

## search result

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**cbs Corporate Business Solutions Unternehmensberatung GmbH**

Heidelberg

**Annual financial statements for the business year from 01/01/2018 to 12/31/2018****Management report for 2018****1. About cbs Corporate Business Solutions**

Large industrial companies aim for digital business processes on a global and standardized solution platform. The international management consultancy cbs Corporate Business Solutions is the key to this vision. The globally active cbs ([www.cbs-consulting.com](http://www.cbs-consulting.com)) creates digital corporate solutions for large industrial customers and international medium-sized corporate groups. The consultants at cbs design, optimize and support the business process and application landscape of their customers comprehensively and on all continents.

The complete range of cbs for the corporate transformation of SAP user companies in the manufacturing industry is unique. cbs offers the seamless combination of industry-specific business process expertise, SAP know-how, standard software for system transformations (cbs ET Enterprise Transformer for SAP S / 4HANA®) and a project management methodology (M-cbs) that is based on cbs' many years of experience in implementation based on global projects.

With their market-leading expertise, the consultants ensure the successful combination of digital transformation and globalization in the SAP environment. The goal is company-wide solutions. With the cbs Enterprise Transformer for SAP S / 4HANA®, cbs also delivers the world's first standard software for switching to the new SAP world. Through its international branches and supported by a strong global partner network, cbs enables successful large-scale projects and customer-oriented solutions around the globe.

Consulting and development services are provided in the following areas: Development of company-wide IT strategies, solution architectures and roadmaps for the switch to the new company platform SAP S / 4HANA®, global program and project management, enterprise resource planning (ERP), System Landscape Transformation (SLT), Supply Chain Management (SCM), Customer Relationship Management (CRM), Product Lifecycle Management (PLM), Customer Development Solutions, Global Trade Services (GTS), Business Intelligence (BI), Financial Accounting (FI, CO), Human Capital Management (HCM), SAP technology-based cloud solutions and SAP application management. In addition to SAP consulting, cbs also creates cloud-based business solutions in its consulting unit cbsCX Customer Experience with the help of the salesforce.com software platform.

Via the subsidiary leogistics GmbH, international industrial and logistics companies receive comprehensive logistical consulting services and supplementary industry solutions for plant and warehouse logistics, supply chain execution, transportation management and yard management with SAP software. With its cloud solution dsc Digital Supply Chain based on the most modern technology, leogistics GmbH has created a leading position for dispatching and executive transport processes.

**2. Business development and position of the company in 2018**

cbs Corporate Business Solutions GmbH has concluded a year of investments with a positive result: In the 2018 financial year, cbs achieved group sales of 79.52 million euros and thus almost came close to the exceptionally good previous year's result of 2017 (82.1 million). In view of extensive strategic investments in new locations and national companies, new employees, the development of new business areas and the professional training of the advisory team, 2018 was planned as a year of consolidation with restrained growth. The record result of 2017 could not be fully achieved. However, the cbs group continues to pursue a consistent growth course and is its next strategic milestone,

The market situation remains positive. The demand for the specific cbs consulting services for global transformation projects with the goal of "ONE Digital Enterprise on S / 4HANA", a globally standardized process and system landscape, increased further in 2018. Customers have mostly invested in strategy and preparation activities with cbs, which will result in implementation projects in the following years. Last year cbs was able to acquire a total of 73 new customers from the industry. At the same time, more than 100 consultants were hired.

**Key figures of cbs Germany**

Cbs Germany achieved sales of EUR 65.39 million (previous year: EUR 72.88 million). Compared to the record year 2017, sales have thus decreased by 10.29%. At the same time, another 73 new customers were acquired. The globalization of companies, the associated need to establish uniform and effective control systems worldwide, as well as the necessity to switch from the existing SAP ERP platforms to the new software generation SAP S / 4HANA have again increased demand for the solution offerings (ONE Corporate Business Solutions on SAP S / 4HANA, System Landscape Transformation, Roll-outs) by cbs.

