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Kiefel GmbH Freilassing	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2021 to December 31st, 2021	11/09/2022

**Kiefel GmbH****Freilassing****Annual financial statements for the financial year from January 1st, 2021 to December 31st, 2021****Management report for the 2021 financial year****I Fundamentals of the company****I.1 Description of Business**

As a leading manufacturer of series and special machines, Kiefel GmbH offers product solutions for the plastics processing industry worldwide in the technology areas of joining, forming and high-frequency welding. As a partner to well-known manufacturers, Kiefel develops and produces systems for customers in the medical technology, refrigerator and packaging industries.

Kiefel sells its product range worldwide and has a global network of sales offices and agencies. Kiefel GmbH is based in Freilassing/ Germany.

**I.2 Research and Development**

Research and development are of central importance for Kiefel GmbH in order to meet the technical challenges of customers along the entire value chain with innovative products, but above all with system solutions. Through continuous further development and intelligent networking of all components, KIEFEL sets itself apart from its competitors, who can only offer partial solutions from a single source.

Consistent product maintenance and new technologies for our machines, tools and automations were implemented according to the development roadmap. The focus of these development projects is always innovation to improve customer benefits and thus even clearer differentiation from the competition.

In the field of plastic packaging, development activities were adapted to market changes. The focus was on the further development of the strip steel machines and their automation. This goes hand in hand with standardization, cross-series solutions and the integration and networking of automation.

The development activities for the Natural Fiber Packaging business area (packaging based on natural fibers) have been further intensified after the great market success. The machines and tools of the KFT series have been further developed in terms of output, process stability and new fields of application. The systems for processing the fiber material (KFPs) have been expanded by a further size and the next, more modular generation is about to be launched on the market. With this, KIEFEL is showing innovative and consistent technical solutions for the entire process chain in all process steps in the Fiber business segment and is underscoring its technology leadership as a solution provider.

In the refrigerator area, work continued on cost savings and improvements in system efficiency. In the field of medicine, the platform project is progressing according to plan. Special systems for the production of bags for the processing of biopharmaceuticals were placed on the market several times.

Including laboratory systems developed in-house, €7.7 million (previous year: €6.9 million) was spent on research and development in the 2021 financial year. This corresponds to 5.5% of sales.

**II economic report****II.1 Economic environment and industry development**

The German manufacturers of plastic and rubber machines recorded an increase in sales of 13.9% in the year under review. The orders received from German manufacturers rose sharply by 39.6% compared to the previous year.

At KIEFEL, the economic environment of the past financial year continued to be shaped by the effects of the corona pandemic and the associated travel restrictions.

In the packaging area, KIEFEL benefited from a recovery in demand for machines for manufacturing plastic-based products and recorded a significant increase in incoming orders in this segment.

In addition, KIEFEL was able to further expand its strong market position in the new technology for packaging based on natural fibers and record a further increase in incoming orders compared to the high level of the previous year.

The willingness to invest in the medical sector continued to be cautious. The order intake at KIEFEL tended to move sideways at the relatively low level of the previous year.

Order intake in the refrigerator segment is characterized by investment cycles and was below the strong previous year.

Overall, Kiefel GmbH has an excellent market position in its strategic product portfolio.

## II.2 Course of business

The past fiscal year was characterized by the expansion and investments in the new technology for packaging based on natural fibers and a tight procurement market.

The streamlining of activities in the area of plastic-based packaging, which was decided in 2020, was continued and the locations of the subsidiaries Mold & Matic Solutions sro in the Czech Republic and PT Kiefel Packaging Indonesia were closed.

Sales and EBITA developed significantly worse than forecast with a decline of 1.3% and 65.8% respectively compared to the previous year. The reasons for the decline compared to the previous year were significantly lower sales in the high-margin medical sector and in the plastic-based packaging sector. Due to project postponements in the area of packaging based on natural fibers, these declines could not be compensated for as planned. Furthermore, the result was burdened by the technical challenges in this area.

At 97.1%, the export ratio in the reporting year rose slightly above the previous year's level of 92.9%. The most important sales regions in the year under review were Asia with 10.9%, other European countries with 32.1% and North America with 48.0%.

With a total of €188.6 million, incoming orders for 2021 were significantly higher than the previous year's figure of €107.6 million. The order backlog increased from €79.5 million in the previous year to €128.4 million.

The management assesses the course of business in 2021 as satisfactory in terms of sales and earnings, taking into account the special circumstances caused by the corona pandemic and the technical challenges in the area of packaging based on natural fibers. The order intake is assessed as very positive.

## II.3 Financial performance indicators

Like the Brückner Group, Kiefel GmbH is essentially controlled using the key figures "sales" and "EBITA" (earnings before interest, taxes and amortization of goodwill).

## II.4 Net assets, financial position and results of operations

### II.4.1 Results of operations

	2021	2020
Sales volume	€139.7 million	€141.5m
operational EBITA *	€4.9m	€14.3m
Result after taxes	€2.1m	€1.0m
net income	€2.0m	€1.0m

\* Operating EBITA represents earnings before interest, taxes, income from investments, amortization of financial assets, restructuring costs and amortization of goodwill.

Compared to the previous year, which was characterized by the delivery of the high order backlog in the medical sector, sales fell slightly to €139.7 million (previous year: €141.5 million). The return on sales (in relation to the operating EBITA) was 3.5% in the year under review (previous year 10.1%).

Due to volume and margins, gross profit fell from €52.4 million in the previous year to €47.5 million. The ratio based on sales was 34.0% (previous year 37.0%).

Selling expenses rose to €23.6 million (16.9% of sales), well above the previous year's figure of €19.9 million (14.1% of sales). The reasons for this were higher expenses for freight and packaging as well as for services for international sales and service support.

General and administrative expenses fell from €18.6 million (13.2% of sales) to €14.9 million (10.7% of sales) due to significantly lower restructuring expenses compared to the previous year and lower personnel and consulting expenses. In the 2020 financial year, this included migration costs in connection with the introduction of a new SAP system, which was successfully put into operation on January 1, 2021.

Other operating income fell from €3.1 million in the previous year to €1.5 million now. In the previous year, this included higher income from other periods, income from the sale of fixed assets and reimbursements of employer contributions for social security due to short-time work.

