Deloitte.

IVICT Europe GmbH
Düsseldorf/Germany

"Testatsexemplar"

i.e., audited management report
and annual financial statements
for the financial year
from April 1, 2023 to March 31, 2024
plus corresponding independent auditor's report

TRANSLATION

– German version prevails –

Contents

IVICT Europe GmbH, Düsseldorf/Germany

Management report for the financial year 2023/2024

Basic Information on the Company

IVICT Europe GmbH (hereafter called "IVICT") was founded in 2018 based on the corporate strategy of Mitsubishi Corporation (MC) Group of focusing on the entire business chain in the Chemicals division and looking for further trading and investment opportunities.

The purpose of business of the Company is primarily the import and export trade of chemical products of all kind as well as all corresponding businesses and services.

The main selling and buying markets are Germany, further European countries as well as Japan and other Asian countries.

IVICT maintains a head office in rented premises located in Düsseldorf/Germany, and an office in Namur close to Brussels/Belgium.

Since IVICT is a wholly-owned subsidiary of Mitsubishi Corporation, Tokyo/Japan, it is included in the consolidated financial statements of Mitsubishi Corporation. The financial year of IVICT thus corresponds to the financial year of Mitsubishi Corporation, i.e. from April 1, 2023, to March 31, 2024.

Economic report

Macroeconomic environment

The overall economic environment in Europe remains weak. Consumers continue to hold back on spending, investment has weakened and companies are exporting less, reflecting a slowdown in external demand and some losses in competitiveness. However, surveys point to a gradual recovery over the course of 2024. As inflation falls and wages continue to rise, real incomes are expected to rise again and support growth. In addition, the dampening effect of past interest rate hikes will gradually fade and demand for exports from the eurozone should increase.

The unemployment rate is at its lowest level since the introduction of the euro. Employment grew by 0.3% in the last quarter of 2023, once again outpacing economic activity. As a result, productivity per person has fallen further.

At the same time, employers are advertising fewer job vacancies and fewer companies are reporting that their production is being constrained by labor shortages. According to the March 2024 forecasts, economic growth is expected to pick up gradually over the course of the year as real disposable income rises, inflation falls and wage growth remains robust, and as trading conditions improve. As significant supply shortages are unlikely due to the current shipping disruptions in the Red Sea, export growth is expected to keep pace with strengthening foreign demand.

In the medium term, the recovery is also expected to be supported by the gradual easing of the effects of the ECB’s monetary tightening. Overall, real GDP growth in Europe is expected to average 0.6% in 2024, rising to 1.5% by 2025 and 1.6% by 2026. Compared to the Eurosystem’s December 2023 macroeconomic forecasts for the euro area, the GDP growth forecast for 2024 has been revised downwards due to carry-over effects from past negative data surprises and weaker incoming forward-looking information. The forecast for 2025 remains unchanged and has been revised slightly upwards for 2026.

(Source: https://www.ecb.europa.eu/press/economic-bulletin/html/eb202402.en.html)

Business development

In the 2023/2024 financial year, revenue (the most significant financial performance indicator) amounted to mEUR 609, which is around 26% below the budget of around mEUR 822 (prior year’s revenue: mEUR 917).

The lower sales revenues are mainly attributable to the “Plastics”, “Petrochemicals” and “Chlor-Alkali” divisions. In contrast, the Specialty Chemicals and Biofine Chemicals divisions exceeded their budgeted sales revenues.

As in prior years, Methanol & Ethanol was the strongest segment with a 39.4% share of revenue, followed by “Petrochemicals” (including Aromatics) with 17.2%, “Chlor-Alkali” with 15.5% and “Biofine” with 12%. The remaining business segments, including “Plastics and Specialty Chemicals”, accounted for 15.9% of revenue.

An analysis of revenue development by geography shows that around 84% of revenue were generated in Europe, including Germany. Asia contributed 15% to total revenue. All other regions together accounted for less than 1% of revenue.

The gross profit in the financial year 2023/2024 amounts to mEUR 51 (prior year: mEUR 38).

In the 2023/2024 financial year, the “Methanol & Ethanol” segment was the strongest with a 50.7% share of gross profit, followed by the “Biofine” segment with 15.9%, “Plastics” with 13.5% and “Specialty Chemicals” with 8.2%. The “Petrochemicals” and “Chlor-Alkali” segments each contributed 5.8% to gross profit.

In the financial year, personnel expenses rose by around 7% with the same number of employees. This increase was mainly due to inflation-related wage increases.

Depreciation and amortization of intangible fixed assets and property, plant and equipment amounted to mEUR 1.3, significantly lower than the prior year's amount of mEUR 1.7. This decrease is due to the full amortization of goodwill in December 2023 for the chemicals business acquired from Mitsubishi International GmbH in 2018.

