

Summary

I. INTRODUCTION AND WARNINGS

Introduction:

1. Name of the securities offered under this base prospectus: Timberland Securities OptiMix A 4.25 % Notes 2019/2044 (the **Notes**); international securities identification number (ISIN) assigned to the Notes: not applicable, no ISIN has been assigned to the Notes (securities identification number (*Wertpapierkennnummer* – WKN): WKN TSR6AC)
2. Legal as well as commercial name of the issuer: Timberland Securities SPC (the **Issuer**)
Contact details of the Issuer: Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands (telephone number: +49 800 221 22 000 / fax number: +49 800 221 22 001)
Legal Identifier (LEI) of the Issuer (acting for the Segregated Portfolio Optimix A SP): 894500CAO40GCR81O173
3. Competent authority approving this base prospectus: Liechtenstein Financial Market Authority (the **FMA**)
Contact details of the FMA: Landstrasse 109, 9490 Vaduz, Principality of Liechtenstein (phone number: +423 236 73 73 / fax number: +423 236 73 74 / e-mail: info@fma-li.li)
4. Date of approval of the base prospectus: 4 December 2019

Warnings:

- The summary should be read as an introduction to the base prospectus.
- Any decision to invest in the securities should be based on a consideration of the base prospectus as a whole by the investor.
- An investor could lose all or part of the invested capital.
- Where a claim relating to the information contained in a base prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the base prospectus before the legal proceedings are initiated.
- Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the base prospectus, or where it does not provide, when read together with the other parts of the base prospectus, key information in order to aid investors when considering whether to invest in such securities.
- You are about to purchase a product that is not simple and may be difficult to understand.

II. KEY INFORMATION ON THE ISSUER

1. Who is the issuer of the securities?

- a. Domicile and legal form of the issuer, its LEI, the law under which it operates and its country of incorporation

Timberland Securities SPC (LEI of the Segregated Portfolio Optimix A SP: 894500CAO40GCR81O173) is an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company under Part XIV of the Companies Law on 15 January 2015 and governed by the laws of the Cayman Islands. The Issuer is registered with the Cayman Islands Registrar of Companies under number MC-295591.

- b. Principal activities of the issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

- c. Major shareholders of the issuer (including whether it is directly or indirectly owned or controlled and by whom)

As of the date of the base prospectus, the only shareholder of the Issuer is Stichting Timberland V, a foundation (stichting) incorporated under the laws of the Kingdom of the Netherlands, with registered seat in Amsterdam, that holds all of the shares in the Issuer.

- d. Identity of the key managing directors of the issuer

The Issuer is managed by the members of its board of directors; the managing directors are Dirk Köster, Thomas Krämer, Anne-Marie Leadbetter and Philip Dickie.

- e. Identity of the statutory auditors of the issuer

The audit firm of the Issuer is MSW GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft.

2. What is the key financial information regarding the issuer?

The following tables set out selected financial information relating to the Issuer. The information has been extracted from the audited Report and Financial Statements of Timberland Securities SPC for the period from 1 July 2017 to 30 June 2018 as well as from the audited Report and Financial Statements of Timberland Securities SPC for the period from 1 July 2018 to 30 June 2019.

Income Statement

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Operating profit/loss or another similar measure of financial performance used by the issuer in the financial statements	EUR (5,299,060.63)	EUR (926,400.16)

Balance Sheet

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Net financial debt (long term debt plus short term debt minus cash)	EUR (8,822,602.03)	EUR (1,415,336.26)
Current ratio (current assets/current liabilities)	0.555585	0.070675
Debt to equity ratio (total liabilities/total shareholder equity)	285.58	46.45
Interest cover ratio (operating income/interest expense)	(419.58)	(67.75)

Cash Flow Statement

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Net Cash flows from operating activities	EUR (2,000,046.08)	EUR (544,654.84)
Net Cash flows from financing activities	EUR 2,005,891.75	EUR 566,651.89
Net Cash flow from investing activities		0.00

3. What are the key risks that are specific to the issuer?

a. Risks related to the issuer's financial situation

Risks in connection with the relevant segregated portfolios relating to the Notes: Claims against the Issuer will be limited to the net assets of the relevant segregated portfolio. In case a segregated portfolio is liquidated, only its assets shall be applied in accordance with the Terms and Conditions (as defined below) of the Notes.