Due to higher expenses for research and development, other operating expenses increased from €8.3 million in the previous year to €9.4 million.

The average number of employees (excluding trainees and managing directors) fell from 491 in 2020 to 467 employees in the reporting year. This reduced personnel expenses. The turnover per employee amounted to 299 T€ (previous year 288 T€).

Interest and similar expenses fell from €1.2 million to €715 thousand. In the previous year, this included interest from taxes in the amount of €493 thousand.

Income taxes include refunds from previous years.

### II.4.2 Financial and assets position

#### investments

Investments in intangible assets and property, plant and equipment amounted to €3.1 million in the past financial year. Investments were made in software, concessions and patents (EUR 0.2 million, including advance payments made), buildings (EUR 0.1 million), technical systems and machines (EUR 1.9 million), operating and office equipment (€1.0m).

In the area of intangible assets, there were disposals from fixed assets due to the derecognition of know-how that was no longer used.

In the area of other operating and office equipment, the disposals consist primarily of low-value assets that have already been written off.

The shares in affiliated companies increased by a total of €12,000. The increase results, among other things, from the subsequent posting of subsequent acquisition costs from previous years and the founding of Kiefel Scandinavia ApS. Due to the sale of Kiefel do Brasil Equipamentos Ltda. the book value of the investment, which had already been adjusted in the previous year, was derecognised. There was also a purchase price refund for an investment acquired in 2016.

#### liquidity

Kiefel GmbH participates in cash pooling within the Brückner Group; As of the reporting date, this resulted in a receivable from the shareholder of €12.7 million (previous year: liability of €0.6 million).

Sufficient financial resources were available in the year under review. In particular, as of the reporting date, as in the previous year, there were no liabilities to banks. Kiefel was therefore able to meet its payment obligations at all times. Liquidity bottlenecks were and are not apparent.

#### **capital structure**

Equity as of December 31, 2021 was €52.8 million after €50.8 million in the previous year. The equity ratio fell by 5.8 percentage points to 36.1%.

Provisions increased slightly from €18.9 million in the previous year to €19.3 million. The warranty provision for the packaging machines based on natural fibers delivered in the year under review was significantly increased. On the other hand, the provisions for continued salary payments, severance payments and partial retirement from the restructuring programs in previous years continued to be reduced as planned as they were used.

Current borrowed funds of €53.8 million were offset by current assets of €66.2 million as of the reporting date.

Trade accounts payable increased from €2.7 million to €6.3 million due to the high level of purchasing activity in order to prevent the ever-increasing shortages in the procurement market.

As in the previous year, liabilities to affiliated companies are characterized by the loan from the shareholder. In addition to the scheduled repayment of €1.3 million for the previous loan, a new loan of €24.0 million was taken out. This amounts to € 66.0 million as of the balance sheet date.

Overall, the balance sheet structure of Kiefel GmbH continues to be very positive in terms of equity, financing structure and liquidity.

#### **financial position**

Mainly due to the processing of the high order backlog and the increase in raw materials and supplies as well as the high payment receipt at the end of the year and thus the increase in receivables from the shareholder from the cash pooling, the balance sheet total as of December 31, 2021 increased by 24.9 €m to €146.0m compared to the previous year.

After deducting the advance payments received in the amount of €39.9 million, inventories amounted to €25.2 million as of December 31, 2021. The increase in the balance by € 6.5 million compared to the previous year was mainly due to the large stocks of raw materials, auxiliary materials and supplies, which were used to process the high order backlog.

Trade receivables of €12.6 million increased by €2.2 million compared to the previous year, mainly due to the high sales at the end of the year.

#### **Conclusion**

Management continues to assess the situation of the company as positive.

### **II.5 Non-financial performance indicators**

#### **Environment**

Due to the permanent technological improvement of the systems, the raw, auxiliary and operating material costs per production unit for the customer could be continuously reduced and the CO<sub>2</sub> emissions into the environment could also be reduced. Here we work closely with technological networks and external consultants to develop simple tools for CO<sub>2</sub>-optimized production planning for our customers .

#### **occupational safety**

The use of the most modern safety systems, improved plant safety precautions in conjunction with customer training for new plants reduce the risk of accidents and disability for employees and the plant operator.

#### **Customer satisfaction / quality management**

Although no statistical surveys are available, the small number of lost orders for follow-up projects shows the high level of satisfaction of our customers with the product, the project process and the service.

#### **compliance**

In accordance with the requirements of the Brückner Group's compliance guidelines, work processes are regularly checked and optimized. Scheduled compliance training courses were held in the Group companies in the year under review.

#### **personnel policy**

The staff at Kiefel GmbH is a decisive factor in business success.

The measures for employee qualification - in particular programs for personnel development for managers and high potentials - were continued and intensified. The network with universities, technical colleges and technical schools, which was built up a few years ago, was expanded as a result of the future increased need for engineers and technicians. The internal training of junior staff in important areas remains a focus of human resources policy.

### **III Forecast, opportunity and risk report**

#### **III.1 Prognosis**

Due to the very good acceptance in the market and the great interest in our machines for the production of packaging based on natural fibers and the ongoing recovery in demand for machines for the production of packaging based on plastic, a significant increase in incoming orders is expected, which will still be achieved in 2022 can be delivered. Furthermore, an increasing willingness to invest in the medical sector is expected. As a result of this and the expenses already made to optimize the new technologies, a clearly positive development in sales, earnings and EBITA is expected compared to the financial year.

#### **III.2 Risk reporting on the use of financial instruments**

The goal of finance and risk management is to secure the company's success against financial risks of any kind. The management pursues a conservative risk policy.

We counter currency risks by hedging transactions with derivative financial instruments in the same currency. These risks are monitored and controlled centrally for all group companies of the Brückner Group by the treasury department of the Brückner Group GmbH.

By concluding forward exchange transactions for all foreign currency transactions, the existing currency risks are fully hedged within the framework of so-called micro and portfolio hedges. Since the derivative financial instruments are regularly offset against underlying transactions in the full amount, no risks arise from the use of these financial instruments i. s.d. Section 289 Paragraph 2 No. 1 HGB.

