

Report

Herhof-Management Company Ltd
Solms

Checking of Financial Statements as per December 31 2023

Version - No.: 4

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For calculation reasons, rounding differences of up to \pm one unit (€, % etc.) may occur in the tables.

List of Abbreviations

Abs.	Paragraph
a.F.	Old version
Art.	Article
bzw.	Respectively
f.	seq.
ff.	et seq.
gem.	according to
GmbH	Limited liability companies
GmbHG	Law on Limited Liability Companies
HGB	Commercial Code
HRB	Commercial Register Section B
HVG	Herhof-Management company Ltd.
i.d.F.	in the issue
IDW	Institute of Public Auditors in Germany Inc.
Vj.	in the previous year
n.F.	new version
Nr.	Number
PS	Auditing principle of the IDW
S.	Sentence
S.A.	Societe Anonyme
T€	thousand euro
z.B.	for example
Ziff.	Digit

A. Audit Assignment

I. Audit Assignment

1. Due to our election as auditor by shareholders' resolution of November 21, 2023, the management of

Herhof-Verwaltungsgesellschaft mbH, Solms

(hereinafter referred to as "Company" or "HVG")

instructed us to audit the Company's annual financial statements for the financial year from January 1, 2023 to December 31, 2023, including the underlying accounting records, and to report in writing on the results of our audit.

2. As a small corporation within the meaning of Section 267 par.3 and 4 of the German Commercial Code (HGB), the Company is obliged to prepare annual financial statements in accordance with Section 264 of the German Commercial Code (HGB). The annual financial statements must be submitted electronically to the operator of the company register in accordance with Section 325 of the German Commercial Code (HGB) and published in the company register. There is no obligation to audit in accordance with Section 316 ff. of the German Commercial Code (HGB).

3. The General Terms and Conditions of Engagement for Auditors and Audit Firms dated January 1, 2024, attached as an appendix, apply to this engagement, including in relation to third parties. We also refer to the liability provisions contained therein in Section 9 and to the exclusion of liability towards third parties as well as the other provisions of the attached appendix "Special Terms and Conditions of Engagement for Audits and Audit-Related Services" (as of March 1, 2021).

4. We are submitting this report on the nature, scope and result of our audit in accordance with the principles of IDW PS 450 new issue (10.2021), to which the audited annual financial statements and the audited management report are attached as an appendix. This audit report is addressed to the audited company.

II. Confirmation of independence

5. We confirm in accordance with Section 321 Para. 4a HGB that we have observed the applicable provisions on independence in our audit.

6. Based on the final result of our audit, we issued the following audit report dated 5 June 2024

B. Reproduction of the Auditor's Report

“Independent Auditor's Report.

To Herhof-Management Company Ltd, Solms

Audit Assessment

We audited the annual financial statements of Herhof-Management Company Ltd, Solms - consisting of the balance sheet as at 31.12.2023 and the income statement for the fiscal year from 01.01.2023 to 31.12.2023 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 capital corporations and give a true and fair view of the net assets and financial position of the Company as at 31.12.2023 and of its results of operations for the fiscal year from 01.01.2023 to 31.12.2023 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 Section 317 HGB and the generally accepted standards for financial statement audits determined by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these requirements and principles are further described in the “Auditor’s responsibilities 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 and professional law requirements and have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibility of the Legal Representatives for the Annual Financial Statements

The legal representatives are responsible for the preparation of the annual financial statements that 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 assets, liabilities, financial position and profit or loss of the company in compliance with German generally accepted accounting principles. In addition, the legal representatives are responsible for such internal controls as they have determined necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatement due to fraud (i.e. manipulation of the accounting and damage to assets) or errors.

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 determined 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.

C. Fundamental Findings

I. Statement on the assessment of the situation by the legal representatives

7. Since no management report was prepared, we are unable to comment on the management's assessment of the situation as it would be expressed in the management report, in accordance with Section 321 Paragraph 1 Sentence 2 of the German Commercial Code (HGB).

II. Facts that impair development / endanger the company's existence

8. Facts that impair development and / or endanger the company's existence could not be identified during our audit, which was carried out in accordance with our duties.

III. Findings in accordance with Section 321 Paragraph 1 Sentence 3 of the German Commercial Code (HGB)

1. Objections to accounting

9. As auditors, we are also required to report on any misrepresentations and violations identified during our audit in accordance with Section 321 Paragraph 1 Sentence 3 of the German Commercial Code (HGB).

