

## **Audit Report**

**Herhof Ltd**  
35606 Solms

Annual Financial Statements  
31/12/2022

Version - No.: 4



## TABLE OF CONTENTS

<b>List of Abbreviations</b>	<b>5</b>
<b>A. Audit Assignment</b>	<b>7</b>
<b>B. Reproduction of the Auditor's Report</b>	<b>8</b>
<b>C. Fundamental Findings</b>	<b>11</b>
I. Statement on the assessment of the state of affairs by the legal representatives	11
1. Business performance and status of the Company	11
2. Facts endangering the existence of the Company	12
II. Discrepancies	12
1. Discrepancies in accounting	12
2. Other Irregularities	13
<b>D. Execution of the Audit</b>	<b>13</b>
I. Subject of the audit	13
II. Nature and scope of the audit	13
III. Independence	14
<b>E. Findings on the Financial Statements</b>	<b>14</b>
I. Propriety of the accounts	14
1. Previous year's financial statements	14
2. Reporting and other audited documentation	14
3. Annual financial statement	15
4. Status Report	15
II. Overall assessment of the annual financial statement	15
1. Fundamental valuation principles	15
2. Modifications in the assessment principles	18
3. Measures affecting the facts at hand	18
4. Summary assessment	18
<b>F. Conclusion</b>	<b>19</b>

## ANNEXES

Annex 1:	Balance sheet as at 31.12.2022
Annex 2:	Profit and loss account for the period from 01.01.2022 to 31.12.2022
Annex 3:	Annex of the annual statement as at 31.12.2022
Annex 4:	Signature of the financial statements and auditor's assessment report
Annex 5:	Legal conditions
Annex 6:	Analysis of the net assets, financial status and results of operations
Annex 7:	Account reports for the balance sheet and profit and loss account
Annex 8:	Special Terms and Conditions of Assignment ( as at 01.03.2022)
Annex 9:	General Terms and Conditions of Assignment for Auditors and Auditing Firms as amended on 01.01.2017

## List of Abbreviations

Abs.	Paragraph
a.F.	old edition
AfA	Deduction for wear and tear
AG	Stock corporation
AO	Fiscal Code
AR	Supervisory Board
Art.	Article
AV	Fixed assets
BilMoG	Accounting Law Modernization Act
BIP	Gross Domestic Product
BilRUG	Accounting Directive Implementation Act
bzw.	respectively
EGHGB	Introductory Act to the Commercial Code
EstG	Income Tax Act
e.V.	registered association
f.	following
ff.	et seq.
gem.	according to
GmbH	Limited liability companies
GmbHG	Law on Limited Liability Companies
GoB	Standards of orderly accounting
HGB	Commercial Code
HRB	Commercial Register Section B
i.d.F.	In the version
IDW	Institute of Public Auditors in Germany Inc.
IKS	internal audit system
i.S.d. / i.S.v.	in the sense of (the) / in the sense of
IT	Information technology
i.V.	during the previous year
i.V.m.	in connection with
Lgb.	Status book
n.F.	new version
NR	Number
PS	Auditing principle of the IDW
S.	Sentence
T€	thousand euro
Tz.	Text digit
z.B.	for example
Ziff.	Digit

Remark: For computational reasons, there may be rounding differences in the tables compared to the exact values (monetary units, percentages, etc.).

## **A. Audit Assignment**

The managing director of Herhof Ltd, 35606 Solms, has commissioned us, on the basis of the resolution of the shareholders' meeting of 23.09.2022, with the audit of the annual financial statements as at 31.12.2022, including the relevant accounting records.

The assignment was accepted by us in an assignment confirmation letter dated 28.11.2022, enclosing the special and general terms and conditions of the assignment. We received the second copy with the client's letter of acceptance on 17.12.2022.

Our audit was conducted with intervals during the period from 15.01.2023 to 13.10.2023 at the Company's offices and at our offices.

In accordance with §321 para. 4a of the German Commercial Code (HGB), we confirm that we have complied with the applicable provisions on independence in our audit.

We issued the following report on the results of our audit in accordance with the "German generally accepted standards for the audit of financial statements" (IDW PS 450) promulgated by the Institute of Public Auditors in Germany (IDW), to which we attach the audited annual financial statements (annex 1 to 3).

In accordance with our assignment, we have summarized the legal circumstances of the Company in an overview in Annex 5 to this report. Furthermore, we have attached an analysis of the net assets, financial status and results of operations of the Company as Annex 6.

The General Terms and Conditions of Assignment for Auditors and Auditing Firms dated 01.01.2017, attached as Annex 9, apply to this assignment, also in relation to third parties.

In addition, we refer to the liability provisions contained in section 9 and to the exclusion of liability towards third parties as well as to the further provisions of the attached Annex 8 "Special Terms and Conditions of Assignment for Audits and Audit-Related Services" (status: 01.03.2021).

This audit report is addressed to the Company.

## **B. Reproduction of the Auditor's Report**

We issued the following auditor's report on the financial statements and management report:

### **“Independent Auditor's Report.**

To Herhof Ltd, Solms

#### **Audit Assessment**

We audited the annual financial statements of Herhof-Management Company Ltd, Solms - consisting of the balance sheet as at 31.12.2022 and the income statement for the fiscal year from 01.01.2022 to 31.12.2022 as well as the notes to the financial statements, including the presentation of the accounting and valuation methods.

According to our assessment, based on the findings of our audit, the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at 31.12.2022 and of its results of operations for the fiscal year from 01.01.2022 to 31.12.2022 in accordance with German principles of proper accounting.

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

#### **Standards for the Audit Assessment**

We conducted our audit of the annual financial statements in accordance with § 317 of the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility under those provisions and principles is further described in the “Auditor's Responsibility for the Audit of the Annual Financial Statements” section of our auditor's report.

We are independent of the Company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit assessment on the annual financial statements.

#### **Material Uncertainty in Connection with the Continuation of the Company's Operations**

We refer to the explanations on the General Information on the Company in the Notes, in which the legal representatives describe that financial risks exist in the fact that after expiry of the letter of support valid until 31 December 2024, contrary to the current planning, there is a fundamental risk that without further support from the shareholder, sufficient liquid funds cannot be generated to maintain the continuation forecast.

As stated in the General Information on the Company in the Notes, these events and circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and that represents a going concern risk within the meaning of section 322 (2) sentence 3 HGB.

Our audit opinions are not modified with respect to this matter.

## **Responsibility of the Legal Representatives for the Annual Financial Statements**

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with the provisions of German commercial law applicable to corporations, and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for such internal audit as the legal representatives determine is necessary to enable the preparation of financial statements which are free from material inaccuracy, whether caused intentionally or unintentionally by fraud or error.

In preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to continuing as a going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern standard, unless factual or legal circumstances prevent this.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material inaccuracy, whether caused intentionally or unintentionally, and to issue an auditor's report which includes our opinion on the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW) will always detect a material inaccuracy. Inaccuracies can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of recipients taken on the basis of these financial statements.

During the audit, we exercise professional discretion and maintain a critical attitude. Furthermore

- we identify and assess the risks of material inaccuracy of the financial statements, whether caused intentionally or unintentionally, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our audit assessment. The risk of not detecting material inaccuracies is higher for noncompliance than for inaccuracy, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or instances of override of internal audit.
- we obtain an understanding of the internal audit system relevant to the audit of the financial statements in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's system.
- we evaluate the propriety of accounting policies used by the legal representatives, as well as an assessment of the reliability of reporting estimates and related disclosures made by the legal representatives.

- we conclude on the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our audit assessment. We draw our conclusions based on the audit evidence obtained up to the date of our audit assessment. However, future events or conditions may cause the Company not to be able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

We shall consult with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal audit which we identify during our audit.

Lauchringen, 13.10.2023

Treuhand Hochrhein Revision Ltd  
Auditing Company

Patrick Stärk  
Auditor"



## **C. Fundamental Findings**

### **I. Statement on the Assessment of the State of Affairs by the Legal Representatives**

#### **1. Business Performance and Status of the Company**

The management has assessed the financial position of the Company in the annual financial statements, in particular in the notes to the financial statements.

The Company has permissibly refrained from preparing a management report. Therefore, as auditors, we cannot comment on the management's assessment of the situation as expressed in the management report in accordance with § 321 para. 1 sentence 1 of the German Commercial Code.

In accordance with § 321 para. 1 sentence 2 of the German Commercial Code, as auditors we comment in advance on the management's assessment of the situation as expressed in the annual financial statements. In particular, we address the assessment of the Company's continued existence as a going concern and the assessment of its future development as expressed in the annual financial statements.

Our opinion is based on our own assessment of the economic situation of the company, which we obtained in the course of our audit of the annual financial statements.

The following **aspects of the assessment of the status quo** should be emphasized:

According to the entry in the commercial register, the object of Herhof Ltd. is the research, planning, development, manufacture, distribution and operation of waste treatment plants and the provision of construction, service and other services in the field of waste management. In this context, the company may engage in all business activities which directly or indirectly serve the scope of the company. This includes, in particular, distribution, turnkey construction, the performance of engineering services, the operation, maintenance and servicing in each case in the aspect of waste treatment plants and the performance of all maintenance and services.

The managing directors point out in the notes that the annual financial statements have been prepared on the basis of a letter of support issued by the shareholder in favour of the company with a term until 31 December 2024, despite the existing balance sheet over-indebtedness, under the assumption of the continuation of the company's activities.

The financial year was characterised by a strong reduction in turnover by 87,4 % and in total output, which is based on fewer completed construction projects at home and abroad. The cost of materials decreased disproportionately in relation to the total output, so that the gross profit decreased in absolute terms by T€ 264,7 to T€ 1.835,0, but increased in relation to the total output from 18,6 % to 28,1 %.

The personnel expenses decreased by T€ 137,4 (./6 %) to T€ 1.934,9 and the other operating expenses decreased by T€ 118,2 (./12,1 %).

The financial result remained almost constant at T€ 21,5 after T€ 17,4 in the previous year.

The annual deficit increased significantly from T€ 770,8 to T€ 855,9, in particular due to the aforementioned developments.