Year-to-year, other operating expenses increased by mEUR 5.3 to mEUR 29.9, with this increase being primarily due to increased ancillary costs for materials, such as storage and logistics costs.

In addition, the other operating expenses include an allowance of kEUR 1,151, which became necessary due to an IT project that was terminated prematurely.

Despite a reduction in borrowing requirements, the rise in interest rates led to an increase in interest expenses to kEUR 1,181, compared to kEUR 739 in the prior year. This led to a negative financial result of kEUR 1,181.

In the 2022 financial year, the global economic and political situation led to significant challenges. Nevertheless, the Methanol & Ethanol division in particular succeeded in significantly increasing its gross profit in the 2023 financial year. This success is attributable to several factors. On the one hand, the successful development of new markets - particularly through the acquisition of customers in the Baltic countries - made it possible to expand the business segment. On the other hand, improved warehouse planning and distribution led to more efficient operating processes and lower incoming freight costs. Furthermore, the cost of materials was reduced through targeted demand planning in all departments. These strategic measures made it possible to overcome the challenges of the past year and significantly increase the Company's gross profit. The above-mentioned circumstances led to an increase in the annual result to mEUR 8.7 (prior year: mEUR 3.9).

Compared to the prior year, the balance sheet total decreased from mEUR 164 to mEUR 159 in the financial year. This decline is attributable to various factors: On the one hand, to the full amortization of goodwill and the impairment of the IT project and, on the other, to more efficient inventory management, which is reflected in a reduction in inventories.

Trade receivables, on the other hand, increased slightly by mEUR 3.6 despite lower revenue.

Improved strategic cash planning resulted in a reduced need for borrowed capital, which fell from mEUR 34.4 in the prior year to mEUR 29. This amount is reported under liabilities to affiliated companies as part of cash pooling.

Equity increased by mEUR 5.1 to mEUR 26.2 in total. Together with the reduced balance sheet total, this increase led to an equity ratio of 16.5% compared to 12.9% in the prior year.

The debt ratio of short-term liabilities declined to 75.6% from 80.5% in the financial year 2022/2023.

Fixed assets are covered entirely by equity.

As at the balance sheet date, neither lawsuits nor other litigations were pending that could materially affect the Company’s economic situation.

Financial position

Mitsubishi Corporation Finance PLC resident in London, Great Britain (“MCF”), provides a group financing to IVICT. Furthermore, IVICT participates in the cash pooling process of Mitsubishi Corporation Finance PLC, London, in both, US-dollar and euro.

IVICT has established a risk management department that effectively records and manages the status of the loan portfolio, including the degree of concentration in specific business areas or companies. This department reports regularly to the Company’s management.

Incoming payments and daily liquidity are carefully monitored. Any surpluses or shortfalls are offset by the cash pooling process.

The Company discloses no liabilities to banks.

No capital investments were made in the financial year 2023/2024.

Staff and Corporate Social Responsibility

IVICT employed 65 members of staff on average during the financial year.

IVICT’s employees are trained outstandingly. In order to keep educating and to bind these employees to the Company, the Company offers a multitude of in-house and external further education opportunities.

The global and regional programs (e.g. “Global Management Program”, “Gateway Program”, “Business Management Seminar”) which convey manifold bases for reaching decisions and the Company culture are particularly worth mentioning in this sense.

Also on expert level, numerous external and internal trainings and education options are offered on a regular basis as well as situation-related. Amongst others, the Company principles are frequently referred to in the entire training portfolio.

To promote the well-being of our employees and create a healthy working environment, the Company provides fresh fruit several times a week. This initiative makes part of our efforts to promote healthy eating habits in the workplace while creating a pleasant working environment.

As part of its sustainability and social responsibility efforts, the Company has decided to stop using coffee capsules in order to reduce its waste. Instead, fair-trade coffee is purchased in large aluminum containers that are refilled regularly. This measure not only helps to reduce waste, but also supports fair trade practices.

The Company's efforts towards sustainable and socially responsible business management were recognized for the first time in 2023 with Ecovadis certification. We received this recognition for our sustainability efforts again in 2024. The certification confirms our commitment to sustainable business practices and social responsibility.

The corporate principles of Mitsubishi Corporation apply as material non-financial performance indicators:

- Corporate Social Responsibility
- Fairness & Integrity
- International understanding through trade

These are also reflected in the Code of Conduct of IVICT being a binding guideline for each employee that is lived on a daily basis.