The result from ordinary business activities in 2018 (2017) was EUR 10.1 (18.3) million. In the 2018 financial year, an exceptionally high return on sales of 15.4% was again achieved based on the result from ordinary business activities.

The company's annual net income as of December 31, 2018 (December 31, 2017) was EUR 6.4 million (EUR 12.7 million).

The company has sufficient liquidity. As of December 31, 2018, the company had cash and cash equivalents of EUR 5.5 million.

The development of equity is largely a result of this year's annual surplus and the distribution to the shareholder.

### 3. Key figures of the subsidiaries and the group

The subsidiary cbs (Schweiz) AG, Zurich / Switzerland generated sales of 3.53 million euros (2.32 million euros) in 2018 (2017). A profit of 2.11 million euros was achieved in 2018 because the adjustment effect from the group-internal offsetting from the previous year was withdrawn in the 2018 financial year.

The subsidiary leogistics GmbH increased its sales by 12.2 percent. The turnover in 2018 (2017) was 11.82 (10.53) million euros, the profit in 2018 (profit 2017) 1.24 (1.33) million euros. In Great Britain a large operator of ports was won as a major customer for the SAP HANA-based solution leogistics Digital Supply Chain dsc, in Germany another large corporation in the chemical industry and in the USA another automobile manufacturer.

In 2018 (2017), cbs Corporate Business Solutions Asia Pacific Limited, Singapore realized sales of EUR 853 thousand (EUR 1,347 thousand) and a profit of EUR 42 thousand (EUR 175 thousand) in 2018 (2017).

The companies cbs Corporate Business Solutions Malaysia Sdn. Bhd. (Kuala Lumpur, Malaysia), cbs Corporate Business Solutions America Inc. (Philadelphia, USA) and cbs Transformation Consulting Spain, SL (Barcelona, Spain) were newly founded in 2017 and are currently in the development phase. Activities in the respective countries have already started and the companies are operationally active in the market.

The consolidated turnover of the group was 79.52 (82.1) million euros. In total, the group achieved earnings before tax of EUR 13.2 (18.29) million.

### 4. Expected development

The development of cbs into the leading consulting company and quality leader in the "Manufacturing Industry" market segment and in the System Landscape Transformation application area will continue in 2019. The demand for the expansion of global SAP solutions and the standardization and reorganization of existing process and system landscapes will continue over the next few years. The positive development in demand is being promoted by the increasing digitization of existing and new innovative business processes and the need to switch from SAP platforms to the new software solution SAP S / 4HANA. Cbs has a unique, comprehensive range of solutions for this and will continue to develop this further.

Due to the extraordinary cbs expertise in the SAP S / 4HANA environment, further development prospects will open up. With the software solution "leogistics Digital Supply Chain dsc" from the subsidiary leogistics GmbH, cbs covers the increasing demand for transport and logistics solutions, even at large corporations. The very specific cloud solutions offered by cbs, which are particularly relevant for globally operating companies, will be expanded further.

The market situation was taken into account in the planning for 2019. The aim is to further increase sales in the coming years. With a double-digit return on sales, the aim is still to achieve a very good result that is well above the market average.

### 5. Risks of future development

Like all other companies in the service industry, cbs is subject to general economic and political opportunities and risks. It is exposed to economic and industry-specific risks. In a time of recession, the volatility and cyclical nature of companies' investments in equipment harbor corresponding opportunities and risks on the sales side.

Possible effects of future economic and financial crises are delays in approved investments or the suspension of projects. Due to the high export share from Germany within the economy as a whole, export-oriented industrial companies in particular could be severely affected by the decline in incoming orders. These internationally oriented, manufacturing companies form the core segment of cbs.

Risks of insufficient capacity utilization and the associated economic effects have been reduced by broadening the service portfolio, target industries and customer base of cbs. Due to the increased involvement of partner companies in the provision of services, cost levels can be flexibly adjusted. With this measure, the company has also successfully counteracted the financial risk resulting from the concentration of trade accounts receivable on a few customers. In order to sustainably secure an adequate return on sales, the measures mentioned will be continued in the future.