We believe that the management's presentation and assessment of the company's situation and its expected development in the annual financial statements are accurate.

On the assets side, the increase in the company's balance sheet total is due in particular to the increase in inventories (+T€ 3.997,6), which is only partially compensated for by the decrease in current assets by T€ 2.865,5 to T€ 250,9.

The equity ratio decreased from 5,5 % to 0,0 % due to the annual deficit and an increase in the balance sheet total by T€ 955,8.

The decrease in equity is more than compensated for in particular by the increase in advance payments received on orders (+ T€ 2.786,4).

We believe that The Management's presentation and assessment of the company's situation and its expected development in the annual financial statements are accurate.

## **2. Facts Impairing Development or Endangering the Existence of the Company**

Pursuant to section 321, paragraph 1, sentence 3 of the German Commercial Code, as auditors we are also required to report on facts that could have a material adverse effect on the development of the company or jeopardise its continued existence.

We must also report these facts if they could seriously affect the development of the company or jeopardise its continued existence as a going concern, and not only when the development of the company is already significantly impaired or its existence is concretely jeopardised.

In the year under review, the company generated an annual deficit of T€ 855.9 (previous year T€ 770.8), so that the balance sheet of the company as of 31 December 2022 shows a deficit not covered by equity.

Based on the planning for the coming financial years, The Management assumes that after another annual deficit in 2023, a clear annual surplus will only be achieved again in the years from 2024 onwards.

As a result, the shareholder Helector S.A. issued a letter of support in favour of the company dated 6 October 2023 and expiring on 31 December 2024.

If, contrary to the company's expectations, it does not succeed in generating sufficient revenues and cash inflows from the project pipeline or in compensating them with further financing commitments from the shareholder or third parties, the company's continued existence would be at risk.

According to the results of our audit and the knowledge gained from it, The Management's assessment of the situation with regard to the positive going concern forecast is reasonable and accurate in terms of content.

## **II. Discrepancies**

### **1. Discrepancies in Accounting**

In accordance with § 321 para. 1 sentence 3 of the German Commercial Code, we are required to report on any inaccuracies or violations of legal requirements which we identify during our audit.

In the course of our audit, we have not identified any inaccuracies or violations of statutory provisions.

## **2. Other Irregularities**

In accordance with § 321 para. 1 sentence 3 of the German Commercial Code, a report must be made on any facts ascertained during the audit which reveal serious infringements of the law or the Articles of Association by the Managing Director or employees.

In the course of our assessment, we have not identified any facts which indicate serious infringements of the law or the Articles of Association by the Managing Director or employees.

## **D. Execution of the Audit**

### **I. Subject of the Audit**

The Company under review is a micro-corporation within the meaning of § 267a para. 1 of the German Commercial Code (HGB), which pursuant to §§ 316 et seq. of the German Commercial Code, is not subject to statutory audit.

As part of the assignment given to us, we have audited the accounting records and the annual financial statements as at 31.12.2022 in accordance with § 317 of the German Commercial Code for compliance with the relevant statutory provisions and the supplementary provisions of the articles of association.

The authoritative accounting principles for our audit of the annual financial statements were the accounting provisions of §§ 242 to 256a and §§ 264 to 288 of the German Commercial Code and the special provisions of the Limited Liability Companies Act.

The assessment of the adequacy of the Company's **insurance cover**, in particular whether all risks are considered and adequately insured, was not the subject of our assignment to audit the annual financial statements.

### **II. Nature and Scope of the Audit**

We conducted our audit in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW).

The audit does not extend to whether the continued existence of the audited Company or the effectiveness and efficiency of the Management can be assured. The scope of our assignment was neither the detection and clarification of criminal offences, such as embezzlement or other acts of breach of trust, nor of administrative offences committed outside the scope of accounting.

The basis of our risk and process-oriented audit procedure is the development of an audit strategy. This is based on an assessment of the economic and legal environment of the Company, its objectives, strategies and business risks, which we evaluate on the basis of critical success factors. The audit of the accounting-related internal audit system and its effectiveness is supplemented by process analyses, which we perform with the aim of determining its influence on relevant items in the annual financial statements and thus being able to assess the risks of error and our audit risk.

We have taken into account the findings from the audit of the processes and the accounting-related internal audit system in the selection of the analytical audit procedures (plausibility assessments) and the individual case audits with regard to the inventory records, the recognition, the presentation and the valuation in the annual financial statements. In the

Company-specific audit programme, we determined the focus of our audit, the nature and scope of the audit procedures, the timing of the audit and the assignment of staff. In doing so, we complied with the principles of objectivity and risk orientation and therefore based our audit assessment predominantly on analytical audit procedures, individual case or sample audits or a combination of both.

In view of the manageable size of the Company and the clarity of its procedures, in the present case, in addition to analysing the process of preparing the annual financial statements, we have also carried out individual case audits. In doing so, we focused on the following audit areas:

- Review of the appropriateness of the going concern assumption
- Review of the accounting and valuation of inventories,
- Review of the accounting and valuation of receivables from affiliated companies and shareholders,
- Review of the accounting and valuation of credit balances with credit institutions,
- Review of the accounting and valuation of other accruals.

Furthermore, we performed the following standard audit procedures, among others:

1. we have ascertained the correctness of the accounting treatment of the receivables from affiliated companies and shareholders by obtaining balance confirmations,
2. we obtained confirmations from credit institutions,
3. we obtained solicitor's confirmations

We did not participate in the inventory of work in progress. Within the scope of our dutiful exercise of judgement, we ascertained the existence of inventories by means of alternative audit procedures.

All clarifications and evidence requested by us were provided. The management confirmed in writing the completeness of this information and evidence as well as the accounting records, the annual financial statements and the management report to us.

### **III. Independence**

We conducted our independent audit in accordance with the applicable provisions on independence (§ 321 para. 4a of the German Commercial Code).

## **E. Findings on the Financial Statements**

### **I. Propriety of the Accounts**

Based on the final results of our audit, we determine that the accounting records and the other audited documents, the annual financial statements and the management report comply with the legal requirements and the supplementary provisions of the articles of association.

#### **1. Previous Year's Financial Statements**

The previous year's financial statements were adopted by the shareholders' meeting on 23.09.2022. The management was discharged from liability.

The shareholders' meeting decided to carry forward the accumulated loss as at 31.12.2021 in the amount of € 6.711.211,50 (loss carried forward as at 01.01.2021 in the amount of T€ 5.940.429,48 plus net loss for 202 in the amount of T€ 770.782,02 thousand) to the account of the new financial year.

## **2. Reporting and Other Audited Documents**

The organisation of the bookkeeping, the accounting-related internal audit system, the data flow and the document system ensure the complete, correct, timely and orderly registration and booking of the business transactions.

The information derived from other audited documents (e.g. cost reporting documents, operating accounts, contract documents) has led to a proper presentation in the accounting records, the annual financial statements and the status report.

During our audit, we did not identify any circumstances which would indicate that the organisational and technical measures set up by the Company are not suitable for guaranteeing the security of the data processed for accounting purposes and thus processing in accordance with the Principles of Proper Accounting (GoB) pursuant to § 238 of the German Commercial Code as well as the IT systems used.

In our assessment of the accounting-related internal audit system, we did not identify any weaknesses which would require us to extend our audit procedures or to change the focus of our audit. In our opinion, the process-integrated and downstream controls in the audited areas are fundamentally suitable, both individually and in their interaction, to prevent material damage to assets and to ensure the correctness of the accounting.

The accounting-related internal audit system (IKS) set up by the Company provides for appropriate regulations on the organisation and control of work processes. There were no significant organisational changes in the accounting procedures during the reporting period.

The books were opened correctly with the figures from the previous year's balance sheet and were kept properly. The documentary function has been complied with.

The organisation of the accounting department is appropriate to the circumstances of the Company. No significant organisational changes were made to the accounting procedures in the year under review.

In our opinion, based on the findings of our audit, the accounting records comply with the legal requirements. The information taken from other audited documents has led to a proper presentation in the accounting records, the annual financial statements and the status report.

As a summarised result of our audit, which comprised

- the propriety of the components of the financial statements and their derivation from the accounting records,
- the accuracy of the information given in the notes,
- the observance of the rules of accounting, reporting and valuation,

- the observance of all statutory provisions applicable to accounting, including generally accepted accounting principles, and of all size-dependent, legal form-bound or business sector-specific regulations, and
- the observance of regulations of the articles of association insofar as these concern the content of the accounting,

we issued the audit report reproduced in section B.

### 3. Annual Financial Statement

Based on the final result of our audit, we ascertain that the annual financial statements comply with all legal regulations applicable to accounting, including the principles of proper accounting and all size-related and legal form-related regulations, as well as the principles of the articles of association.

In accordance with § 267 of the German Commercial Code, the Company has the following size-related characteristics:

		2022	2021
Balance sheet total	T€	10.018,9	8.926,2
Turnover	T€	1.376,1	10.944,0
average number of employees		28,25	29,75

The Company therefore qualifies as a micro-corporation pursuant to § 267a para. 1 of the German Commercial Code as at the closing date.

The balance sheet is structured in accordance with the provisions of § 266 of the German Commercial Code. The profit and loss account has been prepared in accordance with the total cost method (§ 275 para. 2 of the German Commercial Code).

The **balance sheet and the profit and loss account** as at 31.12.2022 are - based on the previous year's financial statements as at 31.12.2021, which were audited by us and received an unqualified audit opinion dated 23.09.2023 - properly derived from the accounting records and the other audited documents.

Reporting, disclosure and valuation regulations have been observed. The valuation methods applied to the previous annual financial statements have been retained.

The information provided in the **annex** is complete and correct. The explanations and justifications comply with the legal requirements.

The protective clause of § 286 para. 4 of the German Commercial Code regarding the disclosure of the total remuneration of the legal representatives in the notes in accordance with § 285 no. 9 of the German Commercial Code was used appropriately in the context of the preparation.

### 4. Status Report

The Company has permissibly waived the preparation of a status report (exemption for small corporations pursuant to § 264 para. 1 sentence 4 of the German Commercial Code).

