

Mitsubishi International GmbH Düsseldorf/Germany

Management report and
annual financial statements
for the financial year from
April 1, 2020 to March 31, 2021

TRANSLATION

– German version prevails –

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Mitsubishi International GmbH, Düsseldorf/Germany

Management report for the financial year 2020/2021

Basic Information on the Company

Mitsubishi International GmbH (hereafter called "MIG") was founded in 1955. The purpose of business of the Company is primarily the import and export trade. In addition to transactions on own account, it is engaged in agency and brokerage business of all kinds as well as in related financing transactions.

The main selling and buying markets are Germany, further European countries as well as Japan and other Asian countries.

MIG maintains a head office in Düsseldorf/Germany.

The corporate headquarter has been housed in a company-owned building since June 30, 1988.

As MIG is included via Mitsubishi International Europe Plc, London/Great Britain, in the consolidated financial statements of Mitsubishi Corporation, Tokyo/Japan, its financial year corresponds to the financial year of Mitsubishi Corporation, which runs from April 1 of a year to March 31 of the following year.

Economic report

Overall economic environment

The coronavirus pandemic plunged the global economy into a deep recession in 2020. After economic activity had collapsed in the first half of the year, an equally strong recovery emerged as the number of infections declined and the restrictions were eased primarily in the advanced economies (German Council of Economic Experts – Economic Outlook 21/22 page 4 para. 5).

This compensated for much of the output loss suffered in the first half of the year and world trade grew significantly as a result of the global recovery in aggregate demand.

In the fourth quarter of 2020, however, global gross domestic product (GDP) was still more than 1.4% below its pre-crisis level from the fourth quarter of 2019.

Overall, 2020 saw negative global GDP growth of 3.6%.

The stronger-than-expected rise in worldwide demand for goods in 2020 have caused sea freight costs on some routes – especially those between China and Europe – to surge in recent months due to a shortage of available shipping containers. At the end of 2020 a significant increase in supply shortages was observed especially in Europe (German Council of Economic Experts – Economic Outlook 21/22 page 5 para. 7). The sharp rise in the oil price is affecting producer and consumer prices (German Council of Economic Experts – Economic Outlook 21/22 page 5 para. 8). Changes of the price of oil over the course of the coronavirus pandemic are likely to have been affected by both demand-side and supply-side factors (German Council of Economic Experts – Economic Outlook 21/22 page 7 para. 10).

As the global economy recovered in the second half of 2020, the exchange rates for the United States fell (German Council of Economic Experts – Economic Outlook 21/22 page 5 para. 8). The recovery in the United States continued at a somewhat muted pace in the fourth quarter of 2020, with GDP rising by 1% compared with the third quarter. A fiscal stimulus package came into effect in the United States at the end of 2020 which is likely to accelerate the recovery in the United States (German Council of Economic Experts – Economic Outlook 21/22 page 12 para. 18).

In Asia – especially China – the recovery of manufacturing was especially swift in the second half of the year owing to the surge in global demand for consumer goods (German Council of Economic Experts – Economic Outlook 21/22 page 6 para. 9). In Japan, the economic recovery stalled towards the end of 2020. While consumption remained relatively robust, growth in industrial production weakened in November (ECB Economic Bulletin, Issue 1/2021 page 8).

At the end of the year, the EU and the United Kingdom agreed on a preliminary trade and cooperation agreement, which basically averts tariffs and quotas on goods traded. However, customs and quality checks have been in place since January, complicating a smooth trading of goods (ECB Economic Bulletin, Issue 1/2021 page 10).

Business development

In the 2020/2021 financial year, sales revenue decreased to mEUR 247 compared to the previous year (previous year: mEUR 420). This decrease is mainly due to falling market prices and the procurement market for fossil fuels as well as the termination of the tire business. In contrast, a revenue increase was reported in the electronic components segment.

With the tire business decreasing and entirely discontinued at the end of the financial year as well as lower market prices for fossil fuels, revenue for the financial year was 24.3% below the expected level under the influence of the COVID-19 pandemic (target: mEUR 326).

An analysis of the sales development from a geographical point of view shows that the share of sales in Europe including Germany decreased to 77.7% (previous year: 91.3%), while the share of sales in Asia increased to 21.3% (previous year: 7.8%). The increase in Asia is due to the high demand for the “Wafer” product, which is used for new technologies in mobile communication (5G).

As a key financial performance indicator, revenue dropped by 41.3% compared to the previous financial year. The gross profit amounts to mEUR 8.3 after mEUR 12.5 in the previous year, the gross profit ratio thus climbed to 3.4% (previous year: 3.0%).

