

# **TLG FAB S.à r.l.**

Société à responsabilité limitée

Annual Accounts  
as at December 31, 2017 and  
for the year ended December 31, 2017

2, avenue Gaston Diderich  
L-1420 Luxembourg

R.C.S. Luxembourg B 159.710  
Share capital EUR 12,500

**TLG FAB S.à r.l.**  
**Annual Accounts**  
**As at December 31, 2017**

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## Independent auditor's report

To the Shareholders of  
TLG FAB S.à r.l.  
2, avenue Gaston Diderich  
L-1420 Luxembourg

### Opinion

We have audited the annual accounts of TLG FAB S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and the notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the « responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Managers and those charged with governance for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the “réviseur d'entreprises agréé” for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Pavel Nesvedov

Luxembourg, 12 February 2018

**TLG FAB S.à r.l.**  
**Balance Sheet**  
**As at December 31, 2017**  
**(expressed in EUR)**

<b>ASSETS</b>	<b>Notes</b>	<b>2017 EUR</b>	<b>2016 EUR</b>
<b>FIXED ASSETS</b>			
Tangible assets	2.2.1 / 3	28,429,748.62	28,990,888.60
<b>CURRENT ASSETS</b>			
Debtors	2.2.2		
Trade debtors			
becoming due and payable within one year	4	49,581.62	6,245.58
Other debtors			
becoming due and payable within one year	5	97,884.83	71,915.60
Cash at bank and in hand	2.2.3 / 6	1,805,859.97	4,593,647.74
<b>TOTAL ASSETS</b>		<b><u>30,383,075.04</u></b>	<b><u>33,662,697.52</u></b>
<b>CAPITAL, RESERVES AND LIABILITIES</b>			
	<b>Notes</b>	<b>2017 EUR</b>	<b>2016 EUR</b>
<b>CAPITAL AND RESERVES</b>			
	7		
Subscribed capital		12,500.00	12,500.00
Share premium account		27,869,279.67	33,651,500.10
Reserves			
Legal reserve		1,250.00	1,250.00
Profit or loss brought forward		0.00	(2,782,220.43)
Profit or loss for the financial year		1,764,764.44	1,986,244.95
		<u>29,647,794.11</u>	<u>32,869,274.62</u>
<b>PROVISIONS</b>			
	2.2.6		
Provisions for taxation	8	27,165.00	259,281.00
Other provisions	9	161,520.03	148,772.13
		<u>188,685.03</u>	<u>408,053.13</u>
<b>CREDITORS</b>			
	2.2.4		
Trade creditors			
becoming due and payable within one year	10	227,179.77	87,712.04
Other creditors			
Tax authorities	11	19,564.16	12,726.07
Other creditors			
becoming due and payable within one year	12	141,517.41	137,845.08
		<u>388,261.34</u>	<u>238,283.19</u>
<b>DEFERRED INCOME</b>	2.2.7	158,334.56	147,086.58
<b>TOTAL CAPITAL, RESERVES AND LIABILITIES</b>		<b><u>30,383,075.04</u></b>	<b><u>33,662,697.52</u></b>

The notes in the annex form an integral part of the annual accounts

**TLG FAB S.à r.l.**  
**Profit and Loss Account**  
**For the financial year from January 1, 2017 to December 31, 2017**  
**(expressed in EUR)**

	Notes	2017 EUR	2016 EUR
Net turnover	2.2.8 / 13	3,372,783.73	3,347,802.42
Other operating income	2.2.9 / 14	1,423,987.67	1,351,918.70
Raw materials and consumables and other external expenses			
Other external expenses	15	(104,329.47)	(134,730.19)
Value adjustments			
in respect of formation expenses and of tangible and intangible fixed assets	2.2.1 / 3	(561,139.98)	(561,127.11)
in respect of current assets	2.2.2	<u>12,577.63</u>	<u>(14,718.39)</u>
		(548,562.35)	(575,845.50)
Other operating expenses	16	(2,020,988.27)	(1,807,881.41)
Other interest receivable and similar income			
Other interest and similar income		6.93	5,085.93
Tax on profit or loss	17	(338,743.80)	(184,330.00)
Other taxes	18	(19,390.00)	(15,775.00)
<b>Profit or loss for the financial year</b>		<u><u>1,764,764.44</u></u>	<u><u>1,986,244.95</u></u>

The notes in the annex form an integral part of the annual accounts

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts**  
**As at December 31, 2017**

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**Note 1 – General**

**TLG FAB S.à r.l.** (the "Company") was incorporated on March 14, 2011 as a "société à responsabilité limitée", within the definition of the Luxembourg law of August 10, 1915 on commercial companies, as amended, for an unlimited period of time. The Company was incorporated under the name EPISO Berlin Office Immobilien S.à r.l. In the extraordinary meeting of shareholders held before Maître Henri Hellinckx on September 30, 2014, the Company's name was changed to TLG FAB S.à r.l.