10. Legal provisions within the meaning of Section 321 Paragraph 1 Sentence 3 of the German Commercial Code (HGB) are the accounting standards applicable to the preparation of the annual financial statements or management report within the meaning of Section 317 Paragraph 1 Sentence 2 of the German Commercial Code (HGB). These include the principles of proper accounting, recognition, disclosure and valuation rules for the annual financial statements as well as disclosure and explanation requirements in the appendix and regulations for preparing the management report and, where applicable, relevant standards of the articles of association.

11. In the course of our audit, we did not identify any misrepresentations or violations of legal provisions.

2. Other fraudulent acts

12. As auditors, we are required under Section 321 Paragraph 1 Clause 3 of the German Commercial Code (HGB) to report on facts discovered during our audit that represent or indicate serious violations of legal provisions (other violations).

13. In the course of our audit, we did not identify any facts that indicate serious violations of the law or the articles of association by the managing director or employees.

D. Subject, type and scope of the audit

14. The subject of our audit was the accounting, the annual financial statements for the financial year from January 1 to December 31, 2023, consisting of the balance sheet, profit and loss account and the appendix, prepared in accordance with the commercial law provisions applicable to all merchants (§§ 242 to 256a HGB), the supplementary provisions for corporations and certain commercial partnerships (§§ 264 to 288 HGB) and the other legal form-specific provisions (e.g. § 42 GmbHG).

15. The legal representatives of the company are responsible for the correctness of the accounting and annual financial statements.

16. Our task was to examine these documents to determine whether the statutory provisions on accounting had been observed.

17. The assessment of the adequacy of the company's insurance coverage, in particular whether all risks are considered and adequately insured, was not the subject of the engagement given to us to audit the annual financial statements.

18. We carried out our audit with interruptions in the period from January to June 2024 in our office in Lauchringen.

19. The starting point of our audit was the annual financial statements for the financial year from January 1 to December 31, 2022, which we audited, issued an unqualified audit opinion and approved by resolution of the shareholders' meeting on November 21, 2023.

20. We conducted our audit in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German generally accepted standards for auditing established by the Institute of Public Auditors in Germany (IDW). We then designed our audit in such a way that we could identify misrepresentations due to fraudulent acts or errors and other violations of the legal requirements that have a material impact on the presentation of the true and fair view of the assets, financial position and results of operations.

The subject of our engagement was not the detection and investigation of criminal offenses, such as embezzlement or other acts of breach of trust, or administrative offenses committed outside of the financial statements, nor the assessment of the effectiveness and efficiency of management. However, we designed the audit planning and execution in such a way that those irregularities that are material to the financial statements are detected with sufficient certainty. The legal representatives of the company are responsible for establishing and implementing appropriate measures to prevent or detect irregularities.

21. The audit does not extend to whether the continued existence of the audited company or the effectiveness and efficiency of management can be assured. The subject of our engagement was also not the detection and investigation of criminal offenses, such as embezzlement or other acts of breach of trust, or administrative offenses committed outside of the financial statements.

22. The company only holds patents and is not operationally active. Therefore, in compliance with the principle of materiality and the principle of cost-effectiveness of the audit, we essentially carried out individual audit procedures on a sample basis. We carried out an assessment of the internal control system to the extent that it was necessary to determine the risk of material errors in the accounting.

23. As part of the individual audit procedures, we carried out the following standard audit procedures, among others:

- Inspection of commercial register extracts, annual financial statements of affiliated companies and other business documents
- Obtaining bank confirmations as of December 31, 2023
- Obtaining balance confirmations as of December 31, 2023 to check the claims against shareholders

24. Below we provide an overview of the audit priorities we set for the annual financial statement audit:

- Audit of receivables and liabilities to affiliated companies
- Audit of claims against the shareholder
- Realization of sales revenues

25. The management and the employees commissioned by it have provided us with all the information and evidence requested.

26. The management has provided us with the customary professional declaration of completeness for the annual financial statements.

E. Findings on the Financial Statements

I. Propriety of the Accounts

27. 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. Bookkeeping and other audited documents

28. According to our findings, the bookkeeping and documentation are correct in all material respects and comply with the legal requirements. The information obtained from the other audited documents leads to a proper representation in the bookkeeping, annual financial statements and management report.