## II. Overall Assessment of the Annual Financial Statements

According to our assessment, the annual financial statements - i.e. as an overall statement of the annual financial statements as they result from the interaction of the balance sheet, the profit and loss account and the notes to the financial statements - give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the principles of proper accounting (§ 264 para. 2 of the German Commercial Code).

For a better understanding of the overall statement of the annual financial statements, we dutifully describe below the main valuation principles and the influence that changes in the valuation principles have on the overall statement of the annual financial statements (§ 321 para. 2 sentence 4 of the German Commercial Code).

The Company has disclosed the accounting and valuation methods applied in the annex. In our comments below, we therefore focus in particular on those matters which are of material importance for the assessment of the net assets, financial position and results of operations and their overall effect in connection with other measures and matters (Institute of Public Auditors in Germany (IDW) PS 250 new version).

## 1. Fundamental Valuation Principles

We provide the following information on the reporting and valuation methods applied and the factors relevant to the valuation of assets and liabilities, including any effects of changes to these methods:

The **reporting and valuation methods** are based on the going concern assumption (§ 252 para. 1 no. 2 of the German Commercial Code) and are in accordance with the provisions of commercial law. They are basically unchanged from the previous year.

**The tangible fixed assets** are valued at acquisition or production cost reduced by scheduled depreciation in accordance with the expected periods of use. Depreciation is calculated using the straight-line method over the normal useful life of the asset, generally 1 to 4 years. Low-value assets with a net individual value of up to € 250.00 are written off in full or metered as expenses in the year of acquisition; their immediate disposal is assumed. Low-value fixed assets with acquisition costs of more than € 250.00 and up to € 800.00 are written off in full in the year of acquisition; their immediate disposal is assumed.

The valuation of inventories is carried out at acquisition or production cost, taking into account the lower of cost or market principle and the principle of commercial prudence. The **manufacturing costs** of work in progress include an appropriate share of overheads.

**Receivables and other assets** are stated at nominal value or a lower closing date value. Individual value adjustments on receivables were made in an appropriate amount, and general value adjustments were made on the net receivables not subject to individual value adjustments. When assessing the recoverability of receivables from an affiliated company in the amount of € 325.0 thousand, the assignment of these receivables to the shareholder in 2022 was taken into account.

The **financial resources** are stated at nominal value.

With regard to the accrual of expenses, corresponding **accruals and deferrals** were formed in accordance with § 250 para. 1 of the German Commercial Code.

As in the previous year, the **registered capital** shown in the commercial register (= subscribed capital) is shown in the balance sheet at the nominal amount of € 800,000.00.

For impending risks and uncertain obligations, **other provisions** are made in the amount of the settlement amount required according to reasonable commercial judgement.

**Liabilities** are recognised at the settlement amount.

The annual financial statements contain **foreign currency receivables and liabilities**. These are converted at the mean spot exchange rate on the closing date in accordance with § 256 a of the German Commercial Code. The items included in the profit and loss account have been valued at the exchange rate on the date of origin.

## **2. Modifications in the Assessment Principles**

There are no **deviations** in the **reporting and valuation methods** in comparison to the previous year.

## **3. Measures Affecting the Facts at Hand**

We define **accounting policy measures** as all measures and valuation decisions which have a material effect on the presentation of the net assets, financial position and results of operations. Measures which affect the reporting and/or valuation of assets and liabilities are those which deviate from the usual presentation, which in our opinion corresponds to the expectations of the users of the financial statements, and the deviation from the usual presentation has a material effect on the overall statement of the annual financial statements.

According to the information obtained in the course of our audit, the Company has not taken any measures which would alter the presentation of the financial statements.

## **4. Summary Assessment**

On completion of our audit in accordance with professional standards, we have come to the conclusion in our auditor's report that the annual financial statements as a whole give a true and fair view of the net assets, financial position and results of operations of Herhof Ltd in accordance with German principles of proper accounting.



## **F. Conclusion**

We issued the above report on our audit of the annual financial statements of Herhof Ltd for the financial year from 01.01.2022 to 31.12.2022 in accordance with § 321 of the German Commercial Code and the generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW PS 450 new version).

The auditor's report issued by us is included in section B. under "Reproduction of the auditor's report".

The audit report is signed in accordance with § 321 para. 5 of the German Commercial Code, taking into account § 32 of the German Code of Public Accountants (WPO), as follows.

Lauchringen, 13.10.2023

Treuhand Hochrhein Revision Ltd  
Auditing Company

Patrick Stärk  
Auditor



## **ANNEXES**

**Balance Sheet**

on 31.12.2022

of

Herhof Ltd

35606 Solms

**Assets**

	€	€	Previous year T€
<b>A. Fixed assets</b>			
<i>I. Intangible fixed assets</i>			
computer software acquired against payment		923,06	2,6
<i>II. Tangible assets</i>			
2. Technical equipment and machinery	2,55		0,0
3. Other equipment, operating and office supplies	62.375,26	62.377,81	60,5
		<u>63.300,87</u>	
<b>B. Current assets</b>			
<i>I. Inventories</i>			
1. Raw materials, consumables and supplies	8,86		0,0
2. Work in progress, unfinished services	9.644.972,92		4.492,5
3. Advance payments made	<u>7.000,00</u>	9.651.981,78	1.161,9
<i>II. Receivables and other current assets</i>			
1. Receivables due from supplies and services	22.801,77		415,7
2. Receivables due from affiliated companies	1.776,90		520,4
3. Receivables due from shareholders	51.157,35		1.603,8
4. Other current assets	<u>128.777,33</u>	204.513,35	67,4
<i>III. Cash on hand, credit balances with credit institutions</i>		<u>72.455,49</u>	542,8
		<u>9.928.950,62</u>	
<b>C. Accruals and deferrals</b>		26.647,86	58,6
<b>D. Deficit not covered by equity capital</b>		364.634,48	0,0
		<u>10.383.533,83</u>	<u>8.923,2</u>

			<b>Liabilities</b>
	€	€	Previous year T€
<b>A. Equity capital</b>			
<i>I. Subscribed capital</i>	800.000,00		800,0
<i>II. Capital reserve</i>	6.402.496,90		6.402,5
<i>III. Loss carried forward</i>	-6.711.211,50		-5.940,4
<i>IV. Annual deficit</i>	-855.919,88		9770,8
<i>V. Deficit not covered by equity capital</i>	<u>364.634,48</u>	0,00	0,0
<b>B. Accrued expenses</b>			
Other accrued expenses		409.977,22	293,6
<b>C. Liabilities</b>			
1. Advance payments received on orders	8.631.377,51		5.845,0
2. Liabilities from supplies and services	272.559,86		1.176,3
3. Liabilities against affiliated companies	495.857,41		335,8
4. Liabilities against shareholders	440.476,96		598,9
5. other liabilities	<u>118.284,87</u>	9.958.556,61	185,3
of which from taxes: € 25.325,54 (previous year: T€ 58,2)			
of which relating to social security € 5.369,26 (previous year T€ 7,3)			
<b>D. Accruals and deferrals</b>		15.000,00	0,00
		<u>10.383.533,83</u>	<u>8.926,2</u>



# Profit and Loss Account

For the period from 01.01.2022 to 31.12.2022

of

Herhof Ltd

35606 Solms

	€	€	Previous year T€
1. Turnover revenue		1.376.144,63	10.944,0
2. Increase in inventories of finished and unfinished products		5.152.508,64	350,9
Total revenue		6.528.653,27	11.294,9
4. Other operating income		102.249,39	86,2
5. Cost of materials			
a) Cost of raw materials, consumables and supplies and of purchased materials and merchandise	-350.160,31		-1.976,9
b) Cost of procured services	-4.343.472,80	-4.693.633,11	-7.218,3
4. Personnel expenses			
a) Wages and salaries	-1.636.358,38		-1.758,6
b) Social security and pension costs	-298.593,31	-1.934.951,69	-313,7
<i>of which for pensions: € 10.978,72 (previous year T€ 7,7)</i>			
6. Amortisation of intangible fixed assets			
of tangible fixed assets		-21.922,75	-20,6
7. Other operating expenses		-854.870,96	-973,1
8. Interest and similar income		53.621,57	80,8
9. Interest and similar expenses		-32.058,58	-63,4
10. Taxes on income and earnings		-1.314,53	0,0
<b>11. Result after tax</b>		<b>-854.197,39</b>	<b>-862,7</b>
12. Other taxes		-1.722,49	91,9
<b>13. Annual deficit</b>		<b>-855.919,88</b>	<b>-770,8</b>





## **Annex**

Of the annual statement on 31.12.2021

of

Herhof Ltd

35606 Solms

## I. General Information

The annual financial statements were prepared on the basis of the statutory regulations (of the German Commercial Code, German Limited Liability Companies Act) and in compliance with the principles of proper accounting. The balance sheet is structured in accordance with the provisions of § 266 of the German Commercial Code. The profit and loss account is structured according to the total cost method in accordance with § 275 para. 2 of the German Commercial Code.

The Company is a small corporation pursuant to § 267 para. 1 of the German Commercial Code.

The Company is registered under the name Herhof Ltd in the Commercial Register of the Local Court of Wetzlar under number HRB 4932. The registered office of the Company is in Solms.

The company is excessively indebted as at the closing date due to the annual deficit. The annual financial statements have been prepared on the assumption that the company will continue as a going concern, as the shareholder has issued a letter of support in favour of the company until 31 December 2024. For the period after this date, there is a fundamental risk that, contrary to current planning, the company will not generate sufficient liquid funds to maintain the going concern forecast.

## II. Accounting and Valuation Methods

The accounting and valuation methods remain unchanged from the previous year.

**Intangible assets**, where acquired against remuneration, are capitalised at acquisition cost and depreciated on a linear basis in accordance with their expected period of use.

