

**IVICT Europe GmbH  
Düsseldorf/Germany**

**“Testatsexemplar”**

Management report and annual financial  
statements for the financial year  
from April 1, 2024 to March 31, 2025  
and the Independent Auditor’s Report thereon

**TRANSLATION**

– German version prevails –

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## **IVICT Europe GmbH, Düsseldorf/Germany**

### **Management report for the financial year 2024/2025**

#### **Basic Information on the Company**

IVICT Europe GmbH (hereafter called “IVICT”) was founded in 2018 based on the corporate strategy of Mitsubishi Corporation (MC) Group of focusing on the entire business chain in the Chemicals division and looking for further trading and investment opportunities.

The purpose of business of the Company is primarily the import and export trade of chemical products of all kinds as well as all corresponding businesses and services.

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

IVICT maintains its branch office in rented premises in Düsseldorf/Germany.

Since IVICT is a wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan, it is included in the consolidated financial statements of Mitsubishi Corporation. The financial year of IVICT thus corresponds to the financial year of Mitsubishi Corporation, i.e. from April 1, 2024, to March 31, 2025.

#### **Economic report**

##### **Macroeconomic environment**

The euro area economy grew only moderately in the fourth quarter of 2024. In the first two months of 2025, many of the patterns from the prior year continued. Manufacturing remains a drag on growth, even though survey indicators are improving. High uncertainty at home and abroad is holding back investment, and competitiveness challenges are weighing on exports. At the same time, services are resilient. In addition, rising household incomes and the robust labor market are supporting a gradual pick-up in consumption, even though consumer confidence remains fragile and the savings rate is high.

The unemployment rate remained at its historic low of 6.2% in January 2025, and employment increased by 0.1% in the last quarter of 2024. However, labor demand has weakened, and recent survey data indicate that employment growth was subdued in the first two months of 2025.

Continued high geopolitical and political uncertainty is likely to weigh on economic growth in the euro area, particularly on investment and exports, and dampen the expected recovery. This follows somewhat weaker than expected growth at the end of 2024. Both domestic and trade policy uncertainties are high. Although the baseline projection only takes into account the impact of new tariffs on trade between the United States and China, the negative impact of uncertainty about possible further changes in global trade policy, particularly toward the European Union, is expected to weigh on the euro area economy.

Combined with ongoing competitiveness problems, this is likely to lead to a further decline in the euro area's export market share. Despite these headwinds, the conditions are in place for euro area GDP growth to pick up again over the projection horizon. Rising real wages and employment against the backdrop of a strong, albeit cooling, labor market should support a recovery in which consumption remains an important growth factor. Domestic demand should also be supported by an easing of financing conditions resulting from market expectations regarding future interest rate developments. The labor market is expected to remain resilient, with the unemployment rate averaging 6.3% in 2025 and falling to 6.2% by 2027. As some of the cyclical factors that have recently led to a decline in productivity gradually fade, productivity is expected to rise over the projection horizon, although structural challenges remain. Overall, average annual real GDP growth is expected to be 0.9% in 2025, rising to 1.2% in 2026 and 1.3% in 2027. Compared with the Eurosystem staff macroeconomic projections for the euro area from December 2024, the outlook for GDP growth has been revised down by 0.2 percentage points for both 2025 and 2026, while it remains unchanged for 2027. The weaker outlook is mainly due to downward revisions to exports and, to a lesser extent, investment, reflecting a stronger impact of uncertainty than previously assumed, as well as the expectation that competitiveness challenges are likely to persist for longer than previously assumed.

(Source: <https://www.ecb.europa.eu/press/economic-bulletin/html/eb202502.en.html>)

### **Industry development**

The year 2024 ended with a severe setback for the German chemical and pharmaceutical industry. Hopes for an economic recovery in German and European industry were not fulfilled. On the contrary, the downward trend continued in many sectors in Germany and Europe. As a result, demand for chemicals and pharmaceuticals remained weak in the European domestic market. Domestic sales declined further, and foreign sales to European customers also contracted. Due to a lack of orders, production slumped sharply in the fourth quarter. The only positive impetus came from countries outside Europe. However, this remained too weak to turn the tide.

(Source: VCI Quarterly Report 4.2024)

## **Business development**

### **Financial performance**

Revenue of mEUR 716 was realized in the financial year 2024/2025. This meant that the budget of around mEUR 704 for the most important financial performance indicator was slightly exceeded (prior year's revenue: mEUR 609).

The increase in revenue compared with the budget is mainly attributable to the Methanol & Ethanol segment, with all other segments falling slightly short of the original expectations.

As in prior years, Methanol & Ethanol was the strongest segment with a 46.1% share of revenue, followed by Basic Petrochemicals (including Aromatics) with 16.1% and Chlorine-Alkali with 14.9%. In the financial year 2024/2025, the Plastics and Specialty Chemicals segments were merged to form the Polymer & Functional segment. This business area follows with 12.8%, followed by Bio-Fine Chemicals with 10.1%.

