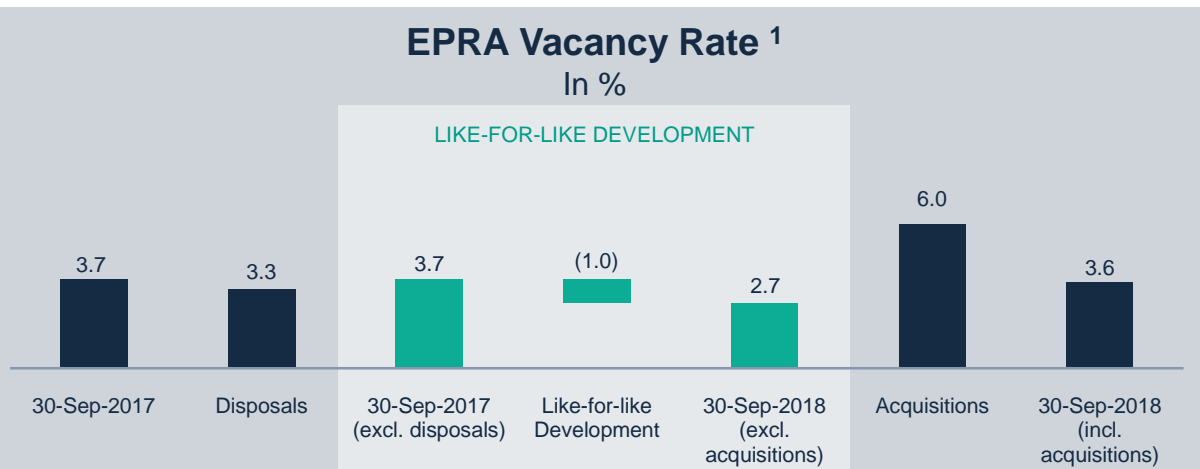
Like-for-like Development by Asset Class in % ¹



¹ Like-for-like development excl. effects from consolidation of WCM

DEVELOPMENT OF KEY METRICS (2/3)

TLG IMMOBILIEN PORTFOLIO CURRENTLY SHOWING 2.7% LFL EPRA VACANCY RATE



Comments

- ✓ 2.7% like-for-like EPRA Vacancy Rate 1.0 pp lower YoY
- ✓ Reduction primarily a result of active asset management of TLG IMMOBILIEN and positive market fundamentals
- ✓ Signed and closed acquisitions since Q3 2017 with a weighted vacancy rate of c. 6.0% continue to provide opportunity for further letting upside

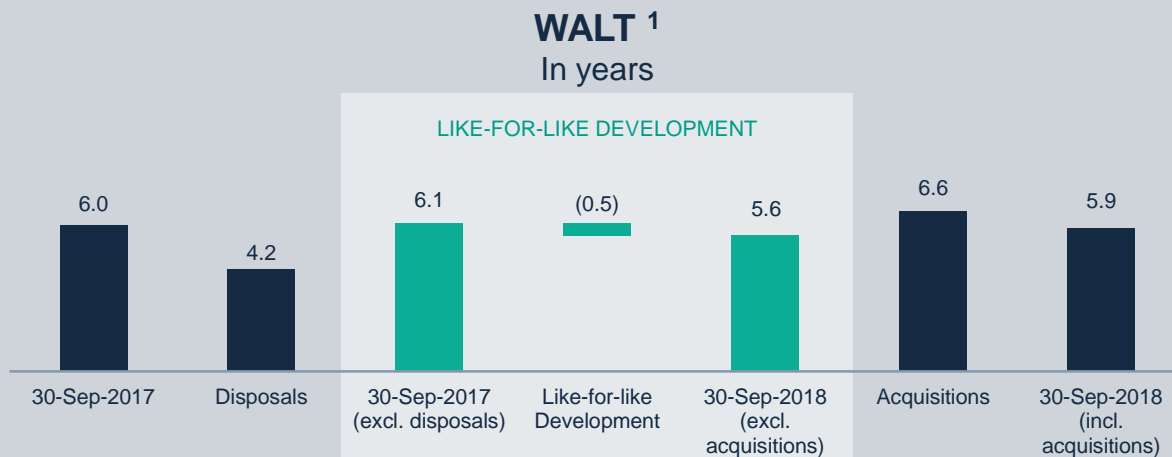
Like-for-like Development by Asset Class in p.p. ¹



¹ Like-for-like development excl. effects from consolidation of WCM

DEVELOPMENT OF KEY METRICS (3/3)

