

Free Translation of the Original German Audit Report

UNO MINDA Systems GmbH
München

Audit of the financial statements
and the management report
for the financial year from 1 April 2023
to 31 March 2024

Free Translation of the Original German Audit Report

UNO MINDA Systems GmbH
München

Audit of the financial statements
and the management report
for the financial year from 1 April 2023
to 31 March 2024

TABLE OF CONTENTS

A. AUDIT ENGAGEMENT AND DECLARATION OF INDEPENDENCE	1
I. Audit engagement	1
II. Declaration of independence	1
B. REPLICATION OF THE INDEPENDENT AUDITOR'S REPORT	2
C. GENERAL STATEMENTS	6
I. Comments on the executive directors' assertions on the Company's position	6
II. Findings on the accounting	7
1. Accounting and other documents audited	7
2. Annual financial statements	7
3. Management report	8
III. Findings regarding areas not directly related to the accounting	8
D. SUBJECT OF THE AUDIT	9
E. NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED	10
F. EXPLANATIONS ON THE ACCOUNTING	13
I. Accounting standards	13
II. Material measurement bases	13
G. CONCLUDING STATEMENTS AND SIGNATURE	15

APPENDICES

Annual financial statements for the financial year from 1 April 2023
to 31 March 2024

Balance sheet

Statement of profit and loss

Notes to the annual financial statements

Annex I

Page 1

Page 2

Pages 3 - 10

Management report for the financial year form 1 April 2023
to 31 March 2024

Annex II

Seite 1 - 11

Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft
and General Engagement Terms for Wirtschaftsprüfer (German Public
Auditors) and Wirtschaftsprüfungsgesellschaften (Public Audit Firms)

Annex II

Pages 1 - 4

Financial rounding of values and percentages may give rise to differences.

Where references are made to sections of the German Commercial Code (Handelsgesetzbuch - HGB) or other statutes, these relate to the versions effective for the financial year under audit.

A. AUDIT ENGAGEMENT AND DECLARATION OF INDEPENDENCE

I. AUDIT ENGAGEMENT

The shareholders' meeting of

UNO MINDA Systems GmbH, München,
(hereinafter also referred to as „UNO MINDA Systems“ or „Company“)

appointed us on 19 April 2024, the auditor for the financial year from 1 April 2023 to 31 March 2024. Thereupon, the management of the Company engaged us to audit

- the annual financial statements including the accounting and
- the management report

for the financial year from 1 April 2023 to 31 March 2024 in accordance with § 317 et seqq. HGB.

The audit was performed to fulfil the statutory audit duty in accordance with § 316 (1) sentence 1 HGB.

This report is solely intended for UNO MINDA Systems GmbH.

The Company is a medium-sized business corporation as defined in the legal requirements of German commercial law. The company applies, in accordance with Article 93 (2) of the EGHGB, as of March 31, 2024, the size classes according to § 267 (2) HGB n.F., which must be applied for the first time to annual financial statements and management reports for the financial year beginning after December 31, 2023.

The performance of the engagement and our responsibilities – also toward third parties – are governed by the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft (STC) as well as the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (Public Audit Firms) (GET) accompanying this report as Appendix II.

II. DECLARATION OF INDEPENDENCE

In accordance with § 321 (4a) HGB, we confirm that we have performed our financial statement audit in compliance with the applicable regulations on independence.

B. REPLICATION OF THE INDEPENDENT AUDITOR'S REPORT

We have issued an unqualified opinion on the annual financial statements and the management report of UNO MINDA Systems GmbH, for the financial year from 1 April 2023 to 31 March 2024, as included in this report as Appendix I (annual financial statements) and Appendix II (management report), signed on 16 May 2024 in Munich as follows:



INDEPENDENT AUDITOR'S REPORT

To UNO MINDA Systems GmbH, München

AUDIT OPINIONS

We have audited the annual financial statements, of UNO MINDA Systems GmbH, München, which comprise the balance sheet as at 31 March 2024 and the statement of profit and loss for the financial year from 1 April 2023 to 31 March 2024 and notes to the annual financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the management report of UNO MINDA Systems GmbH for the financial year from 1 April 2023 to 31 March 2024.

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 31 March 2024 and of its financial performance for the financial year from 1 April 2023 to 31 March 2024 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 § 322 (3) sentence 1 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 § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 they are free of material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) 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 REponsibilities 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 § 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 the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, and 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 (systems) 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.”



C. GENERAL STATEMENTS

I. COMMENTS ON THE EXECUTIVE DIRECTORS' ASSERTIONS ON THE COMPANY'S POSITION

From the management report prepared by the executive directors of the Company, we would like to point out the following assertions that we believe to be of particular importance for evaluating the economic position of the Company as well as its future development with its significant opportunities and risks:

Economic position and course of business

- Fixed assets decreased by kEUR 148 to kEUR 1,956 in the financial year. In total, current additions to assets at acquisition cost amounted to kEUR 563. The depreciation of the business year had an opposite effect of kEUR 709. Current assets increased by kEUR 11 to kEUR 18,904. The balance sheet total decreased by kEUR 39 to EUR 22,418. The increase in current assets is due, in particular to the items listed below: cash on hand and balances with banks (+kEUR 734), other assets (+kEUR 646) and receivables from affiliated companies (+kEUR 293). Inventories (-kEUR 498) and trade receivables (-kEUR 1,163) developed in the opposite direction.
- Other provisions increased by kEUR 1,393 to kEUR 4,344. The liabilities were reduced by a total of kEUR 1,163 to kEUR 16,160. A provision had to be recorded for services still to be provided by an amount of kEUR 1,819, which is essentially responsible for the increase in provisions. Liabilities were reduced by a total of kEUR 1,299 to kEUR 16,024. Liabilities to banks decreased by kEUR 267 to kEUR 30 due to loan repayments.
- Sales revenues for the financial year amounted to kEUR 56,032, an increase by kEUR 4,521 compared to the previous year. The increase is due to continued high demand from customers. EBIT increased by kEUR 2,482 to kEUR 61 during the financial year. The annual result for the financial year is kEUR -99 (previous year kEUR -1,836).
- Due to the enormously growing importance of electromobility, competition for German vehicle manufacturers is increasing enormously and there is a risk that their sales figures will decline in the future. This could lead to lower series sales at UNO MINDA Systems GmbH than previously planned. Project risks exist particularly in the series development of very complex control devices. Due to the high level of technical complexity, it is difficult to estimate the effort at the time of the offer and there is a risk that the product development cannot be completed with financial profit. The company sees risks in the procurement market with regard to the development of delivery times as well as rising prices for electronic components. The company sees risks in the supply chain of lighting technology products due to some company takeovers as well as insolvency risks among important suppliers and manufacturing partners.

- Due to the economic circumstances, the company's continuance is, in the management's opinion, assured. There are no risks that threaten the continued existence of the company. From a current perspective, the risks described above are manageable and do not represent a specific threat.
- The management sees opportunities for future growth in particular in the further development and market launch of new products (e.g. semi-dynamic logo projector) for existing customers. Likewise, lucrative niches among current OEM customers such as small series, special vehicles, luxury class vehicles and new vehicle manufacturers (start-ups) in Europe and North America represent very interesting growth prospects for the company.
- For the business year 2024/2025, the next step of the turnaround is expected. The company plans revenues of kEUR 57,189 and an EBITDA of kEUR 2,137.

In our opinion based on the knowledge we had obtained during the course of our audit, the management report as a whole provides an appropriate view of the Company's position. In all material respects, the management report appropriately presents the opportunities and risks of future development.

II. FINDINGS ON THE ACCOUNTING

1. ACCOUNTING AND OTHER DOCUMENTS AUDITED

In our opinion based on the findings of our audit, the accounting, in all material respects, complied with the legal requirements including the German Legally Required Accounting Principles and, if applicable, with the supplementary provisions of the articles of incorporation/articles of association/partnership agreement. The information taken from the other documents audited was properly shown in the accounting, in the annual financial statements and in the management report.

According to our findings, the accounting-related internal control system is, in principle, appropriate for ensuring the security of the accounting-related data processed.

2. ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the financial year from 1 April 2023 to 31 March 2024 audited by us accompany this report in Appendix I. In our opinion based on the findings of our audit, they, in all material respects, comply with the legal requirements including the German Legally Required Accounting Principles and, if applicable, with the supplementary provisions of the articles of incorporation/articles of association/partnership agreement.

The balance sheet and statement of profit and loss were properly derived from the accounting and the other underlying documents audited. The opening balance sheet figures were properly carried over from the prior year's annual financial statements.

Recognition, disclosure and measurement regulations applicable for business corporations were, in all material respects, adhered to. The notes to the annual financial statements include the required disclosures for the individual items of the balance sheet or the statement of profit and loss and accurately and completely reflect other mandatory disclosures.

By making use of the protection clause as given in § 286 (4) HGB, the notes to the annual financial statements did not contain any disclosures on the total remuneration received by any of the executive directors. The protection clause was rightfully exercised.

We report on material measurement bases necessary for the understanding of the overall presentation of the financial statements in section F.II.

Our audit has led to the conclusion that the annual financial statements as a whole give a true and fair view of the Company's assets, liabilities, financial position and financial performance in accordance with the German Legally Required Accounting Principles.

3. MANAGEMENT REPORT

The management report for the financial year from 1 April 2023 to 31 March 2024 audited by us accompanies this report in Appendix II. In our opinion based on the knowledge we had obtained during the course of our audit, the management report as a whole provides an appropriate view of the Company's position. In all material respects, the management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

III. FINDINGS REGARDING AREAS NOT DIRECTLY RELATED TO THE ACCOUNTING

During the course of our audit we identified the following facts not directly related to the accounting. In accordance with § 321 (1) s. 3 HGB, we have the following to report:

The annual financial statements as of 31 March 2023 were approved on 19 April 2024. Contrary to the obligation of § 42a GmbHG, the annual financial statements as of 31 March 2023 were therefore not approved within the statutory deadline.

The company has not yet submitted the annual financial statements and management report for the business year from 1 April 2022 to 31 March 2023 as well as other documents to the responsible authority maintaining the commercial register. Consequently, the company has not complied with the deadline regulated in §§ 325 ff. HGB for the submission of the annual financial statements and management report for the previous year to the authority responsible for maintaining the company register. The fine procedure to be conducted in this regard is regulated in § 335 HGB.

D. SUBJECT OF THE AUDIT

The subject of our financial statement audit was the accounting and the annual financial statements prepared in accordance with the requirements of German commercial law for the financial year from 1 April 2023 to 31 March 2024. They comprise

the balance sheet,

the statement of profit and loss and

the notes to the annual financial statements including the presentation of the recognition and measurement policies.

In addition, we audited the management report of the Company for the financial year from 1 April 2023 to 31 March 2024.

In accordance with § 317 (4a) HGB, the audit did not cover whether the audited Company's ability to continue as a going concern or the effectiveness and efficiency of management can be ensured.

We have described the responsibilities for the annual financial statements and the management report in the auditor's report (section B.).

E. NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

We have outlined our general approach to the audit in the auditor's report (section B.). In addition, we provide further explanations in the following:

Risk and system-based audit approach

Our risk and system-based audit approach complying with international audit standards is to work out an audit strategy. The required risk assessment is based on evaluating the Company's position, business risks, environment and the Company's accounting-related internal control system. For this assessment we furthermore consider our understanding of the process for preparing the annual financial statements, and the arrangements and measures (systems) the executive directors have considered necessary for enabling the preparation of a management report to be in accordance with the applicable German legal requirements and for providing sufficient appropriate evidence for the assertions in the management report.

On the basis of our risk assessment, we determined the relevant financial statement areas as well as the key audit areas on the financial statement and assertion level and developed an audit plan. The nature and scope of the respective audit procedures were detailed in the audit plan.

The audit procedures for obtaining audit evidence comprised tests of the design, implementation and effectiveness of controls, substantive analytical procedures and tests of details (other substantive procedures) for the audit areas selected. Materiality aspects were thereby taken into consideration.

Description of the audit process

We subcategorised our audit process into milestones, beginning with engagement acceptance / continuance and spanning through to reporting on the results. The illustration below provides a condensed view of our audit process.



The milestones depicted take the German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW into consideration.

The key audit areas we focused on were:

- Existence and accuracy of revenues
- Existence/completeness and measurement of inventories
- Completeness and measurement of other provisions
- Completeness of trade payables or the provision for outstanding invoices

All audit procedures were respectively conducted on a sample of specifically or representatively selected elements. The selection of each sample was based on the knowledge we had obtained from evaluating the accounting-related internal control system as well as on the nature and extent of the business transactions.

We observed the physical inventory count in order to assure ourselves whether it had been recorded properly.

As part of our tests of details, we obtained confirmations or statements and information from the following third parties:

- Customers
- suppliers

as well as the following service providers to the Company

- banks
- lawyers
- tax advisors

We examined the management report to determine whether as a whole, it complies with German legal requirements and is consistent with the annual financial statements and the knowledge obtained during our audit, and whether, as a whole, it provides an appropriate view of the Company's position. We thereby performed audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence, we especially examined the assertions of the executive directors relating to the future, traced the underlying significant assumptions, and assessed whether the assertions relating to the future had accurately been derived.

We performed our audit in the months March and May to 16 May 2024.

At the conclusion of the audit, the executive directors provided us with a letter of representation dated 16 May 2024, in which they confirmed the completeness of all explanations and evidence made available to us as well as of the accounting, the annual financial statements and the management report. The Company's executive directors provided us with all explanations and evidence requested.

F. EXPLANATIONS ON THE ACCOUNTING

I. ACCOUNTING STANDARDS

The annual financial statements were to be prepared as specified in the applicable commercial law regulations for medium-sized business corporations.

II. MATERIAL MEASUREMENT BASES

The preparation of the annual financial statements requires that numerous decisions be made by the executive directors of the Company on exercising options for particular recognition and measurement policies. In the following, in compliance with § 321 (2) sentence 4 HGB, we address

- On the significant valuation principles, including the exercise of accounting and valuation options, as well as on,
- The influence that significant changes in the valuation principles have on the presentation of the financial position, financial performance, and results, overall, and
- The influence that the utilization of discretionary leeways has on the presentation of the financial position, financial performance, and results, overall.

The accounting and valuation methods, including any changes made during the reporting year, are described in the appendix (Schedule I) in accordance with § 284 HGB.

In detail, we highlight below significant accounting and valuation methods as well as exercised accounting options, including any impacts of changes to these methods and the utilization of discretionary leeways:

- The company engages in development activities under customer orders. Only development costs not invoiced to customers are capitalized to the extent they are capable of being capitalized under commercial law. These amounted to kEUR 825 in the financial year, of which kEUR 65 was capitalized. The useful life is 3 years.
- Raw materials, auxiliary materials, and operating supplies are valued at acquisition cost or the lower fair value. The lower fair value corresponds to the replacement cost on the procurement market. A provision for value adjustments is made for obsolete or slow-moving materials.
- Provisions for warranties are established at a flat rate of 1.04% of revenues based on the average expenditure of the last three years.
- In the reporting year, inventories amounting to kEUR 1,210 were written down due to markdowns for marketability. These are disclosed under the item "Depreciation of current assets" to the extent that they exceed the regular depreciation of the company.

The annual financial statements include significant accounting options and the utilization of discretionary leeways, as presented in the previous explanations. Their overall impact on the overall statement of the annual financial statements cannot be clearly quantified due to the lack of determinable representative comparative values.

G. CONCLUDING STATEMENTS AND SIGNATURE

We have issued this report above on the audit of the annual financial statements and of the management report for the financial year from 1 April 2023 to 31 March 2024 of UNO MINDA Systems GmbH, München, in compliance with legal regulations and the German Generally Accepted Standards for Audits Reports promulgated by the Institute of Public Auditors in Germany (IDW AuS 450 (revised 10.2021)).

The auditor's report issued by us is replicated in section B. of this audit report.

