

**Wagner Finance Holding Sàrl
(formerly Promo Soparfi SA)
Société à responsabilité limitée
R.C.S. Luxembourg B65716**

ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED

31 DECEMBER 2019

Wagner Finance Holding Sàrl
(formerly Promo Soparfi SA)
Société à responsabilité limitée
R.C.S. Luxembourg B65716

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ASSETS	31/12/2019	31/12/2018
A Subscribed capital unpaid	0.00	0.00
I Subscribed capital not called		
II Subscribed capital called but unpaid		
B Formation expenses		
C Fixed assets	28 510 000.00	0.00
I Intangible assets	0.00	0.00
1 Costs of development		
2 Concessions, patents, licences, trade marks and similar rights and assets, if they were		
a) acquired for valuable consideration and need not be shown under C.I.3		
b) created by the undertaking itself		
3 Goodwill, to the extent that it was acquired for valuable consideration		
4 Payments on account and intangible assets under development		
II Tangible assets	0.00	0.00
1 Land and buildings		
2 Plant and machinery		
3 Other fixtures and fittings, tools and equipment		
4 Payments on account and tangible assets in the course of construction		
III Financial assets	28 510 000.00	0.00
1 Shares in affiliated undertakings	28 510 000.00	0.00
2 Loans to affiliated undertakings		
3 Participating interests		
4 Loans to undertakings with which the undertaking is linked by virtue of participating inte		
5 Investments held as fixed assets		
6 Other loans		
D Current assets	1 989 781.31	2 407.50
I Stocks	0.00	0.00
1 Raw materials and consumables		
2 Work in progress		
3 Finished goods and goods for resale		
4 Payments on account		
II Debtors	782.06	2 407.50
1 Trade debtors		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
2 Amounts owed by affiliated undertakings		
a) becoming due and payable within one year	0.00	0.00
b) becoming due and payable after more than one year		
3 Amounts owed by undertakings with which the undertaking is linked by virtue of participati		
a) becoming due and payable within one year	380.81	0.00
b) becoming due and payable after more than one year		
4 Other debtors		
a) becoming due and payable within one year	401.25	2 407.50
b) becoming due and payable after more than one year		
III Investments	0.00	0.00
1 Shares in affiliated undertakings		
2 Own shares		
3 Other investments		
IV Cash at bank and in hand	1 988 999.25	0.00
E Prepayments	0.00	0.00
TOTAL ASSETS	30 499 781.31	2 407.50

CAPITAL, RESERVES AND LIABILITIES as at 31/12/2019

CAPITAL, RESERVES AND LIABILITIES	31/12/2019	31/12/2018
A Capital and reserves	30 268 915.76	-87 335.25
I Subscribed capital	30 540 000.00	37 184.03
II Share premium account		
III Revaluation reserve		
IV Reserves	0.00	0.00
1 Legal reserve		
2 Reserve for own shares		
3 Reserves provided for by the articles of association		
4 Other reserves, including the fair value reserve		
a) other available reserves		
b) other non available reserves		
V Profit or loss brought forward	-124 519.28	-116 932.82
VI Profit or loss for the financial year	-146 564.96	-7 586.46
VII Interim dividends		
VIII Capital investment subsidies		
B Provisions	535.00	535.00
1 Provisions for pensions and similar obligations		
2 Provisions for taxation	535.00	535.00
3 Other provisions		
C Creditors	230 330.55	89 207.75
1 Debenture loans		
a) Convertible loans		
i) becoming due and payable within one year		
ii) becoming due and payable after more than one year		
b) Non convertible loans		
i) becoming due and payable within one year		
ii) becoming due and payable after more than one year		
2 Amounts owed to credit institutions		
a) becoming due and payable within one year	0.00	0.00
b) becoming due and payable after more than one year		
3 Payments received on account of orders in so far as they are shown separately as deduction		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
4 Trade creditors		
a) becoming due and payable within one year	122 741.85	70 958.19
b) becoming due and payable after more than one year		
5 Bills of exchange payable		
a) becoming due and payable within one year		
b) becoming due and payable after more than one year		
6 Amounts owed to affiliated undertakings		
a) becoming due and payable within one year	98 559.09	0.00
b) becoming due and payable after more than one year		
7 Amounts owed to undertakings with which the undertaking is linked by virtue of participati		
a) becoming due and payable within one year	0.00	18 249.56
b) becoming due and payable after more than one year		
8 Other creditors		
a) Tax authorities	9 029.61	0.00
b) Social security authorities		
c) Other creditors		
i) becoming due and payable within one year	0.00	0.00
ii) becoming due and payable after more than one year		
D Deferred income	0.00	0.00
TOTAL CAPITAL, RESERVES AND LIABILITIES	30 499 781.31	2 407.50

