

Convenience translation of the original German audit report. Solely the original text in German is authoritative.

CG Drives & Automation GmbH
Wernigerode

Annual financial statements, management report
and Independent Auditor's Report
for the financial year from 1 April 2024
to 31 March 2025

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Balance Sheet March 31, 2025

Assets			Equity & Liabilities		
	31/3/2025	31/3/2024		31/3/2025	31/3/2024
	€	€		€	€
A. Non-current assets			A. Equity		
I. Intangible assets			I. Share capital	25,564.59	25,564.59
Concessions, industrial and similar rights and assets and licenses in such rights and assets	19,968.11	12,633.94	II. Capital reserve	225,354.89	225,354.89
II. Tangible assets			III. Retained profits	3,061,375.60	2,668,387.84
1. Land, land rights and building including buildings on third party land	85,643.83	105,199.75	IV. Net income of the year	1,136,116.57	392,987.76
2. Other equipment, factory and office equipment and machines	296,186.31	283,128.57		4,448,411.65	3,312,295.08
3. Prepayments on tangible assets and construction in progress	108,282.33	29,415.61	B. Provisions		
	490,112.47	417,743.93	1. Tax provisions	471,268.41	647,533.62
III. Financial assets			2. Other provisions	1,048,885.84	860,190.61
Other loans	15,051.29	20,567.52		1,520,154.25	1,507,724.23
Sum of non-current assets	505,163.76	438,311.45	C. Liabilities		
B. Current assets			1. Liabilities to banks	0.00	0.00
I. Inventories			2. Advanced payments received for orders	45,365.50	181,995.99
1. Raw materials, consumables and supplies	206,270.27	291,934.79	3. Trade payables	932,070.75	584,711.87
2. Work in process	776,085.75	875,499.70	4. Payable to shareholders and affiliated companies	1,186,538.37	2,568,719.64
3. Finished goods and merchandise	383,974.73	809,452.45	5. Other liabilities	230,648.44	339,353.17
4. Prepayments on inventories	63,865.40	261,349.53	(thereof for taxes: EUR 140.469,40; previous year EUR 241.768,67)		
	1,430,196.15	2,238,236.47	(thereof related to social security: EUR 11.465,52; previous year EUR 9.626,11)		
II. Receivables and other assets				2,394,623.06	3,674,780.67
1. Trade receivables	2,892,324.30	2,369,186.64			
2. Receivables from shareholders and affiliated companies	110,633.60	151,551.55			
3. Other assets	124,169.17	216,828.51			
	3,127,127.07	2,737,566.70			
III. Cash on hand and bank balances	3,085,512.07	2,933,425.90			
Sum of current assets	7,642,835.29	7,909,229.07			
C. Prepaid expenses	195,221.80	134,625.52			
	8,363,188.96	8,494,799.98		8,363,188.96	8,494,799.98

CG Drives & Automation Germany GmbH, Wernigerode

**Profit and Loss Statement
from April 1, 2024 to March 31, 2025**

	2024/2025	2023/2024
	€	€
1. Sales	21,986,676.52	21,189,130.39
2. Decrease (-)/Increase in inventories of finished goods and work in progress	-167,054.49	353,659.04
3. Own work capitalized	2,157.16	3,294.64
4. Overall performance	21,821,779.19	21,546,084.07
5. Other operating income	342,980.54	179,843.38
6. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	12,563,207.50	13,558,425.93
b) Cost of purchased service	211,732.20	713,744.24
	12,774,939.70	14,272,170.17
7. Personell expenses		
a) Wages and salaries	4,003,962.82	3,732,505.81
b) Social security and retirement provisions and support (theeof expenses for retirement provisions EUR 15.283,43; previous year EUR 13.946,74)	838,782.07	713,658.30
	4,842,744.89	4,446,164.11
8. Amortization of intangible assets and depreciation of property, plant and equipment	127,188.32	119,772.15
9. Other operating expenses	2,755,581.59	2,281,440.28
10. Other interest and similar income	656.81	630.10
11. Interest and similar expenses	41.01	0.00
12. Taxes on income and earnings	521,754.87	205,983.20
13. Profit after taxes	1,143,166.16	401,027.64
14. Other taxes	7,049.59	8,039.88
15. Net Income of the year	1,136,116.57	392,987.76

NOTES to the financial statements as of 31 March 2025
CG Drives & Automation Germany GmbH
Gießergeweg 3, 38855 Wernigerode

I. General Information

These annual financial statements were prepared in accordance with Sections 242 et seq. and 264 et seq. HGB and in accordance with the relevant provisions of the GmbHG and the articles of association. The regulations for medium-sized corporations apply.

