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IVICT Europe GmbH
Düsseldorf/Germany

“Testatsexemplar”

Management report and
annual financial statements
for the financial year
from April 1, 2025 to March 31, 2026
and the Independent Auditor’s Report thereon

TRANSLATION
– German version prevails –

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General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)

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IVICT Europe GmbH, Düsseldorf/Germany

Management report for the financial year 2025/2026

Basic information on the Company

IVICT Europe GmbH (hereafter called "IVICT") was founded in 2018 The purpose of business of the Company follows 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 is primarily the import and export trade of chemical products of all kinds as well as corresponding businesses and services.

The most important sales and procurement markets are Germany, other European countries, the United States, South America (particularly Venezuela and Trinidad and Tobago), the Middle East (particularly Saudi Arabia), Japan, and other countries in the Asian region.

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, running from April 1, 2025, to March 31, 2026.

Economic report

Macroeconomic environment

The euro area economy had just begun to accelerate when the current turmoil set in. According to Eurostat's preliminary flash estimate, real GDP rose by 0.1% in the first quarter of 2026. Domestic demand remains the main driver of growth. It is supported by a robust labor market. However, the economic outlook is subject to a high degree of uncertainty. It will depend on how long the war in the Middle East lasts and how severely it disrupts the markets for energy and other raw materials, as well as global supply chains.

Current data suggests that the conflict is weighing on the economy. Survey results point to a slowdown in growth, and consumers and businesses have been less confident about the future since the war began. Longer delivery times and rising input prices suggest that supply chains are gradually coming under pressure. Looking ahead, high energy costs are likely to continue weighing on real incomes, causing households and businesses to be more hesitant to consume and invest. Although the unemployment rate remained near its historic lows at 6.2% in March 2026, labor demand continued to decline. At the same time, the financial situation of private households remains solid. Investment are likely to continue to be supported by higher government spending on defense and infrastructure, as well as by companies increasingly investing in new digital technologies. This favorable starting point provides a certain buffer against the effects of the war. The Governing Council of the ECB emphasized that there is an urgent need to strengthen the euro area economy while ensuring sound public finances. Fiscal policy responses to the energy price shock should be temporary, targeted, and tailored to the specific situation. Reforms aimed at increasing the euro area's growth potential and accelerating the energy transition to reduce dependence on fossil fuels are more important than ever. The completion of the Savings and Investment Union is crucial for financing innovation, promoting the green and digital transitions, and boosting productivity. The digital euro and tokenized central bank money for financial market transactions will strengthen Europe's strategic autonomy, competitiveness, and financial integration, and drive innovation in payment systems. It is therefore particularly important to swiftly adopt the regulation on the introduction of the digital euro. Simplifying and harmonizing regulations across the entire EU single market will contribute to faster growth for European companies.

(Source: Economic Report, Issue 3/2026 (https://www.ecb.europa.eu/pub/pdf/ecbu/eb202603.de.pdf))

Industry development

The chemical industry looks back on a difficult end to the year. The fourth quarter brought yet another round of significant cutbacks: Production was reduced once again, capacity remained economically underutilized, prices came under further pressure, and revenue fell noticeably. The pharmaceutical industry proved to be significantly more resilient. However, it too was unable to offset the negative trend in the chemical sector. Companies' current assessments of the business situation are also pessimistic: for three and a half years, the assessment of the business situation has remained almost continuously in the negative. There are no signs of a turnaround in the coming months. In Germany, there are indeed initial signs of an industrial recovery, and the global industrial economy is growing moderately. However, companies in our industry doubt whether these positive developments will be reflected in their order books. Overall expectations remain subdued, as they do in the export sector. Macroeconomic developments in Germany are likely to enable moderate growth again in 2026 for the first time in several years. Key impetus is coming from fiscal policy: Extensive government investments, particularly in infrastructure, digitalization, and energy transition, are stabilizing economic development. However, the performance of industrial customers and the construction industry is the key factor determining demand for chemical products. Government investment programs are expected to lead to a revival in the construction industry over the course of the year, from which the chemical industry, as a major supplier, could also benefit. Rising order volumes at some industrial plants point to a slow recovery in production. However, these positive signs have so far barely made an appearance in the chemical industry's order books. Many customers remain cautious. They continue to operate with low inventory levels and are increasingly turning to foreign suppliers. Import pressure continues to mount, leading the industry to doubt that the stabilization of the overall economy will result in a noticeable improvement in demand.