29. During our audit, we did not find any facts that contradict the fact that the organizational and technical measures taken by the company are suitable for ensuring the security of the accounting-relevant data and IT systems.

An external service provider works for the company in the area of financial accounting (partial outsourcing of accounting). Herhof GmbH, Solms carries out these activities on its own IT system using software programs from jKARAT GmbH, Sinn.

30. According to our findings, the accounting-related internal control system is fundamentally suitable for ensuring the complete and correct recording, processing, documentation and securing of the accounting material.

2. Annual financial statements

31. In the annual financial statements consisting of the balance sheet, profit and loss account and appendix for the financial year from January 1 to December 31, 2023, the statutory provisions, including the legal form-specific provisions, and the principles of proper accounting were observed in all material respects.

32. The balance sheet as of December 31, 2023 and the profit and loss account for the financial year from January 1 to December 31, 2023 are properly derived from the accounting records and the other audited documents - based on the previous year's financial statements as of December 31, 2022, which we audited and issued with an unqualified audit opinion on October 13, 2023.

33. The appendix complies with the statutory requirements. The information provided in the appendix is complete and correct in all material respects.

34. The protective clause in Section 286 Paragraph 4 of the German Commercial Code (HGB) regarding the disclosure of the total remuneration of the legal representatives in the appendix pursuant to Section 285 No. 9 of the German Commercial Code (HGB) was correctly used in the preparation of the financial statements.

II. Overall statement of the annual financial statements

35. The annual financial statements comply with the statutory provisions in all material respects and, in accordance with the principles of proper accounting, provide a true and fair view of the company's assets, financial position and earnings.

36. To better understand the overall statement of the annual financial statements, we will now dutifully discuss the key valuation principles and the influence that changes in the valuation principles have on the overall statement of the annual financial statements (Section 321 Paragraph 2 Sentence 4 of the German Commercial Code).

Key valuation principles and changes to them

37. The company has receivables from an affiliated company amounting to € 495,857.41. The assessment of the value of these receivables is based on a letter of comfort issued by the joint shareholder in favor of the affiliated company. This has a term up to and including December 31, 2025. If the economic situation of the affiliated company does not improve by the time the letter of comfort expires and the letter of comfort is not extended, an impairment may be required.

In addition, the key accounting and valuation methods are correctly presented in the notes to the company's financial statements (see Appendix 3). Accounting and valuation options and discretionary powers were generally exercised unchanged compared to the previous year.

F. Conclusion

We submit the above report on our audit of the annual financial statements as of December 31, 2023 and the management report for the financial year from January 1 to December 31, 2023 of Herhof-Verwaltungsgesellschaft mbH in accordance with Section 321 of the German Commercial Code (HGB) and in compliance with the principles of proper preparation of audit reports of the Institute of Public Auditors in Germany e. V., Düsseldorf (IDW PS 450 n. F. (10.2021)).

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

Lauchringen, June 6, 2024

Treuhand Hochrhein Revision GmbH

Auditing company Patrick Stärk Auditor Treuhand Hochrhein Revision Ltd

Auditing Company

Patrick Stärk
Auditor

Annexes

List of annexes

- I. Balance sheet as of December 31, 2023
- II. Profit and loss account for the 2023 financial year
- III. Appendix for the 2023 financial year
- IV. Legal, economic and tax circumstances
- V. Analysis of the assets, financial position and earnings
- VI. Account statements for the balance sheet and profit and loss account

Special terms and conditions of engagement (as of March 1, 2021)

General terms and conditions of engagement for auditors and
auditing firms from January 1, 2024

Balance Sheet

on 31.12.2023

of

Herhof-Management Company Ltd

35606 Solms

Assets

	31.12.2023	31.12.2022
	€	€
Current assets		
<i>I. Receivables and other current assets</i>		
1. Receivables due from shareholders	238.914,93	81.622,42
2. Receivables due from affiliated companies	495.857,41	495.857,41
3. Other current assets	<u>1.029,84</u>	<u>1.097,00</u>
	735.802,18	578.576,83
<i>III. Cash on hand, credit balances with credit institutions</i>	<u>2.385,76</u>	<u>3.361,41</u>
	738.187,94	591.938,24
<hr/>	738.187,94	<u>591.938,24</u>
<hr/>		