Compared to the prior year, the personnel expenses declined to mEUR 5.9 (prior year: mEUR 8.6). Seeing a reduced headcount, this is attributable to the decrease in expenses for salaries and post-employment benefits. Amortization of intangible fixed assets and property, plant and equipment remained unchanged in the reporting period at mEUR 0.2 (previous year: mEUR 0.2).

Other operating expenses fell in the current financial year by mEUR 0.9 to mEUR 3.8 when compared to the prior year (mEUR 4.7). They primarily declined as a result of lower storage costs as inventories were reduced and travel expenses decreased after the implementation of COVID-19-related travel restrictions.

The operating result, as further key financial performance indicator, fell to kEUR -376 after kEUR -48 in the previous year.

The financial result increased from mEUR -1.1 in the previous year to mEUR -0.7 in the current financial year. This results mainly from lower interest expenses accrued on liabilities to affiliated companies.

The loss for the period declined in the current financial year by mEUR 0.2 to mEUR -0.9 when compared to the prior year (mEUR -1.1). The main reasons for this are reduced personnel expenses and interest expenses.

The balance sheet total declined to mEUR 92.5 after mEUR 112.4 in the prior year. The assets-side decrease primarily results from the reduction of inventories and the decrease in the receivables volume due to weaker demand caused by COVID-19 and the discontinuance of the tire business.

In the reporting year, the equity decreased by mEUR 10.7 to mEUR 39.5 (prior year: mEUR 50.2) mainly as a result of the distribution. Therefore, the equity ratio went down from 44.6% in the prior year to 42.5% in the current year.

The debt ratio of the short-term liabilities fell from 25% to 22%. The ratio of liabilities to affiliated companies and shareholders in relation to total assets fell to 9% (previous year: 18%).

Property, plant and equipment and long-term financial assets are fully covered by equity.

The inventories are shown at mEUR 2.4 (previous year: mEUR 28.0). The inventory turnover rate increased from 14 days in the previous year to 16 days, which is due to lower inventories of fossil fuels, the discontinuance of the tire business and also to the COVID-19 pandemic.

As at the balance sheet date, there were no pending legal proceedings or other pending legal disputes that could affect the Company's economic situation.

Financial position

The Company participates in the group-wide cash pooling of Mitsubishi Corporation International (Europe) Plc, London/Great Britain, via the European Treasury Center (ETC) in London.

On the one hand, the financial management of the Company includes the monitoring of incoming payments in due time and, on the other hand, the daily liquidity monitoring.

The current liquidity need of the Company is covered with the cash flow from current business activities. If this leads to surplus or underfunding, such differences will be balanced within the scope of the cash pooling with the ETC. The Company does not disclose any liabilities to other banks.

Staff and corporate social responsibility

The number of persons employed at MIG in the annual average is 57 persons.

The employees of MIG have an excellent qualification. For further education and for the purpose of increasing the corporate loyalty of these employees, MIG offers a number of internal and external training options.

Mentionable here are in particular the global and regional programs (e.g. "Global Management Program", "Gateway Program", Business Management workshop), where employees have the opportunity to learn numerous basics of decision finding and corporate culture. However, in this financial year again, these programs were only web-based offerings due to COVID-19. Also on expert level, numerous trainings and education options are offered on a regular basis as well as on particular occasions. For all courses offered within the training portfolio, the corporate principles are used repeatedly among other things.

MIG is active with many actions in the field of CSR (Corporate Social Responsibility). In this context, MIG usually supports the "Japan Day" in Düsseldorf/Germany, where many employees engage voluntarily. However, owing to COVID-19, this event, too, was canceled in the financial year.

The corporate principles of Mitsubishi Corporation constitute its key non-financial performance indicators:

- Corporate Social Responsibility
- Fairness & Integrity
- International understanding through trade

These are also reflected in the Code of Conduct of MIG, which is a binding guideline for each employee and is lived every day.

Hence, all acting of the employees is directed towards sustainable growth taking into account the needs of environment and of society. MIG enables its employees to participate in the "Earthwatch" program, financed by Mitsubishi Corporation, which aims at protecting the environment and supporting research and education in the field of environmental protection and fight against poverty; unfortunately, this financial year the program could not be carried out due to the COVID-19 travel restrictions.

Overall statements on the economic situation

In the 2020 calendar year, global growth was negative overall. Major countries such as EU countries and the United States suffered a large economic downturn due to the COVID-19 pandemic, while on the other hand the Chinese economy is beginning to recover relatively quickly. It is still unclear when the economies of each country will recover back to pre-COVID levels; in addition, differences in speed of recovery are becoming apparent in the individual countries. In principle, a further recovery of the global economy is expected in the last two quarters of 2021 and beyond.