Internationally, too, the situation remains difficult: The global industrial economy is growing moderately—but German chemical products are losing ground to international competition. Suppliers from Asia, particularly China, are flooding the markets with significantly lower production costs and aggressive pricing strategies.

The export momentum of the German chemical industry is increasingly lagging behind global trends. Price competitiveness remains a key issue this year as well. The latest cost-relief measures—such as the industrial electricity price, electricity price compensation, the abolition of the gas storage surcharge, and relief on grid fees—are likely to have a supportive effect, but these relief measures have not yet reached the companies' factory gates. Furthermore, they cannot offset the location's structural disadvantages. Competitiveness remains under significant pressure: high costs associated with emissions trading, rising labor costs, complex regulations and bureaucracy, as well as high tax burdens. Added to this are geopolitical tensions, which not only complicate the export-oriented business model but also slow down the global economy. The escalating conflict in the Middle East has recently led to a noticeable increase in uncertainty in the energy and transportation markets. The blockade of the Strait of Hormuz—a transit point for about one-fifth of global oil and LNG volumes—is leading to rising oil and gas prices, higher insurance premiums, and increasing freight rates. Even though Europe is only indirectly affected by potential supply bottlenecks, global price surges and rising uncertainty among market participants are having a direct impact. Additional risks arise from potential detours in maritime shipping, which extend delivery times and increase transportation costs. Persistent disruptions could once again generate inflationary pressure and unsettle the financial markets. The severity of the impact will depend on how long the conflict lasts and, above all, how long oil and gas supplies remain disrupted. Due to these current uncertainties, it is not currently possible to make a reliable forecast for the development of the chemical and pharmaceutical industries in 2026.

(Source: VCI Quarterly Report 4.2025 (https://www.vci.de/ergaenzende-downloads/qb-2025-04.pdf)

Business development

Financial performance

In the financial year 2025/2026 (hereinafter referred to as “financial year 2025”), revenue of mEUR 631 was generated. This fell short of the budget of approximately mEUR 824 for the most significant financial performance indicator (revenue in the prior year: mEUR 716). Management did not define any non-financial performance indicators.

Despite a significant decline in revenue compared to the financial year 2024, particularly in the Methanol & Ethanol segment, revenue exceeded the level of the financial year 2023. It should be noted that exceptionally high revenue and profits were achieved in the financial year 2024, particularly in the Methanol & Ethanol segment, which means that a comparison with 2024 is only of limited significance. The main cause of the decline in revenue in the Methanol segment was a challenging procurement situation resulting from geopolitical uncertainties. In numerous other business segments, sales were significantly impacted by persistently weak demand in the European market. Planned sales were slightly exceeded only in the Bio-Fine Chemicals segment.

As in the prior year, Methanol & Ethanol was the strongest segment, accounting for 41.0% of revenue despite the decline, followed by Chlorine-Alkali (including the new caustic soda business) with 19.5% and Basic Petrochemical with 15.1%. The Polymer & Functional Chemicals business segment ranked fourth with 12.4%, closely followed by Bio-Fine Chemicals with 12.0%.

An analysis of revenue development by geography shows that again around 90% of main revenue were generated in Europe, including Germany. Asia contributed 10% to total revenue. All other regions together accounted for less than 1% of revenue.

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

In the financial year 2025, the Methanol & Ethanol segment reduced its share of gross profit to 48.5%. This was followed by the Polymer & Functional segment with 22.0%, Bio-Fine Chemicals with 19.7%, and Basic Petrochemical with 9.0%. Since the new product, caustic soda, in the Chlorine-Alkali segment did not begin contributing to gross profit until later in the year, this segment’s share was only 0.8%. However, an upward trend can be observed here over the course of the financial year.