WALT AT A CURRENT LEVEL OF 5.9 YEARS



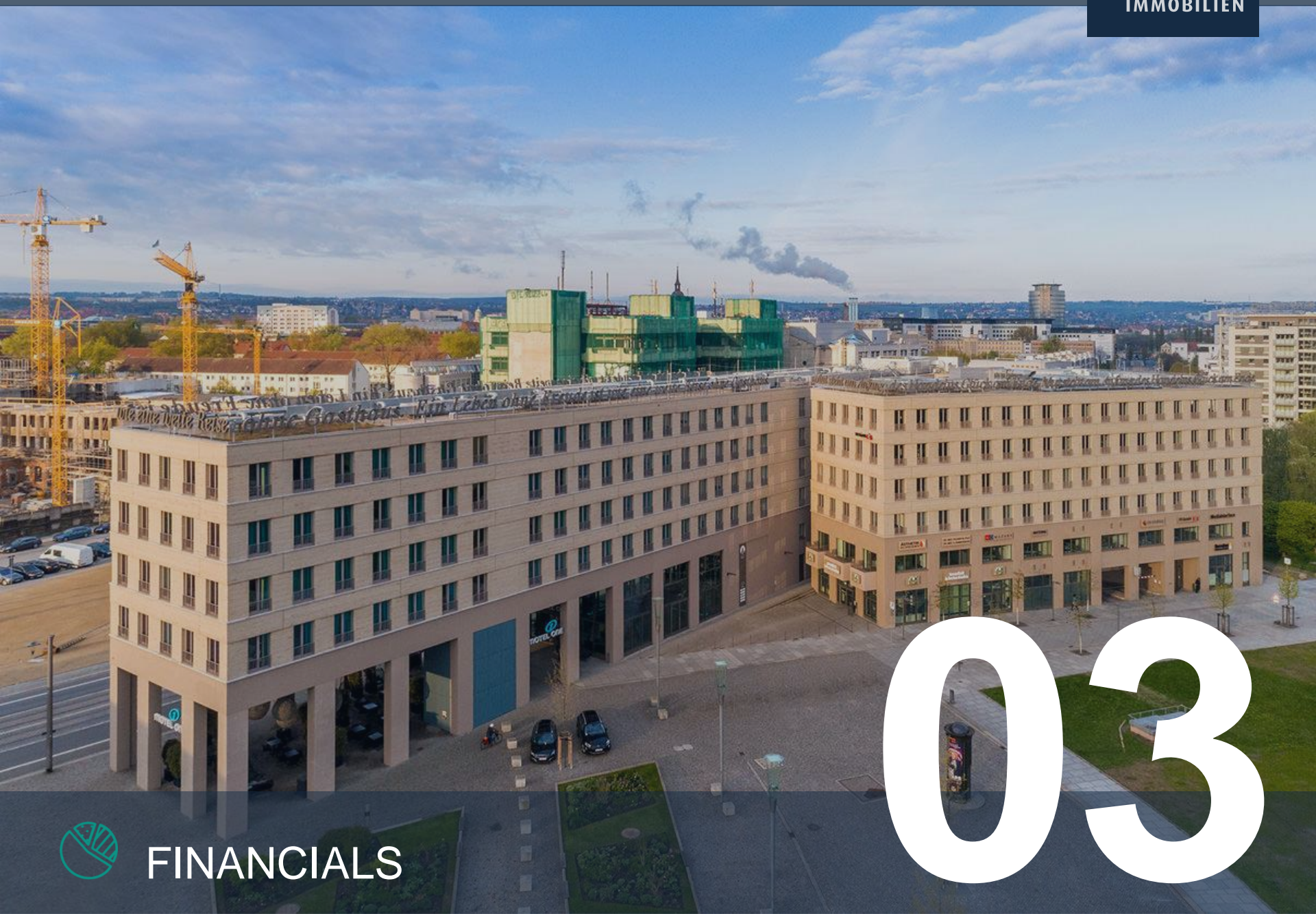
Comments

- ✓ Portfolio WALT almost unchanged and remains at approx. 6.0 years
- ✓ Executed portfolio acquisitions and disposals resulting in a positive impact on the WALT profile
- ✓ TLG IMMOBILIEN able to deliver ongoing letting success with early lease extensions allowing to soften ongoing WALT reduction

Like-for-like Development by Asset Class in years¹



¹ Like-for-like development excl. effects from consolidation of WCM



03



FINANCIALS

EXCELLENT OPERATING PERFORMANCE DURING 9M 2018

YOY COMPARISON OF KEY METRICS UNDERLINES STRONG PERFORMANCE OF TLG IMMOBILIEN

Key Metrics

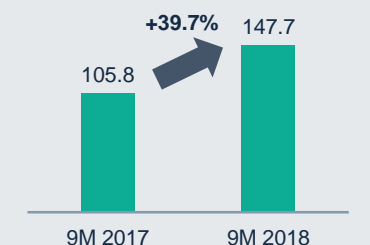
In EUR m

	9M 2018	9M 2017		CHANGE
Rental income	166.3	117.3	➡	+41.8%
NOI	147.7	105.8	➡	+39.7%
FFO	100.4	70.1	➡	+43.3%
FFO/s (EUR) ¹	0.98	0.95	➡	+3.2%
In-place rental yield	6.1%	6.6%	➡	-0.5 p.p.

	Sep 2018	Dec 2017		CHANGE
Property Value	3,722.1	3,400.6	➡	+9.5%
EPRA NAV/s (EUR) ²	23.58	21.84	➡	+8.0%
Net LTV	39.0%	39.2%	➡	-0.2 pp

