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### Camunda Services GmbH

Berlin

### Annual financial statements for the business year from 01/01/2019 to 12/31/2019

#### INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

#### Management report for the 2019 financial year

##### 1. General business development and framework conditions

###### 1.1 Business activity

Camunda Services GmbH was founded on April 29, 2008 and is based in Berlin. Camunda develops software that enables companies to automate business processes. The software consists of various components that are aimed at different roles (software developer & architects, technical operations, business analysts, managers, etc.) and can be used in all phases of an automation project. The business model is divided into software sales and consulting. The majority of sales are generated through software license agreements. Camunda has customers on all continents, but a special market focus in Germany and the USA.

###### 1.2 Industry development

With its products, Camunda Services GmbH addresses a globally growing market that benefits greatly from the increasing use of digital technologies. The drivers of the so-called digital transformation are information technologies such as communication networks, powerful computers, mobile devices as well as software and applications. According to an analysis by the market research company WiseGuyReports.com <sup>1</sup> on March 5, 2020, the global market volume for applications for business process automation in 2019 was approximately 7.84 billion US dollars. For the year 2025 a market volume of 26.3 billion US dollars can be expected, which would correspond to an annual growth of approx. 22.34% in the period from 2018 to 2025.

###### 1.3 Course of business

Camunda Services GmbH recorded total sales of EUR 17,469 thousand in the 2019 financial year from January 01, 2019 to December 31, 2019.

<sup>1</sup> Source: <https://thecryptonews24.com/global-workflow-automation-market-2019-2025-by-type-component-industry-region/>

Compared to the previous year (EUR 12,823 thousand) there was an increase in sales of EUR 4,646 thousand. The increase in sales is primarily due to an increase in software sales in all affected regions (Europe, United States and the rest of the world).

Despite the increase in sales of + 36.2% compared to the previous year, massive investments in new employees led to an increase in personnel expenses of + 66.7% and an associated significant decline in profitability. The annual surplus in the 2019 financial year was EUR 967 thousand with a return on sales of 5.5% and was thus 63.4% below that of the previous year 2018 (EUR 2,640 thousand and a return on sales of 20.6%).

The consulting business had a share of 7.9% in total sales (previous year 13.1%) and at EUR 1,389 thousand was a considerable -17.0% below the previous year. The decrease is mainly due to the company's focus on the sale of software.

In summary, we can say that business development in the 2019 financial year was very satisfactory given the investments in staff and office equipment. The company has expanded its market shares, awareness and presence in the existing business areas through the further development of an international, interlinked sales organization. As expected, the various investments made led to strong sales growth but also to a lower annual result for 2019. Through the implementation of a new cloud-based accounting system (NetSuite), which is planned for the beginning of 2020,

##### 2. Development of the asset, financial and earnings position

###### 2.1 Profit situation

Due to the very good performance and business situation in 2019, the following financial indicators have developed positively.

###### Gross profit / gross profit <sup>2</sup>

The gross profit for the 2019 financial year amounted to EUR 16,769 thousand and was therefore EUR 4,154 thousand in absolute terms over the previous year (EUR 12,615 thousand). The increase is mainly due to the incremental software revenue.

**Personnel expenses**

Personnel expenses increased by EUR 3,776 thousand to EUR 9,441 thousand (previous year: EUR 5,665 thousand) compared to the previous year, in particular due to the hiring of 49 new employees.

**Other operating expenses**

The other operating expenses increased by KEUR 3,200 to KEUR 6,396 (previous year KEUR 3,196) compared to the previous year. This is mainly due to the increased room costs (+ EUR 490 thousand), advertising and travel costs (+ EUR 1,210 thousand), external services and external work costs (+ EUR 713 thousand) and costs for internal seminars (+ EUR 217 thousand).

**Return on sales <sup>3</sup>**

The return on sales is 5.5% (previous year 20.6%). This significant decrease is mainly due to the increased operating costs (personnel expenses and other operating expenses).

**Return on Equity <sup>4</sup>**

The return on equity is 7.1% (previous year 21.3%). The change results mainly from the decline in net income in the reporting year.

<sup>2</sup> Gross profit / gross profit = sales revenues - cost of materials

<sup>3</sup> Return on sales = net income / sales x 100% <sup>4</sup> Return on equity = net income / equity x 100%

**2.2 Financial position****Liquid funds**

The liquidity position is positive. The liquid funds plus the short-term receivables exceed the short-term provisions and short-term liabilities. The funds are invested in sight deposits

As of the balance sheet date, liquid funds of EUR 21,068 thousand (previous year: EUR 18,110 thousand) were available. The higher level of cash and cash equivalents is due in particular to an increase in payments for licenses in connection with the improvement in incoming payments through the establishment of bi-weekly cash calls and a dunning process.

