

**Mitsubishi International GmbH  
Düsseldorf/Germany**

**“Testatsexemplar”**

i.e. audited management report and  
annual financial statements for the financial year  
from April 1, 2022 to March 31, 2023  
plus corresponding independent auditor’s report

<b>TRANSLATION</b>
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– German version prevails –
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## **Mitsubishi International GmbH, Düsseldorf/Germany**

### **Management report for the financial year 2022/2023**

#### **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 headquarters have 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**

In spring 2022, Russia started a war against Ukraine, the consequences of which still pose major economic challenges for Europe and Germany in particular. As a result, energy prices have continued to rise sharply since the beginning of the war. The significant reduction in Russian natural gas supplies in the summer of 2022 has exacerbated the energy crisis and fueled inflation after the latter was already high in 2021. This led to a massive burden for households and companies and to a considerable uncertainty as regards the economic prospects. To make matters worse, the negative economic consequences of the coronavirus pandemic have not yet been fully overcome and the disruption to supply chains continues. Together with the noticeable shortage of skilled workers in certain professions all these factors slow down the economic recovery (source: German Council of Economic Experts, Annual Report 2022/23). Worldwide, a similar trend seems to be on hand: while the GDP still grew by 5.8% in the financial year 2021, growth declined to 2.9% in 2022 and will presumably further decline in 2023 to only 2.2% (source: German Council of Economic Experts, Economic Forecast 2023 and 2024). With regard to China, on which the German economy is highly dependent, the Chinese economy is forecast to recover in 2023 following an uneven growth performance in 2022. The economic activity in China followed the ups and downs of the pandemic outbreaks and economic decline had been followed by an uneven recovery. Despite the political support it is expected that the real GDP growth will reduce to 2.7% in the year 2022 before its recovery to 4.3% in 2023 in course of a recovery of the economy (source: World Bank, China Economic Update - December 2022). In Japan, the real GDP growth stagnated in the fourth quarter of 2022 facing a relatively low domestic demand. This was weaker than expected since a more dynamic recovery had been expected in general after growth slowed down in the third quarter. According to the Japanese government's Cabinet Office, annual real GDP growth was 1.0 percent in 2022. A gradual pickup in economic activity is forecast for 2023, supported by pent-up demand, China's economic opening, and continued monetary and fiscal policy support. The real GDP growth for 2023 is estimated to 1.8%. (Source: European Central Bank, Economic Bulletin Issue 2, 2023, Government of Japan Cabinet Office, SNA (National Accounts of Japan) and OECD, Japan Economic Snapshot)

### **Business development**

In the financial year 2022/2023, sales revenue decreased to mEUR 154 from mEUR 179 in the prior year. This decline is in particular due to the reduced demand for fossil fuels and the lower production of mobile phones. In contrast, revenue with electronic components rose due to higher market prices.

Following the reduced production of mobile phones and the thereof resulting falling customer demand, revenue figures for the financial year missed the expectations (plan: mEUR 172).

An analysis of the sales revenue development on the basis of geographical aspects shows that the percentage of sales revenue in Europe including Germany increased to 85.4% (prior year: 79.9%), while the percentage of sales revenue in Asia decreased to 13.5% (prior year: 18.4%). The increase in Europe results from the increased demand for LCD displays, which rose in comparison to the demand for “wafer” products. The decline in Asia can be attributed to the slightly declining business with “wafer” products.

Following the revenue decline the gross profit decreased from mEUR 8.3 to mEUR 7.5. However, the gross profit ratio rose due to higher market prices from 4.6% to 4.9%.

Compared to the prior year, the personnel expenses slightly rose from mEUR 5.3 to mEUR 5.4 at an unchanged headcount. Amortization of intangible fixed assets and depreciation of property, plant and equipment slightly rose to mEUR 0.2 in the reporting period (prior year: mEUR 0.1).

Other operating expenses went up by mEUR 2.7 to EUR 8.4 in the current financial year from mEUR 5.7 in the prior year. The increase is due to the costs incurred within the scope of the transfer of pension liabilities in March 2023 to the MIG Pension GmbH, that was founded in 2021.

The operating result, as further key financial performance indicator, fell to kEUR -6,286 after kEUR -2,084 in the prior year.

