

## search result

WUTAL ALUMINUM - GUSS limited liability company	Accounting / financial reports	Annual financial statements for the business year from 01/01/2019 to 12/31/2019	11/20/2020
<b>Surname</b>	<b>Area</b>	<b>information</b>	<b>V. date</b>

**WUTAL ALUMINUM - GUSS limited liability company**

Stuehlingen

**Annual financial statements for the business year from 01/01/2019 to 12/31/2019****Management report****I. Presentation of the course of business including the business result**

The business activities of Wutal Aluminum-Guss GmbH continued to decline in the course of 2019. In the entire business area, the sales figures fell by around € 2.6 million, which is why the result for the 2019 financial year was below the level of the previous year. The goal of achieving a positive result was far from being achieved.

**1. Development of the branch and overall economy**

Wutal Aluminum-Guss GmbH, as a 50% automotive supplier, is dependent on the development and demand of its key customers in the automotive supplier industry. Due to the diesel and exhaust gas crisis in the automotive industry, there were stricter controls in 2019 on the requirements to be met for the approval of newly developed engines. This is one of the reasons why Wutal Aluminum-Guss GmbH had to accept many delays with new projects and their ramp-up. The sales planned with these ramp-ups should have compensated for the sales losses that we had to record due to the expiry of projects in sand casting.

Stricter environmental regulations to reduce climate-damaging gases and the current climate debate continue to illustrate the need to further optimize engine technology to reduce CO<sub>2</sub>- and to reduce particulate matter values. At the moment, it is assumed that the hybrid drive will prevail as an interim solution until alternative technologies have been fully developed and the necessary infrastructure has finally been created. It can therefore be assumed that exhaust gas turbocharging will continue to be used and that the customer is looking for a competent contact person with the possibility of processing high-quality volume projects, and that Wutal Aluminum-Guss GmbH will also find one.

With the remaining 50% production, Wutal Aluminum-Guss GmbH is successfully active in the armaments, pump and mechanical engineering market segments. Due to the expiry of a project for the production of motor housings (small series production up to the switch to die casting), the postponement in the production of cast parts for helicopters and the relocation of sand casting production abroad, Wutal Aluminum-Guss GmbH had to pay around EUR 2, 2 million accept most of the loss in sales.

On the other hand, however, we used this situation to push ahead with our goal of further streamlining the product range and intensifying cooperation with strategic customers for Wutal. In 2019, we were able to sample around 120 new models for this customer base in order to start producing the parts at the beginning of 2020.

**2. Development of sales and orders**

With sales of EUR 15.3 million, sales fell by around 14% compared to the previous year (EUR 18 million).

Domestic sales for 2019 are 91%, while export sales are 9%. In the 2019 financial year, 95% of sales were generated with production, the remaining 5% are attributable to the tools business area.

Incoming orders in 2019 were largely at the level of 2018 due to the slight recovery at the end of 2018.

**3. Business results**

The 2019 financial year closes again with a clearly negative result. We were therefore unable to improve the economic situation in the current financial year.

**4. Production**

The core business of Wutal Aluminum-Guss GmbH includes the production of components for exhaust gas turbochargers for car and truck engines.

In order to secure the start of series production of new projects in 2020 and to cope with the expected increase in volume, investments were also made in automation in 2019. For example, additional grippers could be ordered and put into operation for the new Laempe LHL30 core production center.

The purchase of punching tools, the delivery and commissioning of which is planned for the beginning of 2020, was finalized and completed in 2019.

**5. Procurement**

In 2019, the highly fluctuating variety of variants from customers was a challenge for the supply situation of our production plant. Due to the targeted reduction of the customer base, the number of variants could be reduced considerably, which is also reflected positively in a simplified supply chain management.

Nevertheless, in 2019 we paid more attention to checking the capacities of the metal suppliers at regular intervals and to concluding medium-term supply contracts. By establishing second source suppliers, we were able to stabilize the supply chain in such a way that fluctuations and additional requirements can also be covered at short notice.

**6. Investments**

Investments of around EUR 475 thousand were made in 2019. For 2020, we expect an increase in investments. We justify this with the creation of new capacities in order to be able to cover and further automate the series start-up of cast parts in permanent mold casting.