	Liabilities	
	31.12.2023	31.12.2023
	€	€
A. Equity capital		
<i>I. Subscribed capital</i>	51.129,19	51.129,19
<i>II. Capital reserve</i>	378.702,69	378.702,69
<i>III. Profit carried forward</i>	147.067,11	0,00
<i>IV. Annual surplus</i>	151.238,95	0,00
<i>V. Balance sheet profit</i>	0,00	<u>147.067,11</u>
	<u>728.137,94</u>	<u>576.898,99</u>
B. Accrued expenses		
Other accrued expenses	5.050,00	4.950,00
C. Liabilities		
Liabilities from deliveries and services		
Liabilities from affiliated companies	0,00	89,25
_____	5.000,00	<u>0,00</u>
=====	<u>738.187,94</u>	<u><u>581.938,24</u></u>

Profit and Loss Account

For the period from 01.01.2023 to 31.12.2023

of

Herhof-Management Company Ltd

35606 Solms

	2023	2022
	€	
1. Turnover revenue	157.292,51	163.565,81
2. Other operating expenses	<u>-6.053,56</u>	<u>-16.508,70</u>
3. Result after tax	<u>151.238,95</u>	<u>147.057,11</u>
4. Annual surplus	<u>151.238,95</u>	<u>147.057,11</u>
5. Loss carried forward from the previous year		-845.287,31
6. Withdrawal from capital reserves		1.171.297,31
7. Advance distribution on balance sheet profit		<u>-326.000,00</u>
8. Balance sheet profit	<u></u>	<u>147.067,11</u>

Annex

Of the annual statement on 31.12.2023

of

Herhof-Management Company Ltd

35606 Solms

i. General information

The annual financial statements were prepared on the basis of the statutory provisions (HGB, GmbHG) and in compliance with the principles of proper accounting. The balance sheet is structured in accordance with the provisions of Section 266 HGB. The profit and loss statement is structured in accordance with Section 275 Paragraph 2 HGB using the total cost method.

The company is a micro-capital company in accordance with Section 267a Paragraph 1 HGB.

The company is registered under the name Herhof-Verwaltungsgesellschaft mbH in the commercial register of the Wetzlar District Court under the number HRB 1740. The company's registered office is in Solms.

II. Accounting and valuation methods

The accounting and valuation methods are applied unchanged from the previous year.

Receivables and other assets are valued at their nominal value or a lower value as of the reporting date. Value adjustments were made to an adequate extent from the point of view of commercial prudence.

Cash and cash equivalents are valued at their nominal value.

The share capital (= subscribed capital) shown in the commercial register is accounted for with a nominal amount of €51,129.19, as in the previous year.

Other provisions are created for imminent risks and uncertain obligations in the amount of the settlement amount required according to reasonable commercial assessment.

III. Information on the balance sheet

Assets

Current assets

The claims against shareholders are fully attributable to trade accounts receivable of €238.9 thousand (previous year: €81.6 thousand).

The claims against affiliated companies are fully attributable to other assets of €495.9 thousand (previous year: €495.9 thousand).

All claims and other assets have a remaining term of up to one year.

Liabilities

All liabilities have a remaining term of up to one year. Die Geschäftsführer schlagen vor, den Bilanzgewinn in Höhe von T€ 298,3 auf Rechnung des neuen Geschäftsjahres vorzutragen.

IV. Other information

Management

In the 2022 financial year, the company's business was managed by:

- Mr. Martin Lehmann, Managing Director of Herhof GmbH
- Mr. Ioannis Margiollas, Member of the Board of Management of Helector S.A. (until July 26, 2023)

- Mr. Nikolaos Stathakis, Chairman of the Board of Management of Helector S.A. (since July 26, 2023)
- Mr. Konstantinos Papadimas, Commercial Managing Director (until January 11, 2023)
- Mr. Georgios Skouteropoulos, Deputy Chairman of the Board of Management of Helector S.A. (since January 11, 2023)

Group affiliation

The company's annual financial statements are included in the consolidated financial statements of the shareholder Helector S.A., Kifissia / Greece (smallest consolidation group). The consolidated financial statements are published on the shareholder's website (<https://ellaktor.com/en/ellaktor-group/ellaktor-group/the-group/group-companies/helector/#financial-data>).