An analysis of revenue development by geography shows that again around 88% of main revenue were generated in Europe, including Germany. Asia contributed about 12% to total revenue. All other regions together accounted for less than 1% of revenue.

The gross profit in the financial year 2024/2025 amounts to mEUR 64 (prior year: mEUR 51).

In the financial year 2024/2025, the Methanol & Ethanol segment further expanded its share of gross profit to 72.8%. It was followed by the Polymer & Functional segment with 16.5%, Bio-Fine Chemicals with 9.9%, and Basic Petrochemical with 5.9%. As the Chlorine-Alkali division started a new storage business for caustic soda in the financial year 2024/2025, an expected loss was incurred in the year of market entry, resulting in a share of gross profit of around -5%.

Despite a constant headcount, personnel expenses rose by around 1% in the financial year. This increase was primarily due to inflation-related wage increases.

Year-to-year, other operating expenses increased by mEUR 5.2 to mEUR 35.1, with this increase being primarily due to increased ancillary costs for materials, such as storage and logistics costs.

Due to lower interest rates in the euro and US dollar, interest expenses were reduced from kEUR 1,181 to kEUR 826, resulting in a negative financial result of kEUR 774.

Also in the financial year 2024, the global economic and political situation led to significant challenges. Nevertheless, the Methanol & Ethanol division in particular managed to significantly increase its gross profit in the financial year 2024 compared to the prior financial year. This success is attributable to several factors. On the one hand, market prices remained consistently high. Skillful and efficient warehouse planning and distribution enabled considerable profits to be achieved throughout the year. On the other hand, the strategic selection of suppliers, including joint ventures with Mitsubishi Corporation, enabled us to optimize our procurement of materials, which increased the competitiveness of our purchase prices.

These factors were primarily responsible for the increase in the net profit for the period to mEUR 14.7 (prior year: mEUR 8.7).

## **Assets and liabilities**

During the financial year, the balance sheet total rose from mEUR 159.0 to mEUR 189.2. This increase was due to growth in revenue, which led to an increase in receivables and liabilities. This development was also reflected in higher inventories.

Despite the increase in revenue and the balance sheet total, borrowing requirements remained virtually unchanged at mEUR 28.2, thanks to our efficient, strategic cash planning. This amount is reported under liabilities to affiliated companies as part of cash pooling.

The equity rose by mEUR 6.1 to mEUR 32.3 in total. Together with the increased balance sheet total, this increase led to an equity ratio of 17.1% compared to 16.5% in the prior year.

The debt ratio of short-term liabilities saw a slight increase to 77.4% from 75.6% in the prior year.

Fixed assets are covered entirely by equity.

As at the balance sheet date, neither lawsuits nor other litigations were pending that could materially affect the Company's economic situation.

## **Financial position**

Mitsubishi Corporation Finance Plc resident in London, Great Britain ("MCF"), provides a group financing to IVICT. Furthermore, IVICT participates in the cash pooling process of Mitsubishi Corporation Finance Plc, London, in both, US-dollar and euro.

IVICT has established a risk management department that effectively records and manages the status of the loan portfolio, including the degree of concentration in specific business areas or companies. This department reports regularly to the Company's management.

Incoming payments and daily liquidity are carefully monitored. Any surpluses or shortfalls are offset by the cash pooling process.

The Company discloses no liabilities to banks.

No material capital investments were made in the financial year 2024/2025.

## **Staff and Corporate Social Responsibility**

In terms of human resources, the Company has qualified employees and long-standing employment relationships. Risks arise if no new qualified employees can be found to replace skilled workers who leave the Company or to fill newly created positions. The same applies to the foreseeable retirement of the baby boomer generation over the next 10 years.

IVICT employed 64 members of staff on average during the financial year.

The Company offers a wide range of internal and external training opportunities to further the education and loyalty of these employees.

The global and regional programs (e.g. "Gateway Program", "Business Management Seminar") which convey manifold bases for reaching decisions and the Company culture are particularly worth mentioning in this sense.

Also on expert level, numerous external and internal trainings and education options are offered on a regular basis as well as situation-related. Amongst others, the Company principles are frequently referred to in the entire training portfolio.

To promote the well-being of our employees and create a healthy working environment, the Company provides fresh fruit and free drinks several times a week. This initiative makes part of our efforts to promote healthy eating habits in the workplace while creating a pleasant working environment. Mobile working is possible one to two times per week.

The Company's efforts towards sustainable and socially responsible business management were recognized for the first time in 2023 with Ecovadis certification. We received this recognition for our sustainability efforts again in 2025. The certification confirms our commitment to sustainable business practices and social responsibility.