The financial result improved from mEUR -0.2 in the prior year to mEUR 13.5 in the current financial year. This development is primarily due to the received dividend of our equity investment in MCE Bank.

The prior year's loss for the period improved by mEUR 13.4 in the current financial year to mEUR 5.7 (prior year: mEUR -7.7). As already mentioned above, this increase notably results from the received dividends of MCE Bank and from the interest income from the cash pooling with MCF Finance from London/Great Britain.

The balance sheet total decreased from mEUR 104.4 in the prior year to mEUR 96.0 in the financial year. The decline in assets primarily results from the lower accounts receivable volume following the generally declined revenue.

The equity rose due to the profit for the year and increased by mEUR 5.7 to mEUR 37.5 (prior year: mEUR 31.8) due to the dividend received from MCE Bank in the reporting year. Therefore, the equity ratio rose from 30.5% in the prior year to 39.0% in the current financial year.

The debt ratio of the short-term liabilities fell from 56% to 43%. The decline in sales has also meant that less merchandise has been purchased; this is the reason of this decline. The ratio of liabilities to affiliated companies in relation to total assets fell to 37% (prior year: 49%).

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

The inventories recognized amount to mEUR 16.0 (prior year: mEUR 6.3). The inventory turnover rate decreased from 41 days in the prior year to 14 days. The decline is due to the increased fossil fuels stock and to a falling demand.

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 Finance PLC (MCF) in London/Great Britain.

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 operating business activities. If this leads to surplus or underfunding, such differences will be balanced within the scope of the cash pooling with the MCF. The Company does not disclose any liabilities to other banks.

### **Staff and corporate social responsibility**

MIG had 47 employees in the annual average.

MIG's employees are highly qualified. For training purposes and improving these employees' loyalty, MIG offers several internal and external training measures. 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. Numerous trainings and education options are also offered at the expert level on a regular basis and on demand. The corporate principles, among other things, are regularly integrated in all courses offered within the scope of the training portfolio.

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, on which many employees volunteer. 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 offered to its employees the participation in the Earthwatch program, financed by Mitsubishi Corporation, aiming at protecting the environment as well as supporting the research and education concerning environmental protection and fighting against poverty.

### **Overall statements on the economic situation**

As the economy adjusted to the shocks caused by the COVID-19 pandemic and the Russian war of aggression against Ukraine, the European Union found itself at a turning point. As the momentum created by the revival of the economy faded, the contractionary forces triggered by the war gained the upper hand. After a dynamic first half of the year, the speed of the economic expansion slowed down in the summer. Energy price increases impacted the entire economy and led to exorbitant cost increases for businesses. (Source: European Commission, European Economic Forecast Autumn 2022)

This sharp rise in inflation under pressure from energy, food and other commodity prices hit a global economy struggling with the economic consequences of the pandemic crisis. The EU was among the hardest hit economies because of its geographic proximity to the war and its heavy - albeit sharply declining - dependence on fossil fuel imports. (Source: European Commission, Autumn Forecast 2022: The EU economy at a turning point)

### **Risk and opportunity report**

Apart from the general market risks, MIG is generally not facing any special risks in its individual 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 involved 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 risks 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.

Furthermore, the impacts of the Ukraine war are narrowly monitored and measures are coordinated. Moreover, MIG observes the developments in its relevant industries to anticipate potential trends.

## **Outlook**

Almost one year after Russia declared its war of aggression against Ukraine, the economic prospects for the EU somewhat improved. Over the past year, the EU economy has managed to decouple from Russian energy commodities. Determined political support and the response of consumers and companies to the energy crisis have strengthened the economy's resilience. (Source: CEPR, Center for Economic Policy Research)

The EU has weathered the energy crisis well thanks to rapid diversification of supply and a significant drop in consumption. As the EU approaches the gas-filling season, gas storage is at a comfortable level and the risk of shortages next winter has been significantly reduced. Further diversification of supply and accelerated growth in renewable power generation should allow the EU to continue replacing fossil fuels, including gas, while reducing the likelihood of renewed price pressure. (Source: European Commission, Economic Forecast Spring 2023)



Although inflation in the euro zone has been somewhat mitigated for the time being, high inflation could nevertheless pose a global problem for trade and supply chains. This may be exacerbated by an increase in geopolitical tensions between the U.S. and China, which could place a significant burden on global trade in goods and international supply chains. Trade tensions between these two countries may lead to technological decoupling, which will affect European companies' foreign direct investment in China and force a reconfiguration of supply chains. An escalation of the war in Ukraine also remains an important source of vulnerability, especially for Europe and low-income countries. (Source: German Council of Economic Experts, Updated Economic Forecast 2023 and 2024 and European Parliament, Geopolitical Risks and Banking Sector Vulnerabilities: Implications for the SSM).