Risk and opportunity report

Apart from the general market risks, MIG is generally not facing any special risks in its separate business divisions. These market risks in particular comprise price fluctuations of commodities, currency risks and – to a low extent – storage risks. MIG has implemented a balanced risk management system for minimizing these risks.

The risk management system aims to identify the risks early and completely, to communicate these promptly to the decision takers as well as to monitor and control these consistently. It includes classic controlling instruments, such as, for example, short-term and long-term planning, their monthly or quarterly comparison with the current results and those of the prior year.

Each identified risk is adequately described and assessed as regards the probability of occurrence and the possible amount of damage. The management team is included in the risk analysis and the assessment and is in charge of the different areas.

The short ways and the flat hierarchies within the Company assure a fast and efficient risk management. Together with the controlling instruments, it is assured that the impacts of the identified risks on the result and the liquidity are monitored on an ongoing basis. For hedging the existing risks, transactions are performed, as far as possible, without storage, i.e. a sales contract has already been closed with the end customer as at the date of purchase of the goods (back-to-back business). In all cases, where stock keeping is required, the acceptance conditions are agreed in advance with the end customer (stock business).

With respect to existing currency risks arising from trade receivables and payables, management aims at reducing these as far as possible. Hence, open currency positions that are not covered by appropriate offsetting items are hedged by means of forward exchange contracts (micro hedges). In this respect, we refer to our explanations in the notes.

Possible risks with regard to existing equity investments in MCE Bank are addressed through adequate investment controlling and portfolio strategies.

In addition, the developments in the context of the COVID-19 crisis are closely monitored and measures are coordinated to minimize the risk of infection of employees in day-to-day business operations. Moreover, MIG observes the developments in its relevant industries to anticipate potential trends.

Outlook

The global economic activity continues to improve at an uneven pace across regions. Especially the advanced economies are experiencing a rapidly improving situation, particularly in services. Consumer confidence also brightened. Purchase managers' indices for emerging economies show a less marked improvement but remain in expansionary territory. [Source: European Economic Forecast Summer 2021 (Interim, p. 4)]

Risk factors are still present in the world. In addition to the geopolitical crisis, these include the persisting political uncertainty, the economic instability in some emerging countries, the distortions in international financial markets and the tightening of international trade conflicts. It is assumed that already implemented or upcoming tariff increases will have a negative influence on the global economic development. [Source: European Economic Forecast Summer 2020 (Interim, p. 2)]

Due to the COVID-19 pandemic and the measures taken to contain its spread, the global economy considerably worsened in 2020. Authorities all over the world are still introducing contact restrictions and containment measures for protecting public health in order to flatten the curve of infections and preventing overloaded healthcare systems. By now in 2021, the economic activity appears to be gradually recovering with a slight upturn being expected unless the 2021 autumn and winter see a renewed deterioration of the economic situation caused by new variants of the virus and a related prolongation of the COVID-19 crisis. MIG's business development is dependent on the economic framework conditions especially those prevailing in the international procurement and sales markets. Europe and Asia are particularly important markets and MIG is therefore exposed to corresponding risks.

Apart from the effects of COVID-19, MIG strives to increase its profits. Consequently, to avoid a net loss for the upcoming year, MIG is taking the necessary measures, including cost cutting. MIG is closely monitoring its performance on a monthly basis and takes necessary action in order to address developments of the economic environment. Given the risks arising from the COVID-19 Delta variant, it is difficult for MIG to correspondingly predict the effects on income and expenses in the framework of the external environment and the market conditions. MIG takes appropriate action to react to the difficult economic conditions under COVID-19 in order to limit the decrease in income and revenue in the financial year 2021/2022 as far as possible. MIG also intends to improve its earnings if the economy recovers. To this end, MIG pursues the objective of keeping a potential revenue loss down to a minimum by taking appropriate measures and of stabilizing the annual result at a positive level.

Post-balance-sheet-date events

In this respect, reference is made to the disclosures in the notes to the financial statements.

Düsseldorf/Germany, October 26, 2021

Mitsubishi International GmbH

signed: T. Yoshino
Managing Director

Mitsubishi International GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2021