Risks in connection with the Issuer qualifying as a special purpose vehicle: The Issuer does not have any other business than the raising of money to acquire assets eligible to invest in.

Risks relating to the limitation on payments: Payments to be made by the Issuer under the Notes are expressly subject to availability of corresponding funds in a segregated portfolio and therefore, by subscribing the Notes, the Noteholders incur the risk that they will lose all or part of their investment in the Notes. Furthermore, the Notes are subject to a qualified subordination clause which also may limit payments right of the Noteholders.

Risks in connection with senior ranking fees and expenses: In connection with the Notes, Noteholders should note that certain amounts, including but not limited to amounts payable to any agents and service providers, rank senior to payments of any redemption monies under the Notes to the Noteholders.

Risks in connection with the limited recourse and non-petition mechanism: The rights of Noteholders to participate in the assets of the Issuer are limited to the assets of a relevant segregated portfolio in accordance with Part XIV of the Companies Law and the Terms and Conditions of the Notes. In particular, no party has the right to (i) petition for the winding up, the liquidation or the bankruptcy of the Issuer or (ii) apply for a receivership order under Section 224 of the Companies Law in respect of the relevant segregated portfolio of the Issuer as a consequence of any shortfall or to take any similar proceedings. Failure to make payment in respect of any shortfall shall in no circumstances constitute an event of default under the Terms and Conditions of the Notes.

b. Risks in connection with third parties

The Issuer is party to contracts with a number of third parties who have agreed to perform a number of services in relation to the Notes. If any such third party fails to perform its obligations under any relevant agreement, Noteholders may be adversely affected.

III. KEY INFORMATION ON THE SECURITIES

1. What are the main features of the securities?

a. Type, class and ISIN

The Notes are unsecured limited recourse fixed rate notes. The Notes are issued in registered form. No international securities identification number (abbr. ISIN) has been assigned to the Notes is as follows. However, the securities identification number (*Wertpapierkennnummer* – WKN) assigned to the Notes is as follows: WKN TSR6AC.

The Notes will track the performance of an index to which the relevant Note is linked. The respective is the OptiMix A Index (the **Index**) which is composed of a cash component and a securities component and which will be calculated by Timberland Services Ltd. acting as the appointed index administrator. The cash component consists of a virtual non-interest bearing amount in Euro while the securities component consists of certain predefined underlyings (qualifying as limited recourse bonds, and together the **Underlying Securities**), weighted in accordance with the applicable strategy of the Index as set out as follows:

70 per cent.

15 per cent. of

15 per cent. of

of Equity Portfolio Limited
Recourse Bonds

Bonds Portfolio Limited
Recourse Bonds

Precious Metals Portfolio
Limited Recourse Bonds

The Underlying Securities are limited recourse bonds to be issued by Timberland Investment SA.

- b. Currency, denomination, par value, the number of securities issued and the term of the securities

The Notes are issued in "Euro" and the denomination of each Note is EUR 1 (the **Nominal Amount**). The total amount of Notes to be issued is up to 500,000,000 (this corresponds to an aggregate principal amount of up to EUR 500,000,000). The maturity date of the Notes means the earlier of (i) the next business day after the full redemption of all Underlying Securities or (ii) 15 February 2044 (the **Maturity Date**).

- c. Rights attached to the securities

Based on terms and conditions of the Notes (the **Terms and Conditions**) the following rights are attached to the Notes:

Interest payment: Holders of Notes (the **Noteholders**) are entitled to distributions (interest). Thus, the Notes will bear interest from and including 30 January 2019 to, but excluding, the Maturity Date at a rate of 4.25 per cent. per annum, payable semi-annually (in arrears) on 15 May and 15 November in each year, commencing on 15 November 2019.

Redemption at maturity: Unless previously redeemed, or cancelled, the Notes will be redeemed on the Maturity Date at the redemption amount (the **Redemption Amount**).

