

THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS

By George Carol

A key asset in driving the business forward is the workforce and Malta can certainly boast about it in terms of talent and personality, education, and experience. Thomas Kraemer, Director, Timberland Invest Ltd, explains to MBR that embedded within its core business philosophy is a customer driven culture. Thomas talks about the importance of the brand following five years of inception and how the Company believes that investing in the right staff with the right skills will effectively improve the Company's bottom line.



THOMAS KRAEMER: Mr Kraemer has worked in consultancy and finance since 1992. He is known for successfully combining all relevant sectors of the financial market to achieve the maximum benefit for the clients. Guided by an almost British sense of fair play, he consistently aims to achieve the best possible results on a case by case basis. Mr Kraemer has been a member of the Board of Directors of Timberland Capital Management GmbH since the beginning, 25 years ago. He set up the first retail investment fund of Timberland Finance in 1999 and was responsible for the day-to-day management of the fund's portfolio assisted by a specialised investment committee team. Mr Kraemer is a board member of Timberland Invest Ltd and Timberland Fund Management Ltd. He also serves as an investment advisor of Timberland Invest Ltd and as investment committee member in Timberland Fund Management Ltd, thus bringing investment expertise also to the Maltese entities forming part of Timberland Finance.

MBR: Will you discuss the history and heritage of Timberland Invest Ltd and its key areas of focus?

TK: Timberland Invest limited forms part of the Timberland Group of Companies, with its head office in Germany, and has over twenty five years' experience with authorised entities in Malta, Germany and Luxembourg. Timberland Invest Limited was registered in Malta in 2013 and was authorised with a category 1A licence from the Malta Financial Services Authority in 2014 to provide Investment Services under the Investment Services Act 1994. In terms of its investment services licence, Timberland Invest Ltd has been appointed as the authorised distributor of Timberland Securities Investment plc, another company forming part of the Timberland Group of Companies. Timberland Invest Limited thus undertakes the distribution of the bonds issued by Timberland Securities Investment plc, issued in terms of its prospectus, which has been approved by the Liechtenstein Financial Market Authority in terms of the Prospectus Directive for distribution throughout Europe and the EEA.

MBR: Is brand awareness for Timberland Invest Ltd important or is it more about the individual businesses within the group?

TK: We believe brand awareness is an asset for the company to create client loyalty and to help in distinguishing one company from its peers. Furthermore, it creates financial value and helps in the creation of business growth. Brand awareness is important for a company which is in the process of entering a new market by launching new products. This was exactly the strategy we have adopted over the years since we established in Malta. We believe in the concept of "the whole is greater than the sum of its parts", and although the individual businesses within the group focus on their particular strategy, it is this interlinked approach that creates value to the whole Group.

MBR: Is there a commonality among the businesses under the Timberland Finance brand?

TK: As already highlighted above, Timberland Invest Limited is part of the Timberland Group. Timberland Invest Ltd is the licensed entity in Malta with a category 1A licence from the Malta Financial Services Authority in 2014 to provide investment services under the Investment Services Act 1994. Timberland Invest Ltd acts as the distributor of the bonds issued by Timberland Securities Investment plc another company forming part of the Timberland Group of Companies. Both Timberland Invest Ltd and Timberland Securities Investment plc form part of the Timberland Finance brand.

MBR: The Company is celebrating five years- what can you tell us about the past five years and what are the major highlights from these first five years?

TK: This year Timberland Invest Ltd is commemorating its 5th year anniversary in Malta. We set up the office at Aragon House Business Centre, St Julian's from where we are still operating. After giving it some good thought we decided to enter inter alia the Maltese retail market with our first Timberland Securities Investment plc bond issue in 2016 and subsequent to the first bond we issued a second bond. Both bonds,

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Distributor of Timberland Securities Investment Plc.

which have the same conditions and mature in 2026 were issued with a prospectus under the Liechtenstein Securities Prospectus Act and passported it into Malta in terms of the Prospectus Directive.

MBR: When you reflect back on creating Timberland Invest Ltd and see the impact it has made, are you able to take moments to appreciate what you have built?

TK: We certainly do and we do not regret the decisions taken by the board of directors. Identifying the saving culture of the Maltese people was of utmost importance. We also know that there are no obligatory pension plans in place to which one can start saving for retirement. Malta still relies on the pay-as-you go system and in this regard, product providers need to find ways and means how to incentivise people to start saving. Irrespective at what stage of a person's life cycle and taking into account a person's investment appetite, creating the right medium to save is important. By issuing bonds in the past two years, we are certainly in that direction. People can invest in the bonds to supplement their income whether in their working life or for retirement.

MBR: What did Timberland Invest Ltd see in Malta that made the company feel it provided such a large opportunity?

TK: After having been established in Germany for more than 20 years we decided to establish further foothold in Europe. We were after a central location within the Mediterranean Region with good professional people. Malta was the best choice considering the good education system and the strong economy that considering its size remained strong during

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the financial crisis that hit the whole world in 2008. Malta's financial sector and the gaming industry have seen unprecedented growth and accordingly we decided to pursue the expansionary business model. The country has very strong work practices which are very much in line with our business culture.

MBR: Can you describe current operations and ongoing projects?

TK: Whilst the Timberland Group of Companies already has presence beside Germany in Hungary, Luxemburg, Austria and Malta, it is the Group's strategy to continue to build on its success story achieved so far by expanding outside Germany into other European jurisdictions using the prospectus passporting. Certainly, in doing so we have to familiarise ourselves with the national regulatory processes in place and offer a bespoke service to our clients. Another project in which the business has invested in, is the interest of Timberland Securities Investment plc in E7 systems which is a leading

technology company concerned with battery packaging mainly for electric cars, but also with other industrial applications. E7 offers a greater opportunity for the growth of the Timberland Group as we know the economic potential of innovative technology. We all also know the importance of safeguarding our environment for the benefit of everyone.

MBR: Timberland has also achieved strong results on the investment side of the business. What have been the keys to the strength of this part of Timberland's business?

TK: Timberland Securities Investments plc has innovative solutions for investors. In setting up innovative solutions over several years our solutions are ahead of market developments in certain areas in product structuring. As it is quite a technical description of what we are doing, we can simply say, that our innovation power – which includes as well E7 Systems- are a base for Timberland Securities Investment plc's success.

MBR: How critical is it to maintain the innovative edge and where do you see the company in the next five years?

TK: The Company continues to look for new ideas for growth, to offer different products, but most importantly how to better meet the needs of our customers, and which would set us apart from the rest of our peers. Keeping in mind changes in the regulatory environment, our processes have to reflect these regulatory changes whilst creating new ways to do business in line with our business model. Our way forward is to continue raising capital through bond issuance. **MBR**

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left to right Ms Joanne Schembri, Ms Antonella Mercieca, Mr Colin Micallef, Mr Dirk Koester, Mr Thomas Kraemer, Mr Anthony Paris