In order to take account of the advancing digitalization, new online training courses and mandatory reviews of the level of knowledge for each employee on the subject "information security and awareness for cyber risks" were introduced in the financial year 2023/2024. Furthermore, additional obligatory training courses and reviews of the level of knowledge regarding the topics "competition act", "whistleblowing" as well as "bystander intervention for sexual harassment" were conducted to prepare the employees for daily risks.

Outlook

This is reflected in the March 2024 ECB staff macroeconomic projections for the euro zone, which forecast annual real GDP growth of 0.6% for 2024, rising to 1.5% and 1.6% in 2025 and 2026 respectively. Compared to the December 2023 Eurosystem staff macroeconomic projections for the euro area, the GDP growth forecast for 2024 has been revised downwards, while it remains broadly unchanged for 2025 and 2026.

(Source: https://www.ecb.europa.eu/press/economic-bulletin/html/eb202402.en.html)

For 2024 as a whole, the VCI expects production to stagnate at a low level. With prices falling, industry sales are expected to decline by 3.5% this year. The German chemical industry ended 2023 with a disappointing final quarter. As many industrial customers in Germany and abroad recently had to cut back their production, our industry lacked orders. Producer prices and industry turnover therefore continued to fall. Chemical production remained in a deep slump and capacities continued to be underutilized. Internationally uncompetitive energy and raw material prices, further increases in bureaucratic costs and high taxes and levies put additional pressure on margins. The current situation is still considered difficult.

Almost all companies are now putting the brakes on costs. There are increasing reports of extensive restructuring measures and efficiency programs. These include the closure of production facilities, the discontinuation of individual business areas, the outsourcing of parts of the Company or the relocation of investments abroad. Structural change has gathered pace. A look at the coming months does not bode well. According to the ifo business survey, industry largely expects no improvement in the business situation in the first half of 2024. Business expectations at the start of the year are slightly positive overall - similar to the prior year. Back then, hopes of a recovery were disappointed. However, it remains to be seen whether things will be different this time. It is not yet clear whether these are already harbingers of an economic turnaround. After all, an economic recovery is not yet in sight.

The German economy will stagnate this year, meaning that Germany will continue to carry the red lantern among the highly developed economies. In industry, there is a threat of the recession being prolonged. This is due to the fact that the global economic downturn, high energy and commodity prices, the regulatory overload on companies, ailing infrastructure, rising labor costs and a shortage of skilled workers are increasingly bringing German industry to its knees. With few exceptions, all industrial sectors in this country will reduce production this year. For German industry, this means that the domestic order situation will not improve significantly in 2024.

The situation hardly looks any better in foreign business. In Europe, by far the most important foreign market for our industry, many of our customers’ business areas are also in decline.

Demand for chemicals is correspondingly weak here. Hopes are therefore pinned on overseas business. It is expected that the industrial economy in the USA and Asia will pick up in the course of the year.

The extent to which the chemical-pharmaceutical industry in Germany can benefit from this remains to be seen. On the one hand, there is currently considerable overcapacity in the chemicals business - particularly in China. Chinese chemicals are currently entering the global market at low prices and are putting pressure on European and German manufacturers in particular. In addition, global shipping traffic is disrupted due to the Houthi attacks on the important trade route through the Red Sea. This not only extends delivery times for imports and exports, but also drives up costs; and last but not least, production costs in Germany are currently not competitive.

An improvement in this situation is not in sight. The situation on the energy and commodity markets remains particularly tense. Germany is in a better position for gas than it was a year ago. However, a significant fall in gas prices is not to be expected. There are also many signs that crude oil prices will remain high for a long time to come. The supply deficit caused by OPEC’s production cuts and the uncertainties caused by the war in the Middle East argue against price reductions. Rising bureaucracy and labor costs as well as continued high taxes and levies are also weighing on production in Germany.

(Source: VCI Quarterly Report 4.2023)

The latest economic survey shows a slight increase in confidence in the chemical industry in the EU27. In January 2024, the production outlook for chemicals fell for the second time since December 2023, however, they remain in a positive range. Assessments of stocks of finished products fell slightly. Managers' opinions on the current level of overall order books show a clear improvement. The confidence indicator for chemicals improved slightly, but is still at a low level.

(Source: CEFIC Chemical Monthly Report (CMR) February 23, 2024)

IVICT closely monitors its performance on a monthly basis to take necessary actions in a timely manner to respond to movements in the economic environment.

Under these external environmental and market conditions, IVICT expects a slightly higher revenue for the 2024 financial year (mainly due to an expansion of the methanol business and a recovery of some petrochemical and polymer businesses).

Risk and opportunity report

Apart from the general market risks, IVICT does generally not face any special risks. These market risks chiefly comprise the price fluctuation risk for chemical raw materials, currency risks, and – to a limited extent – storage risks.