The depreciation in 2019 decreased by 13% compared to the previous year.

## **7. Financing measures or projects**

Liabilities to lenders continued to be reduced as planned in the financial year. Due to the decline in sales, however, loans totaling EUR 4,000 thousand were taken out in 2019 and a capital increase of EUR 2,000 thousand was initiated for the beginning of 2020.

## **8. Personnel and social area**

The average number of employees in 2019 has changed slightly downwards compared to 2018. An average of 15 employees were employed in the commercial and 125 in the industrial area.

As in previous years, we placed great emphasis on training and further education of our staff in 2019.

## **9. Environmental protection**

The production of Wutal Aluminum-Guss GmbH can be classified as uncritical from an environmental point of view, since no environmentally hazardous emissions occur. There are therefore no special environmental risks. The legal requirements are permanently monitored.

## **10. Risk management**

In the course of its business, Wutal Aluminum-Guss GmbH is naturally exposed to a large number of risks that are inextricably linked with entrepreneurial activity.

The company's risk management is supported by a financial reporting system, so that the company is always in a position to react promptly and in a targeted manner to negative developments and to initiate specific countermeasures. Due to the continuous use of the controlling function in finance, which was set up in 2018, the reporting system could be further expanded and improved.

Financial risks are also countered through consistent liquidity and accounts receivable management.

To minimize risks from warranties from deliveries and services, extensive quality checks are used in production.

Appropriate reporting structures have been implemented to manage short-term risks and are continuously being expanded.

## **11. Other important events and developments in the financial year**

Despite the financial aid in the form of loans, the liquidity situation remained tight in 2019. However, these will continue to be offset by further financial aid from a related company and the shareholder, so that the company can continue to service its current liabilities. Furthermore, the company is currently implementing a restructuring program that is intended to make the company fit for the future.

# **II. PRESENTATION OF THE SITUATION**

## **1. Financial position**

Compared to December 31, 2018, the balance sheet total decreased by EUR 864 thousand to EUR 10.4 million. The company's equity amounted to EUR -522 thousand as of December 31, 2019 (deficit not covered by equity). The over-indebtedness in the balance sheet has been eliminated through a subordination of a related company. A capital increase of EUR 2,000 thousand took place at the beginning of 2020.

In the 2019 financial year, 49.2% of the balance sheet total was attributable to fixed assets.

The trade accounts receivable amount to 8.3%. The inventory is 33.8%, the liquid funds 0.1% and the other assets 3.2%.

## **2. Financial position**

Liquidity was also very tight at times in 2019. However, liabilities were largely settled within the payment deadlines. However, this could only be ensured by the supply of fresh liquidity on the part of the shareholder.

Through a targeted recalculation of individual products, some prices could be adjusted and some unprofitable items were sold.

## **3. Earnings position**

Annual sales in 2019 deteriorated by around EUR 2.6 million compared to the 2018 financial year. The net loss for the year increased in the 2019 financial year by EUR -876 thousand compared to the previous financial year to EUR -2,500 thousand.

Unprofitable areas in which small quantities are produced by hand were closed in 2019. Models have been submitted or modified so that they can be manufactured on the automatic molding systems. This led to unplanned costs that were only partially borne by our customers.

Overall, the order situation was not satisfactory; the cost side could not be reduced in line with the decline in sales, which resulted in an overall loss for the year.

# **III. EXPECTED DEVELOPMENT WITH NOTES ON SIGNIFICANT OPPORTUNITIES AND RISKS OF FUTURE DEVELOPMENT**

## **1. Expected development**

For 2020 we have set ourselves the goal of further streamlining the product range and expanding cooperation with strategic customers for Wutal.

To this end, we invest in our employees, in intensifying cooperation with our customers and in the quality of our products.

To achieve this, we will continue to invest in automation, capacity expansion and the qualification of our employees in the coming years.

In addition, we expect the company's situation to stabilize in the course of the 2020 financial year due to the ramp-up of new projects and the increased degree of automation.

Despite the measures and the resulting investments, we expect a slightly negative financial year in 2020 as well.