**Use of credit lines**

As in the previous financial year, Camunda Services GmbH did not take out any bank loans. The financing takes place exclusively from our own resources.

**2.3 Financial position****Other assets**

Other assets rose from EUR 117 thousand in 2018 to EUR 1,248 thousand in 2019. This significant increase is mainly due to deposits in connection with new rental agreements and tax overpayments.

**Equity ratio <sup>5</sup>**

The equity ratio is 50.4% (previous year: 57.3%) and has fallen slightly compared to the previous year, in particular due to an increase in deferred income.

**System intensity <sup>6</sup>**

The plant intensity of Camunda Services GmbH was 6.0% in the reporting year (previous year 3.8%) and has therefore increased significantly due to the investments made in the office layout.

<sup>5</sup> Equity ratio = equity / total liabilities x 100%

<sup>6</sup> Investment intensity = fixed assets / total assets x 100%

**Liabilities to affiliated companies**

The liabilities to affiliated companies increased significantly from EUR 500 thousand in 2018 to EUR 2,232 thousand in 2019. An intercompany agreement exists between the parent company Camunda Services GmbH and the subsidiary Camunda Inc to compensate Camunda Inc. for the sales services it has provided on the American market. As business activity in the US increased significantly in 2019, the amount of intercompany credit also increased from just TUSD 118 in 2018 to TUSD 2,520 in 2019.

**Development of pRAP**

The deferred income rose from EUR 7,155 thousand in 2018 to EUR 9,917 thousand in 2019 due to a significant increase in the number of new license agreements.

In summary, we can say that the net assets, financial position and results of operations met the expectations for the 2019 financial year.

**3. General statement on the economic situation**

The management assesses the economic situation of Camunda Services GmbH as solid and does not currently see any developments threatening the existence of the company - also in view of a potentially negative economic effect of the Corona crisis - even if the overall risk position is confronted in the course of the economic effects of the coronavirus pandemic has deteriorated over the previous year.

**4. Risk report**

Camunda has extensively analyzed how the negative economic effect of a recession caused by the Corona crisis could affect its business. With the help of this analysis, it could be determined that even in an extremely negative scenario from Camunda's point of view with a 12-month shutdown and an economic recovery only in the 3rd quarter of 2021 - which could lead to a loss of more than half of the existing sales at Camunda - the company would still have sufficient liquidity to survive the crisis independently in the long term. Even though

If this extreme scenario is classified as unlikely, Camunda nonetheless expects that the crisis will have a negative impact on further business development, as existing and potential new customers may have lower IT budgets available. This can lead to the postponement (and partial cancellation) of a license acquisition by new customers and also to an increased churn rate for existing customers. There is also the risk of bad debts due to price discounts or non-payments from existing customers.

In order to counteract these risks, Camunda will develop new, flexible pricing models, focus even more on contract extensions for existing customers and further optimize receivables management. It is also important to emphasize that Camunda itself is in any case in a position to directly control personnel costs - its highest cost item - by slowing down or stopping the hiring of new employees. The company is also able to proactively manage operating costs and adjust them accordingly if the development of sales is negative.

Depending on the further development of the Corona crisis and the economic effects, the effects of the risks described may increase or decrease, so that it is currently difficult to assess what specific effects will result for Camunda's business.

The risk situation in the area of operational risks is essentially unchanged compared to the previous year. Risks exist in particular in the area of internal IT security and foreign currency transactions.

In the area of internal IT, Camunda was able to make further progress by introducing new security guidelines and applications in setting up the IT compliance management system. Camunda is aiming for ISO 27001 certification in the next 2 years and will therefore steadily reduce the risk of IT security breaches in the new financial year through further rules, process adjustments and training.

As Camunda continues to be heavily active in the US, the company is exposed to some degree of USD foreign exchange risk.

The risks of a shortage of skilled workers and license risk management described in the previous year are no longer viewed as significant risks. Thanks to its international structure, Camunda is now in a better position to recruit suitable specialist staff in its core markets. Camunda continues to manage the license risk very consciously by licensing essential parts of the software in a proprietary manner - Camunda is thus following the increasingly established industry standard that even "open source" software companies are more and more consciously protecting themselves against the large cloud hosting providers with this step.