IVICT has established a risk management system to minimize these risks. The risk management system aims at identifying risks as early and comprehensively as possible, communicating this information in a timely manner to the decision-makers, as well as consistently controlling and monitoring these risks. It includes classic controlling instruments such as short-term and long-term planning, monthly or quarterly comparisons with the current results and those of the prior year.

Each determined risk is appropriately described and assessed as regards the probability of occurrence and the expected amount of damage. The management team is fully included in every aspect of risk analysis and assessment. The annual budget including the credit limit for the customer is regularly adjusted taking into account the current business development.

The short ways and the flat hierarchies within the Company provide for a fast and efficient risk management. Together with the controlling instruments, it is assured that the impacts of the identified risks on the result and the liquidity are monitored on an ongoing basis.

For hedging the existing risks, transactions are performed, as far as possible, without warehousing, i.e. when a sales contract has already been closed with the end customer as at the date of purchase of the goods (back-to-back business).

In all cases where stock is required, the acceptance conditions are agreed in advance with the end customer (stock business).

In the case of transactions where the Company needs to take price and storage risks (speculative transaction), management sets the cap and floor of the transaction volume for the particular transaction and monitors the position closely.

As regards the existing currency risks arising from the timing difference of the settlement of trade receivables and payables, management aims to reduce these as far as possible. Hence, open currency positions that are not covered by appropriate offsetting items are hedged by means of borrowing foreign currencies in which we have certain positions such as US dollars. In this respect, we refer to our disclosures in the notes to the financial statements.

Opportunities arise for IVICT from the access to cost-effective methanol produced in facilities of IVICT's parent company, and by expanding our portfolio of products from environmentally friendly sources (methanol, plastics and others). Further opportunities are expected to arise from the additional digitalization efforts.

Düsseldorf/Germany, September 20, 2024

IVICT Europe GmbH

Taro Satori
Executive director

IVICT Europe GmbH, Düsseldorf/Germany

Balance sheet as at March 31, 2024

Assets

		Mar. 31, 2024 EUR	Prior year kEUR
A.	**Fixed assets**		
I.	**Intangible fixed assets**		
1.	Acquired concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	4.00	941
2.	Goodwill	1.00	1,240
		5.00	2,181
II.	**Property, plant and equipment**		
	Other equipment, operating and office equipment	24,665.17	27
		24,670.17	2,208
B.	**Current assets**		
I.	**Inventories**		
1.	Merchandise	52,226,923.27	57,586
2.	Prepayments	7,728.46	8
		52,234,651.73	57,594
II.	**Receivables and other current assets**		
1.	Trade receivables	96,121,295.21	92,496
2.	Receivables from affiliated companies	87,045.18	163
3.	Other current assets thereof tax assets: EUR 5,000,987.01 (prior year: kEUR 5,721)	5,047,045.82	5,843
		101,255,386.21	98,502
III.	**Cash-in-hand and bank balances**	3,562,847.12	4,081
		157,052,885.06	160,177
C.	**Prepaid expenses**	333,847.82	142
D.	**Deferred tax assets**	1,583,463.14	1,478
		158,994,866.19	164,005

Equity and liabilities

		Mar. 31, 2024 EUR	Prior year kEUR
A.	**Equity**		
I.	**Subscribed capital**	25,000.00	25
II.	**Capital reserves**	15,975,000.00	15,975
III.	**Retained profits brought forward**	1,478,584.14	1,260
IV.	**Profit for the period**	8,733,549.60	3,880
		26,212,133.74	21,140
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	90,198.00	230
2.	Tax provisions	8,236,208.00	6,880
3.	Other provisions	4,234,616.23	3,568
		12,561,022.23	10,678
C.	**Liabilities**		
1.	Payments received on account of orders	459,403.40	612
2.	Trade payables	28,263,865.47	26,021
3.	Liabilities to shareholders	52,070,250.48	53,556
4.	Liabilities to affiliated companies	31,985,182.30	43,958
5.	Other liabilities thereof taxes: EUR 7,351,985.97 (prior year: kEUR 7,843) thereof related to social security: EUR 75,967.55 (prior year: kEUR 84)	7,443,008.57	7,943
		120,221,710.22	132,090
D.	**Deferred income**	0.00	97
		158,994,866.19	164,005

IVICT Europe GmbH, Düsseldorf/Germany

Statement of profit and loss for the financial year from April 1, 2023 to March 31, 2024