PROFIT AND LOSS ACCOUNT	31/12/2019	31/12/2018
1 Net turnover		
2 Variation in stocks of finished goods and in work in progress		
3 Work performed by the undertaking for its own purposes and capitalised		
4 Other operating income	24 789.35	0.00
5 Raw materials and consumables and other external expenses		
a) Raw materials and consumables	0.00	0.00
b) Other external expenses	-160 524.14	-1 081.91
6 Staff costs		
a) Wages and salaries		
b) Social security costs		
i) relating to pensions		
ii) other social security costs		
c) Other staff costs		
7 Value adjustments		
a) in respect of formation expenses and of tangible and intangible fixed asset		
b) in respect of current assets		
8 Other operating expenses	-10 665.48	-1 213.65
9 Income from participating interests		
a) derived from affiliated undertakings		
b) other income from participating interests		
10 Income from other investments and loans forming part of the fixed assets		
a) derived from affiliated undertakings		
b) other income not included under a)		
11 Other interest receivable and similar income		
a) derived from affiliated undertakings		
b) other interest and similar income		
12 Share of profit or loss of undertakings accounted for under the equity method		
13 Value adjustments in respect of financial assets and of investments held as current assets		
14 Interest payable and similar expenses		
a) concerning affiliated undertakings	-59.09	0.00
b) other interest and similar expenses	0.00	-697.10
15 Tax on profit or loss	0.00	-5 350.00
16 Profit or loss after taxation	-146 459.36	-8 342.66
17 Other taxes not shown under items 1 to 16	-105.60	756.20
18 Profit or loss for the financial year	-146 564.96	-7 586.46

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Notes to the annual accounts
as at December 31, 2019
(in EUR)

NOTE 1 – GENERAL INFORMATION

Wagner Finance Holding Sarl (hereafter the « Company ») was incorporated on July 28, 1998 and was organized under the laws of Luxembourg as a société anonyme under the initial denomination Promo Soparfi SA. As at September 6, 2019, the Company decided to change the name in Wagner Finance Holding SA. As at October 30, 2019 the Company decided to change the legal form and the name in Wagner Finance Holding Sarl.

The object of the Company is the acquisition, holding (including the administration, management and development) and disposal of securities or interests in Luxembourg and/or in foreign companies and undertakings in its own name and own account.

The Company may provide financing in any other kind or form or grant guarantees or security in any kind or form, in favour of the companies and undertakings forming part of the group of which the Company is a member.

The Company may borrow in any kind or form without limitation and privately issue bonds, notes or any other debt instruments as well as warrants or other share subscription rights.

In a general fashion, the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its object.

The registered office of the Company is established at 9 rue Robert Stümper, L-2557 Luxembourg.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements as per the generally accepted accounting principles applicable in Luxembourg under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the law, determined and applied by the Company's Managers ("the Management").

In the preparation of these annual accounts, the Management made use of certain judgements and accounting estimates. The Management believes that these judgements and estimates are appropriate and that the annual accounts therefore present the financial position and results fairly.

Financial assets

Financial assets such as shares in affiliated undertakings, participating interests and investments held as fixed assets are valued at their historical acquisition cost including any incidental costs of acquisition. Loans granted to affiliated undertakings or other companies and defined as financial fixed assets are valued at their nominal value.

If the Management determines that a durable impairment has occurred in the value of a financial fixed asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

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

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

Foreign currency translation

The Company maintains its books and records in the Euro (“EUR”).

All transactions expressed in a currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the transaction.

The fixed assets expressed in a currency other than EUR are translated into EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

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NOTE 3 – FINANCIAL ASSETS

The movements for the year are as follows:

	Affiliated undertakings	
	2019	2018
	EUR	EUR
Gross book value - opening balance	-	-
Additional for the year	28 510 000,00	-
Disposals for the year	-	-
Transfers for the year	-	-
Gross book value - closing balance	28 510 000,00	-
Accumulated value adjustments - opening balance	-	-
Allocations for the year	-	-
Reversals for the year	-	-
Transfers for the year	-	-
Accumulated value adjustments - closing balance	-	-
Net book value - closing balance	28 510 000,00	-

Undertakings in which the Company holds at least 20% of the share capital or in which it is general partner are as follows:

Name of undertaking	Registered office	Ownership	Last balance sheet date	Net equity at the balance sheet date of the company concerned	Profit or loss of the financial year
				EUR	EUR
Elwalux S.A.	Luxembourg	100,00%	31/12/2019	501 949,98	62 897,37
KTM S.A.	Luxembourg	100,00%	31/12/2019	1 767 870,36	(257 787,44)
Ronndriesch 4 S.A.	Luxembourg	100,00%	31/12/2019	3 294 484,37	2 045 505,44

The Board of managers is of the opinion that the fair value of each investment is above the book value and hence has not booked any impairment.