### III.3 Opportunities and risks of future development

The business development of Kiefel GmbH depends on the economic and technological developments in the markets and applications relevant to us.

The economic risks of the operating business, for example due to economic downturns, are monitored by controlling and risk management. These two functions are installed decentrally in each operating company and are coordinated centrally by the Brückner Group GmbH.

As described above, foreign currency risks are countered by entering into forward exchange transactions.

The risk of temporary shortages and cost increases on the procurement side is countered by concluding long-term framework agreements with suppliers and by further expanding our supplier network. The management assesses the risk as low due to the measures taken.

The risk of guarantee services is kept manageable and controllable through a conservative design of product guarantees. Residual risks are continuously monitored.

The risk of a shortage of skilled workers is countered by close cooperation with colleges and universities in order to be able to recruit young, committed engineers for our company. Structured "on-boarding" programs should support a quick and successful induction. Due to our measures, the risk is assessed as rather low.

The most important individual risks relate to the execution of major projects. The "major, risk, loss projects" and "export control" guidelines ensure that relevant project and order risks are identified at an early stage and communicated to the Brückner Group GmbH via a threshold system. All projects are classified according to uniform risk criteria. Depending on the threshold value, projects with an increased risk require the approval of the management of the Brückner Group GmbH in addition to the approval of the management of the individual company, which then monitors these projects during the entire throughput time.

A cash pool agreement was concluded between Kiefel GmbH and the Brückner Group GmbH to finance the working capital requirement and to secure working capital financing. As part of this agreement, Kiefel GmbH has a cash pool line of €12 million at its disposal.

In addition, Kiefel GmbH has an additional working capital line that can be used up to €36 million if required.

Longer-term financing is regulated in individual cases via intercompany loans. To finance the necessary guarantees, Kiefel GmbH is provided with corresponding lines from the Club Deal agreement between the Brückner Group GmbH and the core banks as part of a joint liability. The Club Deal contract was initially extended to 5 years on December 3, 2018 with the option of two extensions of 1 year each. The extension option was exercised on March 26, 2021, so the term of the Club Deal contract is fixed until December 3, 2025.

On January 27th, 2020, due to the outbreak of the corona pandemic, the Brückner Group set up a crisis management team, which has met regularly ever since.

The protection and well-being of our employees is our top priority.

Among other things, travel restrictions were issued, pandemic and emergency plans were drawn up for the group and individual locations, distance and hygiene measures were taken and home office was made possible as the preferred place of work. The precautionary measures are constantly being reviewed.

Since November 24, 2021, test stations have been available at the German locations to ensure compliance with the 3G regulation.

Kiefel GmbH assumes that there will continue to be obstacles and delays in the commissioning of machines and systems in 2022, especially in China due to the strict entry regulations and quarantine regulations that apply there.

The overall risk situation of Kiefel GmbH is still manageable and unchanged compared to the previous year. There were and are no risks that could jeopardize the existence of the company.

There is effective risk management in all areas, with which the risks are kept under control.

We see opportunities in the further optimization of handling processes and the increasing standardization of assemblies as well as in better utilization of production capacities in the subsidiaries of Kiefel GmbH. The fact that Kiefel belongs to the Brückner Group offers additional synergies in the areas of production, procurement and sales.

By diversifying into the areas of medical technology, the refrigerator and packaging industries, as well as significant investments in innovative machine concepts together with our customers, Kiefel GmbH is well positioned overall to consistently take advantage of opportunities in existing and new markets and to cushion cycles in individual segments.

#### Freilassing, February 25, 2022

**Thomas Halletz, Managing Director**  
**Richard Schmidhofer, Managing Director**  
**Stefan Moll, Managing Director**

#### Balance sheet as of December 31, 2021

##### assets

	12/31/2021	12/31/2020
	€	€
A. Fixed assets		
I. Intangible assets		
1. purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	1,772,878.93	1,967,802.00
2. Goodwill	0.00	2,663,477.00
3. advance payments made	78,925.87	393,268.70
	1,851,804.80	5,024,547.70
II. Tangible assets		

	12/31/2021	12/31/2020
	€	€
1. Land, land rights and buildings, including buildings on third-party land	35,045,127.93	37,796,553.28
2. Technical installations and machines	8,177,044.22	5,975,875.00
3. Other equipment, fixtures and fittings	6,031,501.45	6,101,424.38
4. Payments on account and assets under construction	18,220.00	37,280.51
	49,271,893.60	49,911,133.17
III. financial investments		
Shares in affiliated companies	26,013,743.34	26,002,065.92
	26,013,743.34	26,002,065.92
	77,137,441.74	80,937,746.79
B. Current Assets		
I. Inventories		
1. Raw, auxiliary and operating materials	26309056.16	10,607,342.57
2. Work in progress, work in progress	25,124,701.29	27,961,988.21
3. Finished Goods and Merchandise	11,293,266.39	1,993,842.51
4. Advance payments made	2,376,687.27	2,642,401.21
5. Deposits Received on Orders	-39,882,039.24	-24,532,169.61
	25,221,671.87	18,673,404.89
II. Receivables and other assets		
1. Trade accounts receivable	12,554,055.49	10,423,505.85
2. Receivables from affiliated companies (thereof towards shareholders € 12,761,519.14; previous year € 0)	24,395,507.36	8,682,994.90
3. Other Assets	5,087,770.20	549,805.06
	42,037,333.05	19,656,305.81
III. Cash and bank balances	453,275.75	168,998.49
	67,712,280.67	38,498,709.19
C. Prepaid expenses	374,378.53	867,212.70
D. Deferred tax assets	783,605.71	785,033.71
Total assets	146,007,706.65	121,088,702.39