Net Operating Income

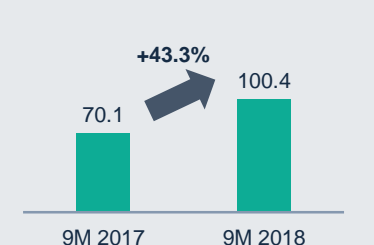
In EUR m



✓ 39.7% YoY increase driven by acquisitions and WCM consolidation

FFO

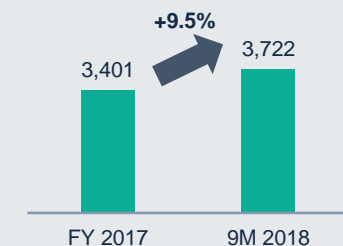
In EUR m



✓ Portfolio growth and letting activity further driving strong FFO growth

Property Value

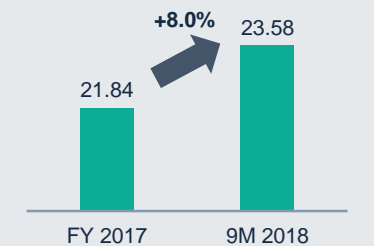
In EUR m



✓ 9M 2018 growth primarily due to revaluations and asset acquisitions

EPRA NAV/s ²

In EUR



✓ Growth in EPRA NAV driven by revaluations and excellent operating performance

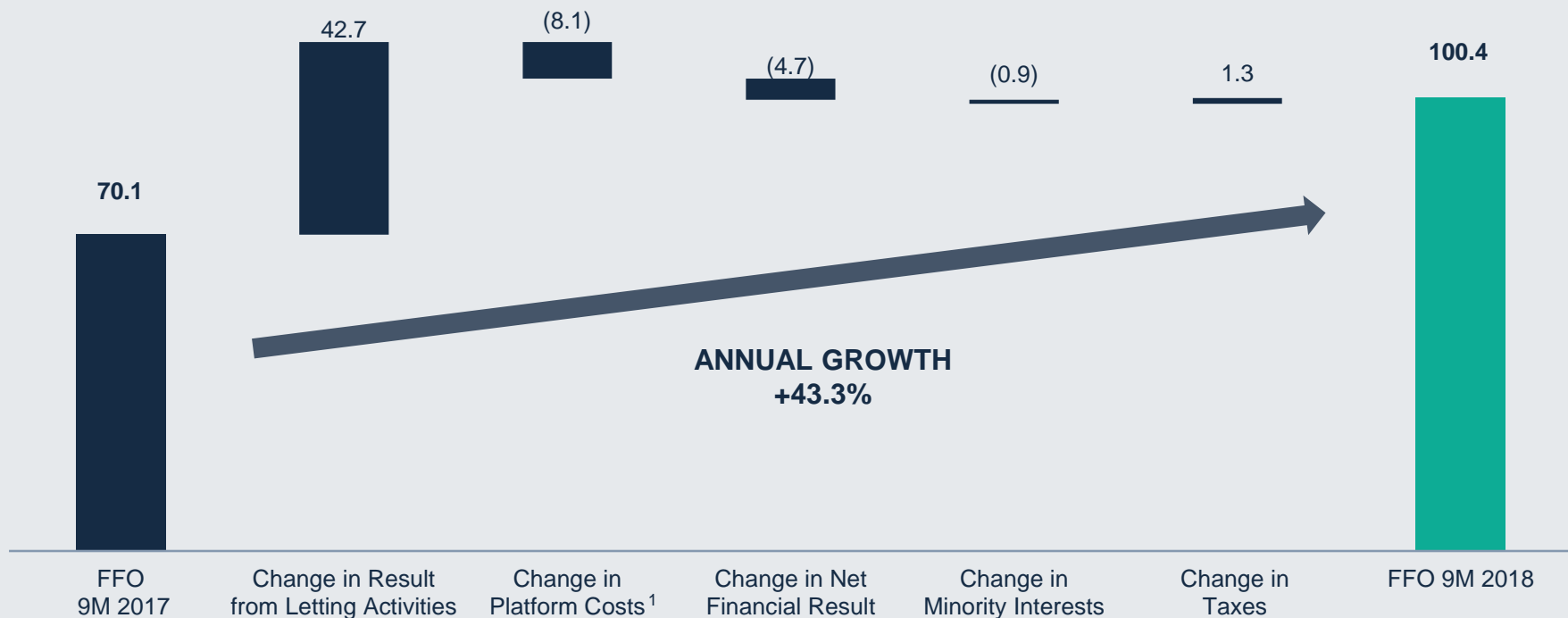
¹ Based on weighted average number of shares outstanding