## **2. References to opportunities and risks of future development**

The current focus is on the discussion on the development of alternative drive technologies (e-mobility / hydrogen). How this discussion will end and in which direction the automotive industry and politics are heading is currently still very vague.

Nevertheless, we classify the medium-term risk that results from a possible focus on electromobility as relatively low. The reason for this is that the infrastructure required for area-wide electromobility or mobility with vehicles powered by fuel cells cannot be created in the short term. We therefore expect an increase in hybrid technology and thus a further increase in demand.

In addition, we expect the current engine range to run for a longer period of time, as the development of completely new engines is being discontinued for cost reasons in favor of the development of alternative drives. We see this as an opportunity to secure a certain basic utilization of our company in the next few years.

We have the task of further improving our processes and increasing their effectiveness through targeted measures (e.g. training and investments in automation).

Last but not least, this is necessary because we will continue to experience rising material and energy prices as well as increased competitive pressure with foundries in the global environment.

#### IV. OTHER INFORMATION

##### 1. Events of particular importance after the end of the financial year

Since the annual financial statements were prepared, the global Covid-19 pandemic has resulted in significant changes in the economic environment and, as a result, effects on the opportunities and risks of Wutal.

The effects on sales by customers can be felt differently, but at the time the report was prepared, the final extent could not be fully assessed.

In this area, Wutal mainly has long-term contracts with customers, which is why declines in orders can also have a time-delayed effect.

Wutal is reacting to the current decline in sales by reducing remaining vacation and flextime balances and, if necessary, introducing short-time work.

##### 2. Existing branches

The company has no branches.

Stühlingen, July 3rd, 2020

#### Wutal Aluminum-Guss GmbH

*Managing directors*

#### Balance sheet

##### assets

	December 31, 2019 EUR	December 31, 2018 EUR
A. Fixed assets	5,092,138.43	5,455,440.69
I. Intangible Assets	2,717.00	8,766.50
1. other intangible assets	2,717.00	8,766.50
II. Tangible assets	5,089,421.43	5,446,674.19
1. Land, land rights and buildings including buildings on third-party land	3,142,218.56	3,311,371.56
2. technical systems and machines	1,740,762.00	1,937,114.50
3. other equipment, factory and office equipment	199,844.63	198,188.13
4. Advance payments made and assets under construction	6,596.24	0.00
B. Current Assets	4,701,409.80	5,707,488.35
I. Inventories	3,499,707.31	4,063,773.93
II. Receivables and other assets	1,195,206.14	1,628,029.71
1. other assets	1,195,206.14	1,628,029.71
III. Cash in hand, Bundesbank balances, bank balances and checks	6,496.35	15,684.71
C. Prepaid expenses	31,155.50	46,589.06
D. Deficit not covered by equity	522,510.87	0.00
Balance sheet total, total assets	10,347,214.60	11,209,518.10

##### liabilities

	December 31, 2019 EUR	December 31, 2018 EUR
A. Equity	0.00	1,977,544.85
I. Drawn capital	2,783,000.00	2,783,000.00
1. Treasury shares - openly deducted from the subscribed capital	-180,000.00	0.00
2. Called-in Capital	2,603,000.00	2,783,000.00
II. Retained earnings	180,000.00	0.00
III. Balance sheet loss	3,305,510.87	805,455.15
IV. Shortfall not covered	522,510.87	0.00
B. Provisions	384,857.82	417,593.79
C. Liabilities	9,962,356.78	8,814,379.46
1. Liabilities to credit institutions	2,225,531.84	3,134,438.84
of which with a remaining term of up to one year	883,665.57	1,106,984.08
of which with a remaining term of more than one year	1,341,866.27	2,027,454.76
2. other liabilities	7,736,824.94	5,679,940.62
of which with a remaining term of up to one year	6,183,516.30	4,244,633.03
of which with a remaining term of more than one year	1,553,308.64	1,435,307.59
Balance sheet total, total liabilities	10,347,214.60	11,209,518.10