The registered office of the Company is established at 2, avenue Gaston Diderich, L-1420 Luxembourg.

According to the Company's articles of association, the financial year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year.

The Company's purpose is the creation, holding, development and realisation of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities of the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as any equity instruments, debt instruments, patents and licenses, as well as the administration and control of such portfolio.

The Company may grant any form of security for the performance of any obligations of the Company or of any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company, or of any director or any other officer or agent of the Company or of any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company.

The Company may further lend funds or otherwise assist any entity, in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company.

An additional purpose of the Company is the acquisition and sale of real estate properties either in the Grand Duchy of Luxembourg or abroad, including the direct or indirect holding of participations in Luxembourg or foreign companies, the principal object of which is the acquisition, development, promotion, sale, management and/or lease of real estate properties.

The Company may carry out all transactions, which directly or indirectly serve its purpose. Within such purpose, the Company may especially:

- raise funds through borrowing in any form or by issuing any securities or debt instruments, including bonds, by accepting any other form of investment or by granting any rights of whatever nature, subject to the terms and conditions of the law;
- participate in the incorporation, development and/or control of any entity in the Grand Duchy of Luxembourg or abroad; and
- act as a partner/shareholder with unlimited or limited liability for the debts and obligations of any Luxembourg or foreign entities.



**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

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**Note 2 – Principles, rules and valuation methods**

**2.1 General principles**

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and applied by the Management.

**2.2 Significant rules and valuation methods**

The significant valuation rules of the Company can be summarised as follows:

**2.2.1. Tangible assets**

The tangible assets are valued at their acquisition cost including the incidental costs of acquisition or at their production cost, reduced by accumulated value adjustments. The tangible assets are depreciated over their estimated useful lives. The applicable rate of depreciation for buildings is 3% per annum on a straight-line basis. Land is not depreciated.

If the management determines that a permanent impairment has occurred in the value of a tangible asset, a value adjustment is made in order to reflect that loss. This value adjustment may not be continued if the reasons for which they were made have ceased to apply.

**2.2.2 Debtors**

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to apply.

**2.2.3 Cash at bank and in hand**

Cash at bank and in hand is valued at its nominal value.

**2.2.4 Debts**

Debts are recorded at their repayment value.

**2.2.5 Foreign currency translation**

The Company maintains its accounting records in EUR and the annual accounts are expressed in EUR. The cost of investment expressed in a currency other than EUR is translated into EUR at historic rate.

- All the other assets expressed in currencies other than EUR are valued individually at the lower of their value translated into EUR at historic rates or at exchange rates prevailing at the balance sheet date.
- All liabilities expressed in a currency other than EUR are valued individually at the higher of their value translated at historic rates or at the exchange rates prevailing at the balance sheet date.
- Income and expenses in currencies other than EUR are translated into EUR at the exchange rates prevailing at the payment date.
- Consequently, only realised foreign exchange gain or losses and unrealised foreign exchange losses are reflected into the profit and loss account.

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

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2.2.6 Provisions

Provisions are determined at the end of the year. Provisions set up in previous years are reviewed regularly and may be written back to the profit and loss account.

2.2.7 Deferred income

Deferred income includes income received during the financial year, which relates to a subsequent financial year.

2.2.8 Net turnover

Turnover is stated net of value added tax on an accruals basis.

2.2.9 Other operating income

Other operating income is stated net of value added tax on an accrual basis.

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

**Note 3 – Tangible assets**

The tangible assets consist of real estate properties located in Leipzig, Germany, which the Company acquired in 2012.