Redemption Amount means the product of (A) the Nominal Amount, (B) 0.90 (the **Participation Factor**), and (C) the level of the OptiMix A Index (the **Index Level**) on a predefined valuation date and determined by the Timberland Fund Management Ltd. acting as calculation agent (the **Calculation Agent**).

Early redemption at the option of the Issuer: The Issuer may, prior to the Maturity Date, request the early redemption of all of its outstanding Notes on the early redemption date (the **Early Redemption Date**) subject to an event to have occurred (including tax events) and which has been defined in the Terms and Conditions. The Issuer will redeem each of the relevant Notes by paying the early redemption amount (the **Early Redemption Amount**).

Early Redemption Amount means the product of (A) the Nominal Amount, (B) Participation Factor, and (C) Index Level on a predefined valuation date and as determined by the Calculation Agent.

Early Redemption Date means a date, which is not later than the 10th Business Day after the issue of the notice by the Issuer informing Noteholders about the early redemption of the Notes.

Early redemption at the option of the Noteholder: Any Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Notes on the optional redemption date (the **Optional Redemption Date**). The Issuer will redeem each of the relevant Notes by paying the optional redemption amount (the **Optional Redemption Amount**).

Optional Redemption Amount means the product of (A) the Nominal Amount, (B) the Participation Factor, and (C) the Index Level on a predefined valuation date and as determined by the Calculation Agent.

Optional Redemption Date means 15th of each month of each calendar year, starting on 15 February 2026 falling after the expiry of a period starting on 30 January 2019 and ending on, and including, 15 February 2026.

Early redemption in an event of default: The Notes and the applicable Terms and Conditions provide for events of default entitling each Noteholder to demand immediate redemption of its Notes at the Optinal Redemption Amount.

d. Relative seniority of the securities in the issuer's capital structure in the event of insolvency

The obligations under the Notes constitute direct, unsecured and limited recourse obligations of the Issuer and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to a segregated portfolio but in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation) claims under the Notes will rank after all other claims of any subordinated or unsubordinated creditor of the Issuer, only to the extent permitted by applicable laws relating to creditors' rights generally.

e. Restrictions on the free transferability of the securities

No Noteholder may require the transfer of a Note to be registered (i) after a notice relating to an event of default has been issued pursuant to Condition 9 of the Terms and Conditions or (ii) during the period of fifteen (15) days ending on the due date for any payment in respect of that Note. Furthermore, the Issuer shall not be required, in the event of an optional redemption of the Notes under Condition 5.4 of the Terms and Conditions, to register the transfer of Notes (or parts of Notes) during the period beginning on the twenty-fifth (25th) day before the Optional Redemption Date and ending on the Optional Redemption Date (both inclusive).

2. Where will the securities be traded?

Application may be made to list the securities on the MTF market (Dritter Markt) of the Vienna Stock Exchange and the MTF market of the Irish Stock Exchange, which are not regulated markets and on one or more organised trading facilities (OTF) each within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

3. What are the key risks that are specific to the securities?

Market price risk: A Noteholder is exposed to the risk of an unfavourable development of market prices of his Notes which materialises if the Noteholder sells the Notes prior to the Maturity Date of the Notes.

Risks relating to the investment period: Prospective investors should note that an investment in the Notes is depending on the relevant (minimum) investment period of the relevant Notes and thus constitutes a medium-term or a long-term investment with no certainty of return. A Noteholder may only receive any payment from the Issuer at the Maturity Date or predefined early redemption dates, which will/may occur after a considerable period of time from the date of acquiring the Notes.

Commissions, fees and costs to be paid by the Issuer reduce the total amount of the net issue proceeds: Distribution commissions or other similar fees charged by the Issuer's Distribution Agents (as defined below) and other fees and costs (including as applicable arranging fees and arranger prefunded amounts) reduce the total amount of the net issue proceeds. Therefore, the issue proceeds available to the Issuer for the purpose of investing in the assets prescribed in the base prospectus may be reduced accordingly.

Risks relating to loan-financed investments: In case of financed investments in the Notes, a potential investor should not rely on the fact that the income generated by an investment in the Notes will suffice to repay the loan itself and the interest thereon.