Munich, 16 May 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed by Braunschläger
Wirtschaftsprüfer
(Germany Public Auditor)

Signed by Werner
Wirtschaftsprüfer
(Germany Public Auditor)

UNO MINDA Systems GmbH
Munich
Financial Statements as of 31 March 2024

Balance sheet

ASSETS	31.03.2024		31.03.2023	EQUITY and LIABILITIES	31.03.2024		31.03.2023
	EUR	EUR	EUR		EUR	EUR	EUR
A. FIXED ASSETS				A. EQUITY CAPITAL			
I. Intangible assets				I. Subscribed capital	35.000,00		35.000,00
1. Industrial property rights, created by the undertaking itself, and similar rights and assets	46.991,00		0,00	II. Capital reserves	4.418.762,77		4.418.762,77
2. Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	119.691,00		236.742,00	III. Accumulated net loss	-2.474.919,79		-2.376.372,02
		166.682,00	236.742,00			1.978.842,98	2.077.390,75
II. Tangible assets				B. PROVISIONS			
1. Plant and machinery	558.522,00		879.002,00	1. Provisions for taxation	71.874,50		106.037,46
2. Other equipment, factory equipment and furnishings and fixtures	893.988,00		916.316,99	2. Other provisions	4.343.499,76		2.950.557,63
3. Payments on account and tangible assets in the course of construction	266.948,04		2.207,63			4.415.374,26	3.056.595,09
		1.719.458,04	1.797.526,62	C. LIABILITIES			
III. Financial assets		70.000,00	70.000,00	1. Payables owed to credit institutions	29.530,15		296.200,31
				2. Payments received on account of orders	414.253,00		136.106,13
		1.956.140,04	2.104.268,62	3. Trade payables	7.897.587,24		9.601.516,94
B. CURRENT ASSETS				4. Payables owed to affiliated undertakings			
I. Stocks				5. Other payables	7.323.922,93		6.973.549,69
1. Raw materials, auxiliary supplies and consumables	3.937.135,64		3.468.416,77	of which relating to taxation: EUR 159.268,86 (PY EUR 132.347,26)	358.485,42		315.813,67
2. Work in progress, uncompleted contracts	1.682.612,30		2.422.283,01	of which relating to social security: EUR 34.670,14 (PY EUR 20.778,06)			
3. Finished goods and goods for resale	1.927.026,58		2.080.739,37			16.023.778,74	17.323.186,74
4. Payments on account	26.528,93		100.358,41				
		7.573.303,45	8.071.797,56				
II. Receivables and other assets							
1. Trade receivables	6.948.225,35		8.111.113,95				
2. Amounts owed by affiliated undertakings of which relating to trade: EUR 556.998,39 (PY EUR 436.749,30)	2.017.925,19		1.724.739,40				
3. Other assets	1.191.642,84		545.949,55				
		10.157.793,38	10.381.802,90				
II. Cash in hand and bank balances		1.172.624,49	439.105,04				
		18.903.721,32	18.892.705,50				
C. Prepayments and accrued income		193.963,62	96.027,46				
D. Deferred tax assets		1.364.171,00	1.364.171,00				
		22.417.995,98	22.457.172,58			22.417.995,98	22.457.172,58

UNO MINDA Systems GmbH
Munich
Financial Statements as of 31 March 2024

Income statement

	01.04.2023-31.03.2024		01.04.2022-31.03.2023
	EUR	EUR	EUR
1. Revenues		56.031.512,31	51.510.937,94
2. Increase of stocks of finished goods and work in progress		396.825,23	-2.028.745,73
3. Other capitalized own work		65.065,00	15.141,00
4. Other operating earnings of which from currency translation: EUR 285.348,98 (Vj. EUR 363.557,88)		686.691,17	777.693,32
5. Expenditures on materials			
a) Expenditures for raw materials, auxiliary supplies and consumables and for purchased goods		-33.160.301,26	-32.406.129,27
b) Expenditures for purchased services		-5.144.087,23	-3.855.106,65
6. Staff costs			
a) Wages and salaries	-8.581.148,61		-7.180.107,72
b) Social security contributions and expenditures for old-age pension schemes and for support of which for pensions EUR 34.978,14 (PY EUR 15.306,35)	-1.562.506,34		-1.435.292,74
		-10.143.654,95	-8.615.400,46
7. Amortisations / depreciations of			
a) Intangible assets forming part of the fixed assets and of tangible fixed assets	-708.692,56		-670.802,55
b) Assets reported as part of the current assets, to the extent that they exceed the depreciations customarily stated for the share capital company	-1.209.502,00		0,00
		-1.918.194,56	-670.802,55
8. Other operating expenses of which from currency translation: EUR 155.354,75 (PY EUR 523.882,09)		-6.752.769,86	-7.148.979,49
9. Other interest receivable and similar income		49.057,59	44.560,16
10. Interest payable and similar expenses		-173.913,20	-128.628,75
11. Taxes on income and earnings		-33.650,01	685.672,58
12. Profit or loss after taxes		-97.419,77	-1.819.787,90
13. Other taxes		-1.128,00	-15.899,22
14. Net loss for the year		-98.547,77	-1.835.687,12
15. Loss carried forward		-2.376.372,02	-540.684,90
16. Accumulated net loss		-2.474.919,79	-2.376.372,02

UNO MINDA Systems GmbH

Moosacher Str. 88

80809 Munich / Germany

Notes to the financial statements for the financial year 2023 / 2024

I. General basis of presentation

UNO MINDA Systems GmbH, based in Munich, is registered at Munich Local Court under registration number HRB 274454.

These annual financial statements as of March 31, 2024 were prepared in accordance with Sections 242 et seq. and Sections 264 et seq. HGB and in accordance with the relevant provisions of the German Limited Liability Companies Act. The regulations for medium-sized corporations apply. The option to earlier application of Art. 93 (2) EGHGB is exercised.

The income statement was prepared in accordance with Section 275 (2) HGB using the nature of expense method.

The annual financial statements were prepared in euros.

II. Accounting and valuation principles

The following accounting and valuation methods and value-determining factors were applied unchanged in the preparation of the annual financial statements.

In accordance with Section 252 (1) No. 2 HGB, the accounting is based on the assumption that the company will continue as a going concern.

Purchased intangible fixed assets are recognized at cost and amortized on a straight-line basis over their useful lives. Licenses, software and similar rights are amortized over a useful life of 3 - 5 years. Internally generated intangible fixed assets are recognized at production cost. Production costs include the cost of materials, direct production costs and special production costs as well as appropriate portions of material overheads, production overheads, depreciation of fixed assets and other optional production costs, insofar as these are caused by production. The useful life is 3 years.

Property, plant and equipment are recognized at acquisition or production cost, less scheduled depreciation where permitted. Production costs include the cost of materials, direct production costs

and special production costs as well as appropriate portions of material overheads, production overheads, depreciation of fixed assets and other optional production costs, insofar as these are caused by production. Borrowing costs were not capitalized. Scheduled depreciation is based on the normal useful life of 2 to 15 years. Depreciation is recognized on a straight-line basis pro rata temporis from the beginning of the month of acquisition. Assets up to a value of EUR 800.00 that were acquired on or after January 1, 2020 were fully depreciated in the year of acquisition. Their immediate disposal was assumed.

Financial assets were valued at acquisition cost. Non-scheduled depreciation is only recognized if the depreciation is expected to be permanent.

Raw materials and supplies are measured at the lower of cost or fair value. The lower fair value corresponds to the replacement value on the procurement market. A valuation allowance is recognized for obsolete or slow-moving materials.

Work in progress and finished goods are measured at the lower of cost and net realizable value. Production costs include the cost of materials, direct production costs and special production costs as well as appropriate portions of material overheads, production overheads, depreciation of fixed assets and other optional production costs, insofar as these are caused by production. Borrowing costs were not capitalized. In all cases, loss-free valuation was applied.

Goods are measured at the lower of cost or fair value. The lower fair value corresponds to the replacement value on the procurement market. A value adjustment is made for obsolete or slow-moving material.

Apart from customary reservations of title, inventories are also free of third-party rights.

Payments on account are recognized at nominal value.