Proposal for the use of profit

The managing directors propose that the retained profit of €298.3 thousand be carried forward to the account of the new financial year.

Solms, June 5, 2024

.....
Nikolaos Stathakis

.....
Georgios Skouteropoulos

.....
Martin Lehmann

Legal, economic and tax circumstances

Company	Herhof-Verwaltungsgesellschaft mbH
Registered office	Solms
Commercial register	HRB 1740 in the commercial register of the Wetzlar District Court
Articles of association	The partnership agreement of October 29, 1994 applies
Financial year	Calendar year
Capital structure and shareholders	The share capital is DM 100,000.00 (€ 51,129.19). A conversion to € has not yet taken place.
Important shareholders' resolutions	The sole shareholder is Helector S.A., based in Nea Kifissia / Greece.
Management	<p>According to Section 7 of the Articles of Association, the company has one or more managing directors. If only one managing director is appointed, he or she represents the company alone. If several managing directors are appointed, the company is represented jointly by two managing directors or by one managing director jointly with an authorized representative.</p> <p>The general meeting of shareholders can regulate the power of representation and management differently, in particular by ordering sole power of representation instead of joint representation or vice versa and exempting all managing directors individually or jointly from the restrictions of Section 181 of the German Civil Code.</p>
Power of attorney	No power of attorney has been granted.
Business activities	The purpose of Herhof-Verwaltungsgesellschaft mbH is the management and administration of the Herhof Group, in particular the provision of all types of services, such as management services, taking over financial management for all companies in the Herhof Group and carrying out related transactions that promote the company's purpose.
Key contracts	On July 16, 2012, the company concluded a license agreement with Herhof GmbH and Helector S.A. as licensors for the use of brands and patents in the field of mechanical-biological treatment of waste. The contract runs until the longest-running patent expires or until all payment obligations arising under the contract have been settled.
Tax principles	The company is registered with the Gießen tax office under tax number 20 235 50828.

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. Analysis of the revenue status

1. Presentation of the revenue status

The following table shows the profit and loss accounts for the last two financial years. Some of the expenses and revenues deviate from the structure of the profit and loss account under commercial law and are structured from a business point of view.

	2023		2022		Change	
	T€	%	T€	%	T€	%
Sales revenue	157,3	100,00	163,6	100,00	-6,3	-3,9
other operating expenses	-6,1	-3,9	-16,5	-10,1	10,5	-63,3
Operating result	151,2	96,1	147,1	89,9	4,2	2,9
Result after tax / annual surplus	151,2	96,1	147,1	89,9	4,2	2,9

Insofar as the shareholder Helector S.A. uses trademarks and patents of the company which the latter owns in the field of mechanical-biological treatment of waste, the company receives corresponding licence fees for this.

Sales revenues increased by T€ 163,6 to T€ 157,3 (./ 3,9 %) compared to the previous year, as the treated waste quantities on which the licence fees are based increased compared to the previous year.

Other operating expenses decreased from T€16.6 in the previous year to T€6.1 (-63.3%), as Mr. Papadimas resigned as Managing Director on January 11, 2023 and the associated management fee of T€10 no longer had to be paid in 2023.

Overall, the annual profit increased by T€4.2 or 2.9% to T€151.2 compared to the previous year.

II. Analysis of the Asset and Financial Status

1. Cash flow statement for the period 01.01.2023 to 31.12.2023

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

		2023	2022
		T€	T€
1.	Annual Surplus	151,2	147,1
2.	+ / - Depreciation / revaluation of accruals	0,1	0,3
3.	+ / - Other cash expenses / revenues	0,0	0,0
4.	Cash Flow	151,3	147,4
5.	- / + 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	-157,2	-7,1
6.	+ / - Increase / decrease of liabilities in inventories, receivables from supplies and services as well as other liabilities which are not to be allocated to the investment or financing activity	4,9	0,1
7.	= Cash flow from operating activities	-1,0	140,4
8.	- Disbursements due to financial investments within the framework of short-term financial disposition	0,0	-160,0
9.	= Cash flow from financing activities	0,0	-160,0
10.	= Cash flow from investing activities	0,0	0,0
11.	Changes in financial resources affecting payments (sum of lines 6, 9 and 10)	-1,0	-19,6
12.	+ / - Exchange rate and other changes in the value of financial resources	0,0	0,0
13.	+ Financial resources at the beginning of the period	3,4	23,0
14.	= Financial resources at the end of the period	2,4	3,4
15.	Breakdown of financial resources		
	Cash in hand and credit balances with credit institutions	2,4	3,4
	Liabilities due to credit institutions	0,0	0,0
	Financial resources at the end of the period	2,4	3,4
	Annual Surplus	2,4	3,4

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.