The income statement is structured according to the nature of expense method.

The company is registered under the name CG Drives & Automation Germany GmbH with its registered office in Wernigerode in the commercial register of the Stendal district court under the number HRB 111447.

II. Accounting and valuation methods

In contrast to the previous year, finished goods and merchandise, which were reported together with work in progress in the previous year, are now reported separately. Furthermore, expenses for external personnel (EUR 777 thousand; previous year: EUR 451 thousand), which were reported under wages and salaries in the previous year, are now reported under other operating expenses. The previous year's figures have been adjusted accordingly to improve comparability.

In addition, the statement of changes in non-current assets is now shown in an appendix to the notes for greater clarity.

The following accounting and valuation methods were also used to prepare the annual financial statements. Intangible fixed assets are recognized at cost and, if subject to wear and tear, are amortized on a straight-line basis over their useful lives. The useful lives are taken from the official depreciation tables.

Property, plant and equipment was recognized at acquisition or production cost and depreciated over its useful life, reduced by scheduled depreciation. In addition to directly attributable costs, production costs also include necessary overheads and depreciation caused by production. Depreciation was recognized on a straight-line basis over the expected useful life of the assets. The useful lives are taken from the official depreciation tables.

Financial assets were recognized at cost. In the event of permanent impairment, they are written down to the lower fair value.

Inventories of raw materials, consumables and supplies are capitalized at average cost or lower current prices on the balance sheet date. Merchandise is recognized at average acquisition cost.

Work in progress and finished goods are capitalized at production cost. In addition to directly attributable costs, production costs also include material and production overheads as well as production-related depreciation.

Write-downs are applied to inventories to account for risks arising from longer storage periods and/or limited usability.

Receivables and other assets were recognized at cost and measured taking into account all identifiable risks.

Cash and cash equivalents were recognized at their nominal amount and consist of cash on hand and cash at banks.

The tax provisions and other provisions take into account all uncertain liabilities. They are recognized in the amount of the settlement amount required according to prudent business judgment. Warranty provisions are measured at a risk-adequate proportion of sales. Provisions with a term of less than one year are not discounted.

Liabilities were recognized at the settlement amount.

Receivables and liabilities in foreign currencies are generally recognized at the exchange rates prevailing at the time they arise. On the balance sheet date, they are translated at the mean spot exchange rate in accordance with Section 256a HGB.

The company makes use of the option under Section 274 (1) sentence 2 HGB and does not capitalize any excess of deferred tax assets over deferred tax liabilities.

III. Notes to the balance sheet

1. Fixed assets

The statement of changes in fixed assets can be found in Appendix 1.

2. Receivables and other assets

- a) EUR 111 thousand (previous year: EUR 152 thousand) of the receivables from affiliated companies relate to receivables from the exchange of services and EUR 0 thousand (previous year: EUR 0 thousand) to other receivables.

EUR 106 thousand (previous year: EUR 36 thousand) are due from the shareholder.

- b) Receivables by remaining term

As in the prior year, all receivables are due within one year.

3. Equity

The subscribed capital has not yet been converted to euros, it is denominated at DM 50,000.00.

4. Provisions

Other provisions are made up as follows:

Other provisions	2024/2025	2023/2024
	thousand EUR	thousand EUR
Warranty obligations	168	152
Outstanding incoming invoices	447	179
Salary- & holiday provisions	356	458
Annual financial statements, audit, disclosure	78	71
Total	1,049	860

5. Liabilities

- a) EUR 1,187 thousand (previous year: EUR 2,569 thousand) of the liabilities to affiliated companies relate to liabilities from the exchange of services and EUR 0 thousand (previous year: EUR 0 thousand) to other liabilities.

EUR 795 thousand (previous year: EUR 1,864 thousand) is owed to the shareholder.

- b) Liabilities by remaining term

As in the prior year, all liabilities are due within one year.

IV. Notes to the income statement

No use was made of the simplification rule under Section 276 HGB for medium-sized corporations. All required disclosures can be found in the income statement.