**Profit and Loss Account**

	1.1.2019 - 31.12.2019	1.1.2018 - 31.12.2018
	EUR	EUR
1. Gross result	6,048,186.95	7,821,228.91
2. Personnel expenses	6,160,938.31	6,906,520.76
a) Wages and salaries	5,070,137.72	5,772,139.09
b) social security and pension and support expenses	1,090,800.59	1,134,381.67
of that for pensions	40,656.11	44,408.69
3. Depreciation	533,886.65	613,628.83
a) Depreciation on intangible assets and property, plant and equipment	533,886.65	613,628.83
4. other operating expenses	1,674,630.71	1,746,457.21
of which expenses from currency translation	0.00	422.27
5. other interest and similar income	161.80	0.00
6. Interest and Similar Expenses	164,988.90	164,690.48
7. Income taxes	16.88	0.00
8. Profit after tax	-2,486,112.70	-1,610,068.37
9. other taxes	13,943.02	14,258.59
10. Annual deficit	2,500,055.72	1,624,326.96

**Appropriation of earnings**

	1.1.2019 - 31.12.2019	1.1.2018 - 31.12.2018
	EUR	EUR
10. Annual deficit	2,500,055.72	1,624,326.96
11. Profit carried forward from the previous year		818,871.81
12. Loss carryforward from the previous year	805,455.15	
13. Balance sheet loss	3,305,510.87	805,455.15

**Appendix****Wutal Aluminumguss GmbH, Im Sulzfeld 1, 79780 Stühlingen**

Head office: Stühlingen

Registration court Freiburg HRB 620187

**I. GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS**

Wutal Aluminum-Guss GmbH, Stühlingen, is entered in the commercial register of Freiburg im Breisgau under HRB 620187.

The annual financial statements were prepared on the basis of the classification, accounting and valuation regulations of the Commercial Code. The regulations for medium-sized corporations within the meaning of Section 267 (2) of the German Commercial Code (HGB) apply. In addition to these regulations, the provisions of the GmbH Act have been observed. The structure corresponds to the provisions of §§ 266 ff. HGB.

**II. INFORMATION ON ACCOUNTING AND VALUATION METHODS**

The annual financial statements contain all assets, debts, prepaid expenses, expenses and income, unless otherwise stipulated by law. The items on the assets side have not been offset against items on the liabilities side, and expenses have not been offset against income, unless required by law.

The values in the opening balance sheet for the financial year correspond to those in the closing balance sheet for the previous financial year. The assessment was based on the continuation of the company. The assets and debts were valued individually.

It has been valued cautiously, in particular all foreseeable risks and losses that have arisen up to the balance sheet date have been taken into account, even if these only became known between the balance sheet date and the preparation of the annual financial statements.

Profits have only been taken into account if they were realized by the reporting date. Expenses and income for the financial year have been taken into account regardless of the time of payment.

The following accounting and valuation methods were essentially unchanged for the preparation of the annual financial statements.

Acquired **intangible assets** are carried at cost and, if they are subject to wear and tear, are reduced by scheduled depreciation over their useful life.

Valuation of **tangible fixed assets** were valued at acquisition cost less scheduled depreciation. Scheduled depreciation was based on the expected useful life of the respective asset. The depreciation of movable assets was generally carried out on a straight-line basis. Depreciation on additions to property, plant and equipment is pro rata temporis.

The **financial assets** are generally valued at their nominal value.

In principle, **inventories** are valued at acquisition and production costs.

The stocks of **auxiliary and operating materials** are capitalized at cost prices. If necessary, devaluations are made to the lower daily values on the balance sheet date.

The **work in progress and finished goods** are valued retrograde according to the degree of completion, taking into account manufacturing overheads at manufacturing costs.

Recognizable risks in **inventories** resulting from above-average storage times, reduced usability and lower replacement costs are taken into account by means of appropriate devaluations.

**Receivables and other assets** are shown at their nominal value. Risky items are taken into account through the formation of appropriate individual value adjustments; the general credit risk is taken into account by means of flat-rate discounts.

The **provisions for pensions and similar obligations** are shown in the amount permitted by commercial law.

The provision for pensions and similar obligations was formed using the actuarial entry age method. The following assumptions were taken into account for the calculation:

- flat-rate average remaining term of 15 years
- Average market interest rate over the past ten years of 2.71% (previous year: 3.21%), which was announced by the German Bundesbank
- Wage and salary increases of 0.00%
- Mortality tables according to Dr. Klaus Heubeck "Mortality Tables 2018 G"

The discounting of the pension provisions with the average market interest rate of the past ten years results in a difference of EUR 8 thousand compared to the discounting with the average market interest rate of the past seven years. This difference is blocked for distribution.