With headcount remaining constant, personnel expenses increased by only 0.85% due to inflation.

Other operating expenses increased by mEUR 3.1 compared to the prior year, totaling mEUR 38. This increase is primarily attributable to higher warehousing and logistics costs incurred in connection with the new warehousing business for caustic soda in the Chlorine-Alkali segment.

Due to lower interest rates in both the euro and U.S. dollar markets, interest expense was reduced from kEUR 826 to kEUR 804, resulting in a negative financial result of kEUR -798.

In the financial year 2025, the global economic and geopolitical situation posed significant challenges for the Company. While the “Methanol & Ethanol” segment posted a record profit in the prior financial year, gross profit this year fell back to the level of the financial year 2023. The main reasons for this were the continuing decline in market prices and the increasing difficulty in procuring materials on competitive terms. In addition, contrary to positive expectations, business in the Baltic countries developed only sluggishly. As a result, the tank facility in Latvia was closed at the end of the financial year.

These circumstances, combined with weak demand for chemical products on the European market, were primarily responsible for the decline in the profit for the year to mEUR 4.7 (prior year: mEUR 14.7).

Assets and liabilities

In the financial year 2025, the balance sheet total decreased from mEUR 189 to mEUR 165. This decline is attributable to lower revenue, which led to a reduction in accounts receivable and accounts payable. This trend was also reflected in lower inventories.

As a result of the lower revenue and the reduced balance sheet total, the need for debt capital decreased from mEUR 28.2 to mEUR 22.3. This development is directly related to the decline in receivables, liabilities, and inventory, as described above. The reduced need for debt financing is reflected in liabilities to affiliated companies within the cash pooling framework.

Equity decreased by nearly mEUR 10 to a total of mEUR 22.3, as the prior year’s profit for the year was distributed in full to the shareholder during the financial year. Together with the decreased balance sheet total, this decrease led to an equity ratio of 13.5% compared to 17.1% in the prior year.

The debt ratio of short-term liabilities saw a slight decrease to 76% from 77.4% 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 based in London, Great Britain ("MCF"), provides a group financing to IVICT. Furthermore, IVICT participates in the cash pooling process of MCF, 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 capital investments were made in the financial year 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", "Innovators Program") which convey manifold bases for reaching decisions and the Company culture are particularly worth mentioning in this sense.

Also at the expert level, employees are offered a wide range of external and internal training and professional development opportunities, both on a regular basis and as needed. In the financial year 2025, a comprehensive online training platform for MS Office 365 was introduced to enable all employees to work efficiently and productively. In addition, the Company's core principles are regularly integrated into the entire training portfolio and taught in a practical manner.

To promote the well-being of our employees and create a healthy working environment, the Company provides fresh fruit several times a week as well as free drinks. 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.

Employees' concerns and requests are always taken seriously. For example, in the financial year 2025, at the suggestion of the staff, new carpeting was installed in the offices and the conference rooms were extensively modernized to create a more pleasant and productive work environment.

The Company's efforts towards sustainable and socially responsible business management were recognized for the first time in 2023 with an Ecovadis certification. We received this recognition for our sustainability efforts again in 2026. The certification confirms our commitment to sustainable business practices and social responsibility.

Mitsubishi Corporation's corporate principles also serve as guiding principles for our Company:

- 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.

In order to take account of the advancing digitalization, online training courses and mandatory reviews of the level of knowledge for each employee on the subject "Phishing emails" were introduced in the financial year 2025. In addition, mandatory training sessions and knowledge assessments were conducted on the topics of "Credit Risk Control," "MS Office (Word, Excel, Teams, Outlook)," "Chemical Prohibition Ordinance," and "Hazardous Materials Training" to prepare employees for the risks they face on a daily basis.

Outlook

At the start of the year, the chemical industry remains extremely challenging: companies in the sector continue to view their current business situation negatively. This is in line with the latest economic indicators. New orders declined and were most recently 6.7% below the prior year's level—domestic and foreign demand remained weak. Production also continued its downward trend unabated, producer prices were under pressure, and revenue most recently fell short of the prior year's level by a full 7%.