Assets	Mar. 31, 2021	Prior year	Equity and liabilities	Mar. 31, 2021	Prior year
	EUR	kEUR		EUR	kEUR
A. Fixed assets			A. Equity		
I. Intangible fixed assets			I. Subscribed capital	32,000,000.00	32,000
Concessions, industrial and similar rights and assets as well as licenses in such rights and assets acquired for a consideration	37,139.79	56	II. Retained profits brought forward	8,336,179.23	19,314
II. Property, plant and equipment			III. Loss for the period	-865,710.98	-1,143
1. Land, land rights and buildings including buildings on third-party land	4,787,579.15	4,830		<u>39,470,468.25</u>	<u>50,171</u>
2. Other equipment, operating and office equipment	233,291.01	249	B. Provisions		
	<u>5,020,870.16</u>	<u>5,079</u>	1. Provisions for pensions and similar obligations	32,039,424.24	31,312
III. Long-term financial assets			2. Tax provisions	92.15	1,579
Shares in affiliated companies	7,077,845.72	7,078	3. Other provisions	1,193,798.05	1,353
	<u>12,135,855.67</u>	<u>12,213</u>		<u>33,233,314.44</u>	<u>34,244</u>
B. Current assets			C. Liabilities		
I. Inventories			1. Payments received on account of orders	721,884.87	817
1. Merchandise	1,843,635.32	27,758	2. Trade payables	11,197,248.78	7,233
2. Prepayments	498,480.40	270	thereof with a residual term of up to one year: EUR 11,197,248.78 (prior year: kEUR 7,233)		
	<u>2,342,115.72</u>	<u>28,028</u>	3. Liabilities to affiliated companies	8,048,853.09	17,797
II. Receivables and other current assets			thereof with a residual term of up to one year: EUR 8,048,853.09 (prior year: kEUR 17,797)		
1. Trade receivables	21,150,397.47	52,452	4. Liabilities to shareholders	5,384.88	1,930
2. Receivables from affiliated companies	1,740,536.08	1,734	thereof with a residual term of up to one year: EUR 5,384.88 (prior year: kEUR 1,930)		
3. Receivables from shareholders	39,774,823.75	0	5. Other liabilities	206,591.47	238
4. Receivables from other long-term investees and investors	2,296.74	1	thereof with a residual term of up to one year: EUR 206,591.47 (prior year: kEUR 238)		
5. Other assets	730,321.34	3,573	thereof taxes: EUR 204,149.66 (prior year: kEUR 234)		
thereof taxes: EUR 572,768.80 (prior year: kEUR 3,062)			thereof within the scope of social security: EUR 131,251.05 (prior year: kEUR 91)		
	<u>63,398,375.38</u>	<u>57,760</u>		<u>20,179,963.09</u>	<u>28,015</u>
III. Cash-in-hand and bank balances	10,154,834.05	9,818		<u>92,883,745.78</u>	<u>112,430</u>
	<u>75,895,325.15</u>	<u>95,606</u>			
C. Prepaid expenses	80,611.06	99			
D. Deferred tax assets	4,771,953.90	4,512			
	<u>92,883,745.78</u>	<u>112,430</u>			

Mitsubishi International GmbH, Düsseldorf/Germany

Statement of profit and loss for the period from April 1, 2020 to March 31, 2021

	2020/2021 EUR	Prior year kEUR
1. Revenue	246,559,893.98	419,992
2. Other operating income	1,180,172.24	1,188
thereof exchange gains: EUR 0.00 (prior year: kEUR 39)		
3. Cost of materials		
Cost of purchased services	238,223,246.03	407,542
4. Personnel expenses		
a) Wages and salaries	4,424,179.41	5,570
b) Social security, post-employment costs and other employee benefits	1,503,558.42	2,985
thereof post-employment costs: EUR 922,552.00 (prior year: kEUR 2,531)		
5. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment	149,473.80	217
6. Other operating expenses	3,769,757.89	4,742
thereof exchange losses: EUR 441,814.52 (prior year: kEUR 1)		
7. Other interest and similar income	79,448.61	141
thereof from affiliated companies: EUR 32,996.38 (prior year: kEUR 55)		
8. Interest and similar expenses	789,104.80	1,215
thereof accumulation of interest: EUR 767,353.00 (prior year: kEUR 842)		
thereof to affiliated companies: EUR 30,793.82 (prior year: kEUR 186)		
9. Income taxes	219,675.28	21
thereof deferred taxes: EUR 259,827.34 (prior year: kEUR 459)		
10. Earnings after taxes	-820,130.24	-971
11. Other taxes	45,580.74	172
12. Loss for the period	<u>865,710.98</u>	<u>1,143</u>

Mitsubishi International GmbH, Düsseldorf/Germany

Notes to the financial statements for the financial year 2020/2021

A. General information

1. Basic information

Mitsubishi International GmbH (hereafter referred to as: "MIG" or "Company") is a large firm organized in a corporate form within the meaning of Sec. 267 (3) German Commercial Code (HGB). The Company is based in Kennedydamm 19 in 40476 Düsseldorf/Germany and is entered in the commercial register of the Düsseldorf local court (HRB 713).