Mitsubishi Corporation's corporate principles serve as essential guidelines for all group companies:

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

These are also reflected in the Code of Conduct of IVICT being a binding guideline for each employee that is lived on a daily basis.

Material non-financial performance indicators for control were not defined on part of the management.

In order to take account of the advancing digitalization, new online training courses and mandatory reviews of the level of knowledge for each employee on the subject “information security and awareness for cyber risks” was introduced in the financial year 2024/2025. Furthermore, additional obligatory training courses and reviews of the level of knowledge regarding the topics “competition act”, “whistleblowing” as well as “bystander intervention for sexual harassment” were conducted to prepare the employees for daily risks.

## **Outlook**

Business expectations are fluctuating between “continued poor performance” and “further deterioration” due to geopolitical and economic uncertainty. However, no one believes that a recovery is imminent. The German economy continues to tread water. Institutes and the federal government have revised their forecasts downward and now expect no growth for 2025. For German industry, the downward trend is likely to slow gradually this year after last year’s rapid nosedive. The bottom line is that production in the manufacturing and construction industries will decline again in 2025. In view of the geopolitical turmoil and Germany’s declining competitiveness, the global economic momentum is too weak to reverse the trend. On the other hand, there is hope that a stable coalition after the federal elections will provide positive impetus and dampen uncertainty about future economic policy. It remains to be seen whether an “economic turnaround” will succeed and whether a spirit of optimism will spread throughout the economy. We do not expect an upturn until 2026 at the earliest. As a result, there are no signs of a recovery in domestic business for the chemical industry this year. The export business will also remain difficult this year. This is because the entire European industry is struggling with similar problems to those facing the German economy. EU industrial production has been declining until recently. Although the consensus forecast for the current year is that the worst is over, the recovery is likely to be slow. However, with no impetus coming from Brussels, the recovery is still a long way off. The outlook is better in the rest of the world. In Asia and on the American continent, the economy is gradually picking up speed. However, the German economy can only benefit from this to a limited extent. Tariffs are looming in US business, and China’s economy is becoming increasingly independent of imports. In addition, decades of investment boom have led to overcapacity, particularly in the chemical industry. Purchasing managers’ indices for industry show that business prospects for industry have hardly improved in many parts of the world recently. Global demand for chemicals is therefore unlikely to pick up in the coming months. The German chemical industry’s export business will be further burdened in 2025 by the recent decline in price competitiveness. Despite the disappointing final quarter, the VCI is sticking to its forecast for the financial year 2025. We continue to expect production in our industry to stagnate. The increase in the pharmaceutical industry will offset the decline in the chemical industry. Overall industry sales are expected to decline by 1 percent in 2025.

(Source: VCI Quarterly Report 4.2024)

The Purchasing Managers' Index (PMI) in Europe has been declining for 27 consecutive months, with no end in sight. The manufacturing sector in general, and the construction and automotive industries in particular, need to grow again in order for sentiment in the chemical industry to improve. An upturn is expected in H2 2025 or possibly 2026. However, interest rate cuts have had little effect on inflation, demonstrating the breadth of the European downturn. This is a long-term, L-shaped slump. The question is: when will the emerging overcapacity be reduced so that the market can return to equilibrium? Some observers are confident that this could happen in 2025; others believe it could take 3 to 5 years or even 7 to 9 years. The industry has been operating in a difficult environment for the past 2 to 3 years, but trade flows are shifting as US producers compete for market share with more established exporters from the Middle East. Inflation and the cost-of-living crisis continue to dampen consumer spending, and there is a growing realization that interest rate cuts will take a long time to take effect. Protectionism is a likely trend in 2025. There were around 40 European anti-dumping cases against China in 2024, but also against the US, Indonesia, and India, for example.

As manufacturers seek to circumvent tariffs on products flowing into and out of the EU, new trade routes could emerge via Southeast Europe and the Türkiye. The lack of growth in the manufacturing industry and unclear regulations have made European manufacturers reluctant to build. Nevertheless, given the longer-term outlook, more manufacturers will shift to lower-carbon initiatives in order to survive the structural disadvantage of operating in Europe.

(Source: ICIS 2025 Key Trends Global Chemicals & Energy)

The competitiveness of the European chemical industry is under pressure. Europe is at a disadvantage in terms of energy prices: gas and electricity prices have fallen since the 2021-23 crisis. However, the price of gas is currently still 4 to 5 times higher than in the US. A decline is expected in the medium term, but it will remain 2 to 3 times higher. Given the current energy policy framework, this means a competitive disadvantage for the production of energy-intensive basic chemicals in Europe based on natural gas and electricity. When it comes to energy from petroleum naphtha and ethane, which is used in organic chemicals, the US also has a competitive advantage with ethane. China and India have gained an advantage by obtaining discounted crude oil (naphtha) from Russia, circumventing sanctions.

This competitive pressure is further exacerbated by more complex, costly, and changing administrative and environmental regulations, which lead to additional costs and create uncertainty for future investments.