In contrast to last year, COVID-19 appears to have less impact, although supply chains could be affected by high inflation and geopolitical tensions. Inflation appears to be gradually declining and MIG's business could be impacted by the economic conditions and risks outlined in this report. Despite the existing uncertainties and risks regarding future economic development, management expects sales revenues to remain constant in the coming fiscal year, with a slight decrease in the annual result, however.

#### **Post-balance-sheet-date events**

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

Düsseldorf/Germany, September 20, 2023

Mitsubishi International GmbH

signed: T. Yoshino  
Executive directors

Mitsubishi International GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2023

Assets	Equity and liabilities	
	Mar. 31, 2023 EUR	Prior year kEUR
<b>A. Fixed assets</b>		
<b>I. Intangible fixed assets</b>		
Purchased concessions, industrial and similar rights and assets as well as licenses in such rights and assets acquired	61.33	18
<b>II. Property, plant and equipment</b>		
1. Land, land rights and buildings including buildings on third-party land	4,703,058.91	4,744
2. Other equipment, operating and office equipment	157,575.29	193
	4,860,634.20	4,937
<b>III. Long-term financial assets</b>		
Shares in affiliated companies	7,077,845.72	7,103
	11,938,541.25	12,058
<b>B. Current assets</b>		
<b>I. Inventories</b>		
1. Merchandise	15,976,923.41	5,854
2. Prepayments	30,373.44	486
	16,007,296.85	6,340
<b>II. Receivables and other current assets</b>		
1. Trade receivables	22,019,829.96	33,383
2. Receivables from affiliated companies	0.00	2,488
3. Receivables from shareholders	41,532,755.76	46,905
4. Receivables from other long-term investees and investors	936.53	1
5. Other current assets thereof related to taxes: EUR 3,523,501.35 (prior year: kEUR 13)	3,652,273.08	256
	67,205,795.33	83,033
<b>III. Cash-in-hand and bank balances</b>	785,709.05	2,836
	83,998,801.23	92,209
<b>C. Prepaid expenses</b>	105,357.79	92
	96,042,700.27	104,359

Equity and liabilities	Equity and liabilities	
	Mar. 31, 2023 EUR	Prior year kEUR
<b>A. Equity</b>		
<b>I. Subscribed capital</b>	32,000,000.00	32,000
<b>II. Accumulated losses brought forward (prior year: retained profits brought forward)</b>	226,036.54	7,471
<b>III. Profit for the period (prior year: loss for the period)</b>	5,725,801.86	7,697
	37,499,765.32	31,774
<b>B. Provisions</b>		
1. Provisions for pensions and similar obligations	14,217,982.00	12,564
2. Tax provisions	1,959,078.20	552
3. Other provisions	1,223,197.95	1,218
	17,400,258.15	14,334
<b>C. Trade payables and other liabilities</b>		
1. Payments received on account of orders thereof with a residual term of up to one year: EUR 0.00 (prior year: kEUR 553)	0.00	553
2. Trade payables thereof with a residual term of up to one year: EUR 5,703,080.47 (prior year: kEUR 6,817)	5,703,080.47	6,816
3. Liabilities to affiliated companies thereof with a residual term of up to one year: EUR 35,326,974.85 (prior year: kEUR 50,684)	35,326,974.85	50,683
4. Liabilities to shareholders thereof with a residual term of up to one year: EUR 0.00 (prior year: kEUR 1)	0.00	1
5. Other liabilities thereof with a residual term of up to one year: EUR 112,621.48 (prior year: kEUR 198) thereof related to taxes: EUR 0.00 (prior year: kEUR 140) thereof related to social security: EUR 106,741.29 (prior year: kEUR 56)	112,621.48	198
	41,142,676.80	58,251
	96,042,700.27	104,359