Income from the reversal of provisions in the amount of EUR 109 thousand (previous year: EUR 0 thousand) and other prior-period income in the amount of EUR 45 thousand (previous year: EUR 0 thousand) were recognized.

The actual tax expense/income from the MinStG for the 2024/2025 financial year amounts to EUR 0.

V. Further information

1. Other financial obligations

There are other financial obligations from purchase commitments in the amount of EUR 1,881 thousand. They result from obligations to affiliated companies (EUR 865 thousand) and to third parties (EUR 1,016 thousand). In addition, there are annual obligations from rental and leasing agreements amounting to EUR 683 thousand with an average term of the agreements of five years.

2. Average number of employees

The company had an average of 60 employees. Of these, 35 were salaried employees, 22 were industrial employees and three were employed on a part-time basis. In addition, an average of 13 temporary workers were employed by the company.

3. Group relationships

CG Drives & Automation Sweden AB, as the parent company of CG Drives & Automation Germany GmbH, has declared a subordination for receivables in the amount of EUR 2,902 thousand from CG Drives & Automation Germany GmbH. At the reporting date, liabilities to CG Drives & Automation Sweden AB amounted to EUR 795 thousand.

CG Power and Industrial Solutions Limited in Mumbai, India, prepares the consolidated financial statements for the largest group of companies.

CG International BV, Amsterdam, Netherlands, prepares the consolidated financial statements for the smallest group of companies.

The consolidated financial statements can be reviewed at the registered offices of the respective companies.

VI. Appropriation of earnings and reserves

It is to be proposed to the shareholders' meeting that the net profit for the financial year 2024/2025 be carried forward to new account.

VII. Other information

Information on the members of the corporate bodies:

During the past financial year, the company's business was managed by the following persons:

Managing directors: Rainer Gessing
 Claes Bjäreholdt (until March 25th, 2025)
 Kapil Agrawal
 Coenrad Marais Nel (starting March 25th, 2025)

With regard to the information on the managing director's salary for Mr. Gessing, we refer to Section 286 (4) HGB; the other managing directors did not receive any remuneration from CG Drives & Automation Germany GmbH in the financial year.

No events of particular significance occurred after the end of the financial year.

Wernigerode, den 14.04.2025

signed Rainer Gessing

signed Kapil Agrawal

signed Coenrad Marais Nel

thousand EUR	Acquisition and production costs					Depreciation				Book value	
	April 1 2024	Acquisitions	Disposals	March 31 2025		April 1 2024	Depreciation of the current year	Disposals	March 31 2025	March 31 2025	March 31 2024
I. Intangible assets											
Concessions, industrial and similar rights and assets and licenses in such rights and assets	119.958,95	14.892,30	0,00	134.851,25		-107.325,01	-7.558,13	0,00	-114.883,14	19.968,11	12.633,94
Sum	119.958,95	14.892,30	0,00	134.851,25		-107.325,01	-7.558,13	0,00	-114.883,14	19.968,11	12.633,94
II. Tangible assets											
1. Land, land rights and building including buildings on third party land	372.086,73	263,86	0,00	372.350,59		-266.886,98	-19.819,78	0,00	-286.706,76	85.643,83	105.199,75
2. Other equipment, factory and office equipment and machines	1.346.644,91	112.868,15	-223.649,74	1.235.863,32		-1.063.516,34	-99.810,41	223.649,74	-939.677,01	296.186,31	283.128,57
3. Prepayments on tangible assets and construction in progress	29.415,61	78.866,72	0,00	108.282,33		0,00	0,00	0,00	0,00	108.282,33	29.415,61
Sum	1.748.147,25	191.998,73	-223.649,74	1.716.496,24		-1.330.403,32	-119.630,19	223.649,74	-1.226.383,77	490.112,47	417.743,93
III. Financial assets											
1. Other loans	20.567,52	0,00	-5.516,23	15.051,29		0,00	0,00	0,00	0,00	15.051,29	20.567,52
Sum	20.567,52	0,00	-5.516,23	15.051,29		0,00	0,00	0,00	0,00	15.051,29	20.567,52
Total	1.888.673,72	206.891,03	-229.165,97	1.866.398,78		-1.437.728,33	-127.188,32	223.649,74	-1.341.266,91	525.131,87	450.945,39

Management report for the financial year 2024/2025

CG Drives & Automation Germany GmbH Gießbergweg 3, 38855 Wernigerode

A. Fundamentals of the company

CG Drives & Automation Germany GmbH (CG D&A for short) has been part of the CG Power & Industrial Solutions Group, an Indian company of the Murugappa Group, since 2011.