**liabilities**

	12/31/2021	12/31/2020
	€	€
A. Equity		
I. Drawn capital	1,500,000.00	1,500,000.00
II. Capital Reserve	27,817,363.58	27,817,363.58
III. profit carried forward	21,464,015.54	20,510,078.79
IV. Net Income	1,998,861.16	953,936.75
	52,780,240.28	50,781,379.12
B. Provisions		
1. Provisions for pensions and similar obligations	1,084,445.00	1,071,678.00
2. Tax Provisions	1,536,536.86	1,534,668.73
3. Other Provisions	16,706,295.90	16,317,586.29
	19,327,277.76	18,923,933.02
C. Liabilities		
1. Trade accounts payable	6,254,190.68	2,730,098.60
2. Liabilities to affiliated companies (thereof to shareholders € 65,978,590.00; previous year € 44,008,825.84)	66,586,357.61	46,727,033.65
3. Other Liabilities (thereof from taxes € 743,248.80; previous year € 1,432,420.12)	1,059,640.32	1,926,258.00
	73,900,188.61	51,383,390.25
sum of liabilities	146,007,706.65	121,088,702.39

**Profit and Loss Account for the financial year from 01 January to 31 December 2021**

	2021		2020	
	EUR	EUR	EUR	EUR
1. Revenue	139,678,195.19		141,509,358.30	
2. Production costs of the services rendered to generate sales	-92,143,299.90		-89,118,438.45	
3. Gross profit on sales		47,534,895.29		52,390,919.85
4. Selling Expenses		-23,558,553.61		-19,893,182.10
5. General Administrative Expenses		-14,880,139.61		-18,614,939.37

	2021		2020	
	EUR	EUR	EUR	EUR
6. Other operating income		1,460,360.12		3,052,355.29
7. Other Operating Expenses		-9,382,504.20		-8,301,622.26
8. Income from participations	500,000.00		150,000.00	
thereof from affiliated companies € 500,000; Previous year € 150,000				
9. Other Interest and Similar Income	193,372.59		146,932.26	
thereof from affiliated companies € 26,124.40; Previous year € 35,457.57				
10. Depreciation of Financial Assets	0.00		-3,220,112.59	
11. Interest and Similar Expenses	-715,189.36		-1,224,726.47	
thereof to affiliated companies € 616,679.24; Previous year € 479,656.58				
		-21,816.77		-4,147,906.80
12. Income taxes		960,408.33		-3,476,313.68
13. Earnings after taxes		2,112,649.55		1,009,310.93
14. Other Taxes		-113,788.39		-55,374.18
15. Net Income		1,998,861.16		953,936.75

### Local Court Traunstein HRB 17695

## Notes to the Balance Sheet and Profit and Loss Account for the financial year from January 1, 2021 to December 31, 2021

### I. General

The annual financial statements of Kiefel GmbH are prepared in accordance with the provisions of the German Commercial Code. As of the balance sheet date, the provisions for large corporations pursuant to Section 267 HGB apply to the company. Fiscal year is the calendar year.

The cost of sales method is used for the income statement in accordance with Section 275 (3) HGB.

In the interests of greater clarity and transparency, the notes to be made in accordance with the statutory provisions for the items in the balance sheet and profit and loss account, as well as the notes that are to be made optionally in the balance sheet and profit and loss account, are listed in the appendix as far as possible.

Due to the information in the notes in € thousand, there may be rounding differences between the balance sheet and the income statement.

### II. Information on accounting and valuation methods and foreign currency conversion

#### Capital assets

Intangible assets acquired for a consideration are valued at acquisition cost less scheduled straight-line depreciation corresponding to their probable useful life. The amortization ranges are between 3 and 14 years. If the fair value of individual intangible assets falls below their book value, additional unscheduled depreciation is carried out if the impairment is expected to be permanent.

The difference resulting from the merger of Kiefel GmbH with Kiefel Verwaltungs GmbH in 2012 and accounted for as goodwill is amortized on a straight-line basis based on the expected useful life of 10 years. This approach reflects the expectations regarding the exploitation of the market position gained through the merger and the value creation potential of the transferred legal entity; long-term customer loyalty plays a particularly important role here. It is assumed that the economic framework of the transferred legal entity will remain comparatively stable. If depreciation to a lower fair value appears necessary,

Property, plant and equipment are stated at acquisition or production cost less scheduled straight-line depreciation. In addition to the directly allocable costs, the production costs also include a proportionate share of overheads and depreciation. Borrowing costs were not included in the valuation. Depreciation of the old stock will continue as planned. The range of useful lives is between 4 and 50 years for buildings, 3 to 33 years for technical equipment and machinery and 3 to 50 years for other equipment, factory and office equipment. Low-value assets with acquisition or production costs up to and including €250 are immediately expensed, between €250 and €800, these are written off in full in the reporting year and their disposal is assumed. If the fair value of individual assets falls below their book value, additional unscheduled depreciation is carried out if the impairment is expected to be permanent.

Financial assets are valued at acquisition cost or, in the case of a probable permanent impairment, at their lower applicable value. Appropriate write-ups are made if the reasons for the depreciation no longer apply.

#### current assets

The valuation of raw materials, consumables and supplies and goods is determined based on acquisition costs or, in some cases, based on weighted average prices, taking into account the strict lower-of-cost-or-market principle. Appropriate valuation deductions are made due to longer storage periods or technical obsolescence.

Work in progress and finished goods are valued at production cost in accordance with the strict lower of cost or market principle. In addition to the direct material and production costs, the production costs also include the material and production overheads and depreciation attributable to the production process. In addition, costs of general administration and voluntary social expenses are taken into account. Borrowing costs were not included in the valuation. Appropriate valuation discounts are made as part of the loss-free valuation. Advance payments received are recognized at the billable payment amounts. Advance payments received from customers are deducted from the assets.

Trade accounts receivable are stated at their nominal value. Appropriate value adjustments are made for identifiable individual risks. To cover the general credit and interest rate risk, a flat-rate devaluation amount based on empirical values of bad debts in previous years is taken into account.

Receivables from and liabilities to affiliated companies are offset against each other if offsetting is possible.

Receivables in foreign currencies are valued at the average spot exchange rate in accordance with Section 256a HGB. In the case of receivables with a remaining term of less than one year, both unrealized exchange rate losses and exchange rate gains are recognized in profit or loss as of the balance sheet date. Receivables in foreign currencies with a term of more than one year are accounted for using the imparity principle. If forward exchange transactions are concluded to hedge currency risks for the respective underlying transaction, the underlying transaction and forward exchange transaction are accounted for as a valuation unit in accordance with Section 254 HGB.