² EPRA NAV not adjusted for goodwill

FFO RECONCILIATION 9M 2018

43.3% YOY INCREASE PRIMARILY DRIVEN BY ACQUISITIONS

FFO Value Drivers 9M 2018 / 9M 2017 in EUR m

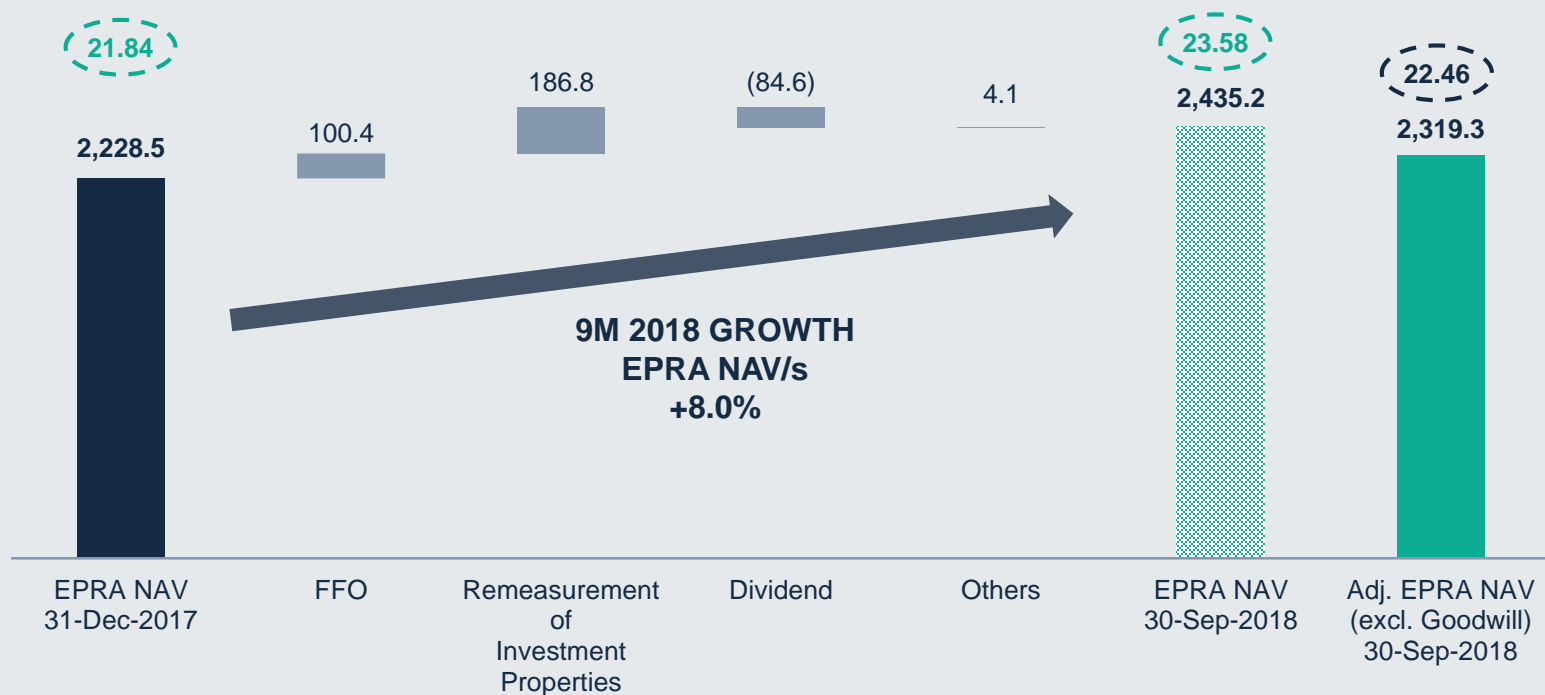


¹ Including other operating expenses and income as well as personnel expenses

EPRA NAV/S GROWING TO EUR 23.58

INCREASE MAINLY DRIVEN BY OPERATING PERFORMANCE AS WELL AS REVALUATIONS

EPRA NAV 9M 2018 Development In EUR m

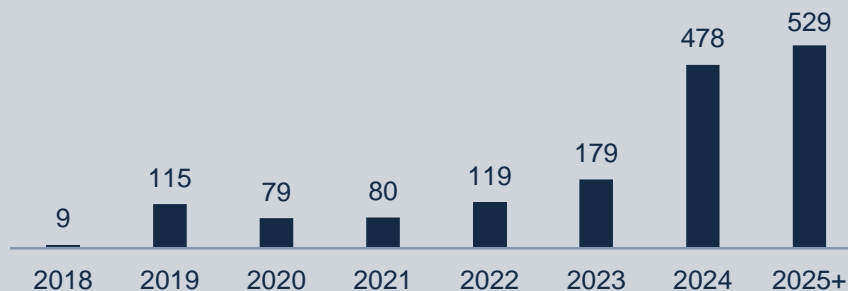


CONSERVATIVE FINANCING STRUCTURE

HIGHLY COMFORTABLE NET LTV OF 39% COUPLED WITH AVERAGE CASH COST OF DEBT AT 1.83%

Maturity Profile as of 30 Sep 2018 ¹

In EUR m



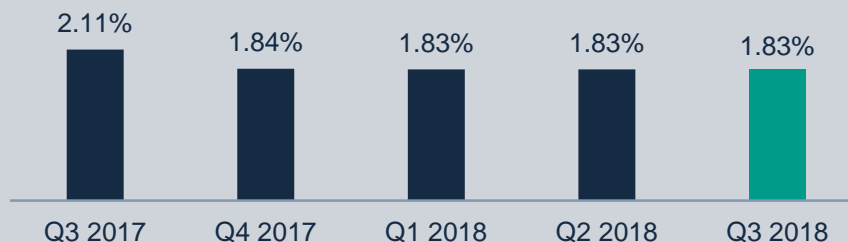
Debt Structure and Debt Service

As of
30 June 2018

Gross debt (EUR m)	1,587
Net LTV (%)	39.0
Avg. cash cost of debt (%)	1.83%
Avg. weighted maturity (years)	5.7
Interest rate fixed or hedged (%)	100.0%

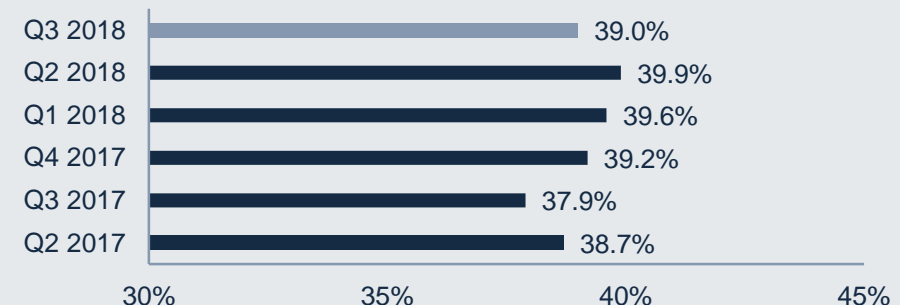
Development of Average Cash Cost of Debt

In %



Net LTV Development

In %



¹ Excluding regular amortisation payments



04



OUTLOOK

OUTLOOK 2018



FFO Guidance

- ✓ FFO guidance for FY 2018 around EUR 133 m

Fair value

- ✓ Ongoing dynamic market environment to drive further expected fair value uplift by year end