2. Classification principles

The annual financial statements of Mitsubishi International GmbH have been prepared in compliance with the regulations of the HGB and the German Limited Liability Companies Act (GmbHG) in their currently valid versions. In the interest of a more transparent presentation, single items within the balance sheet and the statement of profit and loss are summarized. A separate disclosure is made in the respective items of the notes to the financial statements. The statement of profit and loss was prepared according to the nature-of-expense method.

The annual financial statements have been prepared in euro. All prior-year amounts are generally stated in thousands of euro (kEUR) unless specifically indicated otherwise. Amounts below kEUR 0.5 are rounded down. In order to allow for a more accessible presentation, decimal places are not shown in tables. Accordingly, differences from the use of rounded figures might arise.

B. Notes to accounting and valuation principles

1. Accounting and valuation principles

Intangible fixed assets and **property, plant and equipment** are measured at the lower of acquisition cost less straight-line amortization and depreciation, respectively, and fair value as at the balance sheet date. Buildings are depreciated on a straight-line basis at the amounts allowable for tax purposes. The other property, plant and equipment and intangible fixed assets are depreciated and amortized, respectively, on a straight-line basis over the estimated useful life.

Assets with acquisition cost of up to EUR 250.00 are recognized immediately as an expense. Assets with acquisition cost from EUR 250.01 to EUR 800.00 are fully depreciated in the year of acquisition. In the case of an expected permanent impairment, the asset is written down and recognized at the lower fair value.

The estimated useful lives of the individual fixed assets are shown in the following table:

	Useful life Years
Intangible fixed assets	
Data processing programs, licenses and other rights	3 - 15
Property, plant and equipment	
Buildings	25 - 50
Fittings and fixtures and other equipment	4 - 15
Other operating and office equipment	2 - 10
Vehicles	5

Long-term financial assets are stated at the lower of acquisition cost and fair value. Expected permanent impairments are taken into account by write-downs. If the reasons for write-downs made in prior years do fully or partially lapse, a reversal of write-down is made up to a maximum of the historical acquisition costs.

Inventories are recognized at the lower of acquisition cost and current value as at the balance sheet date.

Receivables and other current assets are stated at nominal value. The receivables and other current assets are measured at nominal value. Receivables denominated in foreign currency with a term of up to one year are measured at the middle spot exchange rate as at the balance sheet date. Where foreign-currency receivables are hedged, hedging relationships between the hedge and the underlying transaction are recognized. The hedging relationships are accounted for using the fair value method. The market values of the derivative financial instruments are recognized for the effective portion of the relevant asset or provision. Identifiable risks are taken into account by making specific allowances and the general credit risk is taken into account by making a general allowance of 1% of the amount of accounts receivable.

Cash and cash equivalents and **equity** are recognized at nominal value.

Deferred taxes are determined for temporary differences between assets, liabilities, deferral and accrual items recognized in the annual financial statements under German commercial law and their corresponding tax bases. In accordance with the option conferred by Sec. 274 (1) sentence 3 HGB, deferred taxes are reported on a net basis.

Provisions for pensions and similar obligations are calculated according to actuarial principles using the projected unit credit method. Provisions are measured based on Prof. Dr. Klaus Heubeck's 2018 G Standard Tables. Based on the interest rate information that was determined and published by the German central bank as of February 2021 in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) (Sec. 253 (2) HGB), the computation interest rate was extrapolated to the balance sheet date with the market data available as of the balance sheet date assuming unchanged market conditions. This resulted in an average market interest rate of 2.19%, assuming a residual term of 15 years. Furthermore, a salary trend of 1.9% is assumed.

Other provisions are stated at settlement amount deemed necessary based on sound business judgment. Future price and cost increases were taken into account to the extent that there is sufficient objective evidence that these will occur. Provisions with a residual term of more than one year are discounted at the average market interest rate of the past seven financial years as issued by the German central bank at matching maturities.

Liabilities are recognized at settlement amount. Liabilities denominated in foreign currency with a term of up to one year are measured at the middle spot exchange rate as at the balance sheet date. Where foreign-currency liabilities are hedged, hedging relationships between the hedge and the underlying transaction are recognized. The hedging relationships are accounted for using the fair value method. The market values of the derivative financial instruments are recognized for the effective portion of the relevant asset or provision.

2. Principles of currency translation

Balance sheet items denominated in foreign currency are translated into euro at the rate prevailing on the balance sheet date on March 31, 2021.

A hedging relationship is recognized between the hedged items or liabilities denominated in foreign currency and the underlying transaction, and the hedges are reported in the balance sheet at the hedged rate.

The items of the statement of profit and loss denominated in foreign currencies are translated at the rate in effect on the date of transaction.

The exchange gains and exchange losses result from the measurement of the outstanding currency receivables and liabilities as at the balance sheet date.