(Source: CEFIC The Competitiveness of the European Chemical Industry January 2025)

IVICT closely monitors its performance on a monthly basis to take necessary actions in a timely manner to respond to movements in the economic environment. However, the reduction in production capacity in Europe also presents new business opportunities for the Company, as reduced local production may open up new import business.

Under these external environmental and market conditions, IVICT expects sales revenues to increase in the low double-digit percentage range for the 2025 financial year (mainly due to expansion of the methanol business, the recovery of some petrochemical business areas, and the new caustic soda business area).

### **Risk and opportunity report**

IVICT primarily faces the general market risks. These market risks chiefly comprise the price fluctuation risk for chemical raw materials, currency risks, and – to a limited extent – storage risks.

IVICT has established a risk management system to minimize these risks. The risk management system aims at identifying risks as early and comprehensively as possible, communicating this information in a timely manner to the decision-makers, as well as consistently controlling and monitoring these risks. It includes classic controlling instruments such as short-term and long-term planning, monthly or quarterly comparisons with the current results and those of the prior year.

Each determined risk is appropriately described and assessed as regards the probability of occurrence and the expected amount of damage. The management team is fully included in every aspect of risk analysis and assessment. The annual budget including the credit limit for the customer is regularly adjusted taking into account the current business development.

The short ways and the flat hierarchies within the Company provide for a fast and efficient risk management. Together with the controlling instruments, it is assured that the impacts of the identified risks on the result and the liquidity are monitored on an ongoing basis.

For hedging the existing risks, transactions are performed, as far as possible, without warehousing, i.e. when a sales contract has already been closed with the end customer as at the date of purchase of the goods (back-to-back business).

In all cases where stock is required, the acceptance conditions are agreed in advance with the end customer (stock business).

In the case of transactions where the Company needs to take price and storage risks (speculative transaction), management sets the cap and floor of the transaction volume for the particular transaction and monitors the position closely.

As regards the existing currency risks arising from the timing difference of the settlement of trade receivables and payables, management aims to reduce these as far as possible. Hence, open currency positions that are not covered by appropriate offsetting items are hedged by means of borrowing foreign currencies in which we have certain positions such as US dollars. In this respect, we refer to our disclosures in the notes to the financial statements.

Opportunities arise for IVICT from the access to cost-effective methanol produced in facilities of IVICT's parent company, and by expanding our portfolio of products from environmentally friendly sources (methanol, plastics and others) as well as from the new business segment Caustic soda. Further opportunities are expected to arise from the additional digitalization efforts.

Düsseldorf/Germany, August 15, 2025

IVICT Europe GmbH

Taro Satori  
Executive director

IVICT Europe GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2025

Assets	March 31, 2025	Prior year	Equity and liabilities	March 31, 2025	Prior year
	EUR	kEUR		EUR	kEUR
<b>A. Fixed assets</b>			<b>A. Equity</b>		
<b>I. Intangible fixed assets</b>			<b>I. Subscribed capital</b>	25,000.00	25
1. Acquired concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	4.00	0	<b>II. Capital reserves</b>	15,975,000.00	15,975
2. Goodwill	1.00	0	<b>III. Retained profits brought forward</b>	1,583,463.14	1,478
	5.00	0	<b>IV. Profit for the period</b>	14,689,765.73	8,734
<b>II. Property, plant and equipment</b>				<u>32,273,228.87</u>	<u>26,212</u>
Other equipment, operating and office equipment	48,429.80	25	<b>B. Provisions</b>		
	<u>48,434.80</u>	<u>25</u>	1. Provisions for pensions and similar obligations	0.00	90
<b>B. Current assets</b>			2. Tax provisions	6,531,852.18	8,236
<b>I. Inventories</b>			3. Other provisions	3,755,080.81	4,235
1. Merchandise	62,127,389.77	52,227		<u>10,286,932.99</u>	<u>12,561</u>
2. Prepayments	94.21	8	<b>C. Liabilities</b>		
	<u>62,127,483.98</u>	<u>52,235</u>	1. Payments received on account of orders	111,640.16	460
<b>II. Receivables and other current assets</b>			2. Trade payables	56,818,638.52	28,264
1. Trade receivables	118,854,541.05	96,121	3. Liabilities to shareholders	50,042,837.58	52,070
2. Receivables from affiliated companies	116,414.85	87	4. Liabilities to affiliated companies	28,809,192.79	31,985
3. Other current assets	5,083,970.10	5,047	5. Other liabilities	10,619,692.24	7,443
thereof tax assets:			thereof taxes:		
EUR 4,320,379.6 (prior year: kEUR 5,001)			EUR 10,586,749.71 (prior year: kEUR 7,428)		
	<u>124,054,926.00</u>	<u>101,255</u>		<u>146,402,001.29</u>	<u>120,222</u>
<b>III. Cash-in-hand and bank balances</b>	1,027,902.79	3,563	<b>D. Deferred income</b>	215,381.61	0
	<u>187,210,312.77</u>	<u>157,053</u>			
<b>C. Prepaid expenses</b>	322,106.19	334			
<b>D. Deferred tax assets</b>	1,596,691.00	1,583			
	<u>189,177,544.76</u>	<u>158,995</u>		<u>189,177,544.76</u>	<u>158,995</u>