At the same time, hopes for an economic recovery are growing. Business expectations have recently brightened slightly. Early signs that the economic downturn is coming to an end are multiplying. Some customer industries and the construction sector are reporting more orders. There are signs of a slight economic recovery. And that would alleviate the shortage of orders in the domestic chemical industry. More good news: Capacity utilization in the chemical industry has already increased slightly. Production plans for the coming months are pointing upward again. And there are also signs of greater confidence in the important export sector: for the first time in nearly a year, export expectations have turned positive again.

(Source: VCI Spotlight January 2026 (https://krinco-consult.de/schlaglicht-chemie-pharma-januar-2026))

The escalation of conflicts in the Persian Gulf has further worsened the already fragile sentiment in the German economy and abruptly halted the hoped-for economic recovery. Rising energy and raw material prices are placing a significant burden on industry, driving up production costs, fueling new inflation fears, and leading to a further slowdown in consumer spending. In the chemical industry, too, economic concerns are once again rising sharply. Both the assessment of the current business situation and the forecasts for the key export business have deteriorated noticeably.

As an energy-intensive industry, the chemical sector is particularly hard hit by the war in Iran. The substantial price increases for energy and raw materials are driving costs up immediately, while the already weak order situation persists. Added to this are massive risks to international supply chains resulting from the blockade of the Strait of Hormuz and the destruction of energy infrastructure in the Gulf region. The Gulf states, which are major exporters of chemical feedstocks, are no longer available as suppliers for the time being. At the same time, other major exporters of chemical raw materials, particularly in Asia, have declared force majeure due to the war in Iran and suspended their deliveries.

Europe's chemical industry is heavily dependent on imports from the Middle East, particularly for petrochemical feedstocks. The supply situation is particularly critical for cyclohexane, glycol, melamine, and methanol. These raw materials play a central role in chemical production: cyclohexane is primarily needed for the manufacture of nylon; melamine is a key precursor for adhesives; glycols are used as solvents; and methanol is an essential raw material in numerous synthesis processes. Due to limited capacity in Europe, the shortfall in supplies from the Gulf States can only be partially offset by domestic production, which further exacerbates the supply situation.

Geopolitical tensions and their impact on the chemical industry highlight the industry's dependence on global supply chains and the need to develop long-term strategies to secure the supply of raw materials.

(Source: VCI, April 29, 2026 | Press Release: The "Chemical & Pharmaceutical Spotlight" provides a monthly overview of the industry's economic situation)

The European chemical industry continues to face significant structural challenges. A recent report shows that closures of chemical plants in Europe have increased sixfold since 2022. A total of 37 million metric tons of production capacity—about 9% of Europe's total capacity—has been shut down. This has already led to the loss of 20,000 direct jobs, while an estimated additional 89,000 indirect jobs in regional value chains are at risk.

At the same time, a significant decline in new investments can be observed. The annually announced investment capacity fell from 2.7 million metric tons in 2022 to just 0.3 million metric tons in 2025. In total, only about 7 million metric tons of investment capacity were announced for the period from 2022 to 2025. This points to a shift away from broad-based investments in forward-looking areas of innovation—such as electrification, hydrogen feedstocks, and recyclable plastics—toward merely isolated pilot projects.

Industry experts, such as the Director General of CEFIC, warn that plant closures now significantly outnumber new investments, causing the European chemical industry to shrink at an increasing rate. This raises serious questions about the sector's long-term competitiveness and resilience. The chemical industry, which has traditionally played a central role in European value chains, is facing profound structural change.

According to the report, the pressure on the sector is enormous. The number of plant closures has doubled within a year, while annual investments have virtually ground to a halt. Industry representatives are therefore calling for decisive measures that have a direct impact on production facilities in order to restore competitiveness and the willingness to invest.

Current developments underscore the urgency of improving the framework conditions for the European chemical industry. Without targeted political and economic measures, Europe risks permanently losing its industrial base and global competitiveness in this key sector.