The **tangible fixed assets** are valued at acquisition or production cost reduced by scheduled depreciation in accordance with the expected period of use. Depreciation is calculated using the linear method, taking into account the normal period of use, which is generally 1 to 4 years. Low-value assets with a net individual value of up to € 250.00 are fully depreciated or reported as an expense in the year of acquisition; their immediate disposal is assumed. Low-value fixed assets with acquisition costs of more than € 250.00 and up to € 800.00 are written off in full in the year of acquisition; their immediate disposal is assumed.

Inventories are valued at acquisition or production cost, taking into account the lower of cost or market principle and the principle of commercial prudence. The **manufacturing costs** of work in progress include an appropriate share of overheads.

**Receivables and other assets** are reported at nominal value or a lower value on the closing date. Individual value adjustments on receivables were made in an appropriate amount, and general value adjustments were made on the net receivables not subject to individual value adjustments. In assessing the recoverability of receivables due from an affiliated Company in the amount of € 325.0 thousand, the assignment of these receivables to the shareholder in 2022 was taken into account.

The **financial resources** are stated at nominal value.

With regard to the accrual of expenses, **corresponding accruals and deferrals** were formed in accordance with § 250 Para. 1 of the German Commercial Code.

As in the previous year, the share capital shown in the commercial register (= subscribed capital) is shown in the balance sheet at the nominal amount of € 800.000,00.

For impending risks and uncertain obligations, **other provisions** are made in the amount of the settlement amount required according to reasonable commercial judgement.

**Liabilities** are reported at the settlement amount.

The annual financial statements contain **foreign currency receivables and liabilities**. In accordance with § 256a of the German Commercial Code, these are converted at the average currency exchange rate on the closing date. The items included in the profit and loss account have been valued at the exchange rate on the date of occurrence.

### III. Balance Sheet Information

#### Assets

##### Fixed Assets

The development of fixed assets is shown in the separate statement of changes in fixed assets as part of the annex.

##### Current Assets

Other assets amounting to T€ 26,1 (previous year: T€ 33,7) have a remaining term of more than one year. The other receivables and other assets have a remaining term of up to one year.

The **receivables against from affiliated companies** include T€ 1,8 (previous year: T€ 195,5) in receivables due from supplies and services and T€ 0,0 (previous year: T€ 325,0) in other assets.

The **receivables due from shareholders** include T€ 0,0 (previous year: T€ 23,1) in receivables due from supplies and services and T€ 51,2 (previous year: T€ 1.580,8) in other assets.

#### Liabilities

Liabilities from supplies and services amounting to T€ 0,0 (previous year: T€ 32,5) have a remaining term of more than one year. All other liabilities have a remaining term of up to one year.

As in the previous year, **the liabilities against affiliated companies** are fully accounted for by other liabilities.

Liabilities against shareholders include T€ 440,5 (previous year: T€ 495,9) in liabilities from supplies and services and T€ 0,0 (previous year: T€ 103,0 thousand) in other liabilities.

### IV. Information on the Profit and Loss Account

The **other operating revenues** include extraordinary revenues from a completed tax audit in the amount of T€ 44,1 (previous year 0,0).

The **other operating expenses** include expenses from currency conversion in the amount of T€ 0,0 (previous year T€ 0,7).

The **other interest and similar revenues** include revenues from affiliated companies in the amount of T€ 53,7 (previous year T€ 80,8)

The **other interest and similar expenses** include interest paid to affiliated companies in the amount of T€ 31,7 (previous year T€ 63,3)

## V. Further Information

### Number of Employees

During the past business year, the Company employed an average of 28,25 employees.

### Management

During the financial year 2022, the business of the Company was conducted by:

- Mr Martin Lehmann, Manager
- Mr Nikolaos Stathakis, Chairman of the Board of Helector S.A. (from 26.07.2023)
- Mr. Ioannis Margiolas, Member of the Board of Aktor S.A. (until 26.07.2023)
- Mr. Georgios Skouteropoulos, Deputy Chairman of the Board of Helector S.A. (from 11.01.2023)
- Mr. Konstantinos Papadimas, Commercial Director (until 11.01.2023)

### Other Financial Obligations

There are **other financial obligations** from rental and leasing contracts in the amount of T€ 278,3.

### Group Affiliation

The annual financial statements of the Company are included in the consolidated financial statements of the shareholder Helector S.A., Kifissia / Greece (smallest consolidated group). The consolidated financial statements are published on the website of the shareholder (<https://ellaktor.com/en/etaireies-omiloy/ilektor/oikonomika-stoicheia/>).

### Proposal for the Appropriation of Profit

The management proposes to carry forward the accumulated loss in the amount of € 7.567,1 thousand to the account of the new financial year.

Solms, 13.10.2023

.....  
Martin Lehmann

.....  
Nikolaos Stathakis

.....  
Georgios Skouteropoulos



## Attachment to the Annex

## Analysis of Fixed Assets as at 31.12.2022 (§ 284 para. 3 sentence 2 of the German Commercial Code)

		historical acquisition and production costs			
		cumulated	inflow	outflow	cumulated
		01.01.2022	2022	2022	31.12.2022
		€	€	€	€
I.	Intangible fixed assets				
	software acquired against remuneration	81.921,69			81.921,69
II.	Tangible fixed assets				
	1. technical equipment and machinery	32.974,40			32.974,40
	2. other equipment, factory and office supplies	196.809,24	22.138,75	708,89	218.239,10
		229.783,64	22.138,75	708,89	251.213,50
		311.705,33	22.138,75	708,89	333.135,19

Depreciation				Book values	
cumulated 01.01.2022 €	inflow 2022 €	outflow 2022 €	cumulated 31.12.2022 €	31.12.2022 €	31.12.2022 €
79.349,63	1,649.00		80.998,63	932,06	2.572,06
32.971,85			32.971,85	2,55	2,55
136.298,98	20.273,75	708,89	155.863,84	62.374,26	60.510,26
169.2700,83	20.273,75	708,89	188.835,69	62.377,81	60.512,81
248.620,46	21.922,75	708,89	269.834,32	63.300,87	63.084,87





## **Auditor's Assessment Report**

To Herhof Ltd, Solms

### **Audit Assessment**

We conducted an audit of the annual financial statements of Herhof Ltd, Solms, comprising the balance sheet as at 31.12.2022 and the income statement for the financial year from 01.01.2022 to 31.12.2022 as well as the annex, including the presentation of the accounting and valuation methods.

In our opinion, based on the findings of our audit, the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at 31.12.2022 and of its results of operations for the financial year from 01.01.2022 to 31.12.2022 in accordance with German principles of proper accounting.

In accordance with § 322 para. 3 sentence 1 of the German Commercial Code, we declare that our audit has not led to any reservations concerning the propriety of the annual financial statements and the status report.

### **Foundation for the Audit Assessment**

We conducted our audit of the financial statements in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements" section of our auditor's report.

We are independent of the Company in accordance with German commercial law and professional regulations and have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we gathered is sufficient and appropriate to serve as a basis for our audit assessment on the annual financial statements.

### **Material Uncertainty in Connection with the Continuation of the Company's Operations**

We refer to the explanations on the General Information on the Company in the Annex, in which the legal representatives describe that financial risks exist in the fact that after the expiry of the letter of support valid until 31 December 2024, contrary to the current planning, there is a fundamental risk that without further support from the shareholder, it will not be possible to generate sufficient liquid funds to maintain the going concern assumption.

As set out in the General Information on the Company in the Annex, these events and circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and that represents a going concern risk within the scope of section 322 (2) sentence 3 of the German Commercial Code.

Our audit opinions are not modified with respect to this matter.

## **Responsibility of the Legal Representatives for the Financial Statements**

The legal representatives are responsible for the preparation of the annual financial statements which comply in all material respects with the provisions of German commercial law applicable to corporations and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal audits which they have determined are necessary to enable the preparation of financial statements which are free from material misstatement - whether caused intentionally or unintentionally - in accordance with German generally accepted accounting principles.

In preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether caused intentionally or unintentionally, and to issue an audit report containing our assessment of the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of recipients taken on the basis of these financial statements.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- we identify and assess the risks of material misstatement of the financial statements, whether caused intentionally or unintentionally, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for our audit assessment. The risk of not detecting material misstatements is higher for noncompliance than for inaccuracy, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal control.
- we obtain an understanding of internal audit system relevant to the audit of the financial statements in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal audit system.
- we evaluate the adequacy of accounting policies used by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.

- we draw conclusions about the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances which may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our conclusion. We draw our conclusions based on the audit evidence obtained up to the date of our audit assessment. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

We confer with those charged with governance to discuss, among other matters, the planned scope and timing of the audit and significant audit assessments, including any deficiencies in internal audit system that we identified during our audit.

Lauchringen, 13.10.2023

Treuhand Hochrhein Revision Ltd  
Auditing Company

Patrick Stärk  
Auditor



## **Legal Status**

### **1. Fundamentals of Corporate Law**

The Company was founded by notarial deed dated 10.03.2004 and entered in the Commercial Register of the Wetzlar Local Court under HRB 4932 on 02.04.2004.

A current extract from the commercial register dated 06.10.2023 with the last entry dated 07.09.2023 was available. According to information, there have been no transactions subject to registration since this date.

The Company name is:

**Herhof Ltd**

The registered office of the Company is located in 35606 Solms.

As at the closing date of 31.12.2022, the Articles of Association of 10.03.2004, last amended by resolution of 06.06.2018, were applicable.

### **Scope of the Company**

According to the entry in the commercial register, the scope of the Company of Herhof Ltd is the research, planning, development, manufacture, distribution and operation of waste treatment plants and the provision of construction, maintenance and services in the field of waste management. In this context, the Company may engage in all business activities that directly or indirectly serve the scope of the Company. This includes, in particular, distribution, turnkey construction, the provision of engineering services, the operation, maintenance and repair of waste treatment plants and the provision of all types of maintenance and services.

### **Financial Year**

The financial year is the calendar year.

### **Registered Capital**

The registered capital amounted to € 25,000.00 until 27.07.2005 and was fully subscribed.

By notarial deed dated 27.07.2005, the registered capital was increased by € 275.000,00 to € 300.000,00. The capital increase was entered in the commercial register on 10.08.2005.