The company has been active in Germany since 1997. CG D&A develops and manufactures products for the control, monitoring and protection of machines and processes driven by electric motors. The aim of every product development from CG D&A is to significantly increase the efficiency and reliability of process and machine control systems. Product development is based on comprehensive knowledge of power electronics, motor design and control as well as the necessary simulation processes. Added to this are many years of experience with a wide range of applications in electronic drive technology.

Our aim to ensure reliable, cost-effective and user-friendly operation of pumps, fans, compressors, ventilators, cranes, elevators, shredders, grinders and mixers with our products.

Our product range includes frequency inverters, soft starters and load sensors as well as a variety of user specific drives and power electronics. CG D&A focuses on special applications and offers its customers comprehensive expertise, optimized and tailor-made solutions for cranes, control cabinets, compact drives and drive systems.

CG D&A offers accompanying services such as consulting and engineering, training, technical support, on-site service including commissioning and maintenance for every phase of the product life cycle.

An example of the company's innovative strength:

CG D&A Germany solutions for the energy supply of hydrogen generation plants as well as inverters for battery storage systems. Our solutions for electrically powered inland waterway vessels are also particularly innovative.

CG D&A is established in the market as an innovative company.

The company is active in the following three areas:

- Distribution of electronic and electrotechnical devices
- Service (maintenance and repair) of electronic and electrotechnical devices and equipment in the field of drive technology
- Projects or project engineering in conjunction with in-house switch cabinet construction for the implementation of customer-specific orders

B. Economic report

1. Macroeconomic and sector-specific framework conditions

General economic conditions

The Federal Statistical Office stated (transcript of the press conference "Gross domestic product 2024 for Germany" on January 15, 2025) that German gross domestic product (GDP) fell by 0.2% (price-adjusted) in 2024. It had already fallen by 0.3% in the previous year. Although global trade increased in 2024, German exports fell due to stronger international competition and the declining competitiveness of the manufacturing sector in relation to increased costs (including energy costs, inflation, etc.). Uncertainty about future economic development and the continued rise in interest rates curbed private household consumption and investment in the economy. The construction industry continued to be burdened by high construction prices.

Industry-related framework conditions

The industry-specific framework conditions refer to the ZVEI's March 2025 factsheet.

Turnover in the German electrical and digital industry developed negatively in the calendar year 2024. It fell by EUR 16 billion to EUR 223.4 billion. This represents a decrease of 6.1%. Domestic sales fell by EUR 8.1 billion to EUR 107.0 billion and foreign sales fell by EUR 7.9 billion to EUR 116.4 billion. The market for frequency inverters, our main product, slumped by 30%. This was due to high inventory levels after Covid combined with a poor investment climate.

In calendar year 2024, incoming orders by 9.5% (Germany: -12.9%, abroad: -6.6%).

Producer prices for electrical and electronic goods rose by 1.6% in 2024 compared to 2023.

Price-adjusted production fell by 8.9% in 2024, in line with the trend in incoming orders.

Sales in January 2025 were 0.9% below the figure for January 2024. However, the trend between domestic and foreign sales is in the opposite direction: -3.6% domestic sales and +1.5% foreign sales.

In contrast, incoming orders in the electrical and digital industry in January 2025 are at +1.7% slightly higher than the same month last year (domestic -8.5%, foreign +10.5%).

Producer prices in January 2025 are 1.0% higher than in January 2024.

Price-adjusted production in January 2025 was 3.7% lower than in the same month of the previous year.

Although the business climate in the German electrical and digital industry continued to recover in February 2025, the outlook remains negative. 18% of companies in the sector expect the business to expand, 61% to stagnate and 21% to decline over the next six months. By comparison, in December 2024, 9% expected business to expand, 63% to stagnate and 28% to decline.

2. Business performance

Sales, cost of materials ratio and EBITDA are the three financial performance factors that are relevant for managing the company.