(Source: CEFIC https://cefic.org/news/chemical-plant-closures-surge-six-fold-in-europe-since-2022-reaching-37mt-new-report-finds/)

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.

Given these external environmental and market conditions, IVICT expects slightly higher revenue for the financial year 2026 (primarily due to expansion in the Caustic Soda segment, a recovery in the Methanol segment, growth in the Ethanol segment, and new distribution models in the Bio-Fine Chemicals segment).

Risk and opportunity report

Apart from the general market risks, IVICT does generally not face any special 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 distances 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 concluded 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 for IVICT arise from access to low-cost methanol—some of which is produced at facilities owned by IVICT's parent company—from the parent company's global presence, and from the expansion of our portfolio of products derived from environmentally friendly sources (methanol, ethanol, plastics, and others), as well as the new Caustic Soda segment. Further opportunities are expected to arise from the additional digitalization efforts.

Düsseldorf/Germany, July 10, 2026

IVICT Europe GmbH

Tomoya Kondo
Executive director

IVICT Europe GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2026

Assets

		Mar. 31, 2026 EUR	Prior year kEUR
A.	**Fixed assets**		
I.	**Intangible fixed assets**		
1.	Purchased concessions, industrial and similar rights and assets, as well as licenses in such rights and assets	4.00	0
2.	Goodwill	1.00	0
		5.00	0
II.	**Property, plant and equipment**		
	Other equipment, operating and office equipment	105,584.28	49
		105,589.28	49
B.	**Current assets**		
I.	**Inventories**		
1.	Merchandise	56,968,294.38	62,127
2.	Prepayments	228,178.60	0
		57,196,472.98	62,127
II.	**Receivables and other current assets**		
1.	Trade receivables	100,374,297.88	118,855
2.	Receivables from affiliated companies	221,058.81	116
3.	Other current assets thereof tax assets: EUR 2,777,828.68 (prior year: kEUR 4,320)	2,857,782.20	5,084
		103,453,138.89	124,055
III.	**Cash-in-hand and bank balances**	3,206,798.00	1,028
		163,856,409.87	187,210
C.	**Prepaid expenses**	154,897.06	322
D.	**Deferred tax assets**	1,055,518.00	1,597
		165,172,414.21	189,178

Equity and liabilities

		Mar. 31, 2026 EUR	Prior year kEUR
A.	**Equity**		
I.	**Subscribed capital**	25,000.00	25
II.	**Capital reserves**	15,975,000.00	15,975
III.	**Retained profits brought forward**	1,596,691.00	1,583
IV.	**Profit for the year**	4,693,655.53	14,690
		22,290,346.53	32,273
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	1,649,442.00	0
2.	Tax provisions	9,401,072.37	6,532
3.	Other provisions	6,268,086.36	3,755
		17,318,600.73	10,287
C.	**Liabilities**		
1.	Payments received on account of orders	609,470.39	112
2.	Trade payables	31,329,340.39	56,819
3.	Liabilities to shareholders	52,070,629.25	50,043
4.	Liabilities to affiliated companies	32,853,017.63	28,809
5.	Other liabilities thereof taxes: EUR 8,693,052.93 (prior year: kEUR 10,587)	8,701,009.29	10,620
		125,563,466.95	146,402
D.	**Deferred income**	0.00	215
		165,172,414.21	189,178

IVICT Europe GmbH, Düsseldorf/Germany

Statement of profit and loss for the financial year from April 1, 2025 to March 31, 2026