**Mitsubishi International GmbH, Düsseldorf/Germany**

**Statement of profit and loss for the financial year from April 1, 2022 to March 31, 2023**

	2022/2023 EUR	Prior year kEUR
1. Revenue	153,538,154.92	179,458
2. Other operating income	269,975.57	832
thereof exchange losses:		
EUR 1,735.23 (prior year: kEUR 36)		
3. Cost of materials		
Cost of purchased services	146,030,588.78	171,157
4. Personnel expenses		
a) Wages and salaries	3,426,124.53	3,607
b) Social security, post-employment costs and		
other employee benefit costs	1,983,479.22	1,700
thereof post-employment costs:		
EUR 1,454,897.50 (prior year: kEUR 1,135)		
Amortization and write-downs of intangible fixed		
5. assets and		
depreciation and write-downs of property, plant		
and equipment	153,938.76	111
6. Other operating expenses	8,441,885.74	5,741
thereof exchange losses:		
EUR 0.00 (prior year: kEUR 270)		
7. Income from other long-term equity investments	13,400,000.00	0
8. Other interest and similar income	630,344.12	0
9. Interest and similar expenses	510,034.60	231
thereof accumulation of interest:		
EUR 199,059.00 (prior year: kEUR 203)		
thereof to affiliated companies:		
EUR 310,975.60 (prior year: kEUR 28)		
10. Income taxes	1,508,785.16	5,382
thereof deferred taxes:		
EUR 0.00 (prior year: kEUR 4,772)		
11. Earnings after taxes	5,783,637.82	-7,639
12. Other taxes	57,835.96	58
13. Profit for the period (prior year: loss for the period)	5,725,801.86	7,697

**Notes to the financial statements for the financial year 2022/2023**

**A. General information**

**1. Basic information**

Mitsubishi International GmbH (hereinafter referred to as: “MIG” or “the 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 at 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 German Commercial Code (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 within 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. Sundry 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
<b>Intangible fixed assets</b>	
Data processing programs, licenses and other rights	3 to 15
<b>Property, plant and equipment</b>	
Buildings	25 to 50
Fittings and fixtures and other equipment	4 to 15
Other operating and office equipment	2 to 10
Vehicles	5

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

**Inventories** are recognized at the lower of acquisition cost or 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 in effect on balance sheet date. Where currency receivables are hedged, valuation units are set up between the hedge and the underlying transaction. The valuation units are accounted under applying 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 values. 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 December 2022 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 2.35%, assuming a residual term of 15 years. Furthermore, a salary trend of 2.6% is assumed. Mitsubishi International GmbH decided to partially transfer the pension provisions to MIG Pension GmbH in the financial year 2021/2022. Mitsubishi International GmbH resolved to sell its claims towards MIG Pension GmbH Astellon Pension Management GmbH as of the end of the financial year.

**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 currency liabilities are hedged, hedging relationships between the hedge and the hedged transaction are recognized. The valuation units are accounted under applying 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 March 31, 2023.

The hedged currency items and the underlying transactions were summarized in valuation units and the hedges were disclosed at hedging rate within the balance sheet.

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 currency receivables and liabilities outstanding as at the balance sheet date.

## C. 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 during 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	Share-holding	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 256,721,642.42	EUR 60,480,033.58	Mar. 31, 2022

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 non-controlling interests of more than 20%.

On March 24, 2023, Mitsubishi International GmbH sold the equity investment in MIG Pension GmbH to Astellon Pension Management GmbH (Astellon Pension Management GmbH, Quarzstraße 4, 51371 Leverkusen/Germany, Cologne commercial register, HRB 104890).

### 2. Inventories

The inventories can be analyzed as follows:

	Mar. 31, 2023 kEUR	Prior year kEUR	Change kEUR
Merchandise	14,991	5,211	9,780
Goods in transit	986	643	343
	15,977	5,854	10,123
Prepayments	30	486	-456
	16,007	6,340	9,667

The inventories rose due to the increased stock of fossil fuels.