Other receivables and other assets are stated at their nominal value or at the lower applicable value on the reporting date.

Cash and cash equivalents are accounted for at their nominal value. Holdings in foreign currencies are valued at the average spot exchange rate on the balance sheet date.

#### **prepaid expenses**

Prepaid expenses are recognized for expenses before the balance sheet date if they represent expenses for a specific period after this date.

#### **Active difference from asset allocation**

Asset values from the reinsurance policies for partial retirement accounts, which are inaccessible to all other creditors and serve exclusively to meet debts from partial retirement obligations, are valued on the basis of actuarial reports or notifications from the insurers with the respective asset value (coverage capital) and with the corresponding liabilities in accordance with § 246 Para. 2 HGB offset. Any remaining amount is shown in the balance sheet under "Active difference from asset allocation".

#### **Equity capital**

The subscribed capital is accounted for at nominal value.

#### **accruals**

The pension provisions as of December 31, 2021 are measured in accordance with Section 253 (2) HGB and using the projected unit credit method. As in the previous year, the pension provisions are discounted on the basis of actuarial calculations (2018 G mortality tables by Prof. Klaus Heubeck) using the average market interest rate published by the Deutsche Bundesbank for an assumed remaining term of 15 years (section 253 (2) sentence 2 HGB). With the new version of Section 253 (6) HGB, provisions for pension obligations have been discounted at the average market interest rate from the past ten financial years since 2016. This interest rate was 1.87% as of the reporting date. The average used in the previous year was 2, 31% As in the previous year, an expected increase in wages and salaries of 2% and a pension trend of 1.80% (previous year 1.60%) were also taken into account. Assets from the plan assets for pension obligations, which are inaccessible to all other creditors and serve exclusively to meet debts from pension obligations or comparable long-term obligations, are offset against the corresponding debts in accordance with Section 246 (2) sentence 2 HGB.

The other provisions include the partial retirement obligations (ATZ) and other remuneration obligations, insofar as they cannot be offset.

The partial retirement obligation is measured in accordance with Section 253 (2) HGB. As in the previous year, the remaining term, the amount of wage and salary increases and the pension trend were selected according to the valuation of the pension provision (cf. there). The discount rate is 1.35%. There is a reinsurance policy to secure the partial retirement obligation. Asset values from reinsurance policies for partial retirement obligations, which are inaccessible to all other creditors and serve exclusively to meet debts from pension obligations or comparable long-term obligations, are offset against the corresponding debts in accordance with Section 246 (2) sentence 2 HGB.

The fair value of the offset assets was determined taking into account actuarial principles.

The valuation of the anniversary provision is based on Section 253 (2) HGB. As in the previous year, the remaining term, the amount of wage and salary increases and the pension trend were selected according to the valuation of the pension provision (cf. there). The discount rate is 1.35%.

The tax accruals contain the expected additional payments for the current financial year as well as for income tax payments not yet expected for other periods and the interest accruing thereon.

The remaining other provisions take into account all recognizable risks and uncertain obligations in the amount of the settlement amount necessary according to prudent business judgement. Future price and cost increases have been taken into account. Provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years determined by the Deutsche Bundesbank in accordance with the Provision Discounting Ordinance, which corresponds to their remaining term. If the due date is less than one year, a full year remaining term is assumed. The initial accounting is based on the net method. The effects on earnings from changes in interest rates are reported in the financial result.

#### **liabilities**

Trade payables are recognized at the settlement amount.

Liabilities in foreign currencies are valued in accordance with Section 256a of the German Commercial Code using the average spot exchange rate on the balance sheet date. In the case of liabilities with a remaining term of less than one year, both unrealized exchange rate losses and exchange rate gains are recognized in profit or loss as of the balance sheet date. Liabilities in foreign currencies with a term of more than one year are accounted for using the imparity principle. If forward exchange transactions are concluded to hedge currency risks for the respective underlying transaction, the underlying transaction and forward exchange transaction are accounted for as a valuation unit.

#### **prepaid expenses**

Deferred income is recognized for income received prior to the balance sheet date if it represents income for a specific period after that date.

#### **Deferred taxes**

Deferred taxes are formed using the liability method from temporary differences between tax and commercial valuations as of the balance sheet date. In addition, deferred tax assets are formed for tax loss carryforwards if a loss offset is expected within the next 5 years. Deferred tax assets from deductible temporary differences and tax loss carryforwards are only recognized to the extent that future taxable profit is likely to be sufficient.

Deferred taxes are determined on the basis of the income tax rate expected to be applicable at the time of realization. Changes in tax rates are taken into account if the change is certain with sufficient certainty. Insofar as it is legally possible to offset, deferred tax

assets and liabilities have been offset. The tax rate applied is 27.03%.

### Profit and Loss Account

In principle, sales are realized at the time the risk of the system/machine passes to the customer or after contractually agreed customer acceptance. This is based on the contractually agreed Incoterms. Appropriate provisions are formed for services still to be provided after this point in time (monitoring and advising on the assembly of the machine, commissioning of machines, test and guarantee runs). In the service area, upgrades and services are invoiced and sold after acceptance by the customer.

Expenses are booked when they arise or when they are drawn, investment income after the decision to determine the profit has been made.

### III. Notes to the balance sheet

#### Capital assets

The composition and development of the items of fixed assets summarized in the balance sheet result from the fixed asset movement schedule, which is attached as an appendix to the notes.

Assets with a book value of €1,591k were reclassified from land, land rights and buildings, including buildings on third-party land, to technical equipment and machinery (€1,249k) and other equipment, factory and office equipment (€342k).

#### Intangible assets

In addition to goodwill, intangible assets primarily relate to acquired patents, software and licenses.

#### property, plant and equipment

The additions to property, plant and equipment relate mainly to technical equipment and machines as well as operating and office equipment. Low-value assets contained therein are written off immediately.