	2025/2026 EUR	Prior year kEUR
1. Revenue	631,302,704.94	715,723
2. Other operating income	2,097,877.81	510
thereof exchange gains: EUR 30,944.58 (prior year: kEUR 96)		
3. Cost of materials		
Cost of purchased services	580,683,560.68	652,130
4. Personnel expenses		
a) Wages and salaries	5,862,896.93	5,619
b) Social security, post-employment and other employee benefit cost	950,981.68	1,137
thereof post-employment costs: EUR 79,836.85 (prior year: kEUR 310)		
5. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment	59,005.93	46
6. Other operating expenses	38,177,044.93	35,071
thereof exchange losses: EUR 150,155.78 (prior year: kEUR 63)		
7. Other interest and similar income	5,344.01	52
8. Interest and similar expenses	803,663.09	826
thereof to affiliated companies: EUR 658,975.58 (prior year: kEUR 796)		
9. Income taxes	2,175,497.00	6,763
thereof deferred taxes: EUR 541,173.00 (prior year: kEUR -13)		
10. Earnings after taxes	4,693,276.52	14,693
11. Other taxes	-379.01	3
12. Profit for the year	4,693,655.53	14,690

IVICT Europe GmbH, Düsseldorf/Germany

Notes to the financial statements for the financial year 2025/2026

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 thousands of 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 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
Intangible fixed assets	
Data-processing programs, licenses and other rights	3 - 15
Goodwill	5
Property, plant and equipment	
Other operating and office equipment	2 - 13

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 currencies 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 the German central bank (Bundesbank) in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) as of February 28, 2026 (Section 253 (2) HGB) assuming unchanged market conditions.

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 liabilities denominated in foreign currencies 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 currencies are translated in euro at the rate prevailing at the balance sheet date on March 31, 2026. Hedge accounting is applied between the hedged assets or liabilities denominated in foreign currencies 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, 2026 kEUR	Prior year kEUR	Change kEUR
Merchandise	26,181	37,520	-11,338
Goods in transfer	30,787	24,607	6,180
	56,968	62,127	-5,159
Prepayments made	228	0	228
	57,196	62,127	-4,931

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 2,778 (prior year: kEUR 4,320).

4. Deferred tax assets

The reported deferred tax assets of kEUR 1,056 (prior year: kEUR 1,597) result primarily from temporary differences related to amortization of goodwill, foreign currency receivables and liabilities, and the valuation of property, plant, and equipment.

A restructuring of pension commitments led to a reduction in the deferred tax assets already reported. For detailed explanations, please refer to Note 7, “Provisions for pensions and similar obligations”.

A combined income tax rate of 31.23% was applied in calculating the deferred taxes.

	Mar. 31, 2026	Change	Mar. 31, 2025
	kEUR	kEUR	kEUR
Deferred tax assets	1,056	-541	1,597
Deferred tax liabilities	-	-	-

5. Equity

Equity amounts to kEUR 22,290 as at the balance sheet date (prior year: kEUR 32,273). 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 1,597 (prior year: kEUR 1,583) and the profit for the year of kEUR 4,694 (prior year: kEUR 14,690).

6. Tax provisions

This refers to the provision for corporate income tax, municipal trade tax, and the solidarity surcharge for the past financial year and prior years, amounting to kEUR 9,401 (prior year: kEUR 6,532).

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 were so far accounted for at Mitsubishi International GmbH under an agreement setting out the assumption of the liability and of performance obligation. As of February 20, 2026, this assumption of liability with transfer of performance was terminated. Mitsubishi International GmbH made the funds it had already paid available to IVICT Europe GmbH, whereupon IVICT Europe GmbH initially recognized the pension obligations for its employees on its own balance sheet.

As part of the restructuring of its pension obligations, IVICT Europe GmbH transferred the accrued pension obligations to Metzler Mittelstands Pensionsfond AG. At the same time, the affected employees were given the option to transfer their future pension entitlements from the previous defined-benefit plan to a defined-contribution plan administered by a support fund at Barmenia-Gothaer. Ten employees opted to transfer to the support fund.

As part of the transfer to Metzler Mittelstands Pensionsfond AG, employees were also granted a one-time lump-sum payment option upon the commencement of their pension benefits. To calculate the liabilities, an acceptance rate of 30% was assumed based on market standards.

As of the balance sheet date, the pension fund had a funding deficit of EUR 143,773, which is attributable to negative asset performance during the extremely short period since the transfer of the pension obligations.

The measures described above led to a fundamental restructuring of IVICT Europe GmbH's pension obligations and were accordingly reflected in the annual financial statements as of the reporting date.

