

**Lupin Europe GmbH  
Frankfurt am Main/Germany**

**Long-form report on the audit  
of the annual financial statements  
for the financial year  
from 1 April 2024 to 31 March 2025**

**TRANSLATION**

– German version prevails –

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## Appendices

- 1 Annual financial statements**
  - Balance sheet
  - Statement of profit and loss

**General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)**

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We draw attention to the fact that differences may arise due to the use of rounded figures and percentages.

**1 Audit engagement**

The executive directors of

**Lupin Europe GmbH,  
Frankfurt am Main/Germany**

– hereinafter also referred to as “Lupin Europe” or “the Company” –

engaged us to conduct the audit of the annual financial statements for the financial year from 1 April 2024 to 31 March 2025 in accordance with Sec. 317 German Commercial Code (HGB).

In accordance with Sec. 321 (4a) HGB, we confirm that our audit was conducted in compliance with the applicable regulations on independence.

Our long-form audit report has been prepared in accordance with the German Generally Accepted Standards for the Preparation of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised) (10.2021).

The scope of the engagement and our responsibilities thereunder, towards both the Company and third parties, are governed by the agreement dated 8 and 8 July 2024 and complementarily by the enclosed “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” as of 1 January 2024.

This long-form audit report has been prepared solely to document the audit work performed to the Company and not for any purposes of third parties. In accordance with the legal position pursuant to Sec. 323 HGB, we do not accept or assume liability to third parties.

## **2 Copy of the Independent Auditor's Report**

We have issued the following Independent Auditor's Report on the annual financial statements of Lupin Europe GmbH, Frankfurt am Main/Germany, for the financial year ended 31 March 2025 as set out in appendix 1:

### **"INDEPENDENT AUDITOR'S REPORT**

To Lupin Europe GmbH, Frankfurt am Main/Germany

#### **Audit Opinion**

We have audited the annual financial statements of Lupin Europe GmbH, Frankfurt am Main/Germany, which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss for the financial year from 1 April 2024 to 31 March 2025.

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 31 March 2025 and of its financial performance for the financial year from 1 April 2024 to 31 March 2025 in compliance with German Legally Required Accounting Principles taking advantage of the exemption rules applicable to micro business corporations in accordance with Section 264 (1) sentence 5 German Commercial Code (HGB).

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

#### **Basis for the Audit Opinion**

We conducted our audit of the annual financial statements 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" 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 opinion on the annual financial statements.

**Responsibilities of the Executive Directors for the Annual Financial Statements**

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 taking advantage of the exemption rules applicable to micro business corporations in accordance with Section 264 (1) sentence 5 HGB. 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.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements**

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, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

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.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements, 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 opinion. 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 control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements 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 internal control 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 or, if such disclosures are inadequate, to modify our audit opinion. 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 taking advantage of the exemption rules applicable to micro business corporations in accordance with Section 264 (1) sentence 5 HGB.

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.

Frankfurt am Main/Germany, 30 April 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

Signed:  
Thomas Ludwig  
Wirtschaftsprüfer  
(German Public Auditor)

Signed:  
Rainer Wiesner  
Wirtschaftsprüfer  
(German Public Auditor)

### **3 Subject, nature and scope of the audit**

#### **Subject of the audit**

Our audit covered:

- the accounting records, and
  - the annual financial statements (comprising the balance sheet and the statement of profit and loss)
- of the Company.

As the Company has taken advantage of the exemptions for micro business corporations within the meaning of Sec. 267a (1) HGB, it is not obliged to prepare notes to the financial statements and a management report.

The executive directors of the Company are responsible for the accounting records and the preparation of the annual financial statements in accordance with German commercial law taking advantage of the exemptions conferred by Sec. 264 (1) sentence 5 HGB; this also applies to the information which was provided to us concerning these documents. Further information is provided in the section "Responsibilities of the Executive Directors for the Annual Financial Statements" in the above copy of our auditor's report.

Our responsibility is to express an opinion on these documents and this information based on our audit conducted in accordance with professional auditing standards. Our responsibilities in this context are described in the sections "Basis for the Audit Opinion" and "Auditor's Responsibilities for the Audit of the Annual Financial Statements" of our auditor's report.



**Nature and scope of the audit**

Our audit was based on the prior year's annual financial statements audited by us, on which we issued an unqualified Independent Auditor's Report dated 30 April 2024; these annual financial statements were adopted on 25 September 2024.

We conducted our audit in accordance with Sec. 317 HGB and with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW).

Concerning the main features of our audit approach, we refer to the section "Auditor's Responsibilities for the Audit of the Annual Financial Statements" in the above copy of our auditor's report in chapter 2. In order to meet these requirements, we apply our risk- and process-based audit approach; for this purpose, we use our Levvia auditing software. It supports the planning, performing and documentation of the audit.

In accordance with Sec. 317 (4a) HGB, the scope of the audit does not include assurance on the future viability of the audited Company or on the effectiveness or efficiency with which the executive directors have conducted or will conduct the affairs of the Company.