Contrary to the industry trend, sales increased by 3.8% (EUR 798 thousand). Incoming orders fell by 9.0% (EUR 2,054 thousand) compared to 2023/2024, which is in line with the industry trend.

The market trend in our core area of sales is declining. We are feeling the effects of the current business climate and the resulting cautious or wait-and-see approach of companies (reduction in inventories, investment backlog in the energy sector (power plants, etc.), restructuring, etc.). The Russia embargo, the war in Ukraine, the automotive industry's switch to e-drives and the stagnation in the construction industry also had a negative impact on our development. Turnover in the Sales division fell by 13.4% (EUR 1,785 thousand). Incoming orders from key customers in the Sales division fell by 3.8% (EUR 462 thousand) compared to the previous year. After a weaker third quarter, incoming orders recovered somewhat in the fourth quarter. We expect this trend to continue. Communication with our customers paints a very positive picture. Our largest customer has successfully developed new markets, other customers have completed the reduction of their inventories and restructuring in the organizations has been completed.

The service division also recorded a fall in turnover of 11.2% (EUR 222 thousand). Incoming orders fell by 16.3% (EUR 348 thousand). In the previous year, we were able to process very good framework orders in the service division. These are only repeated every three to five years. New project orders with service participation are currently being commissioned and initiated.

In contrast to the sales and service areas, the projects area developed very positively. Here we recorded an increase in turnover of 47.8% (EUR 2,804 thousand). However, incoming orders fell by 14.6% (EUR 1,244 thousand). However, there are currently signs of a positive trend again in terms of incoming orders.

The positive development is based on the areas of hybrid drives for the marine sector, hydrogen production and the retrofit business in the crane sector. We expect further orders in these areas in the first half of the financial year, which will also ensure further growth in the Projects division.

Our project engineering in conjunction with our switch cabinet production to the strong increase in sales through its high-quality work, know-how and expertise. In the meantime, we have a name for ourselves as a reliable supplier of customer-specific solutions in control cabinet construction. In the 2024/2025 financial year, we were able to implement orders relating to wind turbines, hydrogen plants, fuel cell applications, hybrid drives for boats / ships, etc. We are currently developing new projects in the field of gas storage, which should generate a large proportion of future sales growth.

The long-term forecast for CG D&A positive. This is supported by the forecast that the business climate will recover.

3. Personnel and social area

As at the reporting date of March 31, 2025, the company had 59 (previous year: 61) salaried employees and eight (previous year: eleven) temporary employees.

On average, the company had 60 employees in the financial year (previous year: 58) and 13 temporary employees.

Of the average of 13 temporary employees, 12 work in switch cabinet construction and one in service. In the first three quarters of the financial year, we had a very high order volume in switch cabinet construction, which was expected to decline from December 2024. For this reason, we bridged these order peaks with the help of temporary workers and then started to reduce the number of employees in line with demand from November onwards.

4. Other important events of the financial year

Apart from the economic challenges in the current financial year, there were no other events that need to be mentioned in the management report.

5. Situation

5.1 Earnings situation

Sales increased by 3.8% (EUR 798 thousand) in the 2024/2025 financial year.

In terms of the segments, there was a decline in turnover in the sales and service areas. This amounted to 13.4% (EUR 1,785 thousand) in the sales area and 11.2% (EUR 222 thousand) in the service area. The project area recorded an increase of 47.8% (EUR 2,804 thousand).

The breakdown of sales by segment is as follows: Sales 52.5% (previous year 62.9%), service 8.0% (previous year 9.3%) and Projects 39.5% (previous year 27.8%).

The increase/decrease in inventories of finished goods and work in progress fell by 147.2% (EUR 521 thousand) compared to the previous year. This is due to the sharp reduction inventories, particularly in the project area.

Own work capitalized decreased by 34.5% (EUR 1 thousand). The reason for this is less capacity for own work by our employees.

Other operating income increased by 90.7% (EUR 163 thousand). Among other things, this was due to the reversal of provisions (EUR 109 thousand), income from previous years (EUR 45 thousand) and the sale of two cars that had already been written off (EUR 12 thousand).

In contrast to the development of sales, the cost of materials fell by 10.5% (EUR 1,497 thousand). The cost of materials ratio fell from 66.2% in the previous year to 58.5% in the current financial year. This development is due to the different material intensity of the three business divisions. Material costs

are incurred almost exclusively for the sale of merchandise, while service largely comprises its own personnel costs. Project management / switchgear cabinet construction also involves high personnel costs, partly due to project engineering.