For the remaining pension provisions, the actuarial calculation was performed by Aon Solutions Germany GmbH using the projected unit credit method. The computation was based on a computation interest rate of 2.11% and on a salary trend of 2.6% as well as on a pension trend of 2.1%. Furthermore, the Company used Prof. Dr. Klaus Heubeck's 2018 G Standard Tables for the valuation.

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 2.30% and on a salary trend of 2.6%. Furthermore, the Company used Prof. Dr. Klaus Heubeck's 2018 G Standard Tables for the valuation.

9. Liabilities

Terms and other notes:

	Mar. 31, 2026 kEUR	Prior year kEUR
Payments received on account of orders	609	112
Trade payables	31,329	56,819
Liabilities to affiliated companies	32,853	28,809
Liabilities to shareholders	52,071	50,043
Other liabilities	8,701	10,620
thereof related to taxes: kEUR 8,693 (prior year: kEUR 10,587) thereof wage and church tax: kEUR 85 (prior year: kEUR 96)		
	125,563	146,403

All liabilities are not collateralized and are due within one year. Liabilities to affiliated companies consist of financing liabilities in the amount of kEUR 22,335 (prior year: kEUR 28,188) and trade payables in the amount of kEUR 10,518 (prior year: kEUR 621).

The increase in trade payables to affiliated companies is attributable to the commencement of caustic soda trading in the chlorine-alkali segment during the 2024/2025 financial year. Significant volumes were not generated in this segment until the financial year 2025/2026.

Liabilities to shareholders are disclosed separately.

D. Notes to the statement of profit and loss

1. Revenue

Revenue for the financial year 2025/2026 amounts to kEUR 631,303 (prior year: kEUR 715,723) in the aggregate and can be broken down by segments as follows:

	2025/2026		Prior year	
	kEUR	%	kEUR	%
Classification by segments				
Methanol & Ethanol	259,018	41.0	329,715	46.1
Chlorine-Alkali	123,001	19.5	106,294	14.9
Basic Petrochemical	95,160	15.1	115,216	16.1
Polymer & Functional	78,360	12.4	92,051	12.8
Bio-Fine Chemicals	75,748	12.0	72,322	10.1
Aromatic Chemicals	0	0.0	107	0.0
Other	15	0.0	18	0.0
	631,303	100.0	715,723	100.0

The major sales market in the financial year 2025/2026 was Europe, followed by Germany. The table below presents the revenue by region, i.e. the countries in which the companies are domiciled.

	2025/2026		Prior year	
	kEUR	%	kEUR	%
Classification by regions				
Europe (without Germany)	478,134	75.7	553,291	77.3
Germany	92,066	14.6	84,942	11.9
Asia	61,072	9.7	76,180	10.6
Other regions	31	0.0	1,310	0.2
	631,303	100.0	715,723	100.0

2. Other operating income

The item comprises income from the release of provisions of kEUR 285 (prior year: kEUR 172) relating to other periods, of which kEUR 48 (prior year: kEUR 0) relate to the release of the general allowance.

3. Personnel expenses

The expenses for salaries amounted to kEUR 5,863 in the financial year 2025/2026 (prior year: kEUR 5,619). The Company also incurred expenses for social security of kEUR 871 (prior year: kEUR 827) and post-employment costs of kEUR 80 (prior year: kEUR 310).

4. Other operating expenses

Other operating expenses include the following items:

	2025/2026 kEUR	Prior year kEUR
Distribution costs	23,753	21,815
Storage costs	9,287	7,688
Legal and consultancy fees	1,544	1,735
Other general business expenses	1,425	1,479
Rent and occupancy costs	470	461
Office-machinery lease and IT costs	456	523
Travel expenses	433	612
Representation costs	209	220
Expenses from currency translation	150	63
Other personnel expenses	132	101
Vehicle costs	105	88
Journals and professional literature	84	74
Bank fees	80	93
Telephone, telex, postage	49	43
Impairment losses or losses from disposal of current assets	0	76
	38,177	35,071

Exchange losses total kEUR 150 (prior year: kEUR 63) and relate to losses from currency translation realized in the financial year.