By notarial deed dated 06.06.2018, the registered capital was increased by € 500.000,00 to € 800.000,00. The capital increase was entered in the commercial register on 09.11.2018.

The sole shareholder is Helector S.A., Nea Kifissia / Greece.

### **Management and representation**

If only one managing director has been appointed, he/she shall represent the Company alone. If several managing directors have been appointed, the management shall be represented by two managing directors jointly or by one managing director together with an authorised signatory. Individual power of representation may be granted.

During the reporting period and up to the time of our audit, the following persons were appointed as managing directors with sole power of representation and exempt from the restrictions of § 181 of the German Civil Code (BGB).

- Mr. Martin Lehmann, Athens / Greece
- Mr. Nikolaos Stathakis, Athens / Greece (from 26.07.2023)
- Mr. Ioannis Margiolas, Athens / Greece (until 26.07.2023)
- Mr. Georgios Skouteropoulos, Athens / Greece (from 11.01.2023)
- Mr. Konstantinos Papadimas, Athens / Greece (until 11.01.2023)

## **2. Essential Contracts**

There are rental agreements for premises for:

Solms location, Am Kalkgraben 2  
 Contract dated 29.05.2021  
 Duration: 31.05.2025  
 Current monthly rent: € 7.300,00

There was a loan agreement granting the shareholder Helector S.A. a loan in the amount of T€ 1.500. By virtue of an amendment agreement dated 30.03.2022, the duration of the contract was 21 months and ended on 31.12.2022. The loan was repaid in full on 25.07.2022.

## **3. Fiscal Status**

The Company is registered with the Giessen Tax Office under the tax number 20 235 50392.

The Company's income is subject to corporate income tax (plus solidarity surcharge) and trade tax. For turnover tax, the standard taxation applies.

An external tax audit was completed in 2018 for the assessment periods 2015 and 2016. has been completed. For the assessment periods 2017 to 2020, an external tax audit was concluded in 2023.

The tax assessments for the year 2021 are subject to review pursuant to § 164 of the German Fiscal Code (AO).

## Analysis of the Net Assets, Financial Status and Results of Operations

For computational reasons, there may be rounding differences in the following tables compared to the exact values (monetary units, percentages, etc.).

### I. Multiannual Comparison

The following is a comparison of the key company data for the past **five** financial years. The values for the financial years 2017 - 2018 were not audited by us.

Closing date	31.12.2018 T€	31.12.2019 T€	31.12.2020 T€	31.12.2021 T€	31.12.2022 T€
Intangible assets	3	0,2	4,2	2,6	0,9
Tangible assets	2.090	23,7	27,2	60,5	62,4
Inventories	569	1.992,4	4.244,0	5.654,4	9.652,0
Receivables and other assets	2.041	471,5	1.108,8	2.607,3	204,5
Cash in hand, credit balances with banks	114	154,7	2.528,5	542,8	72,5
Accrued income and prepaid expenses	12	9,0	57,7	58,6	26,6
Deficit not covered by equity	0	0,0	0,0	0,0	364,6
<b>Total assets</b>	<b>4.829</b>	<b>2.652</b>	<b>7.970,4</b>	<b>8.926,2</b>	<b>10.383,5</b>
Equity	2.571	1.440	1.262,1	491,3	0,0
Reserves	184	73	507,0	293,6	410,0
Liabilities	2.074	1.137	6.201,3	8.141,3	9.958,5
Accruals and deferrals	0	0	0,0	0,0	15,0
<b>Total liabilities</b>	<b>4.829</b>	<b>2.652</b>	<b>7.790,4</b>	<b>8.926,2</b>	<b>10.383,5</b>

Closing Date	2018 t€	2019 t€	2020 t€	2021 t€	2022 t€
Key figures on profitability, economy and financing					
Return on equity (annual result / equity previous year)	-92,0	-44,0	-12,4	-16,1	-174,2
Return On Sales (annual result / sales revenue)	-48,6	-61,5	-4,7	-7,0	-62,2
Gross Profit Margin (gross profit / sales revenue)	31,6	50,	64,4	19,2	133,3
Cost of sales ratio (cost of materials / gross performance)	68,4	17,1	68,7	81,4	71,9

	2018 t€	2019 t€	2020 t€	2021 t€	2022 t€
Key figures on the asset structure					
Investment assets / total assets	43,3	0,9	0,4	0,7	0,6
Current assets / total assets	56,7	99,1	99,6	99,3	99,4
Key figures on capital structure					
Equity ratio (equity capital / total capital)	53,2	54,4	15,8	5,5	0,0
Debt-equity ratio (external capital / total capital)	46,8	45,6	84,2	94,5	100,0
Key figures on liquidity					
short-term tied assets / short-term external capital	121,2	217,0	118,3	105,1	96,0



## II. Analysis of the Results of Operations

### 1. Presentation of the results of operations

The following table shows the profit and loss accounts for the last two financial years. Some of the expenses and income are structured differently from the profit and loss account under commercial law, taking business management aspects into account.

	2022		2021		Change	
	T€	%	T€	%	T€	%
Sales revenue	1.376,1	21,1	10.944,0	96,9	9.567,9	-87,4
Changes in inventories	5.152,5	78,9	350,9	3,1	4.801,6	>100
Gross performance	6.528,6	100,00	11.294,9	100,0	-4.766,3	-42,2
Cost of materials	-350,2	-5,4	-1.976,9	-17,5	1.626,7	-82,3
External services	-4.343,4	-66,5	-7.976,9	-63,9	2.874,9	-39,8
Cost of materials	-4.693,6	-71,9	-9.195,2	-81,4	4.501,6	-49,0
Gross revenue	1.835,0	28,1	2.099,7	18,6	-264,7	-12,6
Other operating revenue	102,3	1,6	86,2	0,8	16,1	18,7
Personnel expenses	-1.934,9	-29,6	-2.072,2	-18,3	137,4	-6,6
Depreciation and amortisation	-21,9	-0,3	-20,6	-0,2	-1,3	6,3
Rent and leasing	-213,4	-3,3	-174,0	-1,5	-39,4	22,6
Travel expenses	-91,1	-1,4	-50,1	-1,4	-41,0	81,8
Auditing and consulting	-128,3	-2,0	-247,9	-2,2	119,6	-48,2
Insurance and contributions	-59,8	-0,9	-26,3	-0,2	-33,5	>100
Warranties	-59,8	-1,1	-65,8	-0,6	-7,7	11,7
Other miscellaneous expenses	-288,8	-4,4	-409,0	-3,6	120,2	-29,4
Other operating expenses	-954,9	-13,1	-973,1	-8,5	118,2	-12,1
Operating result	-874,4	-13,3	-880,0	-7,6	5,7	-0,6
Financial result	21,5	0,3	17,3	0,2	4,1	23,6
Result before tax	-852,9	-13,0	-862,7	-7,4	9,8	-1,1
Income taxes	-1,3	0,0	0,0	0,0	-1,3	
Other taxes	-1,7	0,0	91,9	0,8	-93,6	<-100
Annual deficit	-855,9	-13,0	-770,8	-6,6	-85,1	11,0

The **gross profit** decreased in absolute terms by T€ 264,7 (12,6 %) from T€ 2.099,7 to T€ 1.835,0. This decrease is mainly due to the significantly decreased **total output** of T€ 4.766,3 (= 42,2 %). The increase in changes in inventories by T€ 4.801,6 is mainly due to the progress of construction projects in Germany.

The **other operating revenues** increased by T€ 16,1 to T€ 102,3 compared to the previous year, mainly as a result of revenues from a completed tax audit.

In the range of **operating expenses**.

- the **personnel expenses** decreased on balance by T€ 137,4 (6,6 %) from T€ 2.072,3 to T€ 1.934,9, but increased in relation to the significantly decreased total operating performance (+11,3 % points),
- the **depreciation charges** of T€ 21,9 increased by T€ 1,3 (= 6,3 %) in absolute terms, stabilised in relation to the total operating performance at 0,3 %,
- the **other operating expenses** decreased by an absolute amount of T€ 118,2 from T€ 973,1 in the previous year to T€ 854,9, while they increased by 4,6 percentage points to 13,1 % in relation to total operating performance.

The **operating result** was almost unchanged at T€ -874,4 compared to T€ -880,1 in the previous year.

The **financial result** was almost unchanged with an increase of T€ 4,1 to T€ 21,5.

The **annual deficit** of T€ 855,9 compared to T€ 770,8 in the previous year shows a significant increase of T€ 85,1 in absolute terms as well as in relation to the total output of -6,6 % to -13,0 %.

### III. Analysis of the Asset and Financial Status

#### 1. Cash flow statement for the period 01.01.2022 to 31.12.2022

The change in financial resources as well as the causal movements of funds are shown in the following cash flow statement:

		2022 T€	2021 T€
1.	Annual deficit	-855,9	-770,8
2.	+ / - depreciation / revaluation of fixed assets	21,9	20,6
3.	+ / - increase / decrease in accrued liabilities	116,4	-213,4
4.	+ / - other non-cash expenses / revenues	-10,4	-0,5
5.	cash flow	-728,0	-964,0
6.	- / + increase / decrease in inventories, receivables from supplies and services as well as other assets which are not to be allocated to the investment or financing activity	-3.468,6	-1,654,0
7.	+ / - increase / decrease in liabilities from supplies and services as well as other liabilities which are not to be allocated to the investment or financing activity	1.672,3	1,940,0
9.	+ / - interest expenses / interest income	-22,0	-17,0
10.	+ / - income tax expense / revenue	1,3	0,0
11.	- / + income tax payments / refunds	0,0	0,0
12.	= cash flow from operating activities	-2.545,0	-695,0
13.	- payments for investments in fixed assets	-22,1	-52,3
14.	+ cash inflows due to financial investments in the context of short-term financial disposition	1.915,8	325,0
15.	- disbursements due to financial investments within the framework of short-term financial disposition	0,0	-1,500,0
16.	+ interest received	37,3	0,0
17.	= cash flow from investment activities	1.931,0	-1,227,3
18.	- interest paid	-32,1	-63,4
19.	+ payments received for the redemption of bonds and (financial) loans	160,0	0,0
20.	- payments for the redemption of loans and (financial) credits	0,0	0,0
21.	= cash flow from financing activities	127,9	-63,4

		2022 T€	2021 T€
22.	Cash-effective changes in financial resources (sum of lines 9, 12 and 16)	-470,3	-1.985,7
23.	+ / - exchange rate and other changes in the value of financial resources payments	0,0	0,0
24.	+ financial resources at the beginning of the period	542,8	2.528,5
25.	= Financial resources at the end of the period	72,5	542,8
26.	Breakdown of financial resources		
	cash on hand. credit balances with banks	72,5	542,8
	liabilities against credit institutions	0,0	0,0
	Financial resources at the end of the period	72,5	542,8

## 2. Net Assets and Capital Structure

The following overview is derived from the balance sheets of the last two financial years after summarisations and balancing, which were carried out according to business management perspectives. Receivables and liabilities due later than one year from the closing date are considered to be long-term. all other receivables and liabilities are considered to be short-term.