Apart from customary reservations of title, inventories are also free from third-party rights.

Receivables and other assets are recognized at the lower of nominal value or fair value on the balance sheet date. Impending default risks are considered through individual value adjustments. A general bad debt allowance was recognized for interest losses and the latent default risk for trade receivables. There are no non-interest-bearing receivables with a term of more than one year.

Cash on hand and bank balances are recognized at nominal value.

Deferred tax assets and liabilities take into account all differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the financial statements and their tax base, which are expected to reverse in subsequent financial years. Deferred tax assets also include tax reduction claims resulting from the expected use of existing loss carryforwards and whose realization is sufficiently certain. The resulting tax burdens and tax reliefs were offset.

Receivables and liabilities denominated in **foreign currencies** are generally measured at the exchange rate on the date the receivable or liability arises. As part of subsequent measurement, receivables and liabilities with a remaining term of less than one year are revalued at the mean spot exchange rate applicable on the reporting date, depending on the development of the exchange rate. Differences from currency translation are recognized in the income statement. Exchange rate losses on receivables and liabilities with a remaining term of more than one year are recognized in profit or loss.

Other provisions take into account all identifiable risks and contingent liabilities. They are recognized within the scope of exercising discretion in the amount of the settlement amount required according to prudent business judgment.

Liabilities are recognized at the settlement amount.

III. Explanatory Notes to the Balance Sheet

1. Fixed assets

The development of the individual fixed asset items is shown in the statement of changes in fixed assets (appendix to the notes), including depreciation and amortization for the financial year.

The company carries out development as part of customer orders. Development costs that are not invoiced to customers amounted to kEUR 825 in the financial year, of which kEUR 65 were capitalized.

Other loans in financial assets relate to the rental deposit for the rental property Schatzbogen, Munich.

2. Receivables and other assets

There are no interest-bearing receivables with a remaining term of more than one year.

Receivables from affiliated companies of kEUR 2,018 (previous year: kEUR 1,725) mainly relate to current clearing accounts of kEUR 1,461 (previous year: kEUR 1,288) - of which kEUR 1,342 (previous year: kEUR 1,228) are due from shareholders - and trade receivables of kEUR 557 (previous year: kEUR 436).

Other assets consist, in particular of VAT receivables of kEUR 1,056 (previous year: kEUR 47), security deposits of kEUR 60 (previous year: kEUR 0) and creditors with debit balances of kEUR 10 (previous year: kEUR 75).

3. Deferred tax assets

Deferred tax assets were mainly recognized on tax loss carried forward.

At the end of the financial year, they amounted to EUR 1,364,171.00 (previous year: kEUR 1,364).

4. Equity

The subscribed capital amounts to EUR 35,000.00 and corresponds to the amount entered in the commercial register. The share capital is fully paid in. The net loss for the year of EUR 98,547.77 is offset against the net loss for the previous year of EUR 2,376,372.02. This results in a net accumulated loss of EUR 2,474,919.79.

As of March 31, 2024, there is a distribution block in the amount of kEUR 1,411 (previous year: kEUR 1,364). This relates to the surplus of deferred tax assets reported in the balance sheet in the amount of kEUR 1,364 and the capitalized internally generated intangible fixed assets in the amount of kEUR 47.

5. Other provisions

Other provisions amounting to kEUR 4,344 (previous year: kEUR 2,951) were mainly recognized for services still to be rendered (kEUR 1,819, previous year: kEUR 0), warranty and goodwill services (kEUR 617, previous year: kEUR 617), provisions for outstanding invoices (kEUR 635, previous year: kEUR 1,148) and overtime and vacation obligations (kEUR 732, previous year: kEUR 734).

6. Liabilities

The remaining term and collateralization of the liabilities are shown in detail in the statement of liabilities:

<u>type of liability</u>	<u>Remaining</u>	<u>Remaining</u>	<u>Remaining</u>	<u>secured</u>	<u>total</u>
	<u>term</u>	<u>term</u>	<u>term</u>		
	<u>until 1 year</u>	<u>over 1 year</u>	<u>of which o-</u>	<u>with</u>	
	<u>kEUR</u>	<u>kEUR</u>	<u>ver 5 years</u>	<u>kEUR</u>	<u>kEUR</u>
			<u>kEUR</u>		
1. Amounts owed to banks					
(previous year)	30	0	0	0	30
	(296)	(0)	(0)	(0)	(296)
2. Advance payments re-					
ceived on orders	414	0	0	0	414

(previous year)	(136)	(0)	(0)	(0)	(136)
Liabilities from trade					
3. accounts payable					
(previous year)	7,898	0	0	0	7,898
	(9,602)	(0)	(0)	(0)	(9,602)
					0
4. Liabilities to					0
affiliated companies	7,324	0	0	0	7,324
(previous year)	(6,008)	(965)	(0)	(0)	(6,973)
					0
5. Other liabilities	358	0	0	0	358
(previous year)	(316)	(0)	(0)	(0)	(316)
- of which from					
taxes	159	0	0	0	159
(previous year)	(132)	(0)	(0)	(0)	(132)
- of which in					
the context of					
social security					0
(previous year)	35	0	0	0	35
	(21)	(0)	(0)	(0)	(21)
	16,024	0	0	0	16,024
	(16,358)	(965)	(0)	(0)	(17,027)

Liabilities to affiliated companies amounting to kEUR 4,305 (previous year: kEUR 4,151) relate to loans within the group of companies - of which to shareholders kEUR 3,690 (previous year: kEUR 2,640). In addition, trade payables amounted to kEUR 3,019 (previous year: kEUR 2,822), of which kEUR 1,537 (previous year: kEUR 2,764) were due to shareholders.

IV. Notes to the profit and loss statement

1. Other operating income

Other operating income includes prior-period income from the reversal of provisions (kEUR 164; previous year: kEUR 241).

2. Depreciation

Depreciation of current assets includes depreciation of work in progress in the amount of kEUR 988 (previous year: kEUR 0).

3. Other operating expenses

Other operating expenses don't include expenses relating to other periods (previous year: kEUR 27).

4. Taxes on income and earnings

Taxes on income include income from the addition of deferred tax assets (EUR 0 thousand; previous year: kEUR 764).

V. Other disclosures

1. Management

Jain, Amit (appointed as of 05.12.2022 / resigned as of 25.07.2023)

Dr. Vogel, Tobias (Dr. Ing./ Dipl.-Wirt.-Inf.) (appointed as of 25.07.2023)

The total remuneration of the Management Board is not disclosed with reference to the protective clause of Section 286 (4) HGB.

2. Employees

Average number of employees during the financial year:

	2023/2024	2022/2023
Employees	133	112
Temp. Staff	8	9
	<hr/>	<hr/>
	141	121
Apprentices	0	0
	<hr/>	<hr/>
Total	141	121
	<hr/> <hr/>	<hr/> <hr/>

3. Other financial obligations

Rental and lease agreements:

The company has financial obligations from lease agreements. As a result of the contracts existing on the balance sheet date that cannot be terminated in the short term, the amounts to be paid in the following financial years are as follows:

	kEUR
Financial year 2022/2023	1,025
Financial year 2023/2024	965
Subsequent years	158
	2,148

4. Transactions not included in the balance sheet

Type of transaction	Purpose	Benefits	Risks
Leasing contracts	Financing	Optimization Equity ratio / Balance sheet total	Financial obligation

The obligations from leases that cannot be terminated within one year and that arise over the term of the lease are reported under other financial obligations with the corresponding amounts.

5. Allocation of profits

The net loss for the year of EUR 98,547.77 is offset against the net loss for the previous year of EUR 2,376,372.02.

6. Other mandatory information

UNO MINDA Systems GmbH is liable in accordance with Section 251 HGB from the provision of collateral for third-party liabilities (encumbrance of movable and immovable property, plant and equipment as well as all current assets) in the amount of kEUR 16,370 (of which kEUR 16,370 in favor of affiliated companies). The risk of a claim arising from the aforementioned contingent liabilities is currently excluded as there are no discernible reasons.