### 6. Social report

The number of employees at cbs Germany (as of December 31) rose to 362 (337) in 2018 (2017).

Cbs offers its employees a company pension scheme and invests in further training for its employees.

### 7. Risk management objectives and methods

The aim of risk management is to identify existing risks as early as possible, to limit business losses through suitable measures and to avoid a threat to the company's continued existence. With the help of key figures and indicators, we continuously monitor certain risk areas. The monthly reporting when a defined risk threshold is reached ensures that risks are identified at an early stage and immediately passed on to the responsible decision-makers. The risk of default in terms of receivables is reduced by continuously monitoring the creditworthiness and payment behavior of customers and setting appropriate credit limits.

### 8. Existing branches of the company

There are six dependent branches in Munich, Hamburg, Dortmund, Stuttgart, Bautzen and Rüsselsheim.

Heidelberg, March 20, 2019

*Managing Director Harald Sulovsky*

### Balance sheet as of December 31, 2018

#### assets

	EUR	EUR	December 31, 2017 KEUR
A. Fixed assets			
I. Intangible Assets			
1. Software and Licenses		49,932.19	67
II. Tangible assets			
1. Other equipment, operating and office equipment		4,136,724.57	595
2. Facilities under construction		0.00	71

	EUR	EUR	December 31, 2017 KEUR
III. Financial assets			
1. Shares in affiliated companies	4,975,385.91		1,392
2. Loans to affiliated companies	541,917.23		162
		5,517,303.14	1,554
		9,703,959.90	2,287
B. Current Assets			
I. Inventories			
1. Work in progress		34,384.80	0
II. Receivables and other assets			
1. Trade accounts receivable	18,066,035.62		18,773
2. Receivables from affiliated companies	537,171.59		2,965
3. Other assets	263,165.49		278
		18,866,372.70	22,016
III. Cash on hand, bank balances		5,450,907.12	8,769
		24,351,664.62	30,785
C. Prepaid expenses		450,328.73	440
		34,505,953.25	33,512

**liabilities**

	EUR	EUR	December 31, 2017 KEUR
A. Equity			
I. Drawn capital		76,693.78	77
II. Profit carried forward		12,552,773.68	4,813
III. Annual surplus		6,368,820.09	12,739
		18,998,287.55	17,629
B. Provisions			
1. Tax provisions	3,453,672.49		2,550
2. Other provisions	6,032,884.13		7,027
		9,486,556.62	9,577
C. Liabilities			
1. Liabilities to banks	1,550,598.77		100
2. Advance payments received	0.00		0
3. Trade accounts payable	2,738,308.57		2,989
4. Liabilities to verbund. Companies	781,022.14		421
5. Other Liabilities	951,179.60		2,775
		6,021,109.08	6,285
D. Prepaid expenses		0.00	21st
		34,505,953.25	33,512

**Income statement for 2018**

	EUR	EUR	2017 KEUR
1. Sales	65,386,602.77		72,882
2. Reduction (-) / increase in the inventory of work in progress	34,384.80		-2,067
3. Other operating income	1,612,389.22		1,231
of which income from currency translation EUR 255 706.91 (previous year: EUR 106 thousand)		67,033,376.79	72,046
4. Cost of materials			
Expenses for purchased services	14,055,544.09		14,828
5. Personnel expenses			
a) Wages and salaries	29,223,982.41		27,125
b) Social security and pension costs	4,298,697.55		3,525
6. Depreciation on intangible assets and property, plant and equipment	626,719.89		236
7. Other operating expenses	9,329,120.13		8,331

	EUR	EUR	2017 KEUR
of which expenses from currency conversion EUR 158 037.12 (previous year: EUR 291 thousand)			
		57,534,064.07	54,045
8. Income from participations of which composite. Company EUR 492,000.00 (previous year EUR 410 thousand)	492,000.00	492,000.00	410
9. Other Interest and Similar Income of which composite. Companies EUR 51,626.76 (previous year: EUR 0.402 thousand)	51,626.76		0
10. Interest and Similar Expenses of which composite. Company EUR 0.00 (previous year: EUR 1 thousand)	15,389.38	67,016.14	-92
		10,058,328.86	18,319
11. Taxes on income and earnings	-3,651,190.77		-5,546
12. Other taxes	-38,318.00		-34
		-3,689,508.77	-5,580
13. Annual net income		6,368,820.09	12,739