Personnel costs increased by 8.9% (EUR 397 thousand). The main reasons for this increase are higher wage and salary costs, including the associated social security expenses. The costs for wages/salaries and social security contributions also increased by 8.9% (EUR 395 thousand) compared to the previous year. This is due to general wage and salary increases and additional employees (an average of 60 employees in 24/25 compared to 58 employees in 23/24).

The personnel expenses ratio rose from 20.6% to 22.2%. This also confirms the statement from the area of material costs that changes in the project business have a greater impact on personnel costs.

Depreciation and amortization increased by 6.2% (EUR 7 thousand) due to investments.

The increase in other operating expenses by 20.8% (EUR 474 thousand) can be explained as follows: EUR 326 thousand higher costs for temporary staff, increased rents and utility costs for the locations in Wernigerode and Neuffen due to conversion measures and additional rented parking and office space (EUR 88 thousand) as well as higher costs for electricity (EUR 24 thousand).

Income taxes developed in line with the net profit for the year and increased by 153.3% (EUR 316 thousand).

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 146.7% (EUR 1,065 thousand) compared to the previous year to EUR 1,784 thousand. This development is the result of the change in the product mix compared to the previous year, which led to a decrease in the cost of materials in 2024.

One-time effects also had a positive impact: reversal of provisions EUR 109 thousand, credit notes received EUR 45 thousand and sale of fixed assets EUR 12 thousand.

The EBITDA margin increased by 4.7% to 8.1%. The share of the material cost-intensive sales business fell from 62.9% in the previous year to 52.5% in the current year. The increase in the EBITDA margin thus also shows the influence of the different cost structures and profit margins of our sales areas on the annual result.

5.2 Financial situation

Total assets

Total assets fell by 1.6% (EUR 132 thousand). They comprise 6.3% (previous year: 5.3%) of fixed assets and 93.7% (previous year: 94.7%) of current assets including prepaid expenses.

Fixed assets

Fixed assets amounted to EUR 525 thousand (previous year: EUR 451 thousand) and thus increased by 16.4% (EUR 74 thousand). They consist of 3.8% (previous year: 2.8%) intangible assets, 93.3% (previous year: 92.6%) tangible assets and 2.9% (previous year: 4.6%) financial assets.

EUR 207 thousand (previous year: EUR 146 thousand) was invested in fixed assets in the financial year. Of this amount, EUR 15 thousand was invested in intangible assets and EUR 192 thousand in property, plant and equipment. Investments were mainly made in optimization / expansion of production / the service area / logistics, - EUR 97 thousand, acquisition of leased assets - EUR 55 thousand (three cars and four other small appliances), EUR 21 thousand for new IT purchases, EUR 13 thousand for corporate and employer branding films and EUR 21 thousand for other investments.

At the same time, there were disposals of assets in the amount of EUR 229 thousand and depreciation disposals in the amount of EUR 224 thousand. The disposals are made up of asset sales (EUR 42 thousand) and scrapping (EUR 182 thousand). All assets were already fully depreciated. In addition, a loan repayment (EUR 5 thousand) was made to the financial reserves.

The ratio of fixed assets to total assets is 6.3% (previous year: 5.3%). The proportion of fixed assets increased due to investments in fixed assets and a simultaneous reduction in current assets.

The ratio of property, plant and equipment to total assets is 5.9% (previous year: 4.9%). Technical equipment and machinery and assets under construction account for 47.4% of property, plant and equipment, as we have no need for large technical equipment for the service area and control cabinet construction. Office equipment accounts for 18.2%, leasehold improvements and conversions for 17.5% and vehicles and other for 16.9%.

The asset utilization rate is 71.4% (previous year 76.1%). Depreciation is recognized in accordance with the official depreciation tables. Equipment is replaced when necessary. Investments are also made if there are technologies that can make the work involved more efficient and/or less stressful for employees.

Current assets

Current assets plus prepaid expenses amounted to EUR 7,838 thousand (previous year: EUR 8,044 thousand) and therefore fell by 2.6% (EUR 206 thousand). Inventories account for 18.2% (previous year 27.8%), receivables and other assets for 39.9% (previous year 34.0%), cash and bank balances for 39.4% (previous year 36.5%) and prepaid expenses for 2.5% (previous year 1.7%).