7. Affiliation to the Group

The company is part of the Minda Group. It is a wholly owned subsidiary of UNO MINDA Europe GmbH, Moosacher Straße 88, 80809 Munich, Germany, Munich Local Court, commercial register number HRB 274526, which is obliged to prepare the consolidated financial statements for the smallest group of companies. The consolidated financial statements are expected to be published in the company register.

The ultimate parent company is Uno Minda Limited, Nawada, Fatehpur, SikanderPur Badda IMT Manesar, Gurgaon - Haryana - 122004 India, which prepares the consolidated financial statements for the largest group of companies in accordance with Indian accounting principles.

The consolidated financial statements are available at the registered office of the ultimate parent company.

8. Significant events after the end of the financial year

The Israel-Iran conflict came to a head in April 2024 and further reactions are currently to be expected. This Middle East conflict can have a direct impact on raw material prices and supply bottlenecks and have a negative effect on price trends.

UNO MINDA Systems GmbH may be affected both by supply bottlenecks from our suppliers and by reduced purchase volumes from customers due to a reduction in purchasing power and changes in purchasing behavior.

There were no other events after the end of the financial year that would be material for the assessment of the company's net assets, financial position and results of operations.

Munich, 16 May 2024

UNO MINDA Systems GmbH

Dr. Tobias Vogel

Managing Director from 1.7.2023 (Partially managing director in the reporting period)

Development of fixed assets

	Development of acquisition/ manufacturing costs				Development of depreciation and amortization				Book value		Depreciation and amortization for the financial year
	Balance			Balance	Balance			Balance	Balance	Balance	
	01.04.2023 EUR	Additions EUR	Disposals EUR	31.03.2024 EUR	01.04.2023 EUR	Additions EUR	Disposals EUR	31.03.2024 EUR	31.03.2024 EUR	31.03.2023 EUR	2023_2024 EUR
I. Intangible Assets											
1. Industrial property rights, created by the undertaking itself, and similar rights and assets	0,00	65.065,00	0,00	65.065,00	0,00	18.074,00	0,00	18.074,00	46.991,00	0,00	18.074,00
2. Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	797.968,04	0,00	0,00	797.968,04	561.226,04	117.051,00	0,00	678.277,04	119.691,00	236.742,00	117.051,00
	797.968,04	65.065,00	0,00	863.033,04	561.226,04	135.125,00	0,00	696.351,04	166.682,00	236.742,00	135.125,00
II. Tangible assets											
1. Plant and machinery	1.650.506,19	0,00	0,00	1.650.506,19	771.504,19	320.480,00	0,00	1.091.984,19	558.522,00	879.002,00	320.480,00
2. Other equipment, factory equipment and furnishing and fixtures	2.217.472,42	230.857,05	272,64	2.448.056,83	1.301.155,43	253.087,56	174,16	1.554.068,83	893.988,00	916.316,99	253.087,56
3. Payments on account and tangible assets in the course of construction	2.207,63	266.948,04	2.207,63	266.948,04	0,00	0,00	0,00	0,00	266.948,04	2.207,63	0,00
	3.870.186,24	497.805,09	2.480,27	4.365.511,06	2.072.659,62	573.567,56	174,16	2.646.053,02	1.719.458,04	1.797.526,62	573.567,56
III. Financial assets											
Other loans	70.000,00	0,00	0,00	70.000,00	0,00	0,00	0,00	0,00	70.000,00	70.000,00	0,00
	4.738.154,28	562.870,09	2.480,27	5.298.544,10	2.633.885,66	708.692,56	174,16	3.342.404,06	1.956.140,04	2.104.268,62	708.692,56

Management Report for the financial year from 1 April 2023 – 31. March 2024

UNO MINDA Systems GmbH, Moosacher Straße 88, 80809 München

1. FUNDAMENTAL INFORMATION

1.1. Fundamental Information about the company

UNO MINDA Systems GmbH is an established supplier of electronics and lighting systems to the automotive industry.

UNO MINDA Systems GmbH develops and realizes lighting solutions and control units for vehicle interiors and exteriors. The series products developed are produced at the Munich production site and by subcontractors, tested and shipped to customers.

The company exclusively develops products that it supplies as a series supplier to vehicle manufacturers or Tier 1 suppliers. Mechanical design, lighting design, thermal simulation, electronics hardware and software development as well as functional and validation testing are mainly carried out in-house. The end-of-line test equipment required for production (automated testing) is also mainly developed in-house. The product range of UNO MINDA System GmbH includes

- Static and semi-dynamic logo projectors
- Interior lighting solutions, such as a vehicle starry sky
- Control units for interior, motion and vehicle body
- Vehicle exterior lighting for small and medium production runs

The applied quality management system meets the basic requirements of IATF16949:2016 and ISO 9001:2015 and forms the basis for processing the products. The company is also certified in accordance with ISO14001 (environmental protection). An extended TISAX certification is being sought in 2024.

1.2. Corporate structure

UNO MINDA Systems GmbH, Munich is a subsidiary of UNO MINDA EU-ROPE GmbH, Munich and is part of the listed UNO MINDA Group in India.

1.3 Branch offices

There are production facilities in Munich (Schatzbogen 86 / production), Regensburg and Reutlingen, and since 2023 a warehouse location at Karl-Schmid-Str. 13, 81829 Munich.

1.4 Research and Development

The company carries out development as part of customer orders. Only development costs that are not invoiced to customers are capitalized under commercial law if they can be capitalized.

2. ECONOMIC REPORT

2.1. Overall economic conditions

Sources

<https://www.destatis.de/DE/Service/Hauptstadtkommunikation/Veranstaltungen/bip-fachgespraech-2024.html>

https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html

<https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2023/20230113-die-wirtschaftliche-lage-in-deutschland-im-januar-2023.html>

According to initial calculations by the Federal Statistical Office (Destatis), **price-adjusted gross domestic product** (GDP) in 2023 was 0.3% lower than in the previous year (2022). Adjusted for currency effects, the decline in economic output amounted to 0.1 %. Overall economic development in Germany came to a standstill in 2023 in what remains a crisis-ridden environment. Despite the recent declines, prices remained high at all levels of the economy, putting a damper on the economy. This was compounded by unfavorable financing conditions

due to rising interest rates and lower demand from Germany and abroad. As a result, the recovery of the German economy from the deep slump in the coronavirus year 2020 did not continue. Compared to 2019, the year before the coronavirus pandemic began, GDP was 0.7% higher in 2023.

The **inflation rate** in Germany - measured as the change in the consumer price index (CPI) compared to the same month of the previous year - was +2.2% in March 2024. The inflation rate was +2.5% in February 2024 and +2.9% in January 2024. This means that the inflation rate in March 2024 was as low as it was last in May 2021 (also +2.2%); an even lower figure was previously recorded in April 2021 (+2.0%). The inflation rate has thus weakened again.

Gross value added developed differently in the individual economic sectors in 2023: economic output in the **manufacturing sector** (excluding construction) fell significantly by 2.0 % overall. This was mainly due to much lower production in the energy supply sector. The manufacturing sector, which accounts for almost 85% of the manufacturing industry (excluding construction), was also down in 2023 (-0.4%) on a price-adjusted basis. Positive impetus here came primarily from the automotive industry and other vehicle construction.

The labor market was robust. In 2023, economic output was generated by an average of 45.9 million people in employment in Germany. This was 0.7% or 333,000 more people than in the previous year and more than ever before in Germany. Employment increased in 2023, partly due to the immigration of foreign workers. There was also an increase in labor force participation among the domestic population. These positive effects outweighed the dampening effects of demographic change. The increase in employment in 2023 was almost exclusively in the service sectors.

2.2. Sector-related framework conditions

Source

https://www.vda.de/de/presse/Pressemeldungen/2024/240118_PM_Internationale-Pkw-M-rkte-im-Jahr-2023-mit-kr-ftigem-Wachstum

The major international automotive markets recorded a significant increase in new registrations in 2023. Compared to 2022, vehicle availability improved significantly, which had a positive impact on car sales. In addition, weak figures from the previous year led to a base effect. However, this has recently had less and less of a supporting effect on growth rates. Nevertheless, the

business environment for the automotive industry remains challenging: in Europe in particular, but also in other regions of the world, geopolitical and macroeconomic uncertainties have recently led to subdued overall economic demand and thus to subdued economic growth. The persistently high energy and consumer prices are also having a negative impact on overall economic demand.