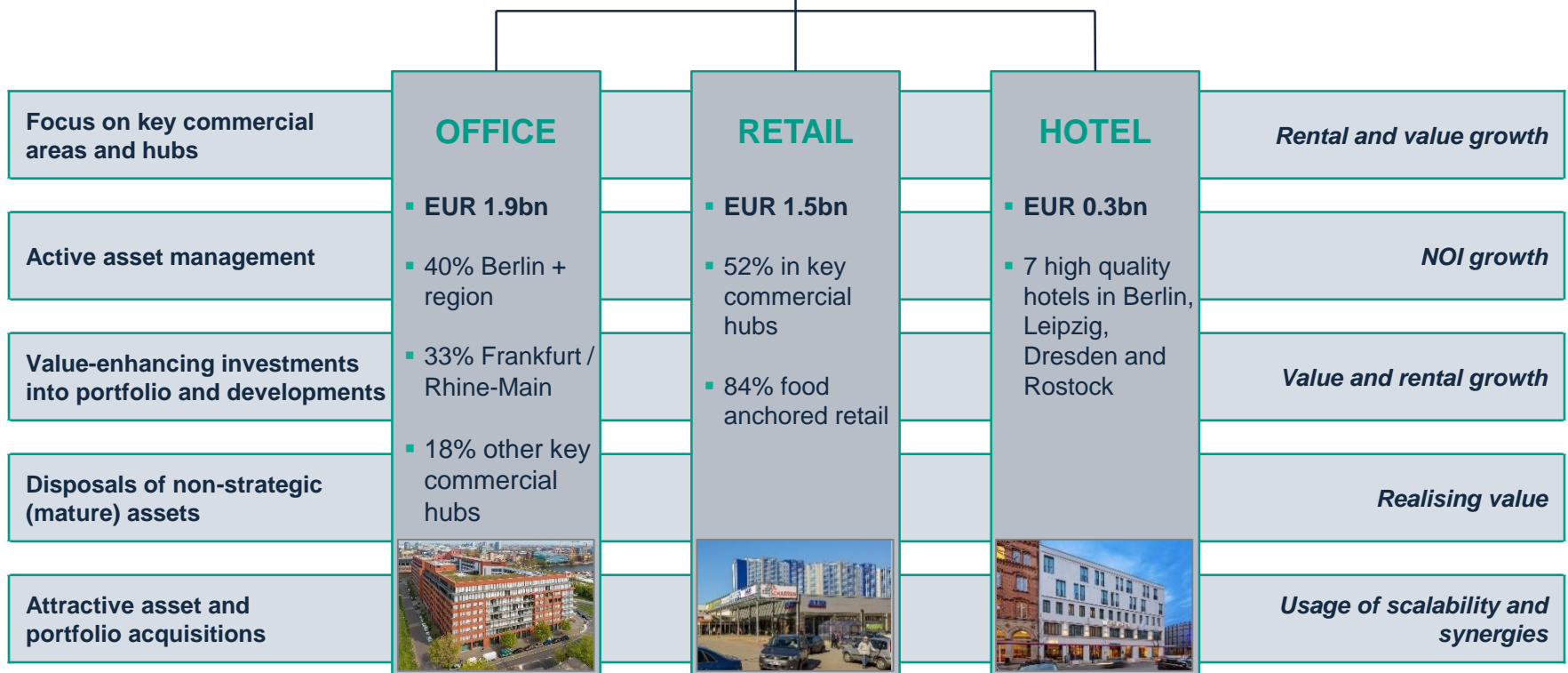
05



STRATEGIC UPDATE

TLG IMMOBILIEN'S STRATEGIC FOCUS

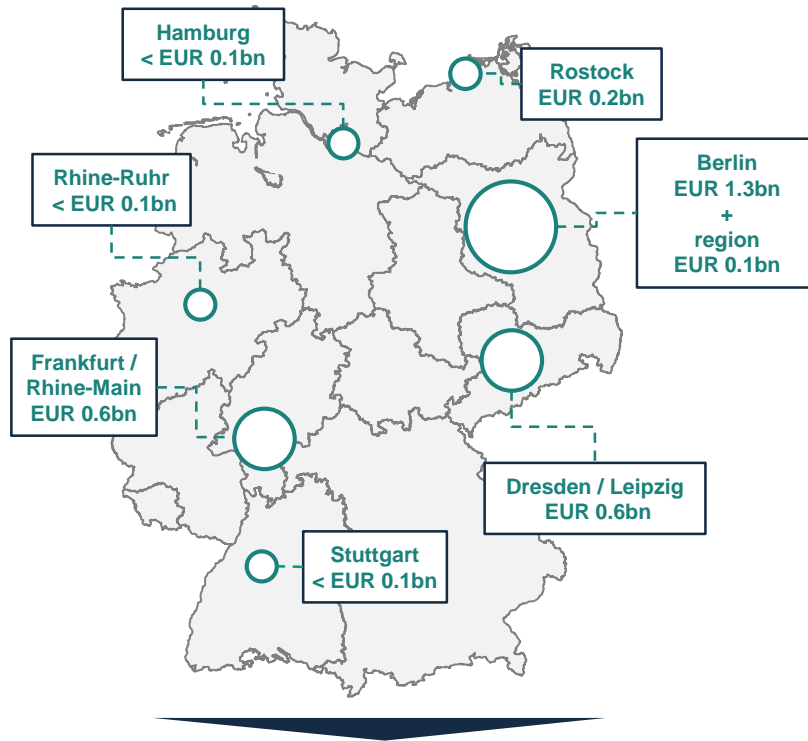
SUPERIOR TOTAL SHAREHOLDER RETURNS ACROSS CYCLES AND ASSET CLASSES
IN GERMAN COMMERCIAL REAL ESTATE



CLEAR PORTFOLIO CONCENTRATION ON DYNAMIC COMMERCIAL GROWTH MARKETS

CENTRALITY AND SCARCITY OFFER SIGNIFICANT VALUE POTENTIAL

Strong exposure to German key commercial hubs



Largely invested in growth markets

Favorable market conditions in the key commercial hubs

Berlin + region	<ul style="list-style-type: none"> Prime rent (office): EUR 30.00 sqm/month (+13% y-o-y) ¹ Vacancy (office): 1.6% Prime investment yield (office/retail): 2.9% / 3.2% ² High net absorbance
Frankfurt / Rhine-Main	<ul style="list-style-type: none"> Prime rent (office): EUR 39.90 sqm/month (+2% y-o-y) ¹ Vacancy (office): 7.3% Prime investment yield office: 3.2% ²
Dresden / Leipzig	<ul style="list-style-type: none"> Prime rent (office): EUR 13.00 sqm/month (+4% y-o-y) ¹ Vacancy (office): <7.0% Prime investment yield office: 5.5% ²
Others	<ul style="list-style-type: none"> Secondary markets favorably impacted by current market situation and strong supply-demand-pattern Stable markets across Germany