	2023/2024 EUR	Prior year kEUR
1. Revenue	608,855,153.60	917,328
2. Other operating income thereof exchange losses: EUR 115,827.12 (prior year: kEUR 55)	466,561.73	558
3. Cost of materials		
Cost of purchased services	557,501,597.57	878,864
4. Personnel expenses		
a) Wages and salaries	5,553,245.73	5,059
b) Social security, post-employment and other employee benefit cost	1,128,133.91	1,187
thereof post-employment costs: EUR 314,984.05 (prior year: kEUR 411)		
5. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of property, plant and equipment	1,276,646.00	1,710
6. Other operating expenses thereof exchange losses: EUR 317,845.32 (prior year: kEUR 578)	29,880,406.32	24,645
7. Other interest and similar income	494.00	6
8. Interest and similar expenses thereof to affiliated companies: EUR 1,115,702.70 (prior year: kEUR 710)	1,181,131.53	739
9. Income taxes thereof deferred taxes: EUR -104,879.00 (prior year: kEUR -219)	4,063,844.34	1,808
10. Earnings after taxes	8,737,203.93	3,880
11. Other taxes	3,654.33	0
12. Profit for the period	8,733,549.60	3,880

IVICT Europe GmbH, Düsseldorf/Germany

Notes to the financial statements for the financial year 2023/2024

A. General information

1. Basic information

IVICT Europe GmbH (hereafter also referred to as "IVICT" or "the Company") is a large business corporation within the meaning of Sec. 267 (3) German Commercial Code (HGB). The Company is based at Kennedydamm 19 in 40476 Düsseldorf/Germany and is entered in the commercial register of the Düsseldorf local court (HRB 83816).

2. Classification principles

The annual financial statements of IVICT Europe GmbH have been prepared in compliance with the regulations of the HGB and the German Limited Liability Companies Act (GmbHG) in their currently valid versions. In the interest of a more transparent presentation, single items within the balance sheet and the statement of profit and loss are summarized. A separate disclosure is made within the respective items of the notes to the financial statements. The statement of profit and loss was prepared according to the nature-of-expense method.

The annual financial statements were prepared in euro. All amounts are given in thousand euro (kEUR) unless specifically indicated otherwise. Amounts of less than kEUR 0.5 are rounded. Within the tables, decimals were generally not indicated for providing a better overview. Thus, rounding differences could arise.

B. Notes on recognition and measurement policies

1. Recognition and measurement policies

Intangible fixed assets and **property, plant and equipment** are recognized at acquisition cost, less straight-line depreciation or amortization, respectively, or at their lower fair values as at the balance sheet date. Buildings are depreciated on a straight-line basis with the amounts required under tax law. Sundry property, plant and equipment and intangible fixed assets are depreciated and amortized, respectively, on a straight-line basis over the estimated useful life.

Low-value items with acquisition cost of up to EUR 250.00 are expensed as incurred, low-value items with acquisition cost between EUR 250.01 and EUR 800.00 are fully depreciated in the year of acquisition. In case of a presumably permanent impairment in value, the low-value item is written down and recognized at the lower fair value.

The estimated useful lives of the individual fixed assets are shown in the following table:

	Useful life Years
Intangible fixed assets	
Data-processing programs, licenses and other rights	3 – 15
Goodwill	5
Property, plant and equipment	
Other operating and office equipment	2 – 10

Inventories are recognized at acquisition cost or the effective values as at the balance sheet date, where these are lower.

Receivables and other current assets are recognized at nominal values. Receivables denominated in foreign currency with a term of up to one year are measured at the middle spot exchange rate in effect at the balance sheet date. If hedges are closed for receivables denominated in foreign currencies, hedge accounting is applied between hedges and underlying transactions. The hedging relationships are accounted for using the fair value method. Identifiable individual risks are taken into account by making specific allowances and the general credit risk by making a general allowance of 2% of the receivables.

Cash and cash equivalents and **equity** are recognized at nominal value.

Deferred taxes are determined for temporary differences between assets, liabilities, prepaid expenses and deferred income recognized in the annual financial statements under German commercial law and their corresponding tax values. In accordance with the option conferred by Sec. 274 (1) sentence 3 HGB, deferred taxes are reported on a net basis.

Provisions for pensions and similar obligations are calculated according to actuarial principles using the projected unit credit method. For measuring provisions, Prof. Dr. Klaus Heubeck's 2018 G Standard Tables are applied. The discount factor was extrapolated to the balance sheet date based on the interest rate information as determined and announced by the German central bank (Bundesbank) in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) as of February 29, 2024 (Section 253 (2) HGB) assuming unchanged market conditions. This resulted in an average market interest rate of 1.13%, assuming a residual term of one year. Furthermore, an income dynamic of 2.6% is assumed.