About 12.8 million new vehicles were registered on the European passenger car market (EU, EFTA & UK) in 2023, 14% more than in the previous year. However, the recovery continues to be sluggish: the European passenger car market is currently still almost a fifth (-19%) below the pre-crisis level of new registrations in 2019. In December, just over 1.0 million new vehicles were registered, 4% fewer than in the same month last year. The main reason for the decline is the weak German market, where significantly fewer new vehicles were registered overall in December 2023, as a result of a special effect (changes to subsidies for electric cars) in the electric segment that took effect at the end of 2022. The five largest individual European markets developed as follows in the past month: France (+15%), Spain (+11%), the United Kingdom (+10%), Italy (+6%) and Germany (-23%).

2.3. Employees

As at 31.03.2024, the company had 133 employees and 8 temporary employees, excluding management.

2.4. Business performance and performance indicators

The reporting period presented in these annual financial statements and the management report (prepared according to German commercial law) of UNO MINDA Systems GmbH is the 2023 / 2024 financial year (April 1, 2023 - March 31, 2024).

Corporate management at UNO MINDA Systems GmbH is primarily focused on the company's financial targets. Sales revenue and EBITDA are used as the most important financial performance indicators. No non-financial performance indicators are used.

The financial performance indicators are as follows:

	Actual 2022/2023 in kEUR	Actual 2023/2024 in kEUR	BUDGET 2023/2024 in kEUR	Difference in Actual 2023/2024 to Budget in kEUR
Revenues	51,511	56,031	59,434	- 3,403
EBITDA	-1,751	1,979	2,225	- 246

Revenues for the financial year was 5.7% below budget. Despite an improvement in operating processes, particularly material consumption, the EBIDTA target was not achieved

In the area of development, expenditure was maintained at the previous year's level for the 2022/2023 financial year.

2022-2023		
Revenues	51.511	
Expenditures on material	36.261	70,4%

2023-2024		
Revenues	56.031	
Expenditures on material	38.304	68,4%

This year, the material consumption rate was improved by 2.03 points compared to the previous year, which was reflected in a positive effect of kEUR 1,139.

3. FINANCIAL INFORMATION

3.1 Net Assets

Fixed assets decreased by kEUR 148 to kEUR 1,956 during the reporting year. In total, current additions to fixed assets at acquisition cost amounted to kEUR 563. This was offset by depreciation and amortization of kEUR 709 in the financial year.

Current assets increased by kEUR 11 to kEUR 18,904. The balance sheet total decreased by kEUR 39 to kEUR 22,418. The increase in current assets is due in particular to the following items: Cash in hand and bank balances (+kEUR 734), other assets (+kEUR 646) and receivables from affiliated companies (+kEUR 293). Inventories (-kEUR 498) and trade receivables (-kEUR 1,163) developed in the opposite direction.

3.2 Financial Position

Provisions for taxes are recognized at kEUR 72, a reduction of kEUR 34. Other provisions increased by kEUR 1,393 to kEUR 4,344. The provision for invoices still outstanding on the balance sheet date is reported at kEUR 635, a reduction of kEUR 513 compared to the previous year. Provisions for services still to be rendered in the amount of kEUR 1,819 had to be recognized, which is mainly responsible for the increase in provisions.

Liabilities were reduced by a total of kEUR 1,299 to kEUR 16,024.

Within liabilities, liabilities to credit institutions decreased by kEUR 267 to kEUR 30 due to loan repayments. Trade payables also decreased significantly compared to the previous year (kEUR 1,704). On the other hand, there was an increase in advance payments received on orders (+kEUR 278) and in liabilities to affiliated companies (+kEUR 350) compared to the previous year.

The company's operating activities are mainly financed by customer payments and interim financing through loans within the Uno-Minda Group.

Overall, the company's cash and cash equivalents, which comprise cash and cash equivalents, increased by kEUR 734 to kEUR 1,173 in the reporting year. The company was able to meet its financial obligations at all times. Due to the cash and cash equivalents and the possibility of recourse to financial resources within the Group, there are no foreseeable liquidity bottlenecks from the management's perspective.

3.3. Results of operations

Sales revenue for the financial year amounted to kEUR 56,032, an increase of kEUR 4,521 compared to the previous year. The increase is due to the continued high demand from

customers. Personnel expenses amounted to kEUR 10,144 thousand in the financial year and were therefore kEUR 1,528 higher than in the previous year. EBIT rose by kEUR 2,482 to kEUR 61 in the financial year. Net loss for the financial year amounted to kEUR 99 (previous year: kEUR -1,836).

Depreciation and amortization amounted to kEUR 1,918 in the financial year (previous year: kEUR 671). This included amortization of current assets to the extent that this exceeded the usual amortization in the corporation (kEUR 1,210, previous year: kEUR 0). These write-downs were mainly necessary on development costs not covered by customer orders, which could not be capitalized as internally generated intangible assets (kEUR 988).

Other operating expenses fell by a total of kEUR 396. While the cost of goods sold (kEUR 79, previous year kEUR), expenses for warranties (kEUR 80, previous year kEUR 363) and expenses from exchange rate differences (kEUR 155, previous year kEUR 520) fell, allocations within the UNO MINDA Europe Group (kEUR 2,415, previous year kEUR 2,171) and occupancy costs (kEUR 1,227, previous year kEUR 957) increased.

4. REPORT ON RISKS AND OPPORTUNITIES

4.1 Report on risks

The company's risk management aims to use organizational processes to ensure that risks are identified at an early stage and that countermeasures can be taken, implemented, monitored, and further developed.

The main known risks for the company that could have a lasting impact on the company's net assets, financial position and results of operations are listed below. Appropriate measures are taken on an ongoing basis to exert a significant influence.

Sector-specific risks

The automotive industry is facing drastic changes. The pressure for change is coming primarily from the four megatrends: digitalization, urbanization, sustainability and individualization. This is additionally fueling the pressure to innovate and invest for vehicle manufacturers and the supplier industry. [Friedrich-Ebert-Stiftung e.V.; <https://www.fes.de/studie-zukunft-der-automobilbranche>; accessed 11.3.2024]

Due to the enormous growth in the importance of electromobility, the competition for German vehicle manufacturers is increasing enormously and there is a risk that their sales figures will fall in the future. This could lead to lower series sales for UNO MINDA Systems GmbH than previously planned. The probability of occurrence is classified as low in the short term, the impact as medium.

Market risks

The aforementioned outlook harbors risks regarding to our product sales, as the planned call-off quantities may not be achievable in some cases due to the tight supply situation. The call-off quantities from the US markets in particular are subject to strong fluctuations. As a countermeasure, the Uno-Minda Group is attempting to minimize the corresponding procurement risks.

Probability of occurrence medium/impact medium.

Due to the constant concentration with major customers, dependency risks inevitably arise.

Probability of occurrence medium/impact high.

Purchasing risks

We see risks on the procurement market with regard to the development of delivery times and rising prices for electronic components.

Probability of occurrence high/impact high

We see risks in the supply chain for our lighting technology products due to a number of company takeovers and insolvency risks at key suppliers and manufacturing partners.

Probability of occurrence very high/impact high

Project risks

Project risks exist in particular for series developments of very complex control units. Due to the high level of technical complexity and new requirements (e.g. wireless security, cyber security, TISAX and many more), it is difficult to estimate the costs at the time of the offer and there is a risk that the product development will not be completed with a financial profit. More intensive project management, regular reviews, a focus on projects with a higher repetition rate

and regular “lessons learned” rounds are intended to ensure that these risks are better managed. Increased attention is also being paid to ensuring that the economic risks of product developments are in reasonable proportion to the expected series sales and margins.

Probability of occurrence high/impact medium to high

Labor market risks

There are risks on the labor market in that we are constantly competing with direct competitors and larger corporations for suitable specialists. We have to put more and more effort to keep our specialists in the company and recruit new employees for our planned growth.