Risks in connection with the taxation regimes: Noteholders may be subject to the applicable national taxation regime that may affect the outcome of the investment in the Notes.

Liquidity risk: Regardless of whether the Notes are listed or not, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. In an illiquid market, an investor is subject to the risk that the investor will not be able to sell his Notes at any time at fair market prices. Moreover, the possibility to sell the Notes may additionally be restricted by country specific reasons. In addition, Noteholders should be

aware that the Issuer has no influence on the suspension, interruption, or termination of trading in the Notes (other than where trading in the Notes is terminated upon the Issuer's decision), and Noteholders bear the risks connected with any trading suspension, interruption or termination.

IV. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

1. Under which conditions and timetable can I invest in this security?

a. Terms and conditions of the offer

(aa) Conditions of the offer

Offer of Notes: The total amount of Notes to be issued is up to 500,000,000. Hence, the aggregate principal amount of the issuance is up to EUR 500,000,000.

Issue Price: During the Offer period, the Issuer will offer and sell the Notes at the applicable subscription prices. The subscription price in respect of the Notes will correspond to the (i) product of (A) the Nominal Amount and (B) the Index Level on the relevant subscription date and (ii) plus a commission of up to 5% of based on the product as calculated under (i) (which is the product of (A) the Nominal Amount and (B) the Index Level on the relevant subscription date) per Note.

Offer to the public: Non-exempt offers may be made in the Republic of Austria, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Principality of Lichtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, and the United Kingdom of Great Britain and Northern Ireland.

Applicable minimum amount of application: Investors have to place orders in an amount of at least EUR 1. Notwithstanding the applicable minimum amount, investors may place offers exceeding the minimum amount to purchase Notes in any higher amount subject to a minimum denomination of EUR 1; thus, a maximum amount of application does not apply.

Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: It is not possible to reduce subscriptions in connection with placed orders.

Other conditions to the offer: Except as stated in the base prospectus, no further conditions apply to the offer.

(bb) Technical details of the offer

Manner and date in which results of the offer are to be made public: The results of the offer are to be made public ten working days after closing of the subscription.

Method and time limits for paying up the Notes and for delivery of the Notes: The delivery of the Notes shall be made payment on 4 December 2019 or any other subsequent date following an investors' application. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.

b. Timetable for the offer

Offer Period: Under the previous Base Prospectus dated 05 December 2018 the offer period started initially on 30 January 2019. The offer period accordance with this Base Prospectus started on 04 December 2019 and will finish on 03 December 2020 or, in case the Issuer continues the offer period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 (the **Offer Period**) at the latest. The Issuer reserves the right for any reason to close the Offer Period at any time.

Subscription Period: The subscription period starts on 04 December 2019 and will finish on 03 December 2020 (5:00 p.m. local time) or, in case the Issuer continues the subscription

period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 at the latest.

c. Expenses

The total expensed of the issue and/or offer range (subject to the total amount of Notes issued) between EUR 0 and EUR 76,000,000. There will be no expenses charged to the investor by the Issuer.

2. Why is this base prospectus being produced?

a. Use and estimated net amount of the proceeds

The estimated net proceeds in connection with the issuance and sale of the Notes amount to up to EUR 76,000,000. The Issuer intends to use the net proceeds stemming from the Notes to invest in assets that are suitable to ensure full and punctual payment under the Notes. The Issuer may but shall not be obliged to directly, indirectly, or synthetically invest in the Underlying Securities issued by Timberland Investment SA or any successor of Timberland Investment SA. The Issuer is free to use the proceeds as it wishes.

b. Indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered

Not applicable. The offer of the Notes is not underwritten (neither by way of a firm commitment nor on the basis of a best-effort agreement).

c. Indication of the most material conflicts of interest pertaining to the offer or the admission to trading

Timberland Capital Management GmbH and Timberland Invest Ltd (the **Distribution Agents**) will receive customary fees and commissions in connection with the sale and distribution of the Notes. There are no interests of natural and legal persons other than the Distribution Agents involved in the issue, including conflicting ones that are material to the issue.