## 5. Opportunity report

Camunda has a very stable current business situation and sees itself well positioned in the medium and long term to benefit from the increasing importance of general industry trends such as automation and digitization. Camunda's aim is to become the leading global technology provider of software for the automation of business processes. Due to the significant increases in sales and profitability since it was founded, the company's legal representatives assume that the company will be able to finance itself with its own resources during the Corona crisis and any subsequent recession and to continue to grow. The legal representatives expect that Camunda can then immediately seize the opportunities of the economic upswing and go back on an even stronger expansion course. The reinforcement of the general digitization trends caused by the Corona crisis can help Camunda.

In the future, Camunda will continue to develop its software significantly, with the aim of enabling companies to automate more and more business processes and thus to be a core component of their customers' automation and digitization strategy. For example, the "Camunda Cloud" solution will come onto the market for the first time in 2020, which will allow Camunda to offer the Camunda product range in a decentralized manner. Camunda expects long-term growth potential both with new customers who are particularly addressed by this product and with existing customers who want to use the Camunda Cloud for further projects.

## 6. Forecast report

This forecast report contains assumptions, forecasts and assessments by management with regard to future developments and the effects of such developments on the company's results in the coming year. These assumptions, forecasts and assessments were made before the beginning of the Corona crisis. To what extent the Camunda will be affected by this crisis situation cannot yet be estimated. However, it is already foreseeable that the Corona crisis will have an overall negative impact on sales and annual earnings targets.

Camunda sees itself well positioned for the future. The company plans to continue on its growth path for the next year. The company is confident that by adapting its software to market-relevant requirements and price models, through targeted initiatives, it will be able to stimulate demand and through expansion into prioritized regions, even in times of a negative economic environment, to increase sales.

That is why Camunda plans to continue investing in new employees. For the 2020 financial year, we originally expected a slightly lower annual result despite a strong increase in sales compared to the previous year. Negative effects of the Corona crisis can also lead to a negative annual result.

**Berlin, May 12, 2020**

***Jakob Freund, managing director***

***Bernd Rücker, managing director***

## Balance sheet as of December 31, 2019

### assets

	December 31, 2019 €	scroll ↔ December 31, 2018 €
<b>A. Fixed assets</b>		
<b>I. Intangible Assets</b>		
1. Concessions acquired for a fee, industrial property rights and similar rights and values as well as licenses to such rights and values	35,123.00	42,137.00
2. Advance payments made	65,395.83	0.00
	100,518.83	42,137.00
<b>II. Tangible assets</b>		
1. Other equipment, factory and office equipment	1,051,354.00	366,795.00
2. Advance payments made and assets under construction	51,055.39	0.00
	1,102,409.39	366,795.00
<b>III. Financial assets</b>		
Shares in affiliated companies	417,395.31	417,395.31
	1,620,323.53	826,327.31
<b>B. Current Assets</b>		
<b>I. Receivables and other assets</b>		
1. Trade accounts receivable	2,810,823.89	2,452,347.12
2. Other assets	1,248,365.72	116,851.77
	4,059,189.61	2,569,198.89
<b>II. Cash in hand, bank balances</b>	21,067,909.42	18,110,260.00
<b>C. Prepaid expenses</b>	220,417.30	74,883.73
<b>D. Deferred Tax Assets</b>	3,099.40	726.60
	26,970,939.26	21,581,396.53

### liabilities

	scroll ↔	
	December 31, 2019	December 31, 2018
	€	€
A. Equity		
I. Drawn capital	107,500.00	107,500.00
own shares	-6,000.00	-10,000.00
	101,500.00	97,500.00
II. Capital reserve	6,798,432.00	6,562,432.00
III. retained profit	6,683,958.58	5,716,904.30
	13,583,890.58	12,376,836.30
B. Provisions		
1. Tax provisions	0.00	818,088.69
2. Other provisions	613,498.22	403,115.98
	613,498.22	1,221,204.67
C. Liabilities		
1. Trade accounts payable	214,381.68	104,064.60
2. Liabilities to affiliated companies	2,231,973.11	499,859.77
3. Other Liabilities	410,629.68	224,051.13
(of which from taxes € 252,622.90; previous year € 159,270.07)		
(thereof in the context of social security € 8,797.26; previous year € 8,403.10)		
	2,856,984.47	827,975.50
D. Prepaid expenses	9,916,565.99	7,155,380.06
	26,970,939.26	21,581,396.53