The shortage of skilled workers, particularly for electronics development, software development and sales, is our biggest bottleneck to growth.

Probability of occurrence very high/impact high

Financial risks

Increasing pre-financing costs: The payment terms in the series production business generally require (at least partial) pre-financing of development costs and production equipment until full qualification/approval by the customer. This must be taken into account accordingly in liquidity planning and/or buffered by project financing. Easy recourse within the UNO MINDA Group can provide liquidity at short notice if necessary.

Probability of occurrence high/impact high

We counter cost structure risks, consisting of the development of prices for purchased services and high fixed costs, as well as price pressure on the sales market side with efficient internal controlling. This provides meaningful key figures in a timely manner in order to identify possible deviations at an early stage and take countermeasures.

Probability of occurrence high/impact medium

The various global political changes and crises pose risks for the company, as they can have a severe impact on individual markets. There is therefore an increased risk of possible customer/supplier defaults. The company therefore pays consistent attention to punctual payment

and adjusts its requirements and variable costs flexibly and at short notice through production planning and control in order to maintain liquidity.

Probability of occurrence low/impact high

4.2 Opportunities report

The current situation offers opportunities for UNO MINDA Systems GmbH when competitors are unable to maintain their business operations during this crisis. This would provide UNO MINDA Systems GmbH with additional market opportunities.

Opportunities on the sales market exist in being able to gain significantly improved specialist expertise due to the sub-operation spun off to the company, expand our business with existing customers and acquire new customers.

We see opportunities for future growth in particular in the further development and market launch of new products (e.g. semi-dynamic logo projector) for our existing customers. Lucrative niches with our current OEM customers, such as small series, special vehicles, luxury vehicles and new vehicle manufacturers (start-ups) in Europe and North America, also represent very interesting growth prospects for us.

4.3. Forecast report

4.3.1 Outlook for the development of the industry

The conflict in Ukraine has led to considerable disruption since February 2022, as important wiring harness manufacturers, for example, produce in Ukraine and no vehicle can be manufactured without a wiring harness. The developments in energy and raw material prices, the still difficult and almost unpredictable supply situation with semiconductors (especially ICs and certain other electronic components) led to an increase in procurement costs and high labor costs. These costs are very difficult to pass on to customers, only in part and in protracted negotiations. The market conditions and the associated high volatility pose major challenges for the entire industry, as both the availability of materials and procurement costs are difficult to plan. This results in constant escalations, purchases via brokers at increased costs, the constant

risk of supply disruptions and the threat of assembly line shutdowns at vehicle manufacturers. In 2023, the general conditions have stabilized due to the overcoming of the Covid-19 crisis and the adjustment of supply chains to the war in Ukraine. Nevertheless, we assume that the supply bottlenecks for electronic components will still harbor difficulties in 2024/2025.

4.3.2. Outlook for the development of the company

The management currently assumes that the industry developments will continue to have a corresponding impact on our sales revenue and earnings.

The next step of the turnaround is expected for the financial year 2024/2025. We are planning sales revenue of kEUR 57,189 and EBITDA of kEUR 2,137.

Summary

Despite the risks and regarding the positive developments already known today, the management expects the company's net assets, financial position and results of operations to remain stable.

Due to the economic situation of the company, the continued existence of the company is assured. There are no risks endangering the existence of the company. From a current perspective, the risks described above are manageable and do not pose a concrete threat.

Munich, 16 May 2024

UNO MINDA Systems GmbH

gez. Dr. Tobias Vogel

Managing director from 1 July 2023 (Partially managing director during the financial year)

- Special Terms and Conditions -

1. General Provisions

(a) We render our services based on (i) the engagement letter and any possible attachments to the engagement letter (in particular any service descriptions, revocation notices for consumers and portal terms of use), (ii) these Special Terms and Conditions (hereinafter the "STC"), and (iii) the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften of the Institute of German Certified Accountants (hereinafter the "GET") (hereinafter collectively referred to as the "Client Agreement"). The same also applies to any part of our services that may be rendered by us before the Client Agreement is signed with legal effect. Different or conflicting terms and conditions will apply only if they have been expressly accepted by us in writing. The provisions of our engagement letter, the STC and GET will apply even if we do not expressly object to an order placed on the basis of different terms and conditions (e.g., terms and conditions of written orders).

(b) Unless otherwise agreed, these STC and GET also apply if we render services in addition to those agreed upon in the engagement letter or any attachments thereto.

2. Fees, Payment Due Date

(a) Our invoices, including any invoices for installment payments or prepayments, will be issued in Euro and will be due for payment immediately. We will invoice you at cost for any subcontractor services.

(b) Any demands for advance payments are subject to section 13 (1) sentence 2 of the GET. We have the right to invoice the client for reasonable installment payments on fees, charges and expenses, including incidental costs, at any time.

(c) All information we provide regarding the expected amount of fees generally is only a cost estimate, unless the Client Agreement expressly provides for a flat fee. In case we are engaged to provide audit services or an expert opinion, a quoted flat fee may be exceeded in accordance with sec. 43 (2) BS WP/vBP (Professional Charter of the Wirtschaftsprüferkammer on the Rights and Responsibilities of Wirtschaftsprüfer and vereidigte Buchprüfer in Exercising the Profession - Berufssatzung der Wirtschaftsprüfer / vereidigte Buchprüfer), if unforeseeable events beyond our control will result in a considerable amount of additional work.

(d) If we should discontinue our services early, we shall have the right to invoice the client for the number of hours worked up to that point in time, unless termination of the contract is due to wrongful conduct on our part. However, in the latter case we may invoice you for the number of hours worked, if and to the extent that the services rendered are utilizable despite early termination.

(e) The German Regulations on Fees of Tax Advisors (*Steuerberatervergütungsverordnung - StBVV*) shall apply only to the extent expressly agreed in writing. If after the Client Agreement is signed you request us to perform services, that are not included in the engagement letter, we will invoice you for these services either based on a separate agreement or, absent a separate agreement, based on our standard hourly rates applicable to these services, which are available upon request.

(f) If we are requested or required (whether before or after services are rendered) to make available information about our services to a competent court, a trustee or insolvency administrator, a public, regulatory or supervisory authority (*WPK, PCAOB, DPR*) or to any other third party (including the hearing of our personnel as witnesses), we shall have the right to invoice you for the time expended in this context based on hourly rates as agreed in the Client Agreement.

3. Limitations of our Liability

(a) Unless otherwise specified in this section 3 of the STC our liability is governed by section 9 of the GET. In derogation of section 9 (2) and (5) of the GET, each of the liability limits stated therein shall however be replaced throughout by the amount of € 5 million. Section 9 (1) of the GET shall in each case remain unaffected.

(b) If in your opinion the risk associated with our services substantially exceeds the amount of € 5 million, you will inform us about the required

maximum liability amount. We will consider your request and, if necessary, discuss with our liability carrier the possibility of obtaining an adequate additional insurance. You are responsible for any additional premiums incurred in connection therewith.

(c) Contrary to section 9 (2) of the GET and section 3 (a) of the STC our liability is unlimited if (i) expressly agreed in writing, or (ii) as far as we have to perform our work without any limitations of liability to meet the requirements of the laws of the United States of America concerning the independence of auditors.

4. Our Work Results

Work results that must be delivered in writing or in text form and signed by us shall be binding only if the original is signed by two employees or, in case of e-mails, if two employees are named as signatories. Unless otherwise agreed or in violation of any applicable laws or professional standards, we may also deliver our work results to you exclusively (i) as a PDF file and/or (ii) by e-mail and/or (iii) with a qualified electronic signature.

5. Disclosure of Our Work Results, Rights to Work Results

(a) Any disclosure of our work results to third parties or any use of our work results for advertising purposes is subject to section 6 of the GET.

(b) Our work results are intended exclusively for the purpose agreed in the respective Client Agreement, are therefore solely addressed to you, and may not be used for any other purpose, disclosed, or passed on to third parties without our prior consent which must be given in text form.