#### financial investments

The shares in affiliated companies and participations (shareholdings) reported under financial assets - i.e. the companies in which the company directly or indirectly owns at least 20% of the shares - break down as follows:

Company	Seat	shares	Equity capital		Net income/loss
			%	k€	in FY 2021
Kiefel Benelux BV	Doetinchem, Netherlands	100 *	312		48
Kiefel France Sarl	Roissy en Brie, France	100 *	904		141
OOO Kiefel	St. Petersburg, Russia	100 *	-60		8th
KIEFEL Packaging GmbH	Micheldorf, Austria	100 *	4.228		2,538
MOLD & MATIC Solutions sro "v likvidaci"	Slusovice, Czech Republic	100 *	-151		-204
Kiefel Packaging B.V	Sprang-Capelle, The Netherlands	100 *	4,506		780
PT Kiefel Packaging Indonesia	Sidoarjo, Indonesia	100 **	233		-169
Kiefel Scandinavia ApS	Tjaereborg, Denmark	100 *	14		9

\* Shares are held directly.

\*\* 90% of the shares are held indirectly and 10% of the shares directly.

#### Stocks

The advance payments received on orders that were openly deducted from inventories in accordance with section 268 (5) sentence 2 HGB amounted to €39,882 thousand on the balance sheet date.

#### Work in progress and work in progress

The work in progress and work in progress relate to order-related cost units, which are taken into account at the time the invoice is received or the hours are recorded.

#### Requests from deliveries and services

The trade accounts receivable essentially relate to delivered and billed systems/machines and relate to ongoing business transactions. They include receivables with a remaining term of more than one year in the amount of €1,481 thousand (previous year: €730 thousand).

#### Receivables from affiliated companies

Receivables from affiliated companies amounting to €24,396 thousand (previous year: €8,683 thousand) essentially consist of receivables from cash pooling with Brückner Group GmbH (€12,658 thousand; previous year: liability €593 thousand), trade receivables from the Brueckner Group USA, Inc. (€10,024 thousand; previous year €7,511 thousand), against KIEFEL Packaging GmbH (€836 thousand; previous year €286 thousand), against Brueckner Group China Co., Ltd. (EUR 445 thousand; previous year EUR 307 thousand) and against Brueckner Slovakia sro (EUR 301 thousand; previous year liability EUR 28 thousand). As in the previous year, all receivables from affiliated companies have a remaining term of up to one year.

#### Other assets

The other assets amount to € 5,088 thousand. As in the previous year, these have a remaining term of up to one year.

Other assets essentially include tax receivables (€ 4,866 thousand) and travel expense advances (€ 163 thousand).

#### Equity capital

There are amounts from the valuation of pension provisions pursuant to Section 253 (6) of the German Commercial Code amounting to €48k and from the deferred tax assets of €784k that are barred from distribution.

#### accruals

Reinsurance policies that meet the requirements of Section 246 (2) sentence 2 of the German Commercial Code (HGB) exist to secure the partial retirement obligations (ATZ). These are measured at fair value as of December 31, 2021 (EUR 2,359 thousand; acquisition costs EUR 2,359 thousand) and have been offset against the corresponding provisions for ATZ (settlement amount EUR 4,212

thousand). This results in a balance sheet recognition of the ATZ provision in the amount of €1,853 thousand (previous year: €2,289 thousand). There was interest income of 80 T€.

The pension provisions with a settlement amount of €1,286 thousand (thereof reinsured: €237 thousand) are offset by plan assets of €202 thousand (fair value and acquisition costs). The difference between the recognition of the provision for pension obligations based on the average market interest rate from the past ten financial years and the recognition of the provisions based on the corresponding average market interest rate of the past seven years (Section 253 (6) HGB) is €48 thousand. Interest expenses (€67 thousand) were netted with interest income (€8 thousand).

The fair value of the cover assets for partial retirement and pension obligations corresponds to the so-called business plan cover capital of the insurance contract plus a surplus balance.

The remaining other provisions were mainly for project provisions and warranties (€7,774 thousand), continued salary payments (€562 thousand), bonuses and profit-sharing (€1,275 thousand), outstanding invoices (€514 thousand), time credits (€2,855 thousand) and the other personnel areas (holidays, anniversaries, overtime bonuses, quarantine bonuses) in the amount of €1,091 thousand.

#### liabilities

The composition and maturities of the liabilities result from the liabilities table below.

Liabilities to affiliated companies amounting to €66,586 thousand relate primarily to the loan liability to the shareholder Brückner Group GmbH of €65,979 thousand (previous year: €43,336 thousand).

The other liabilities essentially relate to tax debts (€743 thousand) and accounts receivable (€253 thousand).

	12/31/2021 (Previous year)	Of which with a remaining term of		
		up to 1 year	1-5 year(s)	over 5 years
	k€	k€	k€	k€
liabilities from goods and services	6,254 (2,730)	6,254 (2,730)	0	0
Liabilities to the shareholder	65,979 (44,009)	30,000 (14,997)	5,830 (23,494)	30.149 (5,517)
Liabilities to affiliated companies	608 (2,718)	608 (2,718)	0	0
Other liabilities	1,060 (1,926)	1,060 (1,926)	0	0
Total liabilities	73,900 (51,383)	37,922 (22,372)	5,830 (23,494)	30.149 (5,517)

#### Deferred taxes

The deferred tax assets and liabilities are distributed among the following balance sheet items:

	Deferred tax assets in T€	Deferred tax liabilities in T€
Deferred tax accruals		
Property, plant and equipment	11	454
Stocks	605	0
Receivables and other assets	692	1
Provisions for pensions and similar obligations	49	0
Other Provisions	0	119
Subtotal before netting	1,357	574
In total	784	0

The deferred tax assets of € 1,357 thousand (previous year € 1,242 thousand) are netted with the deferred tax liabilities of € 574 thousand (previous year € 457 thousand) and consequently reported as a positive balance of € 784 thousand (previous year € 785 thousand). The underlying tax rate is 27.03%.

Deferred taxes developed as follows:

	01/01/2021 in T€	change in T€	12/31/2021 in T€
Deferred tax assets	1,242	115	1,357
Deferred tax liabilities	457	116	574
balance	785	-1	784

#### IV. Notes to the Profit and Loss Account

##### revenues

Sales in the financial year amounted to €139,678k, of which €3,983k was domestic (2.9%). The most important sales regions in the year under review were Asia with 10.9%, other European countries with 32.1% and North America with 48.0%.