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NOTE 4 – DEBTORS

Debtors are mainly composed of :

	becoming due and payable within one year	
	31/12/2019	31/12/2018
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	380,81	-
Other receivables	401,25	2 407,50
	782,06	2 407,50

NOTE 5 – SUBSCRIBED CAPITAL

The subscribed capital amounts to EUR 30.540.000,00 and is divided into 1.000 shares fully paid up with a nominal value of EUR 30.540.

The movements during the year are as follows:

	Subscribed capital	Profit or loss brought forward	Profit or loss for the financial year	Capital and reserves
December 31, 2018	37 184,03	(116 932,82)	(7 586,46)	(87 335,25)
Allocation of result 2018	-	(7 586,46)	7 586,46	-
Capital increase	30 502 815,97	-	-	30 502 815,97
Result for the year	-	-	(146 564,96)	(146 564,96)
December 31, 2019	30 540 000,00	(124 519,28)	(146 564,96)	30 268 915,76

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NOTE 6 - CREDITORS

Creditors are mainly composed of :

	becoming due and payable within one year	
	31/12/2019	31/12/2018
Trade creditors	122 741,85	70 958,19
Amounts owed to affiliated undertakings	98 559,09	-
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	-	18 249,56
Other creditors	9 029,61	-
	230 330,55	89 207,75

NOTE 7 – STAFF

The Company did not have any employees during the year.

NOTE 8 – OFF-BALANCE SHEET COMMITMENTS

Other commitments

On December 9, 2019 the Company, as Issuer has engaged in a private offering of securities through the issuance of Bearer Bonds with an aggregate principal amount of up to EUR 50,000,000.00, bearing interest at rate of five percent per year (the " Notes"). The holders of the Notes ("Holders") have the right to receive annual fixed-rate interest payments and the payment of the principal amount on the final maturity date. The Notes fall due on December 9, 2024 . The Notes are be represented by a global note in bearer form without interest coupons upon and are stored with Clearstream Banking AG, Eschborn, Germany. The Issuer will use the proceeds of the Offering to finance real estate projects of the Wagner Group, Luxembourg, besides the financing by bank loans or loans by other providers of finance.

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking pari passu among themselves and pari passu with all other un-secured and unsubordinated present and future obligations of the Issuer, unless such other obligations are accorded priority by mandatory provisions of law.

The Issuer undertakes, so long as the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, not to create any mortgage, pledge, or other security interest (each such right a "Security") over the whole or any part of its undertakings, assets or revenues, present or future, to secure any Capital Market Indebtedness or to secure any guarantee or indemnity given by the Issuer or any of its subsidiaries in respect of any Capital Market Indebtedness of another person, without, at the same time securing all amounts payable under the Notes either with identical Security or providing all amounts payable under the Notes such other Security as shall be approved by an independent accounting firm of internationally recognized standing as being equivalent security. This undertaking according to this paragraph shall not apply to such Securities, (i) which are provided for by law, (ii) which are required as a condition

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Other commitments (continued)

precedent for public permissions, (iii) which are agreed within the framework of a securitization transaction, (iv) which are provided by subsidiaries for securing obligations under Capital Market Indebtedness which serve to finance the acquisition of individual real estate or real estate portfolios by the respective subsidiary or (v) which secure Capital Market Indebtedness which becomes an obligation of the Issuer or the group as a result of a future acquisition, provided this Capital Market Indebtedness has not been established in respect of this future acquisition. A Security to be provided in accordance with this paragraph may also be created for the benefit of a trustee of the Holders.

In an event of default, e.g. in case of a cross default relating to a capital market indebtedness or breach of certain covenants, each Holder is entitled to demand redemption of the Notes at their principal amount together with accrued interest.

If a change of control occurs, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase by a third party of) his Notes in whole or in part; such request must be declared within 30 days following a notice of the change of control towards the specified office of the paying agent and the Issuer.

The Issuer undertakes to use the proceeds out of the issuance of the Notes for the financing of real estate activities of the Wagner Group. Such financing should be done by way of loans on an arms-length base which should be, subject to restricting provisions like a subordination provided by intercreditor agreements, if any, with the bank or other financiers financing the respective real estate project, regularly bear interests and, further, should be secured by pledge of the shares of the respective real estate company and by the assignment of the claim for the proceeds, if any, out of the sale of the respective real estate project.

The Issuer has granted a pledge on the shares it holds in its subsidiary Elwalux S.A. in favor of the bank having provided the credit facility to Elwalux S.A., for securing the payment of all amounts including principal, interest, costs and incidentals whatsoever that may be owed by Elwalux S.A. to the bank and in particular the reimbursement of all amounts including principal, interest and costs whatsoever resulting from said credit facility.