Key commercial hubs impacted by strong market conditions

¹ Based on Catella (Q1 2017 – 2018) | ² Based on Catella Q1 2018

FOCUS ON ATTRACTIVE ASSET CLASSES AND GROWTH REGIONS

PORTFOLIO IN SWEET SPOT OF GERMAN GROWTH MARKETS WITH A CLEAR AGENDA

Region	TLG IMMOBILIEN portfolio	In EUR bn	Clearly defined portfolio strategy								
Berlin + region	<ul style="list-style-type: none">✓ Portfolio currently mostly underrented✓ Good portfolio locations / high portfolio quality✓ Strong supply market with high future investment potential	<table><tr><td>Office</td><td>0.8</td></tr><tr><td>Retail</td><td>0.5</td></tr><tr><td>Hotel</td><td>0.1</td></tr><tr><td>Total ¹</td><td>1.4</td></tr></table>	Office	0.8	Retail	0.5	Hotel	0.1	Total ¹	1.4	<ul style="list-style-type: none">✓ Focus on core / core+ micro locations✓ Focus on office in key German growth regions
Office	0.8										
Retail	0.5										
Hotel	0.1										
Total ¹	1.4										
Frankfurt / Rhine-Main	<ul style="list-style-type: none">✓ Core office portfolio primarily located in Frankfurt✓ Rising demand drives reduction of vacancy	<table><tr><td>Office</td><td>0.6</td></tr><tr><td>Retail</td><td>-</td></tr><tr><td>Hotel</td><td>-</td></tr><tr><td>Total ¹</td><td>0.6</td></tr></table>	Office	0.6	Retail	-	Hotel	-	Total ¹	0.6	<ul style="list-style-type: none">✓ Food-anchored retail in growing urbanizations✓ Define strategic and non-strategic portfolio parts
Office	0.6										
Retail	-										
Hotel	-										
Total ¹	0.6										
Dresden / Leipzig	<ul style="list-style-type: none">✓ TLG IMMOBILIEN with leading market position in East German hubs with high growth potential✓ Portfolio located in CBD or strong micro locations✓ Excellent future development potential	<table><tr><td>Office</td><td>0.2</td></tr><tr><td>Retail</td><td>0.2</td></tr><tr><td>Hotel</td><td>0.1</td></tr><tr><td>Total ¹</td><td>0.6</td></tr></table>	Office	0.2	Retail	0.2	Hotel	0.1	Total ¹	0.6	<ul style="list-style-type: none">✓ Identify investment opportunities into strategic assets
Office	0.2										
Retail	0.2										
Hotel	0.1										
Total ¹	0.6										
Others	<ul style="list-style-type: none">✓ TLG IMMOBILIEN portfolio located in favorable micro locations of secondary cities✓ Majority of retail locations food-anchored	<table><tr><td>Office</td><td>0.3</td></tr><tr><td>Retail</td><td>0.8</td></tr><tr><td>Hotel</td><td><0.1</td></tr><tr><td>Total ¹</td><td>1.1</td></tr></table>	Office	0.3	Retail	0.8	Hotel	<0.1	Total ¹	1.1	
Office	0.3										
Retail	0.8										
Hotel	<0.1										
Total ¹	1.1										

¹ Including the segment Other

VALUE-ENHANCING INVESTMENTS INTO PORTFOLIO

CENTRALITY AND URBANITY ALLOWING FOR SUPERIOR-RETURN-INVESTMENTS INTO EXISTING ASSET PORTFOLIO

Portfolio densification / optimisation / modernisation

- ✓ Capitalizing upon centrality to extract superior portfolio values
- ✓ With existing assets and land, increased value creation margin on investment possible – **no additional cost of land**
- ✓ Investments to include refurbishments, floor add-ons, increase of lettable area, etc.

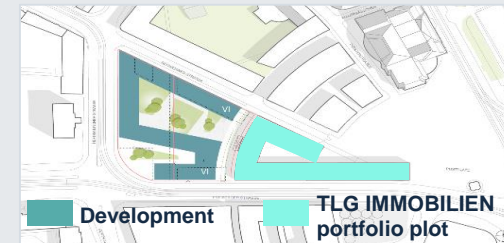
Example: Floor add-on for Berlin supermarket



New- and re-development

- ✓ Re-using existing assets for higher returns
- ✓ New developments on existing TLG IMMOBILIEN “city-center-land” plots
- ✓ Ownership of land plots simplifies the termination of existing lease contracts
- ✓ Pre-lease opportunity due to existing tenant relationships and asset management

Example: Development alongside TLG IMMOBILIEN portfolio plot



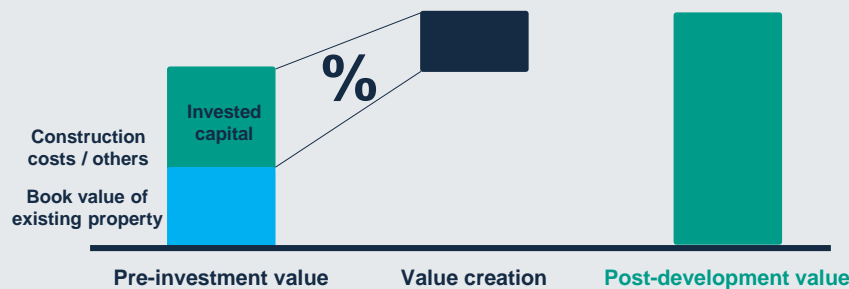
We see significant potential for portfolio investments and are currently in the process of assessing our potential in detail