##### personnel expenses

Personnel expenses in the year under review break down as follows:

	2021 in T€	2020 in T€
a) Wages and salaries	34,424	37,225
b) Social charges	6,347	6,380
= personnel expenses	40,772	43,605

**cost of materials**

The cost of materials in the year under review breaks down as follows:

	2021	2020
	in T€	in T€
a) Expenses for RHB	63,062	45,766
b) Expenses for purchased services	6,848	4,067
= cost of materials	69,911	49,834

**Other company income**

Other operating income includes income from other periods of €790 thousand (previous year: €1,785 thousand). contain. These relate to the reversal of individual and general value adjustments (T€ 36) and provisions (T€ 426) as well as income from previous years (T€ 328). Also included are reimbursements of social security contributions from the employer due to short-time work in the amount of €125 thousand and income from the disposal of assets in the amount of €9 thousand.

Income from currency conversion in accordance with Section 256a HGB is included in the amount of €97 thousand (previous year: €168 thousand).

**Other operating expenses**

Other operating expenses include losses from the disposal of assets of €221 thousand (previous year: €2,137 thousand) and expenses relating to other periods of €2,104 thousand (previous year: €247 thousand).

Expenses from currency conversion in accordance with Section 256a HGB are included in the amount of €17 thousand (previous year: €114 thousand).

**Extraordinary depreciation**

There were no unscheduled depreciations on property, plant and equipment in the year under review (previous year: €12,000).

**Interest Expense and Interest Income**

Interest expenses and income include €73 thousand from compounding and €80 thousand from discounting.

**V. Other information****Annual average number of employees**

The average number of employees excluding trainees and managing directors was 467 in the year under review (previous year 491). Of these, 62 are in finance/administration, 315 in technology and 90 in sales.

**Contingent liabilities and other financial obligations**

The contingent liabilities and other financial obligations break down as follows:

**guarantees**

	due in			
	2022	2023	2024	
	k€	k€	k€	
guarantees	9,339	0	0	
	due in			
	2025	2026	unlimited	In total
	k€	k€	k€	k€
guarantees	0	0	72	9,411

The surety bonds to customers amount to €8,822 thousand from advance payments received and a total of €517 thousand from warranty bonds and contract performance guarantees. Unlimited rent guarantees exist in the amount of €72,000. The total sureties amounted to € 3,660 thousand in the previous year. According to the current status, claims by the company are not to be expected in this connection.

**Other Financial Obligations**

	due in			
	2022	2023	2024	
	k€	k€	k€	
lease agreements	207	148	45	
maintenance contracts	1,638	0	0	
Third party leases	425	0	0	
	2,269	148	45	
	due in			
	2025	2026	unlimited	In total
	k€	k€	k€	k€
lease agreements	2	0	0	401
maintenance contracts	0	0	0	1,638
Third party leases	0	0	0	425
	2	0	0	2,463

Leasing obligations result mainly from the leasing of the vehicle fleet. Obligations from maintenance contracts are assigned to the area of EDP (hardware and software).

**Derivative financial instruments**

The Company has entered into forward exchange transactions and swaps to hedge all major foreign exchange risks.

The total volume of forward exchange transactions (last value date on November 3, 2021) is nominally €2,873 thousand (USD and CNY hedging) and consists of €2,523 thousand in hedged foreign currency inflows and €350 thousand in hedged foreign currency outflows. As of December 31, 2021, there is a positive market value of €2 thousand and a negative market value of €92 thousand. Due to the formation of valuation units, no provision is formed in the amount of the negative market values. The forward exchange transactions are valued on the basis of reference rates, taking into account forward premiums and discounts. The effectiveness of the hedging relationships is regularly measured retrospectively and prospectively using recognized methods of financial mathematics. The parameters of the underlying transaction to be hedged (nominal amount, currency, term) and the hedging transaction correspond as far as possible, so that individual opposing changes in value or cash flows from underlying and hedging transactions cancel each other out or largely compensate each other (micro and portfolio hedge). In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. Term) and the hedging transaction correspond as far as possible, so that individual countervailing changes in value or cash flows from underlying and hedging transactions cancel each other out or largely compensate each other (micro and portfolio hedge). In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. Term) and the hedging transaction correspond as far as possible, so that individual countervailing changes in value or cash flows from underlying and hedging transactions cancel each other out or largely compensate each other (micro and portfolio hedge). In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. so that individual countervailing changes in value or cash flows from underlying and hedging transactions cancel each other out or largely compensate each other (micro and portfolio hedge). In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for. In this way, a permanently effective hedging relationship can already be identified when the hedging transaction is concluded. The so-called freezing method is used for the presentation in the balance sheet. The cash flow changes of the underlying transaction and the hedging instrument that compensate each other on the basis of the hedged risk are not accounted for.

#### **Events of particular importance after the end of the financial year**

The operational business of the locations of the subsidiaries MOLD & MATIC Solutions sro "v likvidaci" and PT Kiefel Packaging Indonesia was closed in mid-2021 and the companies are expected to be liquidated and closed by mid-2022. OOO Kiefel will be sold with the aim of liquidation in the first quarter of 2022.

The war that Russia started on February 24, 2022 in Ukraine is being critically observed and analyzed on an ongoing basis. According to the current assessment, however, the management does not see any significant effects on the business situation of Kiefel GmbH.

#### **organs of society**

The shareholder of Kiefel GmbH is the Brückner Group GmbH, based in Siegsdorf.

Managing Directors of Kiefel GmbH are:

Thomas J. Halletz, Dipl.-Ing. (FH), Managing Director Sales

Peter Eisl, Mag., Chief Financial Officer (until January 31, 2021)

Stefan Moll, Dipl. Ing (TH), Managing Director Technology

Richard Schmidhofer, Dipl.-Betriebswirt (VWA), Managing Director Finance (from February 1st, 2021)

As of the reporting date, there were no provisions for pensions for former managing directors or their surviving dependents.

#### **Other Information**

Kiefel GmbH is included as a group company in the sub-group financial statements of Brückner Group GmbH, Siegsdorf, (smallest scope of consolidation) and in the exempting consolidated financial statements of Brückner Verwaltungsgesellschaft mbH, Siegsdorf, (largest scope of consolidation). This is published in the electronic Federal Gazette.