	31.12.2023		31.12.2022		Change	
	T€	%	T€	%	T€	%
Receivables due from shareholders	238,9	32,4	81,6	14,0	157,3	192,8
Receivables due from affiliated companies	495,9	67,2	495,9	85,2	0,0	0,0
Other assets	1,0	0,1	1,1	0,2	-0,1	-9,1
Cash in hand and bank balances	2,4	0,3	3,4	0,6	-1,0	-29,4
Short-term committed assets	738,2	100,0	582,0	100,0	156,2	26,8
Total assets	738,2	100,0	582,0	100,0	156,2	26,8

While the balance sheet total increased by T€ 156.2 (+ 26.8 %), receivables from shareholders in particular increased by T€ 157.3 as a result of license fee invoices that had not yet been paid as of the balance sheet date.

	31.12.2023		31.12.2022		Change	
	T€	%	T€	%	T€	%
Subscribed capital	51,1	6,9	51,1	8,8	0,0	0,0
Capital reserve	378,7	51,3	378,7	65,1	0,0	0,0
Profit carried forward	147,1	19,9	0,0	0,0	147,1	
Annual surplus	151,2	20,5	0,0	0,0	151,2	
Balance sheet profit	0,0	0,0	147,1	25,3	-147,1	-100,0
Equity capital	728,1	98,6	576,9	99,2	151,2	-26,2
Other liabilities	5,1	0,7	5,0	0,8	5,0	2,0
Liabilities from deliveries and services	0,0	0,0	0,1	0,0	-4,6	-100,0
Liabilities to affiliated companies	5,0	0,7	0,0	0,0		
Short-term external capital	10,1	1,4	5,1	0,8	0,4	-98,0
Total capital	738,2	100,0	582,0	100,0	-178,5	26,8

As a result of an advance distribution of T€ 151,2 and the net profit for the year, the equity capital was reduced by T€ 728,1 compared to the previous year and amounts to T€ 576,9. The reduction of the equity capital and an almost identical reduction of the balance sheet total result in a stable equity ratio of 98,6%.

Statement of Accounts for the Balance Sheet – Assets

Account Description	Financial year €	Previous year €
Claims against affiliated companies		
1269 00 Clearing account of Herhof GmbH	495.857,41	495.857,41
Claims against shareholders		
1251 00 Claims from L+L against shareholders b.1 J	238.914,93	81.622,42
Other assets		
1235 00 Tax claims	1.029,84	1.097,00
Cash on hand, Bundesbank balances, balances at credit institutions and		
1884 00 Volksbank Mittelhessen 126 602 00	2.385,76	3.361,41
	<u>738.187,94</u>	<u>581.938,24</u>

Statement of Accounts for the Balance Sheet – Liabilities

Account Description	Financial year €	Previous year €
Subscribed capital		
2900 00 Subscribed capital	51.129,19	51.129,19
Capital reserve		
2920 00Capital reserve	378.702,69	378.702,69
2970.00Profit carried forward		
Profit carried forward before use	147.067,11	
Net profit for the year		
Net profit for the year	151.238,95	
Balance sheet profit		
Balance sheet profit		147.067,11
of which loss carried forward EUR 0.00 (EUR 845,287.31)		
7700 00Profit carried forward after use		
Other provisions		
3095 00Provisions for closing and audit	5.050,00	4.950,00
Payables for goods and services		
3310 00Payables L+L without current account	0,00	89,25
Payables to affiliated companies		
1271 00Clearing account Fa11	5.000,00	0,00
	738.187,94	581.938,24