We conducted the audit in December 2024 (interim audit) and between March and April 2025 (main audit).

In accordance with our audit plan, we did not rely on internal controls. Therefore, in accordance with our risk assessment, we did not reduce the scope of our substantive analytical procedures and tests of details of selected transactions and account balances. Tests of details were performed on the basis of judgemental selections of specific items and/or by applying sampling methods.

Our audit focused on:

- the valuation of inventories, and
- evidence of other operating expenses.

In order to assess the appropriateness of the Company's accounting records, as part of the interim audit, we obtained an overview of the organisation of the accounting records and an understanding of the controls relevant to the audit, and performed appropriate tests of design and implementation, in particular with regard to the relevant internal controls implemented.

The Company has outsourced its accounting function to Hormosan Pharma GmbH, Frankfurt am Main/Germany. To assess the appropriateness of the outsourced accounting function, we tested the internal control procedures of the Company with regard to the operations of Hormosan Pharma GmbH and performed system and compliance testing at Hormosan Pharma GmbH.

The Company records its inventory by way of early year-end inventory counts. We observed a selected number of physical inventory counts. Furthermore, we examined whether the inventory accounting meets the requirements of the inventory method.

In auditing accounts payable and provisions, we requested external confirmations from selected suppliers and also from selected lawyers and tax accountants of the Company concerning its debits, claims, rights, credits and obligations. We did not request external confirmations of accounts receivable from, and accounts payable to, affiliated companies recorded in lists of account balances at the balance sheet date. In this context, we convinced ourselves that accounts receivable and accounts payable were recorded, maintained and processed in such a way that they could be substantiated reliably by other means.

The executive directors provided all information and evidence requested and on 30 April 2025 issued a written letter of representation in accordance with professional standards. In this letter of representation, the executive directors notably confirm that they fulfilled their responsibilities for the preparation of the annual financial statements in accordance with German commercial law and that all transactions have been recorded in the accounting records in accordance with German Legally Required Accounting Principles and are reflected in the annual financial statements in accordance with the requirements of German commercial law.

## **4 Findings and explanations on the financial reporting**

### **4.1 Appropriateness of the financial reporting**

#### **4.1.1 Accounting records and other audited documents**

The accounting records comply with the legal requirements including the German Legally Required Accounting Principles. The information derived from the other audited documents is, in all material respects, appropriately presented within the accounting records and the annual financial statements.

#### **4.1.2 Annual financial statements**

The annual financial statements for the financial year ended 31 March 2025 are enclosed as part of appendix 1 to this long-form audit report.

The annual financial statements have been properly derived from the accounting records and the other audited documents. The legal requirements on classification, recognition and valuation taking advantage of the exemption rules applicable to micro business corporations in accordance with Sec. 264 (1) sentence 5 HGB have been complied with in all material respects. Disclosures below the balance sheet in accordance with Sec. 264 (1) sentence 5 HGB have not been required.

## 4.2 Explanations of the annual financial statements

Grooming transactions are reported below.

On the basis of a commission agent agreement dated 9 September 2020 with an indefinite term, Lupin Europe, as the principal, sells the medicinal product MigraPen in Germany. The fellow subsidiary Hormosan Pharma GmbH, Frankfurt am Main/Germany, as the commission agent, sells MigraPen in its own name but for the account of Lupin Europe. Lupin Europe remunerates the commission agent for the sales transactions realised with a commission of 5.5 % of the gross sales price of any sold product and reimburses the commission agent for the marketing and distribution expenses incurred with an administrative cost mark-up of 6.0 %.

The arrangement is based on sales forecasts that have not yet been met. While a revenue of kEUR 1,010 and a net profit of kEUR 52 were planned for the financial year ended 31 March 2025, actual revenue amounted to kEUR 951 and a net loss for the year of kEUR 71 was realised. If the Company does not meet the forecast, it will not be able to generate a net profit for the year or positive cash flow from its operating activities and will therefore continue to be entirely dependent on external financing.

## 4.3 Information on the assets, liabilities, financial position and financial performance

### Multi-year data overview

		2024/25	2023/24	2022/23	2021/22	2020/21
Revenue	kEUR	951	790	585	434	164
Cost of materials	kEUR	682	540	643	352	124
Other operating income	kEUR	1,935	604	566	710	1,097
Other operating expenses	kEUR	2,194	896	894	1,078	1,322
Number of employees (Sec. 267 (5) HGB)	Heads	0	0	0	0	0
Loss for the year	kEUR	-71	-112	-451	-339	-206
Equity/deficit not covered by equity (-)	kEUR	690	761	874	-176	163
Equity ratio	%	34.6	42.1	55.8	negative	7.8
Balance sheet total	kEUR	1,995	1,807	1,566	1,923	2,094

### Credit facilities

The Company does not have its own credit facilities with banks.