#### **auditor's fee**

The information about the total fee of the auditor was omitted, as the total amount is given in the consolidated financial statements of the Brückner Group GmbH, Siegsdorf.

### **Suggestion for using the result**

The balance sheet profit reported as of December 31, 2021, consisting of the annual surplus (€1,998,861.16) and the profit carried forward (€21,464,015.54), amounting to €23,462,876.70 will be carried forward to new account.

#### **Freilassing, February 25, 2022**

#### **Management of the Kiefel GmbH**

**Thomas Halletz**

**Richard Schmidhofer**

**Stefan Moll**

**Development of fixed assets as of December 31, 2021**

	Initial status 01.01.2021	Acquisition and production costs			Closing date 12/31/2021
		additions	departures	transfer	
<b>I. Intangible assets</b>					
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	6,246,824.30	104,132.90	222,133.46	385,569.70	6,514,393.44
2. Goodwill	26,634,843.02	0.00	0.00	0.00	26,634,843.02
3. Advance payments made	393,268.70	78,925.87	7,699.00	-385,569.70	78,925.87
	33,274,936.02	183,058.77	229,832.46	0.00	33,228,162.33
<b>II. Tangible assets</b>					
1. Land, land rights and buildings, including buildings on third-party land	44,716,933.60	63,077.70	0.00	-1,964,491.96	42,815,519.34
2. Technical installations and machines	9,503,227.51	1,869,630.19	0.00	1,558,482.66	12,931,340.36
3. Other equipment, fixtures and fittings	12,626,245.99	969,812.50	182,659.86	443,289.81	13,856,688.44
4. Payments on account and assets under construction	37,280.51	18,220.00	0.00	-37,280.51	18,220.00
	66,883,687.61	2,920,740.39	182,659.86	0.00	69,621,768.14
<b>III. financial investments</b>					
Shares in affiliated companies	29,222,178.51	77,186.42	186,879.67	0.00	29,112,485.26
In total:	129,380,802.14	3,180,985.58	599,371.99	0.00	131,962,415.73
depreciation					
	Initial status 01.01.2021	additions	departures	transfer	Closing date 12/31/2021
<b>I. Intangible assets</b>					
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	4,279,022.30	471,749.07	9,256.86	0.00	4,741,514.51
2. Goodwill	23,971,366.02	2,663,477.00	0.00	0.00	26,634,843.02
3. Advance payments made	0.00	0.00	0.00	0.00	0.00
	28,250,388.32	3,135,226.07	9,256.86	0.00	31,376,357.53
<b>II. Tangible assets</b>					
1. Land, land rights and buildings, including buildings on third-party land	6,920,380.32	1,260,346.18	0.00	-410,335.09	7,770,391.41
2. Technical installations and machines	3,527,352.51	917,534.81	0.00	309,408.82	4,754,296.14
3. Other equipment, fixtures and fittings	6,524,821.61	1,328,304.65	128,865.54	100,926.27	7,825,186.99
4. Payments on account and assets under construction	0.00	0.00	0.00	0.00	0.00
	16,972,554.44	3,506,185.64	128,865.54	0.00	20,349,874.54
<b>III. financial investments</b>					
Shares in affiliated companies	3,220,112.59	0.00	121,370.67	0.00	3,098,741.92
In total:	48,443,055.35	6,641,411.71	259,493.07	0.00	54,824,973.99
residual values					
			Residual book value on 12/31/2021	Residual book value on 12/31/2020	
<b>I. Intangible assets</b>					
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values			1,772,878.93	1,967,802.00	
2. Goodwill			0.00	2,663,477.00	
3. Advance payments made			78,925.87	393,268.70	
			1,851,804.80	5,024,547.70	
<b>II. Tangible assets</b>					
1. Land, land rights and buildings, including buildings on third-party land			35,045,127.93	37,796,553.28	
2. Technical installations and machines			8,177,044.22	5,975,875.00	
3. Other equipment, fixtures and fittings			6,031,501.45	6,101,424.38	
4. Payments on account and assets under construction			18,220.00	37,280.51	
			49,271,893.60	49,911,133.17	
<b>III. financial investments</b>					
Shares in affiliated companies			26,013,743.34	26,002,065.92	
In total:			77,137,441.74	80,937,746.79	

**AUDIT OPINION****Independent Auditor's Report**

To Kiefel GmbH, Freilassing:

**audit opinions**

We have the annual financial statements of Kiefel GmbH, Freilassing, - consisting of the balance sheet as of December 31, 2021 and the income statement for the financial year from January 1 to December 31, 2021 and the notes, including the presentation of the accounting and Valuation methods - checked. In addition, we have audited the management report of Kiefel GmbH, Freilassing, for the financial year from January 1 to December 31, 2021.

According to our assessment based on the knowledge gained during the audit

- The attached annual financial statements comply in all material respects with the German commercial law provisions applicable to corporations and, in compliance with German generally accepted accounting principles, convey a true and fair view of the assets and financial position of the company as of December 31, 2021 and its earnings position for the financial year from January 1 to December 31, 2021 and
- the attached management report as a whole provides an accurate picture 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.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

**Basis for the test results**

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and principles are further described in the "Auditor's responsibility for the audit of the annual financial statements and 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 have our other German professional responsibilities in compliance with these requirements. We believe that

**Responsibility of the legal representatives for the annual financial statements and the management report**

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial - and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives 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.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides a suitable view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the management report can.

**Auditor's responsibility for the audit of the annual financial statements and the management report**

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with § 317 HGB, taking into account the German principles of proper annual auditing established by the Institute of Public Accountants (IDW), will always uncover a material misstatement. Misstatements may 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 made on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Over and beyond

- We identify and assess the risks of material misstatements, whether due to fraud or error, in the annual financial statements and the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems of society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's 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 cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We base our conclusions 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 such a way that the annual financial statements, in compliance with German legally required accounting principles, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives 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 provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

**Munich, February 25, 2022**

**Rödl & Partner GmbH**  
**auditing company**  
**tax consulting company**  
*Mainka-Klein, auditor*  
*Klopf, accountant*

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