Notes to the balance sheet

1. Fixed assets

In accordance with Sec. 284 (3) HGB, the development of the individual fixed assets items is presented in the statement of movements in fixed assets (appendix to the notes), which takes into account amortization, depreciation and write-downs of the financial year.

The following equity investment of less than 20% is disclosed, which is, however, of material significance for the Company:

Company name	Location	Shareholding %	Share capital	Equity	Result of the last financial year	Reporting date of available information
MCE Bank	Flörsheim/ Germany	10	EUR 40,903,360.00	EUR 229,055,287.09	EUR 32,813,678.15	Mar. 31, 2020

The amounts recognized in the annual financial statements under the item "Other long-term equity investments" (shares in affiliated companies) refer to minority interests in domestic and foreign business corporations. They do not include minority interests of more than 20%.

2. Inventories

The inventories can be analyzed as follows:

	Mar. 31, 2021 kEUR	Prior year kEUR	Change kEUR
Merchandise	1,672	25,710	-24,038
Goods in transit	171	2,048	-1,877
	1,843	27,758	-25,915
Prepayments	499	270	229
	2,342	28,028	-25,686

The decline in inventories is due to the lack of demand in the Fuels segment for the product needle coke and to the exit from the tire business in Europe.

3. Receivables and other current assets

All receivables and other current assets are due within one year. In individual cases, some trade receivables are collateralized by bank guarantees.

Receivables and other current assets from affiliated companies do not include receivables from shareholders (prior year: kEUR 0).

Other assets include tax claims for corporate income tax and solidarity surcharge of kEUR 349.

4. Deferred tax assets

The deferred tax assets of kEUR 4,772 notably result from temporary differences as regards the pension provisions and property, plant and equipment.

The combined income tax rate of 31.23% was used for measuring the deferred taxes.

in kEUR	Mar. 31, 2020	Change	Mar. 31, 2021
Deferred tax assets	4,512	260	4,772
Deferred tax liabilities	-	-	-

5. Equity

The equity amounts to kEUR 39,470 as at the balance sheet date (prior year: kEUR 50,171). It is composed of subscribed capital of kEUR 32,000 (prior year: kEUR 32,000), retained profits brought forward of kEUR 8,336 (prior year: kEUR 19,314) and the loss for the period of kEUR -866 (prior year: loss for the period of kEUR -1,143). An amount of kEUR 9,835 from the prior year's retained profits carried forward was distributed to the shareholder.

6. Pension provisions

The pension provisions were computed under actuarial principles applying the projected unit credit method. For discounting the pension provisions, the Company used a general market interest rate arising when assuming a residual term of 15 years. Moreover, the computation is based on an anticipated salary rise of 1.9% (prior year: 2.5%). The anticipated pension increase amounts to 1.5% (prior year: 1.8%). In addition, the Company used the 2018 G Standard Tables of Prof. Dr. Klaus Heubeck.

The computation interest rates were extrapolated to the balance sheet date on the basis of the interest rate information determined and published by the German central bank in accordance with the RückAbzinsV as at the reporting date February 28, 2021 (Sec. 253 (2) HGB) using the market data available as at this date and assuming unchanged market conditions.

The pension provisions of the employees transferred to IVICT Europe GmbH, which had been newly established in the financial year 2018/2019, are still accounted for at the level of Mitsubishi International GmbH.

The annual additions to pension provisions of these employees are charged on to the newly established sister company under a pension agreement.

The amounts blocked for distribution under Sec. 253 (6) HGB can be analyzed as follows:

Raising the average interest rate from 1.51% to 2.19% in the scope of expanding the average interest to cover a period of seven instead of ten years results in an amount blocked for distribution of kEUR 3,592 (prior year: kEUR 3,824).

7. Other provisions

The item includes still outstanding charges from long-service awards and vacation commitments towards employees as well as other outstanding administrative costs.

The provisions for long-service awards were computed under actuarial principles applying the projected unit credit method. The computation was based on a computation interest rate of 1.51% and on a salary trend of 1.9% (prior year: 2.5%). Furthermore, the Company used the 2018 G mortality tables of Prof. Dr. Klaus Heubeck for the valuation.

As regards the provisions for early-retirement part-time obligations, the necessary settlement amount corresponds to the expected value of the services recorded on an accruals basis on the basis of the information available on the balance sheet date. The resulting uncertain liability was determined in form of a present value and must thus generally be discounted at an interest rate that corresponds to its residual term, i.e. 0.43% in the financial year. In addition, Prof. Dr. Klaus Heubeck's 2018 G Standard Tables were also applied assuming a general salary trend of 1.9%. Moreover, an individual agreement was concluded with one employee under which a salary trend of 2% was assumed.