Other provisions are stated at settlement amount deemed necessary based on sound business judgment. Future price and cost rises are considered if sufficient objective evidence for their occurrence is on hand. Provisions with a residual term of more than one year are discounted with the average market interest rate of the past seven financial years that corresponds to their residual term and is published by the German central bank.

Liabilities are stated at settlement amount. Liabilities denominated in foreign currencies with a residual term of up to one year are translated at the middle spot exchange rate in effect at the balance sheet date. Where currency liabilities are hedged, hedging relationships between the hedge and the hedged transaction are recognized. The valuation units are accounted under applying the fair value method.

2. Foreign currency translation

Balance sheet items denominated in foreign currency are translated into euro at the rate prevailing on the balance sheet date March 31, 2024. Hedge accounting is applied between the hedged assets or liabilities denominated in foreign currency and the underlying transaction, and the hedges are reported in the balance sheet at the hedged rate. The items of the statement of profit and loss denominated in foreign currencies are translated at the rate in effect on the date of transaction. The exchange gains and exchange losses result from the measurement of currency receivables and liabilities outstanding as at the balance sheet date.

C. Notes to the balance sheet

1. Fixed assets

In accordance with Sec. 284 (3) HGB, the development of the individual fixed assets items is presented in the statement of movements in fixed assets (appendix to the notes), which takes into account amortization, depreciation and write-downs of the financial year.

2. Inventories

The inventories can be analyzed as follows:

	Mar. 31, 2024 kEUR	Prior year kEUR	Change kEUR
Merchandise	33,681	39,433	-5,752
Goods in transfer	18,546	18,153	393
	52,227	57,586	-5,359
Prepayments made	8	8	0
	52,235	57,594	-5,359

3. Receivables and other current assets

All receivables and other current assets are due within one year. In individual cases, some trade receivables are collateralized by bank guarantees.

As in the prior year, receivables and other current assets from affiliated companies do not include any receivables from shareholders.

As at the balance sheet date, other assets notably comprise VAT tax claims of kEUR 5,019 (prior year: kEUR 5,721).

4. Deferred tax assets

The deferred tax assets of kEUR 1,583 (prior year: kEUR 1,478) mainly result from temporary differences relating to the provision for obligations similar to pensions, to amortization of goodwill as well as to property, plant and equipment and to foreign currency receivables and liabilities. A combined income tax rate of 31.23% was applied in calculating the deferred taxes.

	Mar. 31, 2024	Change	Mar. 31, 2023
	kEUR	kEUR	kEUR
Deferred tax assets	1,583	104	1,479
Deferred tax liabilities	-	-	-

5. Equity

Equity amounts to kEUR 26,212 as at the balance sheet date (prior year: kEUR 21,140). It is composed of the subscribed capital totaling kEUR 25 (prior year: kEUR 25), capital reserves of kEUR 15,975 (prior year: kEUR 15,975), the retained profits brought forward of kEUR 1,479 (prior year: kEUR 1,260) and the profit for the period of kEUR 8,734 (prior year: kEUR 3,880).

6. Tax provisions

These provisions relate to corporate income tax, municipal trade tax and solidarity surcharge of kEUR 8,236 (prior year: kEUR 6,880).

7. Provisions for pensions and similar obligations

The Company’s employees were taken over from Mitsubishi International GmbH as at October 1, 2018, as part of the transfer of business. The pension provisions in relation to the still active employees transferred to the Company continue to be accounted for at Mitsubishi International GmbH under an agreement setting out the assumption of the liability and of performance obligation. Based on the revaluated expert opinion issued by AON Hewitt GmbH, the annual difference is invoiced to the Company by Mitsubishi International GmbH.

In the 2021/2022 financial year, Mitsubishi International GmbH decided to outsource the pension obligations for employees of IVICT Europe GmbH and Mitsubishi International GmbH who had already left the company to MIG Pension GmbH. This was previously a wholly-owned subsidiary of Mitsubishi International GmbH. MIG Pension GmbH was sold to Astellon Pension Management GmbH at the end of the 2022/2023 financial year. In the following financial year 2023/2024, a further spin-off took place, in which additional pension liabilities of employees who had left the Company in the meantime were spun off.

The provisions for pensions and similar obligations accounted for at IVICT exclusively relate to early-retirement part-time provisions.

As regards the early-retirement part-time provisions, the necessary settlement amount represents the expected value of the services recorded on an accrual basis based on the information available at the balance sheet date. The resulting uncertain liability was determined in the form of a present value and must thus generally be discounted at an interest rate that corresponds to its residual term, i.e. 1.13% in the financial year. In addition, Prof. Dr. Klaus Heubeck's 2018 G Standard Tables were applied assuming income dynamics of 2.6%.