Account Statement for the Profit and Loss Account

Account Description	Financial year €	Previous year €
Sales revenue		
4010 00 Sales revenue Licenses 0% VAT	157.292,51	163.565,81
Insurance, contributions and duties		
6420 00 Contributions	240,00	240,00
Various operating costs		
6825 00 Legal and consulting costs	755,51	11.115,00
6828 00 Final and audit costs	4.947,80	4.979,39
6855 00 Incidental costs of financial transactions	110,25	174,31
	<u>5.813,56</u>	<u>16.268,70</u>
Annual surplus	<u>151.238,95</u>	<u>147.057,11</u>
Loss carried forward from the previous year		
7700 00 Profit carried forward after use		845.287,31
Withdrawals from capital reserves		
7730 00 Withdrawals from capital reserves		1.171.297,31
Distribution		
7790 00 Advance distribution		326.000,00
Balance sheet profit		<u><u>147.067,11</u></u>

Special terms and conditions of engagement for audits and audit-related services

of

Treuhand Hochrhein Revision GmbH

Wirtschaftsprüfungsgesellschaft

Status: March 1, 2021

Preliminary remarks

These terms and conditions of engagement of Treuhand Hochrhein Revision GmbH Wirtschaftsprüfungsgesellschaft supplement and specify the General Terms and Conditions of Engagement for auditors and auditing firms issued by the Institute of Public Auditors e. V. on January 1, 2024 and are to be applied with priority over these. They are subordinate to an engagement confirmation letter. The engagement confirmation letter together with all attachments constitutes the "All Terms and Conditions of Engagement".

A. Audit principles

Treuhand Hochrhein Revision GmbH Wirtschaftsprüfungsgesellschaft will carry out the audit in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the standards issued by the Institute of Public Auditors e. V. in a risk-oriented manner. Accordingly, we will plan and design the audit in compliance with the principles of conscientious professional practice in such a way that misrepresentations and violations that have a material impact on the subject matter of the audit according to the engagement confirmation letter are identified with sufficient certainty.

We will carry out the audit procedures we consider necessary and issue a report in accordance with Section 322 of the German Commercial Code (HGB). We will report on the conduct of our audit to the extent customary in the profession. In order to determine the type, time and extent of the individual audit procedures in an appropriate manner, we will, to the extent we consider it necessary, examine and assess the system of accounting-related internal controls, in particular to the extent that it serves to ensure proper financial reporting. However, we will not use this to assess whether the continued existence of the audited company or the effectiveness and efficiency of the management can be assured (Section 317 IVa HGB). As is customary in the profession, we will carry out the audit procedures on a sample basis, so that there is an unavoidable risk that even if the audit is carried out properly, even material misstatements may remain undetected. Therefore, for example, embezzlement and other irregularities will not necessarily be uncovered by the audit. We would like to point out that the objective of the audit is not to uncover embezzlement and other irregularities that do not relate to the compliance of the audit subject with the relevant accounting principles. However, if we discover such facts during the audit, we will inform the client immediately.

It is the responsibility of the client's legal representatives to correct any significant errors in the subject matter of the audit and to confirm to us in the declaration of completeness that the effects of any uncorrected errors identified by us during the current assignment are insignificant for the subject matter of the audit, both individually and in their entirety.

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 wordings 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 the extent to which our services are suitable for the client's own internal purposes.

C. Access to information

It is the responsibility of the client's legal representatives to ensure that we have unrestricted access to the records, documents and other information required for the order. The same applies to the submission of additional information published by the client together with the financial statements and, if applicable, the associated management report. The client will make this available in good time before the audit opinion is issued or immediately as soon as it is available. All information provided to us by the client or on his behalf ("client information") must be complete.

D. Indemnification

The client is obliged to indemnify us against all claims by third parties (including affiliated companies) and the resulting obligations, damages, costs and expenses (in particular reasonable external legal fees) that result from the use of the work results by third parties and that were passed on directly or indirectly by the client or at his instigation. This obligation does not apply to the extent that we have expressly agreed in writing that the third party may rely on the work results.

F. Scope

The provisions contained in the All Terms and Conditions of Contract - including the liability provisions - also apply accordingly to all future other orders placed by the client, unless separate agreements are made or covered by a framework agreement or unless domestic or foreign legal or official requirements that are binding on us conflict with individual provisions in favor of the client.

The terms of the All Terms and Conditions of Contract apply exclusively to our services; other conditions do not become part of the contract if the customer has not expressly agreed them with us in writing. General purchasing conditions referred to in automated orders are not considered 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 order or the services provided under it is the registered office of our law firm / professional association in Germany.