SUPERIOR TOTAL RETURN POTENTIAL FROM OWN PORTFOLIO

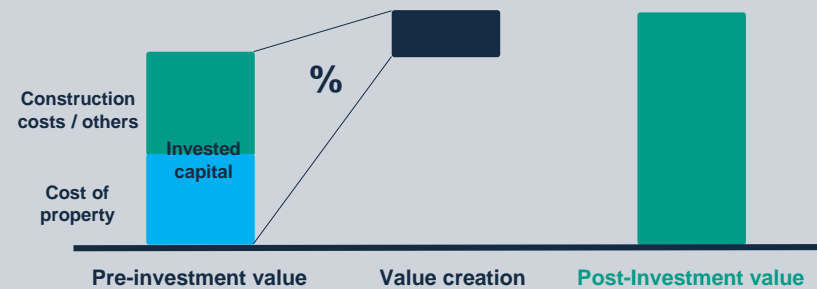
VALUE CREATION OF EXISTING ASSETS VS. GREEN FIELD DEVELOPMENTS AND ACQUISITIONS

Superior NAV creation

TLG IMMOBILIEN – investments in own portfolio

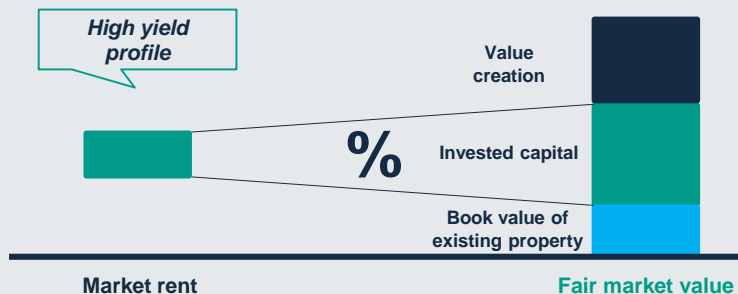


Developer – investments into land and development

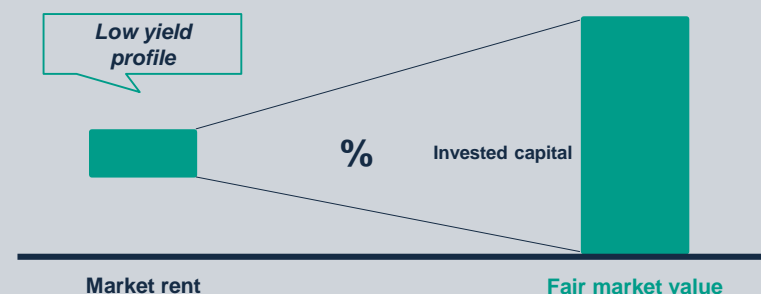


Superior NOI yield profile

TLG IMMOBILIEN – investments in own portfolio



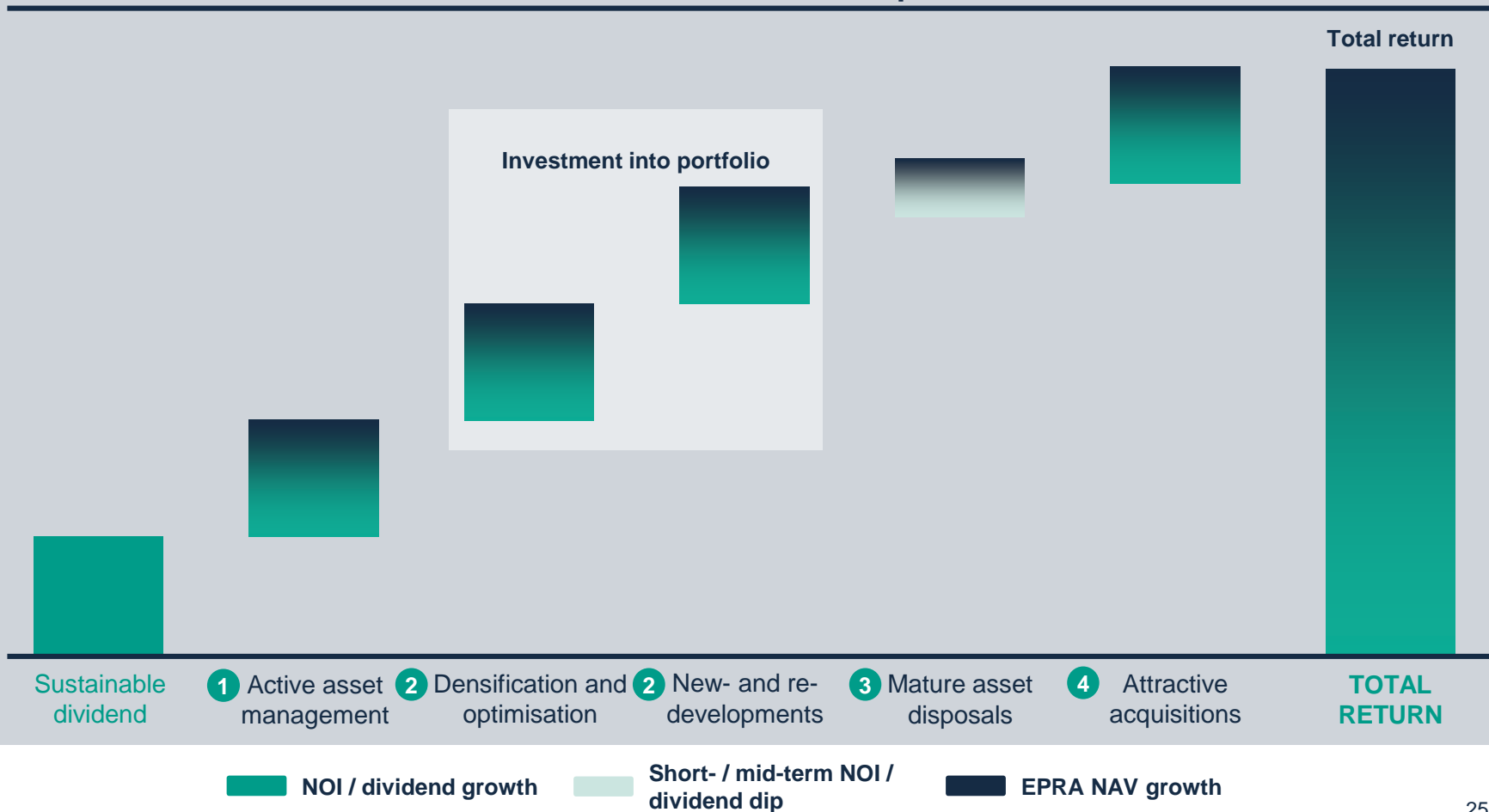
Acquirer – asset acquisitions



COMMITMENT TO CONTINUOUSLY FOCUS ON TOTAL RETURNS

TLG IMMOBILIEN FOCUSED TO DELIVER BALANCED TOTAL RETURN OF DIVIDENDS AND EPRA NAV GROWTH

Illustration of total return components



MEASURES TO BE EXECUTED FOR OUR TOTAL RETURN BASED STRATEGY

Actions and measures

- 1 Define / confirm cities and regions for strategic footprint of TLG IMMOBILIEN
- 2 Identify investment opportunities into existing portfolio
- 3 Define strategic and non-strategic portfolio
- 4 Continuously monitor value-enhancing acquisition opportunities
- 5 Transparent and constant communication with the capital market regarding measures 1-4