The **other provisions** take into account all uncertain liabilities and impending losses from pending transactions.

**Liabilities are stated** at the settlement amount. If the daily values were above the settlement amounts, the liabilities were recognized at the higher daily value.

The accounting takes place before the annual surplus is used.

### III. INFORMATION ON THE ITEMS OF THE BALANCE SHEET

#### Capital assets

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

#### Financial assets

The disclosure relates to the reinsurance of the pension obligation. In the financial year, as in previous years, the pension obligation was netted.

#### Stocks

Unless they are subject to the usual retention of title, the inventories are the unrestricted property of the company.

#### Receivables and other assets

All claims are due within one year.

#### equity capital

In order to eliminate the over-indebtedness in the balance sheet, a related company issued a declaration of subordination in sufficient amount. The fulfillment of such subordinate claims can only be asserted from any freely available annual or liquidation surplus or from the freely available assets exceeding the other liabilities of the debtor, and only after satisfaction of all company creditors within the meaning of Section 39 Paragraph 2 InsO and in Range before the deposit refund claims of the shareholders within the meaning of § 199 S. 2 InsO.

#### Pension provisions

Obligations from pension commitments are partially secured by assets that are held in trust with Allianz Versicherung. They were offset against the underlying obligations in accordance with the BilMoG provisions. The settlement amount of the pension obligation was EUR 275 thousand as of the reporting date, the fair value or the cost of the invested assets was EUR 143 thousand.

#### Other provisions

The other provisions were mainly formed for vacation entitlements, Christmas bonuses, warranties and goodwill as well as acquisition costs.

#### liabilities

The remaining terms and the collateralisation of the liabilities are shown in detail in the schedule of liabilities.

Type of liability	Remaining term			Total December 31, 2019
	Up to 1 year	1 to 5 years	Over 5 years	
1. Vbl. towards credit institutions	1,548,033	677,499	0	2,225,531
(Previous year)	(1,598,157)	(1,266,377)	(269,904)	(3,134,438)
2. Vbl. from LuL	1,869,385	0	0	1,869,385
(Previous year)	(3,258,184)	(0)	(0)	(3,258,184)
3. So. Liabilities	5,238,385	629,054	0	5,867,439
(Previous year)	(1,014,659)	(1,407,096)	(0)	(2,421,756)

Liabilities to banks are secured by land charges on third-party properties totaling around EUR 6.7 million.

#### Contingent liabilities

There were no contingent liabilities as of the balance sheet date.

#### Other financial obligations

As of the balance sheet date, there were no significant financial obligations.

### IV. INFORMATION ON THE ITEMS OF THE PROFIT AND LOSS ACCOUNT

The sales are distributed across the following markets:

	2019 kEUR	2018 kEUR
Domestic sales	14,024	16,446
Sales abroad	1,367	1,563
	15,391	18.009

## V. OTHER INFORMATION

### Managing directors

As of the balance sheet date, the management was composed as follows:

- Jürgen Volkening, businessman, Stühlingen (until December 19, 2019)
- Bernd Hofmann, businessman, Kirchheimbolanden

The managing directors have sole power of representation.

Power of attorney is granted to Mr. Kai Wasmund, Waldshut-Tiengen.

The company does not disclose the remuneration of its organs in accordance with Section 286 (4) of the German Commercial Code (HGB).

### employees

Average number of employees during the financial year:

	2019	2018
Wage earners	125	144
Commercial employees	15th	16
	140	160

### Events of particular importance after the reference date

In January 2020 there was a capital increase on the part of the shareholder in the amount of EUR 2,000 thousand. Despite this financial aid, the company still has a liquidity problem. These will continue to be offset by further financial aid from the shareholder, so that the current liabilities can still be serviced. Furthermore, the company is implementing a restructuring program which is intended to make the company fit for the future.

The effects of the corona pandemic on the company's business area cannot yet be finally assessed.