The movements for the year are as follows:

	<b>Land EUR</b>	<b>Building EUR</b>	<b>Total EUR</b>
<b>Gross book value</b>			
Opening balance	12,998,157.77	18,704,666.07	31,702,823.84
Additions for the year	0.00	0.00	0.00
Closing balance	<u>12,998,157.77</u>	<u>18,704,666.07</u>	<u>31,702,823.84</u>
<b>Accumulated value adjustments</b>			
Opening balance	0.00	(2,711,935.24)	(2,711,935.24)
Charge for the year	0.00	(561,139.98)	(561,139.98)
Closing balance	<u>0.00</u>	<u>(3,273,075.22)</u>	<u>(3,273,075.22)</u>
<b>Net book value - opening balance</b>	<u><u>12,998,157.77</u></u>	<u><u>15,992,730.83</u></u>	<u><u>28,990,888.60</u></u>
<b>Net book value - closing balance</b>	<u><u>12,998,157.77</u></u>	<u><u>15,431,590.85</u></u>	<u><u>28,429,748.62</u></u>

Management believes that there is no permanent diminution in value of the tangible assets as at December 31, 2017.

A land charge over the properties is granted to Deutsche Postbank AG (refer to note 20).

**Note 4 – Trade debtors**

Trade debtors becoming due and payable within one year consist of rent and service charges receivables from tenants for an amount of EUR 49,581.62 (2016: EUR 6,245.58).

**Note 5 – Other debtors**

Other debtors becoming due and payable within one year can be disclosed as follows:

	<b>2017 EUR</b>	<b>2016 EUR</b>
Accrued service charge income from tenants	38,386.80	0.00
Accrued income from parking lease agreement	37,500.00	65,143.96
VAT receivable Luxembourg	10,556.36	4,425.64
Corporate income tax Germany *	9,095.67	0.00
Rent deposit office lease Luxembourg office	2,346.00	2,346.00
	<u><u>97,884.83</u></u>	<u><u>71,915.60</u></u>

\* This amount represents the German 2017 corporate income tax advances, which the Company paid during the financial year for a total amount of EUR 351,941.67, less the estimated German corporate income tax liability for the financial year 2017 for an amount of EUR 342,846.00.

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

**Note 6 – Cash at bank and in hand**

Cash at bank and in hand includes an amount of EUR 97,354.61 (2016: 97,318.76) of cash deposits received from tenants held in tenant deposit accounts. The corresponding liability towards the tenants is recorded in the balance sheet under Other creditors (refer to note 12).

**Note 7 – Capital and reserves**

The movements for the year are as follows:

	Subscribed capital	Share premium account	Legal reserve	Profit or loss brought forward	Profit or loss for the financial year	Dividend	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Opening balance	12,500.00	33,651,500.10	1,250.00	(2,782,220.43)	1,986,244.95	0.00	32,869,274.62
Allocation of prior year's result	0.00	0.00	0.00	0.00	(1,986,244.95)	1,986,244.95	0.00
Dividend payment	0.00	0.00	0.00	0.00	0.00	(1,986,244.95)	(1,986,244.95)
Withdrawal from share premium account to cover losses brought forward	0.00	(2,782,220.43)	0.00	2,782,220.43	0.00	0.00	0.00
Distribution from share premium account	0.00	(3,000,000.00)	0.00	0.00	0.00	0.00	(3,000,000.00)
Result for the financial year	0.00	0.00	0.00	0.00	1,764,764.44	0.00	1,764,764.44
Closing balance	<u>12,500.00</u>	<u>27,869,279.67</u>	<u>1,250.00</u>	<u>0.00</u>	<u>1,764,764.44</u>	<u>0.00</u>	<u>29,647,794.11</u>

**Subscribed capital**

The subscribed capital of EUR 12,500.00 is represented by 12,500 shares with a par value of EUR 1.00 fully paid.

**Legal reserve**

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve, which is not available for distribution to the shareholders. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital.

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

**Note 8 – Provisions for taxation**

Provisions for taxation can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Net wealth tax Luxembourg	27,165.00	12,590.00
Corporate income tax Germany	0.00	246,691.00
	<u><b>27,165.00</b></u>	<u><b>259,281.00</b></u>

**Note 9 – Other provisions**

Other provisions can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Maintenance costs	89,234.68	37,720.32
Service charge expenditure	44,818.03	45,570.00
Professional fees	27,097.32	44,489.07
Others	370.00	365.00
Non-recoverable property expenses	0.00	20,627.74
	<u><b>161,520.03</b></u>	<u><b>148,772.13</b></u>

**Note 10 – Trade creditors**

Trade creditors can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Supplier payables	227,179.77	87,712.04
	<u><b>227,179.77</b></u>	<u><b>87,712.04</b></u>

**Note 11 – Tax authorities**

Tax authorities can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
VAT payable Germany	19,564.16	12,726.07
	<u><b>19,564.16</b></u>	<u><b>12,726.07</b></u>

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

**Note 12 – Other creditors**

Other creditors becoming due and payable within one year can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Rent deposits received from tenants	97,354.61	97,318.76
Rent and service charges payable to tenants	44,162.80	40,526.32
	<u><b>141,517.41</b></u>	<u><b>137,845.08</b></u>

**Note 13 – Net turnover**

Net turnover consists of rental income derived from the properties owned by the Company.