8. Liabilities

Due dates and other notes:

	Mar. 31, 2021	Prior year
	KEUR	KEUR
Payments received on account of orders	722	817
Trade payables	11,197	7,233
Liabilities to affiliated companies	8,049	17,797
Liabilities to shareholders	5	1,930
Other liabilities	207	238
thereof from taxes:		
kEUR 204 (prior year: kEUR 234)		
thereof wage and church tax:		
kEUR 131 (prior year: kEUR 91)		
	<u>20,180</u>	<u>28,015</u>

Like in the prior year, all liabilities are due within one year and are not collateralized.

D. Notes to the statement of profit and loss

1. Revenue

Revenue amounted to kEUR 246,560 in total in the financial year 2020/2021 (prior year: kEUR 419,992) and can be assigned to the segments as follows:

Classification by segment	Apr. 1, 2020-Mar. 31, 2021		Prior year	
	KEUR	%	KEUR	%
Chemical products	6	0.0	1,222	0.3
Other merchandise	69,614	28.2	152,528	36.3
Renewable energies	816	0.3	1,215	0.3
Fuels	138,720	56.3	230,602	54.9
Machinery equipment and electronic components	33,542	13.6	26,626	6.3
Incidental revenue	3,862	1.6	7,799	1.9
	<u>246,560</u>	<u>100.0</u>	<u>419,992</u>	<u>100.0</u>

The main sales market in the financial year 2020/2021 was Germany followed by the rest of Europe. The following table shows the revenue classified by regions, i.e. by the countries, in which the companies are based.

	Apr. 1, 2020-Mar. 31, 2021		Prior year	
	kEUR	%	kEUR	%
Classification by region				
Germany	102,828	41.7	229,985	54.8
Europe (without Germany)	88,649	36.0	153,172	36.5
Asia	52,548	21.3	33,079	7.8
Other regions	2,535	1.0	3,756	0.9
	<u>246,560</u>	<u>100.0</u>	<u>419,992</u>	<u>100.0</u>

2. Other operating income

The item contains income from other periods from the release of provisions of kEUR 100 (prior year: kEUR 122).

3. Personnel expenses

The expenses for salaries amounted to kEUR 4,424 (prior year: kEUR 5,570) in the financial year 2020/21. The Company also incurred expenses for social security of kEUR 581 (prior year: kEUR 454) and post-employment costs of kEUR 923 (prior year: kEUR 2,531). The post-employment costs relate to payments actually paid out to pensioners.

4. Other operating expenses

The other operating expenses notably include selling expenses as well as general business expenses. Moreover, they include exchange losses of kEUR 442 (prior year: kEUR 1).

5. Net finance income/expense

	Apr. 1, 2020- Mar. 31, 2021	Prior year
	kEUR	kEUR
Other interest and similar income		
thereof from affiliated companies:		
kEUR 33 (prior year: kEUR 55)	79	141
Other interest and similar expenses	789	1,215
thereof to affiliated companies:		
kEUR 31 (prior year: kEUR 186)		
	<u>-710</u>	<u>-1,074</u>

The interest income from the discounting of provisions and the interest expenses from the accumulation of interest on provisions amounted to kEUR 767 in the financial year (prior year: kEUR 842).

6. Income taxes

The item includes corporate income tax and trade tax of the current year, as well as an income from the addition of deferred tax assets of kEUR 260 (prior year: income of kEUR 459).

E. Other notes

1. Other financial commitments

As at March 31, 2021, the other financial commitments amount to kEUR 100 and relate to commitments under tenancy agreements and leases for buildings and passenger cars.

in kEUR	2020/2021	Prior year
Due within 1 year	24	63
Due between 1 and 5 years	5	37
Due within 5 year		
Total	<u>29</u>	<u>100</u>

Annual commitments under tenancy agreements and leases of kEUR 15 (prior year: kEUR 26) relate to commitments towards affiliated companies. Of these commitments, kEUR 10 fall due within one year.

2. Derivative financial instruments

We use derivative financial instruments to hedge and reduce risks from fluctuations in foreign currency items. Our strategy for dealing with managing exchange risks exclusively consists of closing forward exchange dealings to assure the economic value of the cash flows in foreign currencies. We therefore do not take any risks that have a material impact on our operating result.

The following table shows our derivative financial instruments as at March 31, 2021. Their fair value is calculated based on the difference between the forward rate and the rate prevailing as at the balance sheet date. For reasons of materiality, this calculation does not take into account interest and any other possible valuation parameters.

The decrease in forward exchange transactions is due to the exit from the tire business, which was transacted in foreign currencies to a large extent.

