



**TIMBERLAND SECURITIES
INVESTMENT PLC**

Annual Report and Financial Statements
31 December 2018

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Timberland Securities Investment plc (the "Company") for the year ended 31 December 2018.

Principal activities

The Company's principal activities, which are substantially unchanged since last year comprises acting as arranger in respect of issuance of limited recourse notes by related parties. The Company is also involved in the issue of Notes and Bonds to the general public to raise funds which are loaned to related entities that operate in the sphere of residential, industrial and automotive energy storage systems.

Financial performance

During the financial year under review, the Company registered a profit after tax amounting to €185,191 (2017: €932,086). The directors expect that the present level of activity will be enhanced for the foreseeable future and that operating results will improve gradually.

The statement of profit or loss and other comprehensive income is set out on page 10. The directors do not recommend the payment of a dividend.

Shareholder's equity at reporting date amount to a €1,070,876 (2017: €885,685).

Financial position

As at year end, the Company's statement of financial position shows net assets of €1,070,876 (2017: €885,685) and net current assets of €1,523,758 (2017: €502,861). The directors expect that the financial position will improve in the coming years.

Future developments

The directors do not expect any significant changes in the Company's activities in the foreseeable future.

Financial risk management

The principal risks and uncertainties relate to the financial instruments issued by the Company. For principal risks and uncertainties and mitigating factors refer to Note 2.

Events after the reporting period

On 23 April 2019, the 3.75% TSI PLC Bond 2018-2023 and the 4.6% TSI Plc Bond 2018-2028 were successfully admitted to trading on the Third Market, a multilateral trading facility ("MTF") operated by Vienna Stock Exchange. On 4 June 2019, these bonds were also admitted to trading on the Open Market of the Frankfurt Stock Exchange. Other than the above mentioned bonds issues, there were no events after year end which would require adjustments or disclosure in the financial statements of the Company.

Directors

The directors of the Company who held office during the year were:

Mr. Thomas Kraemer
Mr. Anthony J. Paris
Mr. Dirk Koster

The Company's Articles of Association do not require any directors to retire.

| DIRECTORS' REPORT - CONTINUED

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act, 1995 (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with General Accounting Principles for Small and Medium-Sized Entities;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of directors and signed on its behalf on 20 September 2019.

Thomas Kraemer

Director

Anthony J. Paris

Director

Registered Office

171, Old Bakery Street

Valletta VLT 1455

Malta

STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2018	2017
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	16,445	19,195
Other financial assets	5,238	5,000
Trade and other receivables	5,862,581	2,579,777
Total non-current assets	5,884,264	2,603,972
Current assets		
Trade and other receivables	2,559,688	1,351,344
Cash and cash equivalents	35,566	28,001
Total current assets	2,595,254	1,379,345
Total assets	8,479,518	3,983,317
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	50,000	50,000
Retained earnings	1,020,876	835,685
Total equity	1,070,876	885,685
Non-current liabilities		
Notes and bonds issued	6,337,146	2,221,148
Total non-current liabilities	6,337,146	2,221,148
Current liabilities		
Trade and other payables	522,084	428,141
Current tax liabilities	549,412	448,343
Total current liabilities	1,071,496	876,484
Total liabilities	7,408,642	3,097,632
Total equity and liabilities	8,479,518	3,983,317

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2018	2017
	€	€
Revenue	1,684,000	2,239,000
Administrative and selling expenses	(1,156,959)	(780,208)
Operating profit	527,041	1,458,792
Finance income	133,454	92,989
Finance cost	(374,235)	(171,352)
Profit before tax	286,260	1,380,429
Tax expense	(101,069)	(448,343)
Profit for the year	185,191	932,086

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
	€	€	€
Balance at 1 January 2017	50,000	(96,401)	(46,401)
Comprehensive income			
Profit for the year	-	932,086	932,086
Balance at 31 December 2017	50,000	835,685	885,685
Comprehensive income			
Profit for the year	-	185,191	185,191
Balance at 31 December 2018	50,000	1,020,876	1,070,876