Geographical breakdown:

		<b>2017</b>	<b>2016</b>
		<b>EUR</b>	<b>EUR</b>
Country:			
Germany	100%	3,372,783.73	3,347,802.42
		<u><b>3,372,783.73</b></u>	<u><b>3,347,802.42</b></u>

**Note 14 – Other operating income**

Other operating income can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Income from recharged service charge expenditure to tenants	1,365,992.98	1,291,778.94
Income from recharged maintenance expenditure	34,237.91	0.00
Write-off liabilities previous years	13,253.67	0.00
Insurance compensation	1,118.10	49,908.30
Others	9,385.01	0.00
Write-off Luxembourg VAT liability previous years	0.00	6,192.58
Write-off German VAT liability previous years	0.00	4,038.88
	<u><b>1,423,987.67</b></u>	<u><b>1,351,918.70</b></u>

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

**Note 15 – Other external expenses**

Other external expenses can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Management fees Wisteria Investment Management S.à r.l.	37,337.40	36,001.00
Professional fees	26,363.26	59,608.45
Rent office Luxembourg	10,409.40	10,200.00
Non-recoverable VAT	7,789.60	10,222.81
Travel & entertainment expenses	7,500.79	9,679.75
Leasing commissions	5,290.65	0.00
Accounting software license fees	5,542.59	5,542.59
Bank charges	1,267.53	1,071.53
Others	2,828.25	2,404.06
	<b><u>104,329.47</u></b>	<b><u>134,730.19</u></b>

**Note 16 – Other operating expenses**

Other operating expenses can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Service charge expenditure - recoverable	1,419,971.02	1,335,324.78
Maintenance and repair fees non-recoverable	528,127.57	397,097.72
Other property costs - non-recoverable	72,889.68	75,458.91
	<b><u>2,020,988.27</u></b>	<b><u>1,807,881.41</u></b>

**Note 17 – Tax on profit or loss**

Tax on profit or loss can be disclosed as follows:

	<b>2017</b>	<b>2016</b>
	<b>EUR</b>	<b>EUR</b>
Corporate income tax Germany - current year	342,846.00	187,540.00
Corporate income tax Germany - adjustment prior year	(4,102.20)	0.00
Corporate income tax Luxembourg - reimbursement prior years	0.00	(3,210.00)
	<b><u>338,743.80</u></b>	<b><u>184,330.00</u></b>

**TLG FAB S.à r.l.**  
**Notes to the Annual Accounts (continued)**  
**As at December 31, 2017**

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**Note 17 – Tax on profit or loss (continued)**

The Company is subject to the applicable general tax regulations in Luxembourg.

The current income arising from the real estate located in Germany and capital gains realised on the sale of such real estate will not be taxable in Luxembourg but in Germany in accordance with the Luxembourg – Germany double tax treaty.

**Note 18 – Other taxes**

Other taxes consist of net wealth tax Luxembourg.

**Note 19 – Employee information**

The Company does not have any employees as at December 31, 2017 (2016: none).

**Note 20 – Off balance sheet commitments**

A shareholder of the Company entered into a loan agreement with Deutsche Postbank AG in 2014 in order to partially finance the acquisition of the shares in the Company.

The following securities have been granted in favour of Deutsche Postbank AG by the Company:

- Assignment of claims from certain purchase agreements;
- Assignment of claims from certain insurance contracts;
- Assignment of claims from certain lease contracts;
- Land charge over the properties owned by the Company.

On April 15, 2015, the Company, as lender, entered into a loan facility agreement with its majority shareholder TLG IMMOBILIEN AG, as borrower, for a total amount of EUR 10,000,000.00. No drawdowns have been made by TLG IMMOBILIEN AG since entering into the facility agreement.

**Note 21 – Subsequent events**

There are no events which have occurred subsequent to December 31, 2017 that requires consideration as adjustments to or disclosures in the annual accounts as at December 31, 2017.