### Income statement for the period from January 1 to December 31, 2019

	scroll ↔	
	2019	2018
	€	€
1. Sales	17,468,755.48	12,822,873.31
2. other operating income	818,590.02	165,224.98
(thereof from currency conversion € 51,385.15; previous year € 78,283.31)		
3. Cost of materials		
a) Expenses for raw materials, consumables and supplies and for purchased goods	20,516.70	106.06
b) Expenses for purchased services	679,718.02	207,964.74
	700,234.72	208,070.80
4. Personnel expenses		
a) Wages and salaries	8,034,053.96	4,808,414.97
b) Social security and pension and support expenses	1,406,967.31	856,645.25
(of which for pensions € 45,561.23; previous year € 40,184.57)		
	9,441,021.27	5,665,060.22
5. Depreciation on intangible assets and property, plant and equipment	381,873.55	155,253.81
6. other operating expenses		
(of which from currency translation € 54,917.46; previous years 33,552.67)	6,396,103.32	3,195,835.87
7. Other Interest and Similar Income	30,873.05	80.94
8. Interest and Similar Expenses	547.40	0.00
9. Taxes on income and earnings	431,102.01	1,123,839.55
(of which from the change in recognized deferred taxes € 2,372.80; previous year € 726.60)		
10. Profit after tax	967,336.28	2,640,118.98
11. Other taxes	282.00	114.00
12. Annual net income	967,054.28	2,640,004.98
13. Adjustment items for capitalized own shares	0.00	930,068.00
14. Profit carried forward	5,716,904.30	2,146,831.32
15. Balance sheet profit	6,683,958.58	5,716,904.30

### Appendix for the 2019 financial year

#### 1. General information

The present annual financial statements from January 1 to December 31, 2019 of Camunda Services GmbH, Berlin, were prepared in accordance with §§ 242 ff. And 264 ff. HGB and the relevant provisions of the GmbHG. The regulations for medium-sized corporations apply

The company is entered in the commercial register of the Berlin District Court (Charlottenburg) under number 113230 B.

The income statement 2019 is structured according to the total cost method. The business year corresponds to the calendar year.

#### 2. Accounting and valuation methods

The following accounting and valuation methods were still decisive for the preparation of the annual financial statements.

Acquired intangible fixed assets are carried at cost and, if they are subject to wear and tear, are reduced by scheduled straight-line depreciation according to their useful life of 3 to 15 years.

Property, plant and equipment is valued at acquisition cost and, if wear and tear, is reduced by scheduled straight-line depreciation over the expected useful life of 3 to 13 years.

Low-value assets up to a net individual value of EUR 800.00 are written off in full in the year of acquisition or recorded as an expense; their immediate departure was assumed.

The depreciation on additions to property, plant and equipment is otherwise carried out pro rata temporis. Advance payments made on fixed assets are recognized at their nominal value.

In the case of financial assets, the shares are shown at acquisition cost.

Receivables and other assets are valued at their nominal value or the lower applicable value. Cash and cash equivalents are shown at their nominal value.

As prepaid expenses, payments are shown on the assets side that represent future expenses for a certain period of time and on the liabilities side payments that represent future income for a certain period of time are shown.

The tax provisions and the other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are set in the amount of the settlement amount necessary according to a reasonable commercial assessment (ie including future cost and price increases).

With reference to the BFH judgment of March 15, 2017, the management decided not to include in the provisions the remuneration agreed individually with individual employees in the event of a company being sold. A claim is currently not foreseeable.

Liabilities are stated at the settlement amount.

Business transactions in foreign currencies are generally recorded using the historical rate at the time of the initial posting.

Balance sheet items are valued as follows on the reporting date:

Long-term foreign currency receivables are valued at the foreign exchange rate when the receivable arises or at the lower applicable value, based on the mean spot exchange rate on the balance sheet date (impairity principle). Short-term foreign currency receivables (remaining term of one year or less) as well as liquid funds or other short-term assets in foreign currencies are converted at the mean spot exchange rate on the balance sheet date.

Long-term foreign currency liabilities are valued at the exchange rate when the liability arises or at the higher rate on the reporting date, based on the mean spot exchange rate on the reporting date (impairity principle). Short-term foreign currency liabilities (remaining term of one year or less) are converted at the mean spot exchange rate on the balance sheet date.