**IVICT Europe GmbH, Düsseldorf/Germany**

**Statement of profit and loss for the financial year from April 1, 2024 to March 31, 2025**

	2024/2025	Prior year
	EUR	kEUR
1. Revenue	715,722,754.63	608,855
2. Other operating income	509,969.77	467
thereof exchange losses:		
EUR 95,828.92 (prior year: kEUR 116)		
3. Cost of materials		
Cost of purchased services	652,129,776.03	557,502
4. Personnel expenses		
a) Wages and salaries	5,619,083.66	5,553
b) Social security, post-employment		
and other employee benefit cost	1,137,478.48	1,128
thereof post-employment costs:		
EUR 310,164.02 (prior year: kEUR 315)		
5. Amortization and write-downs of intangible		
fixed assets and depreciation and write-downs		
of property, plant and equipment	46,023.51	1,277
6. Other operating expenses	35,070,693.66	29,880
thereof exchange losses:		
EUR 62,705.45 (prior year: kEUR 318)		
7. Other interest and similar income	52,353.64	0
8. Interest and similar expenses	826,448.96	1,181
thereof to affiliated companies:		
EUR 795,723.62 (prior year: kEUR 1,116)		
9. Income taxes	6,762,784.44	4,064
thereof deferred taxes:		
EUR -13,227.86 (prior year: kEUR -105)		
10. Earnings after taxes	14,692,789.30	8,737
11. Other taxes	3,023.57	3
12. Net profit for the period	<u>14,689,765.73</u>	<u>8,734</u>

## **IVICT Europe GmbH, Düsseldorf/Germany**

### **Notes to the financial statements for the financial year 2024/2025**

#### **A. General information**

##### **1. Basic information**

IVICT Europe GmbH (hereafter also referred to as "IVICT" or "the Company") is a large business corporation within the meaning of Sec. 267 (3) German Commercial Code (HGB). The Company is based at Kennedydamm 19 in 40476 Düsseldorf/Germany and is entered in the commercial register of the Düsseldorf local court (HRB 83816).

##### **2. Classification principles**

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

The annual financial statements were prepared in euro. All amounts are given in thousand euro (kEUR) unless specifically indicated otherwise. Amounts of less than kEUR 0.5 are rounded. Within the tables, decimals were generally not indicated for providing a better overview. Thus, rounding differences could arise.

## B. Notes on recognition and measurement policies

### 1. Recognition and measurement policies

**Intangible fixed assets** and **property, plant and equipment** are recognized at acquisition cost, less straight-line depreciation or amortization, respectively, or at their lower fair values as at the balance sheet date. Sundry property, plant and equipment and intangible fixed assets are depreciated and amortized, respectively, on a straight-line basis over the estimated useful life.

Low-value items with acquisition cost of up to EUR 250.00 are expensed as incurred, low-value items with acquisition cost between EUR 250.01 and EUR 800.00 are fully depreciated in the year of acquisition. In case of a presumably permanent impairment in value, the low-value item is written down and recognized at the lower fair value.

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

	Useful life Years
<b>Intangible fixed assets</b>	
Data-processing programs, licenses and other rights	3 - 15
Goodwill	5
<b>Property, plant and equipment</b>	
Other operating and office equipment	2 - 10

**Inventories** are recognized at acquisition cost or the effective values as at the balance sheet date, where these are lower.

**Receivables and other current assets** are recognized at nominal values. Receivables denominated in foreign currency with a term of up to one year are measured at the middle spot exchange rate in effect at the balance sheet date. If hedges are closed for receivables denominated in foreign currencies, hedge accounting is applied between hedges and underlying transactions. The hedging relationships are accounted for using the fair value method. Identifiable individual risks are taken into account by making specific allowances and the general credit risk by making a general allowance of 2% of the receivables.

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

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

**Provisions for pensions and similar obligations** are calculated according to actuarial principles using the projected unit credit method. For measuring provisions, Prof. Dr. Klaus Heubeck's 2018 G Standard Tables are applied. The discount factor was extrapolated to the balance sheet date based on the interest rate information as determined and announced by Deutsche Bundesbank (German central bank) in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) as of January 31, 2025 (Sec. 253 (2) HGB) assuming unchanged market conditions. At the end of the financial year, the provisions were fully utilized or reversed, as the passive phase of the partial retirement program for the employees concerned was completed in the financial year. The provisions for early retirement obligations now amount to zero.

