TEAM TREUHAND GMBH

Report by the TRUSTEE
TEAM Treuhand GmbH

for the holders of wikifolio index certificates as

bearer notes

as of 16 February 2018

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A. Structure of the wikifolio index certificates

Lang & Schwarz Aktiengesellschaft ("**L&S AG**"), Düsseldorf issues open-ended certificates linked to wikifolio indices, known as "wikifolio index certificates". The index tracks the performance of a notional reference portfolio consisting of securities and cash funds. A wikifolio index certificate is issued under base prospectuses of L&S AG for derivative products (including various supplements) and the relevant "Final Terms". Certificates are currently being issued under the base prospectus of 28 November 2017. In legal terms the wikifolio index certificates are bearer notes. L&S AG has continuously changing liabilities ("**WIKIFOLIO LIABILITIES**") towards holders of wikifolio index certificates issued by L&S AG ("**WIKIFOLIO HOLDERS**").

L&S AG uses the proceeds from the sales of the wikifolo index certificates directly in such a way that they reflect the current notional reference portfolios underlying the wikifolio index certificates as indices to the greatest possible extent. To this end, L&S AG acquires the securities ("**WIKIFOLIO SECURITIES**") underlying the relevant wikifolio index certificate, i.e. the notional reference portfolio, through Lang & Schwarz TradeCenter AG & Co. KG ("**L&S KG**"), Düsseldorf, as the service provider on an intraday basis immediately and without delay ("**HEDGING TRANSACTION**") using the proceeds from the sale of a wikifolio index certificate.[1]

The HEDGING TRANSACTIONS are cleared at L&S KG on behalf of L&S AG through a trading account ("**TRADING ACCOUNT**") and a securities account ("**SECURITIES ACCOUNT**"), both of which are maintained at HSBC Trinkaus & Burkhardt AG ("**CUSTODIAN BANK**"). The holder of the WIKIFOLIO SECURITIES posted to the SECURITIES ACCOUNT at the CUSTODIAN BANK is L&S KG. However, it holds them in trust for L&S AG on the basis of the "Market-Maker" service agreement of 19 November 2010 and an associated supplement dated 21 December 2012. L&S KG also uses the TRADING ACCOUNT and the SECURITIES ACCOUNT for other securities transactions. It separates the WIKIFOLIO SECURITIES internally from its own securities portfolios.

The sums not used for the HEDGING TRANSACTIONS ("**WIKIFOLIO CREDIT BALANCES**") are kept in the TRADING ACCOUNT and various other bank accounts (the latter the "**ACCOUNTS**") of L&S AG at other credit institutions ("**BANKS**"). The ACCOUNTS are used exclusively for depositing the WIKIFOLIO CREDIT BALANCES to be maintained with the BANKS.

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[1] It is possible that the number calculated does not correspond to complete units of a financial instrument. This is a mathematical result of the HEDGING TRANSACTION having to be divided up in proportion to the notional reference portfolios if its value does not correspond to the full value of such a reference portfolio. From a threshold of 0.5 units, L&S AG rounds up the number used for the HEDGING TRANSACTIONS to complete units so that the mismatch can merely amount to 0.5 units (positive or negative) for each WIKIFOLIO SECURITY for the above reason. With regards to financial instruments issued by the Custodian Bank, Société Générale and UBS Hedging Transactions are cleared when certain low threshold values are met, however at the latest on the last trading day of a week or month, respectively.

If the notional reference portfolios underlying the indices referenced by the current outstanding wikifolio index certificates change, these changes will be reflected in the TRADING ACCOUNT, the ACCOUNTS and the SECURITIES ACCOUNT.

Therefore, at L&S AG asset pools in the form of credit balances as well as securities (the WIKIFOLIO SECURITIES in the SECURITIES ACCOUNT) commercially offset the WIKIFOLIO LIABILITIES (the risk regarding the changes in the prices of such liabilities, respectively).

B. Pledges as security for WIKIFOLIO LIABILITIES

TEAM Treuhand GmbH was appointed by L&S AG to act as a TRUSTEE ("**TRUSTEE**") on behalf of WIKIFOLIO HOLDERS under a trust agreement dated 20 February 2017 ("**TRUST AGREEMENT**"). With security agreement dated 20 February 2017 ("**SECURITY AGREEMENT**") between L&S AG, L&S KG as pledgors and the TRUSTEE as pledgee, L&S AG and L&S KG pledged to the TRUSTEE in favour of WIKIFOLIO HOLDERS (a.) WIKIFOLIO SECURITIES, (b.) ACCOUNTS, and (c.) the credit claim arising for L&S AG and L&S KG against the CUSTODIAN BANK after netting of all current accounts denominated in euros existing at the CUSTODIAN BANK. The credit claim arising for L&S AG against the CUSTODIAN BANK after netting of all current accounts is referred to below as "**EURO CLAIM S**" and the credit claim arising for L&S KG as "**EURO CLAIM P**".

Notwithstanding the pledges, L&S AG and L&S KG are entitled to dispose over the credit balances in the TRADING ACCOUNT and the ACCOUNTS and securities in the SECURITIES ACCOUNT in the ordinary course of business.

In the event of realisation as described in the SECURITY AGREEMENT, the TRUSTEE will realise the liens for the benefit of the WIKIFOLIO HOLDERS, who are entitled to realise these themselves if the TRUSTEE is unable to do so for legal or practical reasons. The costs for such realisation will be paid from the proceeds resulting from the realisation process and will therefore slightly reduce the return.