### Appendix for the 2018 financial year

#### A. General information

Information to identify the company according to the registry court:

Company name according to the registry court:	cbs Corporate Business Solutions Unternehmensberatung GmbH
Company headquarters according to the registry court:	Heidelberg
Register entry:	commercial register
Register court:	Mannheim
Register no.:	335483

The annual financial statements of the company cbs Corporate Business Solutions Unternehmensberatung GmbH, Heidelberg, were prepared in accordance with §§ 242 ff. And 264 ff. HGB. In addition, the rules of the GmbH Act had to be observed.

Information that can optionally be made in the balance sheet and income statement or in the appendix is given in the appendix.

The form of the presentation, in particular the structure of the annual financial statements, corresponds to the legal regulations of § 266 HGB for the balance sheet and § 275 (2) HGB regarding the profit and loss account. The structure of the profit and loss account corresponds to the total cost method § 275 (2) HGB

The corporation has been a large corporation since 2016. See § 267 (3) HGB.

#### B. Explanation of the balance sheet and information on accounting and valuation methods

The accounting and valuation methods are unchanged compared to the previous year.

##### Active side

##### Capital assets

The development of fixed assets is shown in the schedule of fixed assets.

Fixed assets are valued at acquisition cost, reduced by scheduled depreciation.

In the case of additions to movable assets, depreciation is linear pro rata temporis over the expected useful life.

Assets are deducted immediately as operating expenses in the financial year, provided that they do not exceed the acquisition costs of EUR 800 (EUR 410 by 2017). A collective item for low-value economic goods was not formed.

The financial assets are shown at acquisition cost or the lower applicable value.

Information on shareholdings in accordance with Section 285 No. 11 HGB

	Participation in %	Equity to December 31, 2018	Annual surplus / annual deficit as of December 31, 2018
cbs (Schweiz) AG, Zurich / Switzerland	100	EUR 326,155.18	EUR 2,109,600.39
leogistics GmbH, Hamburg	100	2,899,432.95 EUR	1,238,601.90 EUR
cbs Corporate Business Solutions Asia Pacific Limited, Singapore	100	EUR 356,941.37	42,102.39 EUR
cbs Corporate Business Solutions Malaysia Sdn. Bhd., Kuala Lumpur	100	179,958.29 EUR	100,790.28 EUR
cbs Transformation Consulting Spain, SL, Barcelona	100	EUR 231,203.14	-269,144.30 EUR
cbs Corporate Business Solutions America Inc., Philadelphia	100	381,341.48 EUR	-707,200.87 EUR

##### Current assets

##### unfinished tasks

Work in progress is valued at production cost on the basis of individual calculations based on the current operating accounting, whereby, in addition to directly attributable production wages, production overheads and depreciation are also taken into account. General administration costs were partially capitalized.

#### Receivables and other assets

Trade accounts receivable and other assets are valued at their nominal value. The receivables shown have a term of less than one year.

There are no identifiable default risks with trade receivables. Latent default risks are taken into account through a general value adjustment of 1% on the receivables portfolio excluding sales tax.

The "Other assets" mainly include prepayments to fleet management companies.

Current assets denominated in a foreign currency are generally converted using the mean spot exchange rate on the reporting date.

As of the reporting date, there were trade receivables totaling EUR 18,066,035.62 (previous year EUR 18,772,740.47). Receivables from affiliated companies are shown in the amount of EUR 537,171.59 (previous year EUR 2,965,195.34). Receivables from affiliated companies include receivables from the shareholder amounting to EUR 32,032.13 (previous year EUR 151,046.31).

The matter for which cbs GmbH had issued a subordination of EUR 2,000 thousand to cbs Schweiz AG in the previous year no longer exists as of the 2018 reporting date.