5. Net finance income/expense

Interest and similar expenses total kEUR 804 (prior year: kEUR 826). This decline correlates with the development of interest rates for the euro and US dollar.

Other interest and similar income amounted to kEUR 5 (prior year: kEUR 52) and resulted from cash balances from cash pooling.

6. Income taxes

This item includes corporate income tax and trade tax for the current year, as well as an increase in deferred tax liabilities and a decrease in deferred tax assets, which together resulted in a deferred tax expense of kEUR 541 (compared to a tax income of kEUR -13 in the prior year).

E. Other disclosures

1. Other financial commitments

As at March 31, 2026, other financial commitments amount to kEUR 13,634 (prior year: kEUR 3,891) and relate to commitments under tenancy and lease agreements for buildings and vehicles as well as under storage contracts.

	2025/2026 kEUR	Prior year kEUR
due within 1 year	5,919	3,486
due in 1 to 5 years	7,715	405
	13,634	3,891

The commitments under tenancy and lease agreements include commitments to affiliated companies of kEUR 227 (prior year: kEUR 224), all of which are due within one year.

The increase in other financial obligations is primarily due to the extension of a storage contract in Slovenia for the methanol division for an additional five years. Overall, they also include multi-year storage agreements of kEUR 13,281 (prior year: kEUR 3,488).

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 concluding 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 table shows our derivative financial instruments as at March 31, 2026. 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 contracts as at March 31, 2026

	Total amount	Total of closing prices	Total of forward prices	Total of delta EUR
PURCHASE				
USD	21,100,408.02	-18,313,147.04	-17,859,378.52	453,768.52
SALE				
JPY	79,293,544.00	432,580.63	434,798.29	2,217.65
USD	199,699.17	173,319.88	172,820.88	-499.01
	100,593,651.19	-17,707,246.52	-17,251,759.36	455,487.17

3. Employees

On average, IVICT Europe GmbH employed 64 members of staff in the financial year 2025/2026, of which 18 employees worked in administration and 45 employees in the operative segment as well as one employee as managing director.

4. Fees paid to the auditor

The annual audit cost recognized in the statement of profit and loss amounts to kEUR 101 (prior year: kEUR 101). The cost for other confirmation services totals kEUR 12 (prior year: kEUR 15).

5. Members of management

Managing director in the financial year 2025/2026 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.

7. Major post-balance-sheet-date events

Since April 1, 2026, management responsibilities have been performed by Mr. Tomoya Kondo, business economist, Düsseldorf/Germany.

Düsseldorf/Germany, July 10, 2026

IVICT Europe GmbH

T. Kondo
Executive director

IVICT Europe GmbH, Düsseldorf/Germany

Movements in fixed assets in the financial year 2025/2026

		Gross book values				Accumulated amortization, depreciation and write-downs				Net book values	
		Balance as at Apr. 1, 2025 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2026 EUR	Balance as at Apr. 1, 2025 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2026 EUR	Balance as at Mar. 31, 2026 EUR	Prior year kEUR
I.	**Intangible fixed assets**										
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
		8,337,164.71	0.00	0.00	8,337,164.71	8,337,159.71	0.00	0.00	8,337,159.71	5.00	0
II.	**Property, plant and equipment**										
	Other equipment, operating and office equipment	380,201.98	116,747.07	3,216.59	493,732.46	331,772.18	59,005.93	2,629.93	388,148.18	105,584.28	49
		8,717,366.69	116,747.07	3,216.59	8,830,897.17	8,668,931.89	59,005.93	2,629.93	8,725,307.89	105,589.28	49

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, 2026, and the statement of profit and loss for the financial year from April 1, 2025 to March 31, 2026, 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, 2025 to March 31, 2026.

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 and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2026 and of its financial performance for the financial year from April 1, 2025 to March 31, 2026 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, 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, July 10, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Martin Mißmahl
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Sven Leber
Wirtschaftsprüfer
(German Public Auditor)

[Translator's notes are in square brackets]

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

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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.

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