### 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.

Other assets include tax claims for corporate income tax and solidarity surcharge of kEUR 3,418.

#### **4. Deferred tax assets**

We do not disclose any deferred tax assets this year.

#### **5. Equity**

Equity amounts to kEUR 37,500 as at the balance sheet date (prior year: kEUR 31,774). It is composed of subscribed capital of kEUR 32,000 (prior year: kEUR 32,000), accumulated losses brought forward of kEUR 226 (prior year: retained profits brought forward of kEUR 7,471) and the profit for the period of kEUR 5,726 (prior year: loss for the period of kEUR 7,697).

#### **6. Pension provisions**

The pension provisions were computed under actuarial principles applying the projected unit credit method. A general market interest rate, which results from an assumed residual term of 15 years, was used for discounting the pension provisions. Moreover, the computation is based on an anticipated salary rise of 2.6% (prior year: 1.9%). The anticipated pension increase amounts to 2.35% (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 December 31, 2022 (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 the employees stated above are charged to the sister company on the basis of a pension agreement.

Increasing the average interest rate from 1.34% to 1.5% when expanding the period from seven to ten years results in an amount of kEUR 793 subject to distribution restrictions (prior year: kEUR 1,137) in accordance with Sec. 253 (6) HGB.

#### **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 using actuarial principles on the basis of the projected unit credit method. The computation was based on a computation interest rate of 1.5% and on a salary trend of 2.6% (prior year: 1.9%). Furthermore, the Company used the 2018 G mortality tables of Prof. Dr. Klaus Heubeck for the valuation.



As regards the provisions for early-retirement obligations, the necessary settlement amount corresponds to the expected value of the accrued services based on the information available on the balance sheet date. The resulting uncertain liability was determined in the form of a present value and must thus generally be discounted at an interest rate that corresponds to its residual term, i.e. 0.55% in the financial year. In addition, Prof. Dr. Klaus Heubeck's 2018 G Standard Tables were also applied assuming a general salary trend of 2.35%. Moreover, an individual agreement was concluded with one employee under which a salary trend of 2.6% was assumed.

## 8. Trade payables and other liabilities

Due dates and other notes:

	Mar. 31, 2023	Prior year
	kEUR	kEUR
Payments received on account of orders	0	553
Trade payables	5,703	6,816
Liabilities to affiliated companies	35,327	50,683
Liabilities to shareholders	0	1
Other liabilities	113	198
thereof from taxes: kEUR 0 (prior year: kEUR 140)		
thereof wage and church tax: kEUR 107 (prior year: kEUR 56)		
	<u>41,143</u>	<u>58,251</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 153,538 in total in the financial year 2022/2023 (prior year: kEUR 179,458) and can be assigned to the segments as follows:

	Apr. 1, 2022 to Mar. 31, 2023		Prior year	
	kEUR	%	kEUR	%
<b>Classification by segments</b>				
Fuels	123,886	80.7	139,541	77.8
Machinery equipment and electronic components	26,569	17.3	35,442	19.7
Incidental revenue	3,083	2.0	4,475	2.5
	<u>153,538</u>	<u>100.0</u>	<u>179,458</u>	<u>100.0</u>

The main sales market in the financial year 2022/2023 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, 2022 to Mar. 31, 2023		Prior year	
	kEUR	%	kEUR	%
<b>Classification by regions</b>				
Germany	45,877	29.9	47,031	26.2
Europe (without Germany)	85,165	55.5	96,452	53.7
Asia	20,783	13.5	32,991	18.4
Other regions	1,713	1.1	2,984	1.7
	<u>153,538</u>	<u>100.0</u>	<u>179,458</u>	<u>100.0</u>

## 2. Other operating income

The item contains income from other periods from the reversal of provisions of kEUR 40 (prior year: kEUR 34).

## 3. Personnel expenses

The expenses for salaries amounted to kEUR 3,426 in the financial year 2022/2023 (prior year: kEUR 3,607). The Company also incurred expenses for social security of kEUR 529 (prior year: kEUR 566) and post-employment costs of kEUR 1,455 (prior year: kEUR 1,135). The post-employment costs comprise the amounts actually paid out to pensioners.

## 4. Other operating expenses

The other operating expenses notably include selling expenses as well as general business expenses.