#### Liquid funds

The liquid funds consist mainly of bank holdings.

#### Deferred taxes

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, the amounts of the resulting tax burden and relief are compared with the company-specific tax rates at the time of the reduction of differences valued and not discounted. Active and passive tax deferrals are offset. The capitalization of deferred taxes does not take place in the exercise of the existing option.

#### Passive side

##### accruals

The provisions were generally recognized at the cautiously estimated settlement amount. All risks that have arisen up to the balance sheet date and that are recognizable up to the date on which the balance sheet is drawn up are taken into account.

Provisions were made for trade and corporation tax as well as the solidarity surcharge for the 2017 and 2018 financial years in the amount of EUR 3,453,672.49 (previous year EUR 2,549,554.35).

The other provisions relate to provisions for vacation entitlements of the employees with EUR 2,456,325.44 (previous year EUR 2,243,097.79), sales and profit sharing as well as employee bonuses with EUR 3,186,862.12 (previous year EUR 4,204,257.88), other personnel costs with EUR 175,220.32 (previous year EUR 104,611.43), outstanding invoices with EUR 71,921.15 (previous year EUR 374,794.90), for other costs with EUR 15,030.00 (previous year EUR 15,030.00) and EUR 37,580.00 (previous year EUR 23,580.00) for the expected costs of preparing and auditing the 2018 annual financial statements.

#### liabilities

The liabilities are stated at the settlement amount.

In total, trade accounts payable amount to EUR 2,738,308.57 (previous year EUR 2,988,970.51). Contains liabilities to affiliated companies in the amount of EUR 781,022.14 (previous year EUR 420,924.71). Liabilities to the shareholder in the amount of EUR 44,034.52 (previous year EUR 137,643.99).

Other social security liabilities amounted to EUR 0.00 on the reporting date (previous year: EUR 2,049.74). The other liabilities from taxes amount to EUR 825,162.98 (previous year EUR 2,627,567.42).

#### Liabilities table

	All in all	Remaining term up to one year	Remaining term one to five years	Secured by it
	EUR	EUR	EUR	EUR
1. Liabilities to banks	1,550,598.77	190,237.67	1,360,361.10	0.00
2. Advance payments received on orders	0.00	0.00	0.00	0.00
3. Trade accounts payable	2,738,308.57	2,738,308.57	0.00	0.00
4. Liabilities to affiliated companies	781,022.14	781,022.14	0.00	0.00
5. Other Liabilities	951,179.60	951,179.60	0.00	0.00
	6,021,109.08	4,660,747.98	1,360,361.10	0.00

In the previous year the liabilities totaled EUR 6,285 thousand.

The liabilities with a remaining term between 1 and 5 years amounted to KEUR 4 in the previous year and the liabilities up to one year to KEUR 6,281.

#### C. Notes on the income statement

Other operating income includes income relating to other periods in the amount of EUR 12,992.10 (previous year EUR 17,369.58).

The expenses for pensions amount to EUR 273,797.88 (previous year EUR 74,193.73).

The depreciation for the financial year per item in the balance sheet can be found in the schedule of assets.

The other operating expenses include expenses unrelated to the accounting period in the amount of EUR 43,324.39 (previous year EUR 31,607.01).

The income from investments in the amount of EUR 492,000.00 (previous year EUR 410,000.00) includes the distribution from leogistics GmbH.

The interest and similar income includes interest from affiliated companies in the amount of EUR 51,626.76 (previous year EUR 402.02).

Taxes on income and earnings relate exclusively to the result of ordinary business activities.

#### D. Other financial obligations and contingent liabilities, as well as transactions not included in the balance sheet

The other financial obligations amount to EUR 9,776,222.00. The rental contracts for the locations Im Breitenspiel and Haberstraße in Heidelberg were terminated due to the change of location. The lease for the new building began on September 1st, 2018 and has a term of 10 years. The rental contracts for the premises in Dortmund were

concluded until December 31, 2022. The rental agreement in Munich is concluded until May 31, 2019, after which it continues for an indefinite period and can be terminated with a notice period of 6 months at the end of the year. The lease at the Hamburg location was valid until August 31, 2023, the lease at the Stuttgart location was valid until April 30. Agreed in 2020. The rental contracts for the two new branches in Bautzen and Rüsselsheim run until November 14, 2019.