The current ratio is 93.7% (previous year: 94.7%). One of the main reasons for the reduction is the reduction in inventories.

Inventories fell by 36.1% (EUR 808 thousand). One objective in the financial year was to reduce inventories. This was achieved, among other things, by optimizing the ordering process with regard to the time of ordering and delivery of goods. In addition, some long-term projects were delivered to customers, thereby reducing inventories.

The inventory turnover rate is 12.0 (previous year 10.7). This key figure is calculated as follows: average of opening and closing inventories for the financial year divided by sales for the financial year.

Trade receivables increased by 22.1% (EUR 523 thousand). Of this amount, EUR 467 thousand is attributable to the project business, resulting from the higher turnover and the time of invoicing. The remaining increase is due to reporting date effects from the sales and service business.

Receivables from affiliated companies fell by 27.0% (EUR 41 thousand). On the one hand, old receivables in the amount of EUR 114 thousand were paid and receivables from current deliveries and services increased by EUR 73 thousand. These are also reporting date effects.

Other assets fell by 42.7% (EUR 93 thousand). The main reason for this is the payment of an other receivable in the amount of EUR 84 thousand.

Cash and bank balances increased by 5.2% (EUR 152 thousand).

The turnover rate for receivables is currently 10.0 (previous year 8.8). This key figure is calculated as follows: average of the opening balance and closing balance of receivables (adjusted for sales tax) for the financial year divided by sales revenue for the financial year. We have continued to work on our receivables management in the current financial year and have increasingly resorted to advance payments, particularly in the project business.

Prepaid expenses increased by 45.0% (EUR 61 thousand). This was due to the timing of the Hanover Trade Fair in week 14, as a result of which we booked EUR 32 thousand more trade fair costs to the account and the firsttime payment of an annual fee for "Recruiting as a Service", which increased the balance by EUR 22 thousand.

5.3 Financial situation

Total capital fell by 1.6% (EUR 132 thousand). It is made up of 53.2% (previous year: 39.0%) equity and 46.8% (previous year: 61.0%) borrowed capital.

Equity

Equity increased by EUR 1,136 thousand to EUR 4,448 thousand. This development is due to the result of the current financial year in the amount of EUR 1,136 thousand. All other equity items are unchanged compared to the previous year.

Accruals & Liabilities

Liabilities amounted to EUR 3,915 thousand, which corresponds to a decrease of 24.5%. It consists of 38.8% (previous year: 29.1%) in provisions and 61.2% (previous year: 70.9%) in liabilities. There are no loan liabilities to banks or within the group.

Provisions increased by 0.82% (EUR 12 thousand). Tax provisions fell by EUR 176 thousand (payment of EUR 467 thousand for previous years and an addition of EUR 291 thousand from the current financial year). Other provisions increased by EUR 1,889 thousand, mainly due to provisions for missing incoming invoices from the project business.

Liabilities fell by 34.8% (EUR 1,280 thousand).

Advance payments received on orders fell by 75.1% (EUR 137 thousand), as EUR 159 thousand in advance payments for projects were reported as at the reporting date 23/24. No advance payments for projects were included in the current financial year, only advance payments for our merchandise.

Trade payables are 59.4% (EUR 347 thousand) higher than in the previous year, mainly due to deliveries for customer projects and the investment in property, plant and equipment (relocation of the load stand).

Liabilities to affiliated companies fell by 53.8% (EUR 1,382 thousand), which is mainly due to the lower purchase of components from group companies.

Other liabilities fell by 32.0% (EUR 109 thousand). This was mainly due to lower liabilities from sales tax (EUR 43 thousand) and withholding tax (EUR 54 thousand).

As at March 31, 2025, 34 cars, 1 forklift truck, 7 job bikes and 11 other items of operating and office equipment and machinery were financed through leases. The resulting liabilities not recognized in the balance sheet amounted to EUR 665 thousand as at the reporting date.

Liquidity

Our bank balances increased by EUR 152 thousand to EUR 3,085 thousand in the 2024/2025 financial year (previous year: EUR 2,933 thousand).