C. TRUSTEE's audit work

The TRUSTEE is entitled to hold and manage and, if and to the extent that the relevant preconditions under the SECURITY AGREEMENT are met, release the pledges in accordance with the TRUST AGREEMENT in the interests of the WIKIFOLIO HOLDERS, or to realise them in the best interests of and for the benefit of the WIKIFOLIO HOLDERS. The TRUSTEE is required to check the market value of the pledges on a regular basis and to submit reports on this every three months. In addition, the TRUSTEE is entitled to carry out up to four special audits a year unannounced.

The objective of the audits is to establish to what extent the credit balances in the ACCOUNTS, the EURO CLAIM P and EURO CLAIM S as well as the WIKIFOLIO SECURITIES are sufficient to allow the WIKIFOLIO HOLDERS' claims to be settled in the event of realisation. For this purpose, the TRUSTEE reviews the data provided to it by L&S AG for the audit

to ensure that it is correct using control data from the CUSTODIAN BANK, the BANKS and wikifolio Financial Technologies AG, Vienna.

1. Determining the WIKIFOLIO LIABILITIES and composition of the underlying indices

During this audit, the TRUSTEE inspects a list of wikifolio index certificates at L&S AG which are outstanding on the reference date and the market values of these index certificates, and in this way is able to determine the WIKIFOLIO LIABILITIES on a daily basis. The TRUSTEE checks that this list is accurate by inspecting information from the CUSTODIAN BANK regarding wikifolio index certificates sold.

The independent company wikifolio Financial Technologies AG forwards the exact composition of the outstanding wikifolio index certificates on the reference date to the TRUSTEE.

Thus in this way the TRUSTEE is able to see how high the WIKIFOLIO LIABILITIES are, which specific securities are necessary to hedge them and how high the value is that does not have to be maintained in securities but in account balances.

2. Reviewing the WIKIFOLIO SECURITIES

The information forwarded to the TRUSTEE by the CUSTODIAN BANK shows what securities are being used as WIKIFOLIO SECURITIES to hedge the WIKIFOLIO LIABILITIES. Thus the TRUSTEE can check whether the actual composition of the securities available for hedging the WIKIFOLIO LIABILITIES corresponds to the composition of the outstanding wikifolio index certificates.

3. Reviewing the PLEDGED BALANCES

The TRUSTEE checks to what degree the WIKIFOLIO LIABILITIES are secured by (a) WIKIFOLIO CREDIT BALANCES, (b) the EURO CLAIM P, and (c) the EURO CLAIM S. For this purpose the TRUSTEE obtains account statements for the ACCOUNTS and a report by the CUSTODIAN BANK on the current status of the EURO CLAIM P and EURO CLAIM S on the date of the audit respectively.

D. TRUSTEE'S report

The TRUSTEE carried out the activities described above for the reference date 16 February 2018. Based on the audit performed, the TRUSTEE comes to the following conclusion:

> All the processes and transactions reviewed were in the proper form and complied with the provisions in the SECURITY AGREEMENT, the TRUST AGREEMENT and the structure of the wikifolio index certificates and pledges for WIKIFOLIO LIABILITIES as securities explained under A. and B.

100% of the WIKIFOLIO SECURITIES have been pledged for the benefit of the WIKIFOLIO HOLDERS. These WIKIFOLIO SECURITIES amount to 79,73% of the WIKIFOLIO LIABILITIES as of 16 February 2018. The PLEDGED BALANCES correspond to 8.53% of the WIKIFOLIO LIABILITIES as of 16 February 2018.

Thus, on 16 February 2018 the degree by which the WIKIFOLIO LIABILITIES are secured by the pledges created amounts to

a total of 88.26%.

E. Disclaimer

The purpose of this report is solely to inform the WIKIFOLIO HOLDERS. It is made in an English and German version. In the case of deviations the German version shall prevail.

The TRUSTEE is not liable for any liabilities entered into by L&S AG towards the WIKIFOLIO HOLDERS or any other third parties now or in the future. Similarly, the TRUSTEE in particular but not exclusively does not accept any liability for the securities prospectuses published by L&S AG in connection with the wikifolio index certificates or the success of wikifolio index certificates.

The TRUSTEE's liability towards the WIKIFOLIO HOLDERS for breaches of duty under the TRUST AGREEMENT is limited to a maximum of EUR 10 million in total. This is without prejudice to liability for loss of life, bodily injury or damage to health if the TRUSTEE or a person acting on behalf of the TRUSTEE is responsible for the breach, or for compensation of any other damage arising from breaches of duty by the TRUSTEE or another person acting on its behalf which were based on wilful misconduct or gross negligence. Duties of the TRUSTEE do not establish a right of recourse against shareholders, members, executive employees, authorised agent and/or managing directors (in each case an "**OFFICER**") of the TRUSTEE. Any personal liability on the part of an OFFICER of the TRUSTEE is expressly excluded unless the liability is based on wilful misconduct or gross negligence by such OFFICER.

The TRUSTEE acts in its own name, but for the account of and for the benefit of the WIKIFOLIO HOLDERS, in order to secure all current and future claims against L&S AG. However, it is not bound to follow instructions by the WIKIFOLIO HOLDERS and instead acts according to its best judgement exercising the care of a prudent businessman.

Berlin, 6 March 2018

TEAM TREUHAND GmbH

Dr Thomas Hoffmann
Managing Director
(*Geschäftsführer*)