(c) Unless otherwise agreed in text form, we generally will consent to a disclosure of our work results to third parties only under the condition that a standard disclosure agreement (release letter) has been agreed by the third party/parties. This does not apply to a:

- Disclosure on the basis of section 6 (1) last sub-sentence of the GET - insofar as an obligation arises from statutory law, regulation, official or judicial order.
- Disclosure to your affiliated companies within the meaning of section 15 of the German Stock Corporation Act (AktG), your statutory auditor or other auditors/advisors/lawyers with an obligation to maintain confidentiality who require the information in connection with their services, whereby you are obliged to ensure that this disclosure of information does not result in any additional responsibility or liability on our side.

(d) Any disclosure of our work results must be made in full text and include all appendices. Sec. 334 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) shall remain unaffected by any such disclosure.

(e) You agree to hold harmless and indemnify us from and against any and all losses and damages that may result from any non-compliance with the foregoing provisions in section 5 (a) and/or (d).

(f) We will grant you rights to use our work results only to the extent necessary given the purpose of the applicable Client Agreement.

6. Principles of Our Cooperation, Independence

(a) The amount of time needed to render our services and used to calculate our fees depends in substantial part on satisfaction of the requirements set forth in section 3 (1) of the GET.

(b) Unless otherwise provided by the engagement letter, binding laws to which we are subject or any other provisions or applicable standards, we shall have no obligation to review any information made available to us for accuracy or completeness.

(c) We provide our services independently and under our own responsibility and not as your employee, agent, corporate body, or shareholder. You are solely responsible for any management decisions required in relation to our services and for any determination as to the suitability of the services for your purposes. Therefore, you will appoint sufficient qualified contacts for any required coordination in connection with the services to be provided by us.

7. Special Clause for Tax Advice

(a) You hereby instruct and authorize us to electronically submit in your name all statements prepared for you that are intended and have been approved for electronic transmission to the responsible office of the German tax authority directly through DATEV eG. The foregoing instruction and authorization shall be effective immediately and may be revoked at any time. Any notice of revocation must be at least in text form.

(b) If documents requiring action by a certain deadline are submitted to us, we shall have no obligation to take any steps to meet the deadline unless the documents are transmitted to us via our BDO Global Portal, by regular mail or fax.

8. Electronic Communication, Antivirus Protection and Information Security

(a) Electronic communication is subject to section 12 of the GET. You hereby further acknowledge that data sent via the Internet cannot be reliably protected against access by third parties, might be subject to loss, delay or viruses. To the extent permitted by law, we therefore disclaim any responsibility and liability for the integrity of e-mails after they leave our control, and for any damages you or any third parties may suffer as a result. This also applies if despite antivirus programs used by us, viruses enter your system as a result of receiving e-mails from us.

(b) You are obliged to inform us immediately of any security incidents (such as cyber-attacks) that could also have an impact on us.

9. BDO Network, Sole Recourse

(a) We are a member of BDO International Limited, a British company with limited capital contributions, and we are part of the international BDO network of legally independent member firms. BDO is the brand of the BDO network and the BDO member firms (hereinafter "BDO Firms"). To render services, we may involve other BDO Firms as subcontractors. For this purpose, you hereby release us from our duty of confidentiality in relation to such BDO Firms.

(b) You hereby acknowledge and agree that in such cases we will bear full responsibility for both our acts and/or omissions and also all acts and/or omissions of any BDO Firms assisting us as subcontractors. Accordingly, you agree that you shall bring no claims or proceedings of any kind whatsoever against any BDO subcontractors (including BDO International Limited or Brussels Worldwide Services BVBA). This shall not apply to any claim or proceeding founded on an allegation of fraud or willful misconduct or any other claims that cannot be excluded under the laws of the Federal Republic of Germany.

(c) The liability provisions of this Client Agreement, including, without limitation, the limitations of liability, shall also apply for the benefit of any BDO Firms assisting us as subcontractors. Such BDO subcontractors have the right to directly invoke the provisions of the foregoing section 9 (b) of these STC.

10. BDO Legal Rechtsanwaltsgesellschaft mbH (BDO Legal) and BDO Group

(a) If in connection with our services you are also engaging BDO Legal or other companies of the BDO group, you hereby release us from our duty of confidentiality with respect to all engagement-related information in relation to BDO Legal and/or other companies of the BDO group, so that services can be rendered as smoothly and efficiently as possible.

(b) We are legally independent from BDO Legal and from other companies of the BDO group, we neither assume responsibility for their actions or omissions, nor do we form partnership under civil law (*Gesellschaft bürgerlichen Rechts - GbR*) with BDO Legal or any company of the BDO group, nor are we subject to joint and several liability with BDO Legal or any company of the BDO group.

11. Money-Laundering Act, Sanctions

Under the provisions of the German Money-Laundering Act (*Geldwäschegesetz - GWG*) we are required to follow certain identification procedures with respect to our contract partners. You are obligated to provide us, fully and truthfully, with all information and documentation that must be provided under the German Money-Laundering Act, and you are obligated to update such information and documentation without demand in the further course of the business relationship. We hereby expressly advise you of our obligations to terminate business relationships in accordance with applicable provisions of the German Money-Laundering Act. We further note that we also review our business relationships, *inter alia*, for relevant national or international sanctions. We reserve the right to terminate a business relationship without notice if we determine in the course of any sanction reviews that you and/or any of your controlling shareholders/partners are subject to relevant sanctions.

12. Marketing

Unless we are instructed otherwise by you in writing or highly personal matters or mandates of consumers within the meaning of sec. 13 of the German Civil Code are involved, you hereby allow us to use the type and nature of our contract with you for marketing purposes. This authorization exclusively covers a factual description of the basic nature of the contract and the client (e.g., reference lists with firm and logo, as well as scorecards).

13. Statute of Limitations

(a) The limitation of warranty claims is subject to section 7 (2) of the GET. The limitation of all other claims is as provided in the following subsections.

(b) In cases of simple negligence not involving harm to life, body, freedom or health, all claims against us shall be subject to a general limitation period of one year.

(c) The limitation period shall begin to run at the end of the calendar year in which the claim occurred and in which you discovered or absent gross negligence would have discovered the circumstances giving rise to the claim as well as the identity of the liable party ("knowledge or grossly negligent lack of knowledge"). Irrespective of the above, claims shall be time-barred after a period of five years after they occurred, or, without regard to their occurrence and to your knowledge or grossly negligent lack of knowledge, ten years after the act, breach of duty or any other event triggering the damage. Whichever deadline expires first shall be relevant.

(d) Except as provided herein, the limitation of claims shall be governed by applicable law.

14. Jurisdiction, Form, Severability

(a) If you are a merchant (*Kaufmann*), a legal entity under public law or a special fund under public law, or if you do not have a general place of jurisdiction in Germany, the place of jurisdiction for any and all disputes arising from or in connection with the Client Agreement shall, at our option, be (i) Hamburg/Germany, (ii) the place at which the work in dispute was performed, or (iii) the place of your registered office or residence.

(b) Any amendment, supplement or cancellation of the Client Agreement shall be made at least in text form (sec. 126b German Civil Code). This shall also apply to any amendment, supplement, or cancellation of this clause 14 (b) STC.

(c) If any provision of this agreement - in whole or in part - is held to be invalid or otherwise impracticable, the other provisions shall remain in full force and effect. Any invalid or impracticable provision shall be deemed to be replaced by such valid and enforceable provision as comes as close as possible to the economic intent of the invalid or unenforceable provision. The foregoing shall apply, *mutatis mutandis*, if any provision has been inadvertently omitted from this agreement.

General Engagement Terms

for
**Wirtschaftsprüferinnen, Wirtschaftsprüfer and
Wirtschaftsprüfungsgesellschaften**
[German Public Auditors and Public Audit Firms]
as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/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 (Textform) 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 agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to 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 agreement in writing (Textform).

(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 submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined 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 a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). 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 consent be issued in writing (Textform), 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 subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance 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, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, 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], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) 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.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages 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.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of 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.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

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 (Bestätigungsvermerk), 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 consent, issued in a legally accepted written form (gesetzliche Schriftform), 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 material 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 (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, 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 (Textform).

(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 and valuation assessments for property units 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 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.