	31.12.2022		31.12.2021		change	
	T€	%	T€	%	T€	%
intangible fixed assets	0,9	0,0	2,6	0,0	-1,7	-65,4
technical equipment and machinery	0,0	0,0	0,0	0,0	0,0	0,0
other equipment, operating and office supplies	62,4	0,6	60,5	0,7	1,9	3,1
other fixed assets	26,1	0,3	33,7	0,4	-7,6	-22,6
Medium and long-term committed assets	89,4	0,9	96,8	1,1	-7,4	-7,6
work / services in progress	9.645,0	92,9	4.492,5	50,3	2.152,5	> 100
advance payments made	7,0	0,1	1.161,9	13,0	-1.154,9	-99,4
Inventories	9.652,0	93,0	5.654,4	63,3	3.997,6	70,7
receivables due from supplies and services	22,8	0,1	415,7	4,6	-392,9	-94,5
receivables due from affiliated companies	1,7	0,0	520,4	5,8	-518,7	-99,7
receivables due from shareholders	51,2	0,5	1.603,8	18,0	-1.552,6	-99,8
other assets	102,7	1,0	33,7	0,4	69,0	>100
cash in hand and bank balances	72,5	0,7	542,8	6,1	-470,3	-86,6
short-term committed assets	250,9	2,3	3.116,4	34,9	-2.865,5	-91,9
accruals and deferrals	26,6	0,3	58,6	0,7	-32,0	-54,6
deficit not covered by equity	364,6	3,5	0,0	0,0	364,6	
total assets	10.383,5	100,00	8.926,2	100,0	1.457,3	16,3

With an increase in the balance sheet total of T€ 1.457,3 (16,3 %), the **long-term assets** increased by T€ 7,4 (./. 7,6 %) in absolute terms compared to the previous year. Despite the progress of construction and planning projects, inventories increased by T€ 3.997,6 or 70,7 %.

Current assets decreased by T€ 2.865,5 to T€ 250,9 in the reporting year. This results in particular from reflows of receivables from the affiliated companies (./. T€ 2.071,3) to cover liquidity requirements. In addition, receivables from supplies and services (./. T€ 392,9) and bank balances (./. T€ 470,3) decreased.

	31.12.2022		31.12.2021		Change	
	T€	%	T€	%	T€	%
subscribed capital	800,0	7,7	800,0	9,0	0,0	0,0
capital reserve	6.402,5	61,7	6.402,5	71,7	0,0	0,0
loss carried forward	-6.711,2	-64,7	-5.940,4	-66,6	-770,8	13,0
annual deficit	-855,9	-8,2	-770,8	-8,6	-85,1	11,0
deficit not covered by equity	364,6	3,5			364,6	
Equity capital	0,0	0,0	491,3	5,5	-491,3	-100,0
other accruals	410,0	3,9	293,6	3,3	116,4	39,6
advance payments received on orders	8.631,4	83,2	5.845,0	65,4	2.786,4	47,7
liabilities from supplies and services	272,5	2,6	1.176,3	13,2	-903,8	-76,8
liabilities against affiliated companies	495,9	4,9	335,9	3,8	160,1	47,7
liabilities against shareholders	440,5	4,2	598,9	6,7	-158,4	-26,4
other liabilities	118,2	1,1	185,2	2,1	-67,1	-36,2
Short-term external capital	10.368,5	99,9	8.434,9	94,5	1.933,6	22,9
accruals and deferrals	15,0	0,1	0,0	0,0	15,0	
Total equity and external capital	10.383,5	100,0	8.926,2	100,0	1.457,3	16,3

As a result of the annual deficit, the equity capital is basically reduced by T€ 855,9 compared to the previous year, so that a deficit not covered by equity capital in the amount of T€ 364,6 is shown. Together with the T€ 1.457,3 higher balance sheet total, this leads to a decline in the equity ratio (before the deficit not covered by equity) of  $\therefore$  3,5 % after 5,5 % in the previous year.

The short-term liabilities increased by T€ 1.933,6 to T€ 10.368,5, in particular due to the higher advance payments received for unfinished construction and planning projects (+ T€ 2.786,4) and opposing liabilities from deliveries and services ( $\therefore$  T€ 903,8).



**Statement of Accounts for the Balance Sheet – Assets****ASSETS**

Account	Description	EUR	Financial Year EUR	Previous year EUR
<b>Concessions. industrial property rights and similar rights and assets acquired against payment as well as licences to such rights and assets</b>				
135	IT software and associated licences		923,06	2.572,06
<b>Technical equipment and machinery</b>				
410	Technical equipment	2,04		2,04
430	Machinery and appliances	0,51		0,51
			2,55	2,55
<b>Other equipment. factory and office supplies</b>				
395	Facilities	2.485,00		2.862,00
500	Other equipment	4.978,00		5.558,00
520	Vehicles	8.472,02		1,02
600	Other operating and business equipment	46.432,08		52.081,08
650	Office furnishings	8,16		8,16
			62.375,26	60.510,26
<b>Raw materials, consumables and supplies</b>				
1003	Stock of raw materials, consumables and supplies		8,86	0,00
<b>Work in progress. unfinished services</b>				
1050	Semi-finished construction sites	2.554.668,94		1.721.012,60
1051	Semi-finished construction sites Consortium	7.090.303,98		2.771.451,68
			9.644.972,92	4.492.464,28
<b>Advance payments made</b>				
1181	Advance payments made before tax	7.000,00		1.161.934,50
			7.000,00	
<b>Receivables due from supplies and services</b>				
1200	Receivables due from supplies & services #1200	22.890,77		417.409,03
1248	General allowance for receivables	89,00-		1.759,00-
			22.801,77	415.650,03
<b>Receivables due from affiliated companies</b>				
1270	Receivables due from S+S against affiliated Co	1.776,90		195.450,00
1271	Clearing account Co 11	0,00		325.000,00
			1.776,90	520.450,00
Carry forward			9.739.861,32	6.653.583,68



## ASSETS

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward			9.739.861,32	6.653.583,68
<b>Receivables due from Shareholders</b>				
960	Loans to Shareholders	0,00		1.500.000,00
1232	other receivables(from loans)	51.157,35		80.778,08
1250	Receivables from S+S due from Shareholders	<u>0,00</u>		<u>23.053,88</u>
			51.157,35	1.603.831,96
<b>other assets</b>				
821	Participation HSG	4.000,00		4.000,00
1211	Creditors on debit	961,24		1.735,29
1230	Other receivables	0,00		2.523,00
1231	Other receivables (from insurance)	6.874,16		3.515,78
1235	Tax receivables	63.743,38		0,13
1236	Foreign pre-tax receivables	18.966,75		18.484,12
1351	Deposits	33.711,00		33.711,00
1435	Pre-tax deductible in the following year	520,80		3.426,24
3695	VRK Advance payment made (credit-side)	<u>0,00</u>		<u>0,00</u>
			128.777,33	67.395,56
<b>Cash on hand. Federal Bank balances. credit balances with credit institutions and cheques</b>				
1590	Return requests			
1600	Cash register	0,00		0,00
1602	Cash register Kozani branch	1.695,27		3.008,52
1603	Cash desk Hamburg branch	797,25		797,25
1604	Cash register (Bulg. LEV)	92,29		575,24
1880	Volksbank Mittelhessen 79583006	567,28		567,28
1886	Alpha Bank GR # 2320018047	54.076,52		520.496,48
1887	Volksbank Mittelhessen 79583022	<u>15.226,88</u>		<u>16.400,00</u>
			72.455,49	542.815,85
<b>Accruals and deferrals</b>				
1900	Accruals and deferrals entries (ARAP)		26.647,86	58.572,99
<b>Deficit not covered by equity</b>				
	Deficit not covered by equity		364.634,48	0,00
			<b>10.383.533,83</b>	<b>8.926.200,04</b>



## Statement of Accounts for the Balance Sheet – Liabilities

### LIABILITIES

Account	Description	EUR	Financial year EUR	Previous year EUR
<b>Subscribed capital</b>				
2900	Registered capital (#2000)		800.000,00	800.000,00
<b>Capital reserve</b>				
2920	Capital reserve		6.402.496,90	6.402.496,90
<b>Loss carried forward</b>				
2970	Carry-forward account		6.711.211,50	5.940.429,48
<b>Annual deficit</b>				
	Annual deficit		855.919,88	770.782,02
<b>Deficit mpt covered</b>				
	Deficit not covered		364.634,48	0,00
<b>other accruals</b>				
3000	Accruals	77.396,22		272.891,63
3070	Accruals for employers' liability insurance association -contributions	0,00		2.800,00
3075	Accruals for outstanding project services	80.175,00		157.021,00-
3090	Accruals for warranties	240.056,00		166.601,00
3095	Accruals for financial statements & audits	12.350,00		8.350,00
			409.977,22	293.621,63
<b>Advance payments received on orders</b>				
3250	Advance payments received on orders	1.833.500,00		1.744.000,00
3251	Advance payments received on orders abroad	926.572,17		389.760,00
3254	Advance payments received from consortium	5.871.305,34		3.711.221,72
			8.631.377,51	5.844.981,72
<b>Liabilities from Supplies and services</b>				
3304	Liabilities from S+S (#3300)	224.946,30		1.142.087,85
3310	Creditors on debit (3301)	961,24		1.735,29
3311	Liabilities S+S without current account	46.652,32		32.453,80
			272.559,86	1.176.276,94
<b>Liabilities against affiliated companies</b>				
1290	Clearing account Co. 05		495.857,41	335.857,41
<b>Liabilities against Shareholders</b>				
1255	Clearing account Helector S.A.	0,00		103.005,94
3510	Liabilities against Shareholders	440.476,96		495.858,65
			440.476,96	598.864,59
<b>Carry forward</b>				
			10.250.248,96	8.711.836,81