06



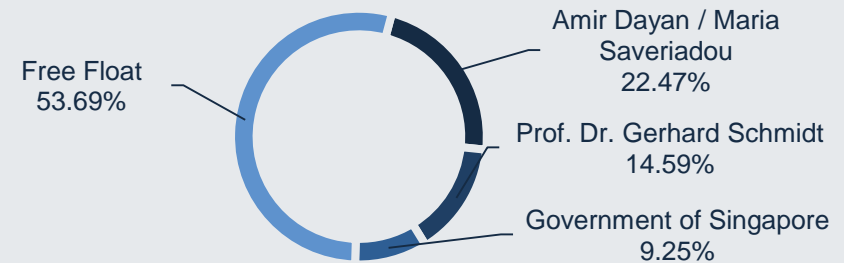
APPENDIX

TLG IMMOBILIEN SHARE INFORMATION

Basic Share Information (as of 30 September 2018)

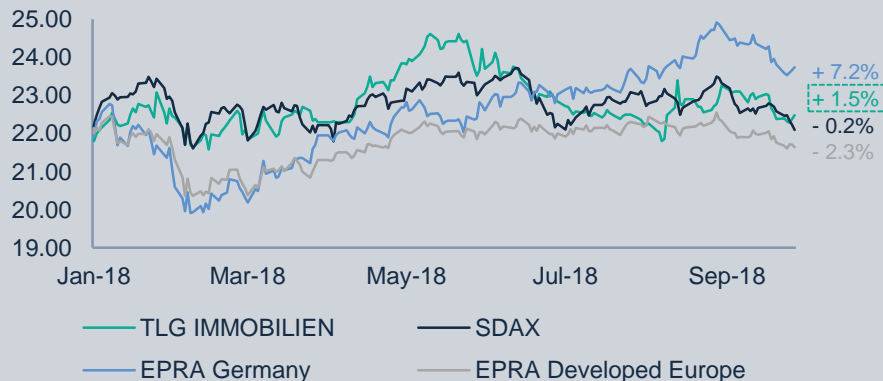
Symbol	TLG
Share price (XETRA, 28-Sep-2018)	EUR 22.48
ISIN	DE000A12B8Z4
Performance in 9M 2018	+ 1.5%
Primary exchange	Frankfurt Stock Exchange
Shares outstanding 30-Jun-2018	103.3 million
Market capitalization	EUR 2.3 bn

Shareholder Structure ¹



Shareholdings according to latest voting rights announcements. See <http://ir.tlg.eu/websites/tlg/English/2300/shareholder-structure.html> for further details.
Free float: shareholdings < 5%

Share Price Performance in 9M 2018



Coverage by Analysts



¹ As of 08 November 2018 | ² Average of range: 23.70 - 26.10
Source: Thomson Reuters and Bloomberg as of 08 November 2018

9M 2018 EARNINGS UNDERLINING STRONG PERFORMANCE

Income Statement

In EUR m

		9M 2018	9M 2017
Rental income		166.3	117.3
Net operating income from letting activities	1.	147.7	105.8
Result from the remeasurement of investment property	2.	186.8	128.1
Results from the disposals of investment property		0.0	0.2
Results from the disposals of real estate inventory		0.0	0.2
Other operating income		1.6	1.0
Personnel expenses	3.	-12.5	-8.3
Depreciation		-0.8	-0.4
Other operating expenses		-12.1	-13.6
Earnings before interest and taxes (EBIT)		310.9	213.0
Net interest	4.	-23.4	-31.7
Other financial result		0.5	4.9
Earnings before taxes (EBT)		288.0	186.2
Income taxes	5.	-87.9	-57.7
Net income		200.1	128.5
Other comprehensive income (OCI)		0.9	8.0
Total comprehensive income		201.0	136.5

Comments

1. Increase of 39.7% in NOI from letting activities mainly related to the consolidation of WCM as well as the acquisition of new properties
2. Increase mainly due to dynamic market development in Berlin
3. Increase in personnel expenses mainly related to increase in total number of FTEs due to WCM and management exchange
4. Reduction of net interest by EUR 8.3 m compared to 9M 2017 due to one-off payments in connection with refinancing activities in 9M 2017
5. Increased deferred taxes due to higher result from the remeasurement of investment property

STRONG BALANCE SHEET AS FOUNDATION FOR FUTURE GROWTH

Balance Sheet In EUR m

		30 Sep 2018	31 Dec 2017
Non-current assets		3,920.4	3,604.4
Investment property (including advance payments)	1.	3,712.9	3,400.8
Property, plant and equipment		8.2	8.2
Other non-current assets		199.3	195.3
Current assets		156.5	231.4
Real estate inventory		0.8	0.8
Receivables and other current assets		17.9	19.4
Cash and cash equivalents	2.	136.6	201.5
Non-current assets classified as held for sale		1.2	9.7
Total assets		4,076.9	3,835.7
Equity		2,048.0	1,936.6
Liabilities		2,029.0	1,899.2
Non-current liabilities		1,932.4	1,829.2
Non-current liabilities to financial institutions		1,134.9	1,120.9
Corporate bond		400.7	396.0
Provisions and other non-current liabilities		38.1	39.6
Deferred tax liabilities	3.	358.7	272.7
Current liabilities		96.5	70.0
Current liabilities to financial institutions		51.9	24.8
Tax liabilities		2.6	1.4
Other current provisions		9.7	4.0
Trade payables		19.6	17.2
Other current liabilities		12.8	22.6
Total equity and liabilities		4,076.9	3,835.7

Comments

1. Increase in investment property mainly related to acquisitions and remeasurements
2. Reduction in cash and cash equivalents primarily related to acquisitions and dividend payment
3. Increase in deferred tax liabilities primarily related to revaluations

FINANCIAL CALENDAR AND CONTACT DETAILS

Financial Calendar



FY 2018 RESULTS

21 March 2019

Q1 2019

08 May 2019

AGM

21 May 2019

Q2 2019 RESULTS

12 August 2019

Q3 2019 RESULTS

06 November 2019

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