8. Other provisions

The item comprises outstanding expenses arising from transactions in the Company's own name and the agency business, personnel-related commitments to employees and other outstanding administrative expenses.

Provisions for long-service awards were computed under actuarial aspects applying the projected unit credit method. The computation was based on a computation interest rate of 1.80% and on a salary trend of 2.6%. Furthermore, the Company used Prof. Dr. Klaus Heubeck's 2018 G Standard Tables for the valuation.

9. Liabilities

Terms and other notes:

	Mar. 31, 2024 kEUR	Prior year kEUR
Payments received on account of orders	459	612
Trade payables	28,264	26,021
Liabilities to affiliated companies	31,985	43,958
Liabilities to shareholders	52,070	53,556
Other liabilities	7,443	7,943
thereof related to taxes: kEUR 7,352 (prior year: kEUR 7,843) thereof wage and church tax: kEUR 76 (prior year: kEUR 84)		
	120,222	132,090

All liabilities are not collateralized and are due within one year. All liabilities to affiliated companies relate to trade. Liabilities to shareholders are disclosed separately.

D. Notes to the statement of profit and loss

1. Revenue

Revenue for the reporting period 2023/2024 amounts to kEUR 608,855 (prior year: kEUR 917,328) in the aggregate and can be broken down by segments as follows:

	2023/2024		Prior year	
	kEUR	%	kEUR	%
Classification by segments				
Methanol & Ethanol	240,122	39.4	318,666	34.7
Basic Petrochemical	104,560	17.2	219,791	23.9
Chlorine-Alkali	94,642	15.5	171,269	18.7
Bio-Fine Chemicals	73,001	12.0	66,626	7.3
Plastics	70,100	11.5	106,862	11.7
Specialty Chemicals	26,236	4.3	30,999	3.4
Aromatic Chemicals	173	0.1	3,013	0.3
Other	21	0.0	102	0.0
	608,855	100.0	917,328	100.0

The major sales market in the financial year 2023/2024 was Europe, followed by Asia. The table below presents the revenue by region, i.e. the countries in which the companies are domiciled.

	2023/2024		Prior year	
	kEUR	%	kEUR	%
Classification by regions				
Europe (without Germany)	439,251	72.1	703,906	76.7
Asia	94,973	15.6	116,297	12.7
Germany	71,461	11.7	96,972	10.6
Other regions	3,170	0.6	153	0.0
	608,855	100.0	917,328	100.0

2. Other operating income

The item includes income from the release of provisions of kEUR 341 (prior year: kEUR 471) relating to other periods, of which kEUR 135 (prior year: kEUR 208) result from the decrease of the general allowance.

3. Personnel expenses

The expenses for salaries amounted to kEUR 5,553 in the financial year 2023/2024 (prior year: kEUR 5,059). The Company also incurred expenses for social security of kEUR 813 (prior year: kEUR 776) and post-employment costs of kEUR 315 (prior year: kEUR 411).

4. Other operating expenses

Other operating expenses include the following items:

	2023 kEUR	2022 kEUR
Distribution costs	17,633	13,375
Storage costs	5,596	5,054
Other general operating expenses	1,675	1,825
Legal and consultancy fees	1,553	1,175
Office-machinery lease and IT costs	418	489
Impairment losses or loss from disposal of current assets	1,151	0
Travel expenses	420	510
Commissions	0	185
Rent and occupancy costs	527	424
Bank fees	102	388
Other personnel expenses	87	134
Journals and professional literature	68	82
Representation costs	218	295
Cost of repair	0	20
Vehicle costs	77	77
Telephone, telex, postage	37	34
Losses on disposal of assets	0	0
Exchange losses	318	578
	29,880	24,645

Exchange losses total kEUR 318 (prior year: kEUR 578) and relate to losses from currency translation realized in the financial year.

5. Financial result

Interest and similar expenses total kEUR 1,181 (prior year: kEUR 739). The increase is due to the higher interest rate currencies EUR and USD.

Interest and similar income total kEUR 494 (prior year: kEUR 6).

6. Income taxes

The item includes corporate income tax and municipal trade tax for the current year as well as deferred tax assets of kEUR 105 (prior year: kEUR 219).

E. Other disclosures

1. Other financial commitments

As at March 31, 2024, other financial commitments amount to kEUR 4,297 (prior year: kEUR 5,876) and relate to commitments under tenancy and lease agreements for buildings and vehicles as well as under storage contracts.

	2023/2024 kEUR	Prior year kEUR
Due within one year	2,407	2,165
due in 1 to 5 years	1,890	3,711
	4,297	5,876

The commitments under tenancy and lease agreements include commitments to affiliated companies of kEUR 222 (prior year: kEUR 224), all of which are due within one year.