**Other provisions** are stated at settlement amount deemed necessary based on sound business judgment. Future price and cost rises are considered if sufficient objective evidence for their occurrence is on hand. Provisions with a residual term of more than one year are discounted with the average market interest rate of the past seven financial years that corresponds to their residual term and is published by the German central bank.

**Liabilities** are stated at settlement amount. Liabilities denominated in foreign currencies with a residual term of up to one year are translated at the middle spot exchange rate in effect at the balance sheet date. Where currency liabilities are hedged, hedging relationships between the hedge and the hedged transaction are recognized. The hedging relationships are accounted for using the fair value method.

## **2. Foreign currency translation**

Balance sheet items denominated in foreign currency are translated into euro at the rate prevailing on the balance sheet date March 31, 2025. Hedge accounting is applied between the hedged assets or liabilities denominated in foreign currency and the underlying transaction, and the hedges are reported in the balance sheet at the hedged rate. The items of the statement of profit and loss denominated in foreign currencies are translated at the rate in effect on the date of transaction. The exchange gains and exchange losses result from the measurement of currency receivables and liabilities outstanding as at the balance sheet date.

## C. Notes to the balance sheet

### 1. Fixed assets

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

### 2. Inventories

The inventories can be analyzed as follows:

	March 31, 2025	Prior year	Change
	kEUR	kEUR	kEUR
Merchandise	37,520	33,681	3,839
Goods in transfer	24,607	18,546	6,061
	62,127	52,227	9,900
Prepayments made	0	8	-8
	62,127	52,235	9,892

### 3. Receivables and other current assets

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

As in the prior year, receivables and other current assets from affiliated companies do not include any receivables from shareholders.

As at the balance sheet date, other assets notably comprise VAT tax claims of kEUR 4,320 (prior year: kEUR 5,001).

### 4. Deferred tax assets

The deferred tax assets of kEUR 1,597 (prior year: kEUR 1,583) mainly result from temporary differences relating to the provision for obligations similar to pensions, to amortization of goodwill as well as to property, plant and equipment and to foreign currency receivables and liabilities. A combined income tax rate of 31.23% was applied in calculating the deferred taxes.

	March 31, 2025	Change	March 31, 2024
	kEUR	kEUR	kEUR
Deferred tax assets	1,597	14	1,583
Deferred tax liabilities	-	-	-

## **5. Equity**

Equity amounts to kEUR 32,273 as at the balance sheet date (prior year: kEUR 26,212). It is composed of the subscribed capital totaling kEUR 25 (prior year: kEUR 25), capital reserves of kEUR 15,975 (prior year: kEUR 15,975), the retained profits brought forward of kEUR 1,583 (prior year: kEUR 1,478) and the net profit for the period of kEUR 14,690 (prior year: kEUR 8,734).

## **6. Tax provisions**

These provisions relate to corporate income tax, municipal trade tax and solidarity surcharge for the past financial year and for prior years of kEUR 6,532 (prior year: kEUR 8,236).

## **7. Provisions for pensions and similar obligations**

The Company's employees were taken over from Mitsubishi International GmbH as at October 1, 2018, as part of the transfer of business. The pension provisions in relation to the still active employees transferred to the Company continue to be accounted for at Mitsubishi International GmbH under an agreement setting out the assumption of the liability and of performance obligation. Based on the revaluated expert opinion issued by AON Hewitt GmbH, the annual difference is invoiced to the Company by Mitsubishi International GmbH.

In the financial year 2021/2022, Mitsubishi International GmbH decided to outsource the pension obligations for employees of IVICT Europe GmbH and Mitsubishi International GmbH who had already left the company to MIG Pension GmbH. This was previously a wholly-owned subsidiary of Mitsubishi International GmbH. MIG Pension GmbH was sold to Astellon Pension Management GmbH at the end of the financial year 2022/2023. In the following financial year 2023/2024, a further spin-off took place, in which additional pension liabilities of employees who had left the Company in the meantime were spun off. Like in the prior years, the provisions for pensions and similar obligations accounted for at IVICT exclusively relate to early-retirement part-time provisions.

At the end of the fiscal year, the provisions were fully utilized or reversed, as the passive phase of the partial retirement program for the employees concerned was completed in the financial year. The provisions now amount to zero.

## **8. Other provisions**

The item comprises outstanding expenses arising from transactions in the Company's own name and the agency business, personnel-related commitments to employees and other outstanding administrative expenses.

Provisions for long-service awards were computed under actuarial aspects applying the projected unit credit method. The computation was based on a computation interest rate of 2.01% and on a salary trend of 2.6%. Furthermore, the Company used Prof. Dr. Klaus Heubeck's 2018 G Standard Tables for the valuation.

In the financial year 2024, the age limit for calculating provisions for long-service awards was adjusted from 63 to 67, as this corresponds to the current standard retirement age and is therefore closer to the reality of the Company.