For the determination of deferred taxes due to temporary or quasi-permanent differences between the commercial law valuations of assets, debts and deferred income and their tax valuations or due to tax loss carryforwards, these are valued with the company-specific tax rates at the time of the reduction of the differences and the amounts of the resulting amounts Tax and tax relief not discounted. Active and passive tax deferrals are shown offset. Use is made of the option to capitalize deferred tax assets.

### 3. Notes on the balance sheet

#### 3.1. Capital assets

The development of the individual items of the fixed assets is shown in the fixed asset schedule, including the depreciation for the financial year.

#### 3.2. Information on shareholdings

The company holds 100% of the shares in Camunda Inc. USA and Camunda GmbH, Berlin. As of December 31, 2019, Camunda Inc. reports equity of TUSD 397 and an annual surplus of TUSD 149. As of December 31, 2019, Camunda GmbH reported equity of EUR 23 thousand and an annual deficit of EUR 2 thousand.

No consolidated financial statements were drawn up, as the size-dependent exemption regulations apply.

#### 3.3. requirements

The other assets in the amount of EUR 280 thousand have a term of more than one year.

#### 3.4. Equity

The capital reserve increased by T € 236 as a result of the sale of own shares.

In accordance with Section 268 (8) of the German Commercial Code (HGB), there is a profit distribution block of EUR 3,099.40 from the capitalization of deferred taxes.

#### 3.5. Other provisions

The other provisions break down as follows:

In EUR thousand	01/01/2019	Utilization	resolution	Feed	scroll ↔ December 31,
					2019
Personnel provisions	330	330	0	426	426
Pending invoice	60	60	0	175	175
storage	13	0	0	0	13

#### 3.6. liabilities

As in the previous year, all liabilities have a term of less than one year. As in the previous year, liabilities to affiliated companies result from deliveries and services.

#### 3.7. Other financial obligations

The other financial obligations from rental and leasing contracts total EUR 4,782 thousand, of which EUR 1,018 thousand with a term of less than one year.

### 4. Notes on the income statement

#### 4.1. Other company income

The other operating income includes income from currency translation in the amount of EUR 51 thousand.

#### 4.2. Other operating expenses

The other operating expenses include expenses from currency translation in the amount of EUR 55 thousand.

### 5. Other information

#### 5.1. Managing directors

The following persons have been appointed as managing directors:

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Jakob Freund, computer scientist, managing director (CEO)

Bernd Rücker, Computer Scientist, Managing Director Technology (Chief Technologist)

Pursuant to Section 286 (4) of the German Commercial Code (HGB), the company makes use of the exemption provision regarding the information on managing director salaries,

## 5.2. Employee

The company employed an average of 120 (previous year: 81) employees in the financial year, 26 of whom were senior executives.

## 5.3. Appropriation of profit / proposal for appropriation of profit

The management proposes that the balance sheet profit of EUR 6,683,958.58 be carried forward.

## 5.4. Events after the end of the financial year

2020 represents an extraordinary situation for public life and the economy. In almost all countries, schools were closed, travel activities reduced and public life severely restricted due to the global coronavirus pandemic, with corresponding effects on the economy. This can negatively affect the asset, financial and earnings position of Camunda Services GmbH. In particular, there are risks related to future license extensions and negative effects on sales, as well as risks to the recoverability of receivables from third parties.

No other significant events occurred after the reporting date.

**Berlin, May 12, 2020**

*Jacob Freund*

*Bernd Rücker*

## Development of fixed assets in the 2019 financial year

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	01/01/2019	acquisition cost		December 31, 2019
	EUR	Accesses	Departures	EUR
I. Intangible Assets				
1. Concessions, industrial property rights and similar rights acquired against payment, as well as licenses to such rights	139,304.17	0.00	0.00	139,304.17
2. Advance payments made	0.00	65,395.83	0.00	65,395.83
	139,304.17	65,395.83	0.00	204,700.00
II. Tangible assets				
1. Other equipment, factory and office equipment	646,144.63	1,060,617.25	100,485.36	1,606,276.52
2. Advance payments and assets under construction	0.00	51,055.39	0.00	51,055.39
	646,144.63	1,111,672.64	100,485.36	1,657,331.91
III. Financial assets				
1. Shares in affiliated companies	417,395.31	0.00	0.00	417,395.31
	417,395.31	0.00	0.00	417,395.31
	1,202,844.11	1,177,068.47	100,485.36	2,279,427.22