## 5. Net finance income/expense

	Apr. 1, 2022 to Mar. 31, 2023	Prior year
	kEUR	kEUR
Other interest and similar income	630	0
Other interest and similar expenses	510	231
thereof to affiliated companies: kEUR 311 (prior year: kEUR 28)		
	<u>120</u>	<u>-231</u>

The interest income from the discounting of provisions and the interest expenses from the accumulation of interest on provisions amounted to kEUR 199 (prior year: kEUR 203) in the financial year.

## **6. Income taxes**

The item includes the corporate income tax and the municipal trade tax of the current year.

## **E. Other disclosures**

### **1. Other financial commitments**

As of March 31, 2023, the other financial commitments amount to kEUR 159 and relate to commitments under tenancy agreements and leases for buildings and passenger cars.

in kEUR	2022/2023	Prior year
Due within one year	50	45
Due between one and five years	109	97
Due after five years		
Total	<u>159</u>	<u>142</u>

Annual commitments under tenancy agreements and leases of kEUR 30 (prior year: kEUR 19) relate to commitments towards affiliated companies. Of these commitments, kEUR 11 fall due within one year.

### **2. Derivative financial instruments**

We use derivative financial instruments to hedge and reduce risks from fluctuations in currency items. Our strategy for managing exchange risks exclusively consists of closing forward exchange transactions 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.

At the end of the financial year 2022/2023, we do not show any open forward exchange contracts.

### **3. Employees**

On average, Mitsubishi International had 47 employees in the financial year 2022/2023 (prior year: 48 employees). Thereof, 31 employees worked in administration and 15 employees in the operative segment as well as one employee as managing director.

### **4. Fees paid to the annual auditor**

The annual audit cost recognized in the statement of profit and loss amounts to kEUR 73 (prior year: kEUR 68).

## **5. Members of management**

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

Mr. Takuya Yoshino, business economist

With regard to the total remuneration paid to management, the Company has taken advantage of the protection clause pursuant to Sec. 286 (4) HGB.

## **6. Subsequent events**

The Company sold its investment in MCE Bank to a third party buyer on 15th May 2023.

## **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, September 20, 2023

Mitsubishi International GmbH

T. Yoshino  
Executive Director

## Mitsubishi International GmbH, Düsseldorf/Germany

## Movements in fixed assets in the financial year 2022/2023

	Gross book values				Accumulated amortization, depreciation and write-downs				Net book values	
	Balance as at Apr. 1, 2022 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2023 EUR	Balance as at Apr. 1, 2022 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2023 EUR	Balance as at Mar. 31, 2023 EUR	Prior year kEUR
<b>I. Intangible fixed assets</b>										
Purchased concessions, industrial and similar rights and assets as well as licenses in such rights and assets	871,939.22	0.00	0.00	871,939.22	853,551.64	18,326.25	0.00	871,877.89	61.33	18
<b>II. Property, plant and equipment</b>										
1. Land, land rights and buildings including buildings on third party land	17,716,633.72	0.00	0.00	17,716,633.72	12,971,839.28	41,735.53	0.00	13,013,574.81	4,703,058.91	4,744
2. Other equipment, operating and office equipment	1,548,289.20	61,958.68	4,578.49	1,605,669.39	1,355,695.10	93,876.98	1,477.98	1,448,094.10	157,575.29	193
	19,264,922.92	61,958.68	4,578.49	19,322,303.11	14,327,534.38	135,612.51	1,477.98	14,461,668.91	4,860,634.20	4,937
<b>III. Long-term financial assets</b>										
Shares in affiliated companies	7,102,846.72	0.00	25,001.00	7,077,845.72	0.00	0.00	0.00	0.00	7,077,845.72	7,103
	27,239,708.86	61,958.68	29,579.49	27,272,088.05	15,181,086.02	153,938.76	1,477.98	15,333,546.80	11,938,541.25	12,058

## 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, 2023, and the statement of profit and loss for the financial year from April 1, 2022 to March 31, 2023, 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, 2022 to March 31, 2023.

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, 2023 and of its financial performance for the financial year from April 1, 2022 to March 31, 2023 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, September 20, 2023

**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

DokID:

#### 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.