## 9. Liabilities

Terms and other notes:

	March 31, 2025	Prior year
	kEUR	kEUR
Payments received on account of orders	112	460
Trade payables	56,819	28,264
Liabilities to affiliated companies	28,809	31,985
Liabilities to shareholders	50,043	52,070
Other liabilities	10,620	7,443
thereof related to taxes:		
kEUR 10,587 (prior year: kEUR 7,428)		
thereof wage and church tax:		
kEUR 96 (prior year: kEUR 76)		
	<u>146,403</u>	<u>120,222</u>

All liabilities are not collateralized and are due within one year. Liabilities to affiliated companies comprise financing liabilities of kEUR 28,188 (prior year: kEUR 28,071) and trade payables of kEUR 621 (prior year: kEUR 3,914).

Liabilities to shareholders are disclosed separately. Like in the prior year, these fully consist of trade payables.

## D. Notes to the statement of profit and loss

### 1. Revenue

Revenue for the financial year 2024/2025 amounts to kEUR 715,723 (prior year: kEUR 608,855) in the aggregate and can be broken down by segments as follows:

	2024/2025		Prior year	
	kEUR	%	kEUR	%
<b>Classification by segments</b>				
Methanol & Ethanol	329,715	46.1	240,122	39.4
Basic Petrochemical	115,216	16.1	104,560	17.2
Chlorine-Alkali	106,294	14.9	94,642	15.5
Polymer & Functional	92,051	12.8	96,336	15.8
Bio-Fine Chemicals	72,322	10.1	73,001	12.0
Aromatic Chemicals	107	0.0	173	0.1
Other	18	0.0	21	0.0
	<u>715,723</u>	<u>100.0</u>	<u>608,855</u>	<u>100.0</u>

In order to realize synergy effects and make efficient use of the resources of both departments, the "Plastics" and "Specialty Chemicals" segments were merged into the new "Polymer & Functional Chemicals" segment in the course of the 2024/2025 financial year.

The main sales market in the 2024/2025 financial year was Europe, followed by Asia. The table below presents the revenue by region, i.e. the countries in which the companies are domiciled.

	2024/2025		Prior year	
	kEUR	%	kEUR	%
<b>Classification by regions</b>				
Europe (without Germany)	553,291	77.3	439,251	72.1
Asia	76,180	10.6	94,973	15.6
Germany	84,942	11.9	71,461	11.7
Other regions	1,310	0.2	3,170	0.6
	<u>715,723</u>	<u>100.0</u>	<u>608,855</u>	<u>100.0</u>

### 2. Other operating income

The item includes income from other periods from the reversal of provisions of kEUR 172 (prior year: kEUR 341).

### 3. Personnel expenses

The expenses for salaries amounted to kEUR 5,619 in the financial year 2024/2025 (prior year: kEUR 5,553). The Company also incurred expenses for social security of kEUR 827 (prior year: kEUR 813) and post-employment costs of kEUR 310 (prior year: kEUR 315).

#### 4. Other operating expenses

Other operating expenses include the following items:

	2024/2025	Prior year
	kEUR	kEUR
Distribution costs	21,815	17,633
Storage costs	7,688	5,596
Legal and consultancy fees	1,735	1,553
Other general business expenses	1,479	1,675
Travel expenses	612	420
Office-machinery lease and IT costs	523	418
Rent and occupancy costs	461	527
Representation costs	220	218
Other personnel expenses	101	87
Bank fees	93	102
Vehicle costs	88	77
Impairment losses or loss from disposal of current assets	76	1,151
Journals and professional literature	74	68
Expenses from currency translation	63	318
Telephone, telex, postage	43	37
TOTAL	35,071	29,880

Exchange losses total kEUR 63 (prior year: kEUR 318) and relate to losses from currency translation realized in the financial year.

#### 5. Financial result

Interest and similar expenses total kEUR 826 (prior year: kEUR 1,181). This decline correlates with the development of interest rates for the euro and US dollar.

Other interest and similar income amounted to kEUR 52 (prior year: kEUR 0) and mainly resulted from delayed VAT refunds.

#### 6. Income taxes

This item includes corporate income tax and trade income tax for the current year as well as deferred tax assets of kEUR 13 (prior year: kEUR 105).

## E. Other disclosures

### 1. Other financial commitments

Other financial obligations as of March 31, 2025, amounted to kEUR 3,891 (prior year: kEUR 4,297) and relate to obligations from rental and leasing agreements for buildings and cars as well as storage agreements.

in kEUR	2024/2025	Prior year
Due within one year	3,486	2,407
due in 1 to 5 years	405	1,890
Total	3,891	4,297

Of the obligations arising from rental and leasing agreements, kEUR 224 (prior year: kEUR 222) relate to obligations to affiliated companies that are due within one year.