## LIABILITIES

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward			8.142.023,10	7.261.575,99
<b>Other Liabilities</b>				
3500	Other Liabilities	0,00		29.050,88
3504	Liabilities from travel expenses Co.	2.206,24		2.980,64
3710	Liabilities taxes and levies (1-5 Y)	1.402,53		33.884,59
3720	Liabilities from wages and salaries	85.383,83		87.792,68
3730	Liabilities from payroll and church tax	23.923,01		24.268,62
3735	Liabilities against health insurance funds	355,33		1.807,75
3740	Liabilities from direct insurance	4.698,93		5.187,19
3770	Liabilities from capital formation	315,00		340,00
			118.284,87	185.312,35
<b>Accruals and deferrals</b>				
3900	Accruals and deferrals		15.000,00	0,00
			<b>10.383.533,83</b>	<b>8.926.200,04</b>

## Account Statement for the Profit and Loss Account

Account	Description	EUR	Financial year EUR	Previous year EUR
<b>Sales revenue</b>				
4000	Sales revenue	401.393,00		7.444.812,06
4010	Revenues from administrative cost allocation	60.000,00		60.000,00
4050	Revenues from service and maintenance	40.264,00		27.500,00
4060	Revenues from services according to 13b	3.713,75		1.411,50
4100	Tax-exempt revenues § 4 No. 8 et seq. VAT Act	792.120,59		3.393.332,51
4125	Tax-exempt intra-Group transactions Deliveries	32.823,70		15.365,64
4160	Other revenues abroad corporate income tax (cost centre)	45.829,59		0,00
4400	Other revenues with tax	0,00		1.549,78
			1.376.144,63	10.943.971,49
<b>Increase in inventories of finished and unfinished products</b>				
4800	Inventory Change Semi-Finished Construction	833.656,34		2.267.359,12-
4811	Inventory Change Semi Fin. Construction consortium	4.318.852,30		2.618.259,36
			5.152.508,64	350.900,24
<b>Revenue from the write-off of the lump-sum value adjustment on receivables</b>				
4920	Other operating revenue	8.400,00		0,00
4922	Income from reduction of lump-sum value adjustment (PWB)	1.670,00		0,00
			10.070,00	0,00
<b>Miscellaneous other operating revenues</b>				
4461	Passenger car use by employees 19%	45.972,14		47.395,08
4830	Other operating amounts	41,92		0,00
4838	Input tax issued by other countries	0,00		0,00
4839	Other irregular revenue	34.762,08		0,00
4840	Revenue from currency conversion	10,60		0,00
4932	Revenue from reduction of liabilities	0,00		1.804,25
4960	Revenue relating to other periods	126,05		32.179,63
4962	Revenue unrelated to the accounting period (cost centre)	547,50		0,00
4975	Investment subsidies	0,00		4.500,00
7410	Revenue from insurance claims	10.719,10		334,68
			92.179,39	86.213,64
<b>Cost of raw materials. auxiliary and operating materials and of purchased goods</b>				
5100	Building materials for cost units	107.921,95		1.647.556,81
5101	Electrical material for cost units	126.472,29		195.882,07
5103	Building material for construction sites abroad	10.750,00		2.787,72
5111	Building materials for resale	9.568,18		21.052,16
5115	Purchase of raw materials, consumables and supplies (RHB) 7% input tax	18.196,00		0,00
5160	Consumables/small tools	650,22		734,92
5161	Consumables/Small tools corporate tax (foreign)	91,94		46,88
5165	Consumables construction site	18.288,28		5.592,35
5166	Consumables construction site abroad	324,35		0,00
5190	Petrol fuel for cost centre	10.825,97		8.029,26
		303.089,18-		1.881.682,17-
Carry forward			6.630.902,66	11.381.085,37

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward		1.873.652,91-	11.381.085,37	8.160.672,64 165.393,34-
<b>Cost of raw materials. auxiliary and operating materials and of purchased goods</b>				
5195	Diesel fuel for cost centre	35.342,62		24.160,35
5730	Supplier accounts 19%	661,67-		1.593,14-
5732	Cash discounts received 5% input tax	1.796,53-		0,00
5770	Discounts obtained	10.108,23-		0,00
5840	Incoming freight for cost unit	24.139,83		68.115,87
5841	Incoming freight for cost unit §13b VAT Act	9,59		4.339,50
5845	Incoming freight for cost centre	117,54		159,44
5850	Incoming freight for cost centre	27,98		0,00
			350.160,31	1.976.864,19
<b>Expenses for purchased services</b>				
5900	External services for construction sites	69.695,20		97.972,21
5902	External services for construction sites abroad	86.596,30		319,58
5903	External services for construction sites cost units §13b VAT Act	3.790.234,72		6.396.391,78
5920	External labour costs for cost units	0,00		1.163,43
5940	Fees for cost units	381.105,68		706.960,20
5943	Fees cost centre / freelancers	0,00		3.901,98
5955	QM monitoring audit	1.840,90		3.371,60
6450	Accruals for construction work	14.000,00		8.175,00
			4.343.472,80	7.218.255,78
<b>Wages and salaries</b>				
6010	Salaries foremen	0,00		0,00
6020	Salaries administrative staff (cost of sales)	1.193.988,26		1.300.994,08
6021	Salaries administrative staff (administrative)	157.094,63		150.792,55
6023	Salaries administrative staff (selling)	192.084,63		180.270,13
6026	Christmas bonus for administrative staff	0,00		45.000,00
6029	Other salaries	14.029,25		0,00
6030	Temporary wages	4.340,66		4.767,00
6035	Temporary wages for commercial staff	0,00		0,00
6060	Voluntary social expenses for employees	5.626,99		3.544,55
6063	Premium account	0,00		2.350,00
6080	Capital-forming benefits (sales)	1.775,00		2.100,00
6081	Capital-forming benefits (administ)	600,00		600,00
6082	Capital-forming benefits (selling)	0,00		0,00
6093	Allowances, travel allowances. tax-free cost centre	12.304,64		10.788,50
6095	Passenger car use by employees	54.514,32		57.365,42
			1.636.358,38	1.758.572,23
<b>Social security contributions and expenses for pensions and other benefits</b>				
6100	PLC share in social security (sales)	198.357,33		214.887,24
6101	PLC share in social security (admin.)	36.850,98		37.630,73
6102	PLC share in social security (selling)			
		259.400,94-		277.835,33-
Carry forward			300.911,17	427.393,17

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward		259.400,94-	300.911,17	427.393,17
				277.835,33-
	<b>Social security contributions and expenses for pensions and other benefits</b>			
6110	Payroll and church tax	737,18		737,18
6120	Contributions to the trade association	26.660,36		26.744,08
6121	Contributions to the trade association Previous year	816,11		692,62
6140	Company pension scheme	<u>10.978,72</u>		<u>7.653,80</u>
			298.593,31	313.663,01
	<b>thereof for pensions EUR 10.978,72 (EUR 7.653,80)</b>			
6140	Company pension scheme			
	<b>Depreciation</b>			
	<b>on intangible fixed assets and tangible fixed assets</b>			
6200	Depreciation of intangible fixed assets	1.649,00		1.649,00
6220	Depreciation of tangible fixed assets (sales)	19.564,86		17.915,57
6290	Instant depreciation of minor assets	<u>708,89</u>		<u>1.084,54</u>
			21.922,75	20.649,11
	<b>Expenses for premises</b>			
6305	other rents	2.878,60		3.339,89
6315	Rent office Hamburg	20.844,00		21.037,00
6317	Rent office Solms	87.600,00		51.100,00
6320	Gas, electricity. water	19.917,60		14.246,60
6325	Electricity costs (cost centre)	8.041,03		8.809,03
6330	Cleaning costs	<u>10.153,91</u>		<u>7.585,89</u>
			149.435,14	112.474,44
	<b>Insurances. contributions and levies</b>			
5945	Audit fees cost centre			
5946	Fees for cost units	176,47		0,00
6346	Fiscal deduct. late payment surcharge	0,00		13,00
6400	Business insurances for cost centres	473,50		982,50
6405	Business insurances for cost units	16.332,80		14.182,61
6420	Contributions and fees	<u>30.283,71</u>		<u>6.172,93</u>
			59.817,48	26.309,04
	<b>Repairs and maintenance</b>			
5950	External repairs and spare parts	0,00		188,50
6470	Repair & maintenance of operating equipment	25,12		0,00
6490	Other repairs & maintenance	5.891,46		5.523,70
6495	Maintenance costs for hardware & software	<u>6.818,95</u>		<u>6.634,32</u>
			12.735,53	12.346,52
Carry forward			<u>241.617,52-</u>	<u>95.009,65-</u>