**5 Concluding remark**

The above long-form audit report on our audit of the annual financial statements of Lupin Europe GmbH, Frankfurt am Main/Germany, for the financial year from 1 April 2024 to 31 March 2025 complies with the legal requirements and the German Generally Accepted Standards for the Preparation of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised) (10.2021).

Concerning the unqualified Independent Auditor’s Report issued by us, we refer to chapter 2 “Copy of the Independent Auditor’s Report”.

Frankfurt am Main/Germany, 30 April 2025

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

Signed:  
Thomas Ludwig  
Wirtschaftsprüfer  
(German Public Auditor)

Signed:  
Rainer Wiesner  
Wirtschaftsprüfer  
(German Public Auditor)

The publication or distribution of the annual financial statements to third parties with reference to our audit as well as the distribution of our Long-form Audit Report and/or our Independent Auditor’s Report requires our renewed representation; in this respect, we expressly draw attention to No. 6 of the appended General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) (IDW-AAB).

**Lupin Europe GmbH**  
**Frankfurt am Main/Germany**

**Appendix 1**

Annual financial statements  
for the financial year  
from 1 April 2024 to 31 March 2025

Lupin Europe GmbH  
 Hanauer Landstraße 139-143, 60314 Frankfurt am Main/Germany  
 HRB 110978, Frankfurt am Main/Germany local court

**BALANCE SHEET AS AT 31 MARCH 2025**

**ASSETS**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>EUR</b>	<b>EUR</b>
A. <u>FIXED ASSETS</u>		
Intangible fixed assets		
Purchased concessions, industrial and similar rights and assets as well as licences in such rights and assets	<u>322,946.87</u>	<u>270,376.60</u>
B. <u>CURRENT ASSETS</u>		
I. Inventories		
Merchandise	<u>712,398.91</u>	<u>686,200.50</u>
II. Receivables and other current assets		
1. Receivables from the shareholder (also receivables from affiliated companies, also trade receivables)	196,156.23	58,904.04
2. Receivables from affiliated companies (also trade receivables)	575,518.06	293,640.97
3. Other current assets	<u>257.27</u>	<u>257.27</u>
	<u>771,931.56</u>	<u>352,802.28</u>
III. Cash-in-hand, bank balances	<u>187,346.40</u>	<u>497,732.40</u>
	<u>1,671,676.87</u>	<u>1,536,735.18</u>
	<u>1,994,623.74</u>	<u>1,807,111.78</u>

Frankfurt am Main/Germany, 30 April 2025

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Peer Seeger

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Sunil Makharia

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Thierry Volle

**EQUITY AND LIABILITIES**

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>EUR</b>	<b>EUR</b>
A. <u>EQUITY</u>		
I. Subscribed capital	25,000.00	25,000.00
II. Capital reserves	2,000,000.00	2,000,000.00
III. Accumulated losses brought forward	-1,263,668.54	-1,151,285.13
IV. Loss for the year	-70,929.02	-112,383.41
	<u>690,402.44</u>	<u>761,331.46</u>
B. <u>PROVISIONS</u>		
Other provisions	<u>60,901.05</u>	<u>153,998.65</u>
C. <u>LIABILITIES</u>		
1. Trade payables	350,669.57	12,775.92
of which with a remaining term of up to one year: EUR 329,848.70 (prior year: EUR 12,775.92)		
2. Liabilities to affiliated companies	853,657.58	860,519.73
of which with a remaining term of up to one year: EUR 103,657.58 (prior year: EUR 110,519.73) (also trade payables)		
of which with a remaining term of more than one year: EUR 750,000.00 (prior year: EUR 750,000.00)		
3. Other liabilities	38,993.10	18,486.02
of which with a remaining term of up to one year: EUR 38,993.10 (prior year: EUR 18,486.02)		
	<u>1,243,320.25</u>	<u>891,781.67</u>
	<u>1,994,623.74</u>	<u>1,807,111.78</u>

**Lupin Europe GmbH, Frankfurt am Main/Germany**

**STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD FROM 1 APRIL 2024 TO 31 MARCH 2025**

	<b>2024/25</b>	<b>2023/24</b>
	<b>EUR</b>	<b>EUR</b>
1. Revenue	951,384.02	789,608.52
2. Other operating income	1,935,153.58	604,431.12
of which currency translation gains: EUR 0 (prior year: EUR 57.18)		
3. Cost of materials		
Cost of purchased merchandise	-682,329.36	-539,505.00
4. Amortisation and write-downs of intangible fixed assets	-47,429.73	-41,596.40
5. Other operating expenses	-2,193,969.36	-895,937.71
of which currency translation losses: EUR 27.10 (prior year: EUR 0.00)		
6. Interest and similar expenses	-33,738.17	-29,383.94
of which to affiliated companies: EUR -33,738.17 (prior year: EUR -29,383.94)		
7. Earnings after taxes	<u>-70,929.02</u>	<u>-112,383.41</u>
8. Loss for the year	<u><u>-70,929.02</u></u>	<u><u>-112,383.41</u></u>



# 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 (Steuerberatungvergütungsverordnung) 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.