In addition, multi-year storage agreements amounting to kEUR 3,488 (prior year: kEUR 3,915) are included.

### 2. Derivative financial instruments

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

The following overview shows our derivative financial instruments as of March 31, 2025. Their fair value is calculated based on the difference between the forward rate and the rate prevailing as at the balance sheet date. Due to materiality reasons, interest and other possible parameters have been ignored when determining the values.

#### Forward exchange dealings as of March 31, 2025

	Total amount	Total of closing prices	Total of forward prices	Delta total EUR
<b>PURCHASE</b>				
JPY	859,500.00	-5,320.89	-5,305.23	15.66
USD	16,018,656.36	-14,829,343.05	-15,033,168.69	-203,825.64
PLN	24,348.47	-5,812.46	-5,829.60	-17.14
<b>SALE</b>				
JPY	41,088,610.00	254,366.49	254,686.59	320.10
<b>Grand Total</b>	<b>57,991,114.83</b>	<b>-14,586,109.90</b>	<b>-14,789,616.92</b>	<b>-203,507.02</b>

### **3. Employees**

On average, IVICT Europe GmbH employed 64 members of staff in the financial year 2024/2025, of which, 19 employees worked in administration and 44 employees in the operative segment as well as one employee as managing director.

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

The annual audit cost recognized in the statement of profit and loss amounts to kEUR 101 (prior year: kEUR 98). The cost for other consulting services totals kEUR 15 (prior year: kEUR 15).

### **5. Members of management**

Executive director in the reporting period was:

Mr. Taro Satori, business economist

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

### **6. Group affiliation**

IVICT Europe GmbH, Düsseldorf/Germany, is affiliated with the Group controlled by Mitsubishi Corporation, Tokyo/Japan. It is included in the consolidated financial statements prepared by Mitsubishi Corporation for the smallest and largest group of consolidated entities. The consolidated financial statements of Mitsubishi Corporation are available at the registered office of the Company. The consolidated financial statements are filed with the Japanese Commercial Register ("Ministry of Finance, Local Finance Bureaus in Tokyo/Japan") under number 0100-01-008771.

Düsseldorf/Germany, August 15, 2025

IVICT Europe GmbH

T. Satori  
Executive director

## IVICT Europe GmbH, Düsseldorf/Germany

## Movements in fixed assets for the financial year 2024/2025

	Gross book values			Balance as at March 31, 2025 EUR	Accumulated amortization, depreciation and write-downs			Balance as at March 31, 2025 EUR	Net book values		
	Balance as at March 31, 2024 EUR	Additions EUR	Disposals EUR		Balance as at March 31, 2024 EUR	Additions EUR	Disposals EUR		Balance as at March 31, 2025 EUR	Balance as at March 31, 2025 EUR	Prior year kEUR
<b>I. Intangible fixed assets</b>											
1. Purchased concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	73,164.71	0.00	0.00	73,164.71	73,160.71	0.00	0.00	73,160.71	4.00	0	
2. Goodwill	8,264,000.00	0.00	0.00	8,264,000.00	8,263,999.00	0.00	0.00	8,263,999.00	1.00	0	
	<u>8,337,164.71</u>	<u>0.00</u>	<u>0.00</u>	<u>8,337,164.71</u>	<u>8,337,159.71</u>	<u>0.00</u>	<u>0.00</u>	<u>8,337,159.71</u>	<u>5.00</u>	<u>0</u>	
<b>II. Property, plant and equipment</b>											
Other equipment, operating and office equipment	311,378.05	69,788.15	964.22	380,201.98	286,712.88	46,023.51	964.21	331,772.18	48,429.80	25	
	<u>8,648,542.76</u>	<u>69,788.15</u>	<u>964.22</u>	<u>8,717,366.69</u>	<u>8,623,872.59</u>	<u>46,023.51</u>	<u>964.21</u>	<u>8,668,931.89</u>	<u>48,434.80</u>	<u>25</u>	

**INDEPENDENT AUDITOR'S REPORT**

To IVICT Europe GmbH, Düsseldorf/Germany

**Audit Opinions**

We have audited the annual financial statements of IVICT Europe GmbH, Düsseldorf/Germany, which comprise the balance sheet as at March 31, 2025, and the statement of profit and loss for the financial year from April 1, 2024 to March 31, 2025, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of IVICT Europe GmbH, Düsseldorf/Germany, for the financial year from April 1, 2024 to March 31, 2025.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2025 and of its financial performance for the financial year from April 1, 2024 to March 31, 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

**Basis for the Audit Opinions**

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

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

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf/Germany, August 15, 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

Signed:  
Martin Mißmahl  
Wirtschaftsprüfer  
(German Public Auditor)

Signed:  
Sven Leber  
Wirtschaftsprüfer  
(German Public Auditor)

# 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 (Steuerberatungvergütungsverordnung) 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.