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward			95.009,65-	647.314,74
<b>Vehicle expenses</b>				
6250	Leasing passenger car LDK-HH 656 (VW)	4.164,00		4.164,00
6251	Leasing passenger car LDK-EL 113 (FCA Bank Ltd.)	9.289,56		9.289,56
6253	#No. 6243 Leasing passenger car LDK-HH 885 (VW)	2.514,00		4.240,50
6255	#No. 6245 Leasing passenger car LDK-HH 977 (Audi)	9.300,00		9.300,00
6256	#No. 6246 Leasing passenger car DIL-HH 888 (VW)	3.768,00		3.768,00
6257	#No. 6247 Leasing passenger car LDK-HH 696 (BMW)	5.029,21		8.067,96
6258	#No. 6248 Leasing passenger car LDK-HH 333 (VW)	2.835,00		3.780,00
6259	#No. 6249 Leasing passenger car LDK-HH 708 (VW)	6.926,28		6.372,96
6265	Leasing passenger car LDK-EL 393 (VW Leasing)	4.080,00		4.080,00
6266	Leasing passenger car LDK-EL 93E (VW Leasing)	4.737,00		2.556,00
6267	Leasing passenger car LDK-EL 99E (VW Leasing)	4.620,00		3.080,00
6268	Leasing passenger car LDK-EL 696 (BMW Bank)	3.786,19		0,00
6500	Vehicle costs	14.348,36		13.610,35
6520	Vehicle insurance	8.141,25		5.231,28
6540	Vehicle repairs	12.094,94		6.857,65
6595	Third-party vehicle costs (rentals)	3.425,60		1.807,75
			99.059,39	86.206,01
<b>Advertising and travel expenses</b>				
6600	Advertising costs	23.631,01		30.447,13
6605	Exhibition costs	36.953,71		405,00
6610	Gifts up to EUR 35	17,50		200,00
6611	Gifts over EUR 35	364,70		445,00
6626	Other distribution costs Cost unit	35,00		31,20
6630	Entertainment costs Cost unit	1.843,57		686,08
6631	Entertainment costs Cost unit non-deductible	0,00		294,03
6640	Entertainment costs Cost centre	1.337,69		788,74
6641	Entertainment Cost centre non-deductible	0,00		336,75
6643	Entertainment - drinks. sweets etc.	2.270,19		2.789,71
6650	Travel expenses	27.052,64		9.064,05
6651	Travel expenses production order	49.181,19		23.690,98
6654	Travel expenses FoulaFala	12.552,14		16.005,48
6656	Overnight accommodation costs - external cost	1.482,93		690,76
6657	Overnight expenses for external cost centre	844,35		645,59
6658	#6690 Mileage reimbursement for cost centre	0,00		35,40
			157.566,62	86.555,90
<b>Costs of the delivery of products</b>				
6740	Outgoing freight for cost unit	349,57		555,41
6741	Outgoing freights for cost centre	490,76		1.002,03
			840,33	1.557,44
<b>Miscellaneous operating expenses</b>				
6027	Managing director salaries	92.500,00		206.000,00
Carry forward		92.500,00-	499.083,86-	206.000,00-
				269.329,00-



Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward		92.500,00-	499.083,86-	269.329,00- 206.000,00-
<b>Miscellaneous operating expenses</b>				
6173	Employee recruitment costs	0,00		17.140,00
6301	Other operating expenses	4.090,23		75.000,00
6302	Rental external equipment for construction sites	35.795,21		32.502,05
6304	Rental of external equipment for cost centres	2.022,00		2.217,00
6790	Warranty expenses	73.455,00		65.837,00
6800	Postage	479,13		454,94
6805	Telephone costs	28.248,98		31.542,10
6806	Telephone costs cost centre	261,99		40,69
6815	Office & administrative costs	5.637,00		26.168,80
6817	Electronic data processing costs	9.506,87		30.176,02
6818	Costs for onward invoicing (IC)	52.597,10		809,02
6820	Journals. books	1.214,15		1.846,47
6821	Education & training costs	4.254,00		9.497,00
6822	Occupational safety measures & work clothes	3.621,16		6.577,33
6825	Legal & consulting costs	24.890,88		33.707,80
6827	Other licences	14.403,64		26.746,68
6828	Closing & audit costs	10.950,00		8.200,00
6833	#6823 Voluntary social benefits	3.594,23		14.367,14
6855	Incidental costs of monetary transactions Cost	1.865,86		4.800,97
6856	Ancillary costs of monetary transactions Cost unit	309,50		898,65
			369.696,93	594.529,66
<b>Losses from impairments of current assets and allocation to the value allowance for receivables</b>				
6285	Modification of value allowance for receivables		0,00	1.742,00
<b>Miscellaneous other operating expenses</b>				
6390	Grants. donations	0,00		300,00
6642	non-deductible operating expenses	765,60		971,94
6880	Expenses from currency conversion	0,00		722,38
6960	Expenses unrelated to the accounting period	2.829,46		11.372,67
7510	Expenses from insurance claims	2.100,00		1.050,00
			5.695,06	14.416,99
<b>Other interest and similar revenues</b>				
7100	Interest revenue without VAT	0,00		0,87
7111	Interest revenue internal	37.256,30		80.778,08
7119	Other interest revenue from affiliated companies	16.395,27		0,00
			53.651,57	80.778,95
<b>thereof from affiliated companies EUR 16.395,27 (EUR 0,00)</b>				
7119	Other interest revenue from affiliated companies	37.256,30		80.778,08
Carry forward			820.824,28-	799.238,70-

Account	Description	EUR	Financial year EUR	Previous year EUR
Carried forward			820.824,28-	799.238,70-
<b>Interest and similar expenses</b>				
7300	Guarantee fees (cost unit)	31.688,49		63.342,25
7301	Guarantee fees (cost centre)	0,00		0,00
7304	Non-deductible and ancillary tax services	88,00		0,00
7310	Interest & discount expenses	282,09		68,90
			32.058,58	63.411,15
<b>Taxes on income and revenue</b>				
7603	Corporation tax for previous years	1.246,00		0,00
7609	Solidarity surcharge for previous years	68,53		0,00
			1.314,53	0,00
<b>Other taxes</b>				
7660	Imputed tax expense trade tax	0,00		94.645,83-
7663	Imputed tax expense corporate income tax	0,00		0,00
7685	Vehicle tax	1.722,49		2.778,00
			1.722,49	91.867,83-
<b>Annual deficit</b>			<b>855.919,88</b>	<b>770.782,02</b>

## Special Contractual Terms and Conditions for Audits and Audit-Related Services

of  
Treuhand Hochrhein Revision Ltd.  
Auditing Company

Version: 01.03.2021

### Preliminary Remarks

These Terms and Conditions of Assignment of Treuhand Hochrhein Revision Ltd Auditing Company supplement and substantiate the General Terms and Conditions of Assignment for Auditors and Auditing Firms issued by the Institute of Public Auditors e.V. [Registered Association], dated 01.01.2017 and are to be applied against these with priority. They apply subordinate to an assignment confirmation letter. The assignment confirmation letter together with all attachments constitute the "*Full Terms and Conditions of Assignment*".

### A. Auditing Standards

Treuhand Hochrhein Revision Ltd Auditing Company will conduct the audit in accordance with § 317 of the German Commercial Code and in compliance with the German generally accepted standards for the audit of financial statements ("GoA") promulgated by the Institute of Public Auditors e.V. [Registered Association] in a risk-oriented manner. Accordingly, we will plan and arrange the audit in compliance with the principles of conscientious professional practice in such a way that inaccuracies and violations that have a material effect on the subject matter of the audit according to the assignment confirmation letter are detected with sufficient certainty.

We will perform the audit procedures we consider necessary and issue a report in accordance with § 322 of the German Commercial Code. We will report on the performance of our audit to the extent customary in the profession. In order to determine the nature, time and scope of the individual audit procedures in an appropriate manner, we will, to the extent we consider it necessary, audit and assess the system of accounting-related internal controls, in particular to the extent it serves to ensure proper accounting. We will not however assess whether the continued existence of the audited company or the effectiveness and efficiency of its management can be assured (§ 317 IVa of the German Commercial Code). As is customary in the profession, we will perform the audit procedures on a random basis so that there is an unavoidable risk that material misstatements may remain undetected even if the audit is performed in accordance with professional standards. Therefore, embezzlement and other irregularities, for example, will not necessarily be detected by the audit. Please note that the objective of the audit is not to detect misstatements or other irregularities that do not relate to the compliance of the subject matter of the audit with the applicable financial reporting framework. However, should we assess such matters during the audit, we will bring them to the attention of the client without delay.

It is the responsibility of the legal representatives of the client to correct any material misstatements in the subject matter and to confirm to us in the statement of completeness that the effect of any uncorrected misstatements identified by us during the current assignment is immaterial to the subject matter, both individually and in the aggregate.

### B. Contractual Relationship

If documents of legal relevance are made available to us, we expressly state that we have no obligation to provide legal advice or review, nor does this assignment include general legal advice. The client must therefore also submit any sample formulations provided by us in connection with the execution of this assignment to his responsible legal advisor for final legal review. The client is responsible for all management decisions in connection with our services, the use of our results and the decision as to whether our services are suitable for the client's own internal purposes.

### **C. Access to Information**

It is the responsibility of the legal representatives of the client to provide us with unrestricted access to the records, documents and other information required for the assignment. The same applies to the submission of additional information published by the client together with the financial statements and, if applicable, the related status report. The client shall make this information available in due time before issuing the audit report or without delay as soon as it is available. All information provided to us by or on behalf of the client ("*client information*") must be complete.

### **D. Exemption**

The client is obliged to exempt us from all claims of third parties (including affiliated companies) as well as consequential obligations, damages, costs and expenses (in particular reasonable external legal fees) resulting from the use of the work result by third parties and the disclosure having been made directly or indirectly by the client or at his instigation. This obligation does not exist to the extent that we have expressly agreed in writing that the third party may rely on the work result.

### **F. Scope of Application**

The provisions contained in the Complete Terms and Conditions of Assignment - including the provision on liability - shall also apply accordingly to all future other assignments placed by the client, unless separate agreements are concluded in each case or are covered by a framework agreement or unless domestic or foreign statutory or official requirements which are binding for us conflict with individual provisions in favour of the client.

The terms and conditions of all Terms and Conditions of Assignment shall apply exclusively to our services; other conditions shall not become part of the contract unless the client has expressly agreed these with us in writing. General terms and conditions of purchase referred to in the context of automated orders shall not be deemed to be included even if we have not expressly objected to them.

The exclusive place of jurisdiction for all legal disputes arising in connection with the assignment or the services rendered thereunder shall be the registered office of our law firm / professional company in Germany.