Forward exchange transactions March 31, 2021

	Total amount	Balance sheet date rate total	Forward rate total	Total of delta EUR
Sales contracts				
USD	<u>8,308.42</u>	<u>7,069.19</u>	<u>7,079.43</u>	<u>10.24</u>

3. Employees

On average, Mitsubishi International had 57 employees in the financial year 2020/2021 (prior year: 66 employees), of whom 35 employees worked in administration and 21 employees in the operation as well as one employee as managing director.

4. Fees paid to the annual auditor

The cost relating to the audit of the annual financial statements recognized in the statement of profit and loss amounts to kEUR 78 (prior year: kEUR 93). The cost for other consulting services totals kEUR 15 (prior year: kEUR 15).

5. Members of management

Management responsibilities in the reporting period were performed by the following person:

Mr. Toru Yamaguchi, Business Administration graduate

The total remuneration paid to management has not been disclosed in accordance with Sec. 286 (4) HGB.

6. Post-balance-sheet-date events

No events of significant importance occurred after the balance sheet date.

7. Group affiliation

Mitsubishi International GmbH, Düsseldorf/Germany, belongs to the Group controlled by Mitsubishi Corporation, Tokyo/Japan. It is included in the consolidated financial statements prepared by Mitsubishi Corporation for the smallest and largest group of consolidated entities. The consolidated financial statements of Mitsubishi Corporation are available at the registered office of the Company. The consolidated financial statements are published at the Japanese commercial register ("Ministry of Finance, Local Finance Bureaus in Tokyo, Japan").

Düsseldorf/Germany, October 26, 2021

Mitsubishi International GmbH

T. Yoshino
Managing Director

Mitsubishi International GmbH, Düsseldorf/Germany

Movements in fixed assets in the financial year 2020/2021

	Gross book values			Balance as at Mar. 31, 2021 EUR	Accumulated amortization, depreciation and write-downs			Balance as at Mar. 31, 2021 EUR	Net book values	
	Balance as at Apr. 1, 2020 EUR	Additions EUR	Disposals EUR		Balance as at Apr. 1, 2020 EUR	Additions EUR	Disposals EUR		Balance as at Mar. 31, 2021 EUR	Balance as at Mar. 31, 2021 EUR
I. Intangible fixed assets										
Concessions, industrial and similar rights and assets as well as licenses in such rights and assets acquired for a consideration	871,939.22	0.00	0.00	871,939.22	816,047.22	18,752.21	0.00	834,799.43	37,139.79	56
II. Property, plant and equipment										
1. Land, land rights and buildings, including buildings on third-party land	17,716,633.72	0.00	0.00	17,716,633.72	12,886,197.32	42,857.25	0.00	12,929,054.57	4,787,579.15	4,830
2. Other equipment, operating and office equipment	1,498,412.37	67,052.01	18,342.31	1,547,122.07	1,249,819.85	87,864.34	23,853.13	1,313,831.06	233,291.01	249
	<u>19,215,046.09</u>	<u>67,052.01</u>	<u>18,342.31</u>	<u>19,263,755.79</u>	<u>14,136,017.17</u>	<u>130,721.59</u>	<u>23,853.13</u>	<u>14,242,885.63</u>	<u>5,020,870.16</u>	<u>5,079</u>
III. Long-term financial assets										
Shares in affiliated companies	7,077,845.72	0.00	0.00	7,077,845.72	0.00	0.00	0.00	0.00	7,077,845.72	7,078
	<u>27,164,831.03</u>	<u>67,052.01</u>	<u>18,342.31</u>	<u>27,213,540.73</u>	<u>14,952,064.39</u>	<u>149,473.80</u>	<u>23,853.13</u>	<u>15,077,685.06</u>	<u>12,135,855.67</u>	<u>12,213</u>

INDEPENDENT AUDITOR'S REPORT

To Mitsubishi International GmbH, Düsseldorf/Germany

Audit Opinions

We have audited the annual financial statements of Mitsubishi International GmbH, Düsseldorf/Germany, which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss for the financial year from April 1, 2020 to March 31, 2021, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Mitsubishi International GmbH, Düsseldorf/Germany, for the financial year from April 1, 2020 to March 31, 2021.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2021 and of its financial performance for the financial year from April 1, 2020 to March 31, 2021 in compliance with German Legally Required Accounting Principles, and the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 audit opinions. 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 controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Düsseldorf/Germany, October 26, 2021

Remark: This PDF file represents a legally non-binding specimen copy. Legally binding is only the printed and bound report.

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:
Prof. Dr. Holger Reichmann
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Sven Leber
Wirtschaftsprüfer
(German Public Auditor)

General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer*: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.