Art	purpose		Amount of commitment
rental fee	Business premises - avoidance of capital commitment, of which to affiliated companies	EUR 127,078.83	EUR 8,513,116.98
leasing	predominantly vehicle fleet - avoiding capital commitment		EUR 1,193,591.02
Others	Licenses, IT facility rental		EUR 69,514.00
			EUR 9,776,222.00

There are no transactions that are not included in the balance sheet.

#### E. Other information

##### Section 285 No. 4 HGB

Regionally, sales are broken down as follows:

		2018	2017
		Million €	Million €
Domestic sales	EUR	52.7	59.2
EU sales	EUR	4.6	2.39
Sales not EU	EUR	8.1	11.29
total	EUR	65.4	72.88

In the financial year, the company had an average of 362 employees (previous year: 311 employees).

The sole managing director of the company was and is Mr. Harald Sulovsky, a graduate industrial engineer.

The indication of the total remuneration to the management body (managing director) according to § 285 No. 9 a HGB is omitted with regard to § 286 para. 4 HGB.

The parent company of cbs Corporate Business Solutions Unternehmensberatung GmbH, Heidelberg, is MATERNA Information und Communications SE with its headquarters in 44141 Dortmund, Vosskuhle 37. This company prepares the consolidated financial statements, in which cbs is included with exempting effect for its own partial consolidated financial statements. These consolidated financial statements are to be published in the electronic Federal Gazette.

The total fee charged by the auditor for the financial year is EUR 19,000.00.

#### F. Events of particular importance after the end of the fiscal year

There were no events of particular importance after the end of the financial year.

#### G. Proposal for the appropriation of profits

The annual surplus amounts to EUR 6,368,820.09. The management proposes that the net income be carried forward to a new account.

#### Heidelberg, March 20, 2018

*Harald Sulovsky*

#### Development of fixed assets as of December 31, 2018

	01/01/2018	Acquisition and production costs			December 31, 2018
	EUR	Accesses	Departures	Rebooking	EUR
		EUR	EUR	EUR	
I. Intangible Assets					
1. Computer software acquired against payment	343,655.29	0.00	7,838.00	0.00	335,817.29
Total:	343,655.29	0.00	7,838.00	0.00	335,817.29
II. Tangible assets					
1. Other equipment, factory and office equipment	1,944,545.67	1,161,181.03	853,086.86	0.00	2,252,639.84
2. Facilities under construction	71,158.56	0.00	0.00	-71,158.56	0.00
3. Leasehold improvements	0.00	2,923,202.47	0.00	71,158.56	2,994,361.03
Total:	2,015,704.23	4,084,383.50	853,086.86	0.00	5,247,000.87
III. Financial assets					
1. Shares in affiliated companies	1,392,042.90	3,583,343.01	0.00	0.00	4,975,385.91
2. Loans to affiliated companies	162,098.17	379,819.06	0.00	0.00	541,917.23
Total:	1,554,141.07	3,963,162.07	0.00	0.00	5,517,303.14
All in all:	3,913,500.59	8,047,545.57	860,924.86	0.00	11,100,121.30
	01/01/2018	Accumulated depreciation			December 31, 2018
	EUR	Accesses	Departures	Attribution	EUR
		EUR	EUR	EUR	
I. Intangible Assets					
1. Computer software acquired against payment	276,755.48	16,967.62	7,838.00	0.00	285,885.10
Total:	276,755.48	16,967.62	7,838.00	0.00	285,885.10
II. Tangible assets					