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	01/01/2019	Accrued depreciation		December 31, 2019
	EUR	Accesses	Departures	EUR
I. Intangible Assets				
1. Concessions, industrial property rights and similar rights acquired against payment, as well as licenses to such rights	97,167.17	7,014.00	0.00	104,181.17
2. Advance payments made	0.00	0.00	0.00	0.00
	97,167.17	7,014.00	0.00	104,181.17
II. Tangible assets				
1. Other equipment, factory and office equipment	279,349.63	374,859.55	99,286.66	554,922.52
2. Advance payments and assets under construction	0.00	0.00	0.00	0.00
	279,349.63	374,859.55	99,286.66	554,922.52
III. Financial assets				
1. Shares in affiliated companies	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
	376,516.80	381,873.55	99,286.66	659,103.69

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Net book values	
December 31, 2019	December 31, 2018
EUR	EUR

	Net book values	
	December 31, 2019 EUR	December 31, 2018 EUR
<b>I. Intangible Assets</b>		
1. Concessions, industrial property rights and similar rights acquired against payment, as well as licenses to such rights	35,123.00	42,137.00
2. Advance payments made	65,395.83	0.00
	100,518.83	42,137.00
<b>II. Tangible assets</b>		
1. Other equipment, factory and office equipment	1,051,354.00	366,795.00
2. Advance payments and assets under construction	51,055.39	0.00
	1,102,409.39	366,795.00
<b>III. Financial assets</b>		
1. Shares in affiliated companies	417,395.31	417,395.31
	417,395.31	417,395.31
	1,620,323.53	826,327.31

## INDEPENDENT AUDITOR'S REPORT

To Camunda Services GmbH, Berlin

### Examination Opinions

We have prepared the annual financial statements of Camunda Services GmbH, Berlin, - consisting of the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019 as well as the notes, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of Camunda Services GmbH for the financial year from January 1 to December 31, 2019.

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

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- the attached annual financial statements comply in all material respects with German commercial law regulations and, in compliance with German generally accepted accounting principles, give a true and fair view of the company's assets and financial position as of December 31, 2019 and its earnings position for the financial year from January 1 to as of December 31, 2019 and
- the attached management report gives an overall 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 accurately presents the opportunities and risks of future development.

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

### Basis for the examination results

We carried out our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the generally accepted German auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our auditor's report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe

### 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 in all essential respects, and for ensuring that the annual financial statements give a true and fair view of the assets, financial and earnings position of the Society mediates. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles in order to enable the preparation of annual financial statements that are free from material - intentional or unintentional - misstatements.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue business operations. They are also responsible for disclosing issues relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for going concern based on the accounting principle, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides an accurate picture of the company's position, is consistent with the annual financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal regulations 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 aim is to obtain sufficient certainty as to whether the annual financial statements as a whole are free of material - intended or unintentional - misrepresentation, and whether the management report as a whole gives an accurate picture of the company's position and, in all material matters, with the annual financial statements as well is in line with the knowledge gained during the audit, complies with German legal requirements and correctly presents the opportunities and risks of future development, as well as issuing an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Adequate security is a high level of security, but not a guarantee that an in

Compliance with Section 317 of the German Commercial Code (HGB), taking into account the German principles of proper auditing established by the Institute of Auditors (IDW), always reveals a material misstatement. Misrepresentations can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they individually or collectively influence the economic decisions of the addressees made on the basis of these annual financial statements and management report.

During the examination, we exercise our due discretion and maintain a critical attitude. Furthermore

- we identify and assess the risks of material - intentional or unintentional - misrepresentations in the annual financial statements and management report, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk that material misrepresentations are not discovered is higher in the case of violations than inaccuracies, since violations can involve fraudulent cooperation, forgeries, intentional incompleteness, misleading representations or the overriding 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 under the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these Systems of society.
- We assess the appropriateness of the accounting methods used by the legal representatives and the acceptability of the estimated values presented by the legal representatives and the information related to them.
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances, the significant doubts about the company's ability to continue as a going concern can raise. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and in the management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances can mean that the company can no longer continue its business activities.
- We assess the overall presentation, structure and content of the annual financial statements, including the information, as well as whether the annual financial statements represent the underlying business transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the asset, financial and earnings of the company.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it provides of the company's position.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we particularly review the significant assumptions on which the future-oriented information is based on the legal representatives and assess whether the future-oriented information was properly derived from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

**Berlin, May 12, 2020**

**PricewaterhouseCoopers GmbH**  
**auditing company**  
**Philipp Medrow Auditor**  
**ppa. Katharina Woythe, auditor**

The annual financial statements were approved on July 20, 2020.