NOTE 9 – SUBSEQUENTS EVENTS

In March 2020, the World Health Organization declared the outbreak of a new coronavirus (COVID-19) as a pandemic. The economic impact on the Company's activity cannot be reasonably estimated at this time.

Detail for ASSETS

ASSETS		31/12/2019	31/12/2018
C/III/1	Fixed assets		
	Financial assets		
	Shares in affiliated undertakings	28 510 000.00	0.00
	PA.ELWALUX Shares Elwalux S.A. - 100.00%	2 320 000.00	0.00
	PA.KTM Shares KTM S.A. - 100.00%	5 255 000.00	0.00
	PA.R4 Shares Ronndriesch 4 S.A. - 100.00%	20 935 000.00	0.00
D/II/3/a)	Current assets		
	Debtors		
	Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests becoming due and payable within one year	380.81	0.00
	P.PT Loan - Participations Techniques S.A.	380.81	0.00
D/II/4/a)	Other debtors		
	becoming due and payable within one year	401.25	2 407.50
	4214300 Wealth tax - advanced payments	401.25	2 407.50
D/IV	Cash at bank and in hand	1 988 999.25	0.00
	5131001 BGL LU74 0030 5634 5718 0000	1 988 999.25	0.00

CAPITAL, RESERVES AND LIABILITIES		31/12/2019	31/12/2018
A/I	Capital and reserves		
	Subscribed capital	30 540 000.00	37 184.03
	1010000 Subscribed capital	30 540 000.00	37 184.03
A/V	Profit or loss brought forward	-124 519.28	-116 932.82
	1410000 Results brought forward	-124 519.28	-116 932.82
A/VI	Profit or loss for the financial year	-146 564.96	-7 586.46
	1420000 Result for the financial year	-146 564.96	-7 586.46
B/2	Provisions		
	Provisions for taxation	535.00	535.00
	1823100 Provisions for net wealth tax	535.00	535.00
C//4/a)	Creditors		
	Trade creditors		
	becoming due and payable within one year	122 741.85	70 958.19
	4411200 Suppliers - invoices not yet received	4 017.00	0.00
	F1 Etude Pierre Berna	70 608.19	70 608.19
	F2 Chambre de Commerce	0.00	350.00
	F5 EQS Group AG	5 520.00	0.00
	F9 ETUDE FRANK MOLITOR	7 794.83	0.00
	F10 LuxCSD SA	174.33	0.00
	F11 Heussen	31 627.50	0.00
	F12 F+M FINANCIAL	3 000.00	0.00
C//6/a)	Amounts owed to affiliated undertakings		
	becoming due and payable within one year	98 559.09	0.00
	4511220 Suppliers - invoices not yet received	90 000.00	0.00
	IE.PARWA Interest on loan - Parwa S.A.	59.09	0.00
	P.PARWA Loan - Parwa S.A.	8 500.00	0.00
C//7/a)	Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests		
	becoming due and payable within one year	0.00	18 249.56
	P.PT Loan - Participations Techniques S.A.	0.00	18 249.56
C//8/a)	Other creditors		
	Tax authorities	9 029.61	0.00
	4614120 VAT payable	9 029.61	0.00

PROFIT AND LOSS ACCOUNT		31/12/2019	31/12/2018
//4	Other operating income	24 789.35	0.00
	7688000 Other extraordinary income	24 789.35	0.00
//5(b)	Raw materials and consumables and other external expenses		
	Other external expenses	-160 524.14	-1 081.91
	6133300 Account costs	-0.95	0.00
	6133800 Other costs and bank charges	-149.00	0.00
	6134100 Legal fees	-42 354.19	-624.78
	6134800 Other fees	-28 020.00	-107.13
	6134810 Consulting fees	-90 000.00	0.00
	6187000 Contributions to professional associations	0.00	-350.00
//8	Other operating expenses	-10 665.48	-1 213.65
	6462000 VAT non-deductible	-10 140.08	0.00
	6682000 Tax, social and criminal fines and penalties	-525.40	-1 213.65
//14(a)	Interest payable and similar expenses concerning affiliated undertakings	-59.09	0.00
	ID.PARWA Interest on loan - Parwa S.A.	-59.09	0.00
//14(b)	other interest and similar expenses	0.00	-697.10
	6553000 Interests on commercial debts	0.00	-697.10
//15	Tax on profit or loss	0.00	-5 350.00
	6712100 Corporate income tax - previous financial years	0.00	-5 350.00
//16	Profit or loss after taxation	-146 459.36	-8 342.66
//17	Other taxes not shown under items 1 to 16	-105.60	756.20
	6811000 Wealth tax - current financial year	-535.00	-535.00
	7810000 Adjustments of wealth tax	429.40	1 291.20
//18	Profit or loss for the financial year	-146 564.96	-7 586.46
	1420000 Result for the financial year	-146 564.96	-7 586.46