	Accumulated depreciation					December 31, 2018
	01/01/2018	Accesses	Departures	Attribution	Rebooking	
	EUR	EUR	EUR	EUR	EUR	EUR
1. Other equipment, factory and office equipment	1,349,181.53	534,893.22	848,657.50	0.00	0.00	1,035,417.25
2. Facilities under construction	0.00	0.00	0.00	0.00	0.00	0.00
3. Leasehold improvements	0.00	74,859.05	0.00	0.00	0.00	74,859.05
Total:	1,349,181.53	609,752.27	848,657.50	0.00	0.00	1,110,276.30
III. Financial assets						
1. Shares in affiliated companies	0.00	0.00	0.00	0.00	0.00	0.00
2. Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00	0.00
Total:	0.00	0.00	0.00	0.00	0.00	0.00
All in all:	1,625,937.01	626,719.89	856,495.50	0.00	0.00	1,396,161.40
Book values						
				December 31, 2018		December 31, 2017
				EUR		EUR
I. Intangible Assets						
1. Computer software acquired against payment				49,932.19		66,899.81
Total:				49,932.19		66,899.81
II. Tangible assets						
1. Other equipment, factory and office equipment				1,217,222.59		595,364.14
2. Facilities under construction				0.00		71,158.56
3. Leasehold improvements				2,919,501.98		0.00
Total:				4,136,724.57		666,522.70
III. Financial assets						
1. Shares in affiliated companies				4,975,385.91		1,392,042.90
2. Loans to affiliated companies				541,917.23		162,098.17
Total:				5,517,303.14		1,554,141.07
All in all:				9,703,959.90		2,287,563.58

### INDEPENDENT AUDITOR'S REPORT

To cbs Corporate Business Solutions Unternehmensberatung GmbH, Heidelberg.

#### NOTE ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

##### Examination Opinions

We have prepared the annual financial statements of cbs Corporate Business Solutions Unternehmensberatung GmbH, Heidelberg - consisting of the balance sheet as of December 31, 2018 and the income statement for the financial year from January 1, 2018 to December 31, 2018 as well as the notes, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of cbs Corporate Business Solutions Unternehmensberatung GmbH, Heidelberg, for the financial year from January 1, 2018 to December 31, 2018.

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

- the attached annual financial statements correspond in all essential respects to the German commercial law regulations applicable to corporations and, taking into account the German principles of proper bookkeeping, give a true and fair view of the company's assets and financial position as of December 31, 2018 and its earnings position for the financial year from January 1, 2018 until 31.12.2018 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), taking into account 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 "Auditor's Responsibility for the Audit of the Annual Financial Statements and 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 and the supervisory body for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all essential respects with the German commercial law regulations applicable to corporations, and for ensuring that the annual financial statements, in compliance with the German principles of proper bookkeeping, give a true and fair view of the assets, finance - and the company's earnings. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of the annual financial statements,

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 the going concern basis of accounting, 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 and 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.

The supervisory body is responsible for overseeing the company's accounting process for the preparation of the annual financial statements.

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

Our objective 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 findings of 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 no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) in accordance with the German principles of proper auditing established by the Institute of Auditors (IDW) will always reveal a material misrepresentation.

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 made by the addressees on the basis of these annual financial statements and management report.

During the examination, we exercise 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 detected 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 provisions 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 business operations 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 present the underlying business transactions and events in such a way that the annual financial statements provide a true and fair view of the asset, financial and the company's earnings.
- 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.

**Bad Dürkheim, March 20, 2019**

**Audit & Consult GmbH**  
auditing company  
*Hans-Jürgen Lutz, auditor*

#### **Extract from the minutes of the shareholders' meeting on June 4th, 2019:**

The balance sheet and income statement for 2018, prepared by cbs Corporate Business Solutions Unternehmensberatung GmbH, audited by Audit & Consult GmbH WPG in Bad Dürkheim.

The 2018 annual financial statements show an annual surplus of € 6,368,820.09.

Annual surplus	€ 6,368,820.09
Profit carried forward	€ 17,552,773.68
Distribution of shareholders retained profit	-5,000,000.00 €
	€ 18,921,593.77

The retained earnings of € 18,921,593.77 will be carried forward to the new account.