### Proposal for the appropriation of profits

The management proposes to the shareholders' meeting that the annual deficit in the amount of EUR 2,500,038.84 and the loss carryforward in the amount of EUR 805,455.15 be carried forward to a new account.

Stühlingen, July 3rd, 2020

### Wutal Aluminum-Guss GmbH

#### Managing directors

#### Fixed asset history

	Acquisition production costs 01/01/2019 EUR	Additions Disposals - EUR	Cumulative depreciation 12/31/2019 EUR	Book value December 31, 2019 EUR	Book value December 31, 2018 EUR
I. Intangible Assets					
1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	524,831.94		522,114.94	2,717.00	8,766.50
Intangible assets	524,831.94		522,114.94	2,717.00	8,766.50
II. Tangible assets					
1. Land, land rights and buildings including buildings on third-party land	7,310,731.94	8,912.40	4,177,425.78	3,142,218.56	3,311,371.56
2. technical systems and machines	14,377,408.52	401,920.00 342,021.21-	12,696,545.31	1,740,762.00	1,937,114.50
3. other equipment, factory and office equipment	2,364,545.86	58,029.25 31,167.56-	2,191,562.92	199,844.63	198,188.13
4. AZ performed and assets under construction		6,596.24		0.00	6,596.24
Property, plant and equipment	24,052,686.32	475,457.89 373,188.77 -	19,065,534.01	5,089,421.43	5,446,674.19
	24,577,518.26	475,457.89	19,587,648.95	5,092,138.43	5,455,440.69

Acquisition production costs			Cumulative depreciation	Book value December	Book value December
01/01/2019	Additions	Disposals -	12/31/2019	31, 2019	31, 2018
EUR		EUR	EUR	EUR	EUR
		373,188.77 -			

**other components of the report****Stühlingen, July 3rd, 2020***signed Bernd Hofmann, Managing Director*

Information to determine:

The annual financial statements were approved on July 3rd, 2020.

**Auditor's report****REPRODUCTION OF THE AUDIT REPORT**

After the final result of our audit, we published the annual financial statements as of December 31, 2019 (Annexes 1 to 3) and the management report for the 2019 financial year (Annex 4) of Wutal Aluminum-Guss GmbH, Stühlingen, dated September 25, 2020 issued the following unqualified audit certificate, which is reproduced here:

**"Independent Auditor's Report**

To Wutal Aluminum-Guss GmbH, Stühlingen

**Examination Opinions**

We have prepared the annual financial statements of Wutal Aluminum-Guss GmbH, Stühlingen, - 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 Wutal Aluminum-Guss GmbH, Stühlingen, for the financial year from January 1 to December 31, 2019.

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 regulations applicable to corporations and, taking into account the German principles of proper accounting, give a true and fair view of the assets and financial position of the company as of December 31, 2019 as well as its earnings position for the financial year from January 1 to 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), 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 the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe

We refer to the information in the notes and the information in the risk report of the management report, in which the legal representatives describe that the company has significant capital requirements in order to maintain ongoing liquidity in 2020 ff. As these statements show, these events and circumstances indicate the existence of a material uncertainty, which can raise significant doubts about the company's ability to continue business activities and which represents a risk that could endanger the continued existence of the company within the meaning of Section 322 (3) of the German Commercial Code (HGB) Representative 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. Furthermore, they are responsible for disclosing matters relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for the going concern basis on the basis of 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 and is consistent with the annual financial statements in all material respects, complies with German legal requirements and appropriately presents the opportunities and risks of future development .

Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have considered 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 be able.

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 - misstatements, 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.

Sufficient 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) and in compliance 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 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 the 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 obtaining an audit opinion on the effectiveness these systems to give to society.
- we assess the appropriateness of the accounting methods used by the legal representatives as well as the acceptability of the estimated values presented by the legal representatives and the related information.
- we draw conclusions about the appropriateness of the accounting principle applied by the legal representatives for going concern 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 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. Future events or circumstances can, however, 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, in compliance with German generally accepted accounting principles, provide a true and fair view of asset, financial and 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 the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a considerable 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. "

Stuttgart, September 25, 2020

**BSKPGmbH**  
auditing company