They also include multi-year storage agreements of kEUR 3,915 (prior year: kEUR 5,555).

2. Derivative financial instruments

We use derivative financial instruments to hedge and reduce risks from fluctuations in foreign currency items. Our strategy for dealing with exchange risks exclusively consists in closing forward exchange dealings to assure the economic value of the cash flows in foreign currencies. We therefore do not take any risks that might have a serious impact on our operating result.

The following table shows our derivative financial instruments as at March 31, 2024. Their fair value is calculated based on the difference between the forward rate and the rate prevailing as at the balance sheet date. Due to materiality reasons, interest and other possible parameters have been ignored when determining the values.

Forward exchange transactions March 31, 2024

	Total amount kEUR	Total of balance sheet date rate kEUR	Forward rate total kEUR	Delta total EUR kEUR
Purchase contracts				
USD	4,741,897.12	-4,390,645.48	-4,359,557.59	31,087.89
		-4,390,645.48	**-4,359,557.59**	**31,087.89**
Sale contracts				
JPY	44,856,053	274,428.51	283,297.39	8,868.88
		274,428.51	**283,297.39**	**8,868.88**

3. Employees

On average, IVICT Europe GmbH employed 65 members of staff in the financial year 2023/2024, of which, 22 employees worked in administration and 43 employees in the operative segment as well as one employee as managing director.

4. Fees paid to the annual auditor

The annual audit cost recognized in the statement of profit and loss amounts to kEUR 98 (prior year: kEUR 92). The cost for other consulting services totals kEUR 15 (prior year: kEUR 15).

5. Members of management

Managing director in the reporting period was:

Mr. Taro Satori, business economist

With regard to the total remuneration paid to management, the Company has taken advantage of the protection clause pursuant to Sec. 286 (4) HGB.

6. Group affiliation

IVICT Europe GmbH, Düsseldorf/Germany, is affiliated with the Group controlled by Mitsubishi Corporation, Tokyo/Japan. It is included in the consolidated financial statements prepared by Mitsubishi Corporation for the smallest and largest group of consolidated entities. The consolidated financial statements of Mitsubishi Corporation are available at the registered office of the Company. The consolidated financial statements are filed with the Japanese Commercial Register ("Ministry of Finance, Local Finance Bureaus in Tokyo/Japan") under number 0100-01-008771.

Düsseldorf/Germany, September 20, 2024

IVICT Europe GmbH

T. Satori
Executive director

IVICT Europe GmbH, Düsseldorf/Germany

Movements in fixed assets in the financial year 2023/2024

	Gross book values				Accumulated amortization, depreciation and write-downs				Net book values	
	Balance as at Apr. 1, 2023 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2024 EUR	Balance as at Apr. 1, 2023 EUR	Additions EUR	Disposals EUR	Balance as at Mar. 31, 2024 EUR	Balance as at Mar. 31, 2024 EUR	Prior year kEUR
I. Intangible fixed assets										
1. Acquired industrial rights and similar rights and assets as well as licenses in such rights and assets	1,004,416.81	220,576.65	1,151,828.75	73,164.71	62,971.43	10,189.28	0.00	73,160.71	4.00	941
2. Goodwill	8,264,000.00	0.00	0.00	8,264,000.00	7,024,400.00	1,239,599.00	0.00	8,263,999.00	1.00	1,240
	9,268,416.81	220,576.65	1,151,828.75	8,337,164.71	7,087,371.43	1,249,788.28	0.00	8,337,159.71	5.00	2,181
II. Property, plant and equipment										
Other equipment, operating and office equipment	323,365.93	24,910.06	36,897.94	311,378.05	296,753.10	26,857.72	36,897.94	286,712.88	24,665.17	27
	9,591,782.74	245,486.71	1,188,726.69	8,648,542.76	7,384,124.53	1,276,646.00	36,897.94	8,623,872.59	24,670.17	2,208

INDEPENDENT AUDITOR'S REPORT

To IVICT Europe GmbH, Düsseldorf/Germany

Audit Opinions

We have audited the annual financial statements of IVICT Europe GmbH, Düsseldorf/Germany, which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss for the financial year from April 1, 2023 to March 31, 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of IVICT Europe GmbH, Düsseldorf/Germany, for the financial year from April 1, 2023 to March 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2024 and of its financial performance for the financial year from April 1, 2023 to March 31, 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we 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 audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (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 users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Düsseldorf/Germany, September 20, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Martin Missmahl	Sven Leber
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
b) examination of tax assessments in relation to the taxes referred to in (a)
c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.