100.0% (EUR 3,915 thousand) of borrowed capital is current. In the previous year, this figure was also 100.0% (EUR 5,183 thousand). Of this amount, EUR 795 thousand (previous year: EUR 1,864 thousand) is owed to the shareholder and EUR 392 thousand (previous year: EUR 704 thousand) to other members of the Group. This is offset by current receivables and other assets in the amount of EUR 3,127 thousand (previous year: EUR 2,738 thousand) and bank balances in the amount of EUR 3,085 thousand (previous year: EUR 2,933 thousand).

Our liquidity management is geared towards always settling liabilities within the discount payment period and collecting receivables within the payment terms.

The first-grade liquidity already amounts to 128.9% (previous year: 79.8%). All current liabilities are covered by cash and cash equivalents (previous year: cash and cash equivalents and current receivables).

Asset coverage I amounts to 847.1% (previous year: 734.5%). Our fixed assets are financed exclusively by equity.

C. Forecast report

We expect sales to increase slightly by 6.5% the 2025/2026 financial year. This should be generated mainly from the sales business with growth of 13.9% due to new products and new sales territories. We expect growth of 1.1% in the service business and a decline of 2.1% in the project business.

Thanks to our three business areas, we are broadly positioned and can therefore counteract a weakening economy well. We have a large base of long-standing regular customers who we are able to satisfy our customers with our diverse, customized products and services. We are also constantly expanding our customer base by acquiring new customers.

Since 2021, we have been increasingly marketing ourselves and our products in green energy sector. Over the past three years, we have been able to establish very good cooperations with providers for e.g. wind energy and electrolyzers for hydrogen. We expect this to result in strong growth in the new financial year. Another building block for our growth is our hybrid drive systems, which we are successfully marketing in the marine sector.

According to planning, material costs will rise faster than sales (15.4%). This is due to the increase in sales in the area of merchandise, as these products have higher material costs than the other two areas. In addition, the current price trend is expected to continue. Accordingly, the cost of materials ratio is also again. The estimated figure here is 61.0%.

We a decrease 9.2% in direct and indirect personnel costs. The reason for this is the further reduction in the proportion of temporary employees and, where applicable, direct recruitment.

A slight increase of 5.6% is planned for other operating expenses. The main drivers here are inflation, freight costs and license fees due to higher sales and increased vehicle insurance costs.

We expect EBITDA to continue to develop positively and increase by 8.5%.

D. Opportunity & risk report

1. Risk report

We are facing the following main risks:

- A slowdown in the economy and the associated fall in demand and sales:
 - Thanks to our diverse range of goods and services, we are generally very well positioned to be relatively well protected from economic downturns. Nevertheless, we are monitoring developments and responding with various measures to increase our sales. Examples include: increased sales activities, trade fair appearances to attract new customers, product innovations, etc.
- Increasingly expensive materials on the procurement market, high logistics costs and persistently long delivery times and supply bottlenecks for critical materials; this also results in a decline in demand or falling profits and problems meeting delivery deadlines:

- We generally try to pool our purchasing and negotiation capacities with our parent company in order to achieve greater synergy effects in terms of purchasing prices and order prioritization. In this way, we try to minimize the risk of price changes.
 - Furthermore, we purchase a large proportion of our sales products via our parent company in Sweden and our sister company in India (both production sites) in order to be able to deliver reliably and cost-effectively. CG is working intensively on cost optimization by setting up a global sourcing team and expanding our production capabilities in India.
 - We are in constant negotiations with our suppliers and customers regarding delivery conditions.
 - And we are monitoring the market to develop alternative suppliers.
- Shortage of skilled workers and, as a result, difficulties in filling vacancies or retaining employees:
 - We work with national and international partners who support us in the short-term (temporary employment) and long-term (permanent employment) of employees.
 - We participate in the following measures via the Group:
 - Talent development programs including training and leadership development initiatives to promote employee growth and retention.
 - Development of a succession planning process to identify employees with high potential in order to give them the opportunity to move up within the company and thus increase employee retention.
- Liquidity risks:
 - No risks are currently seen here due to the bank balance, current receivables and trade credit insurance.
- Bad debt risks:
 - This risk is classified as low. We check the creditworthiness of our customers at regular intervals. For customers with an insufficient credit rating, we work with advance payment. We have also taken out trade credit insurance.
 - At the end of the financial year, 91.3% of our trade receivables were not due and 8.7% were between one and thirty days overdue. In the 2024/2025 financial year, we only had to record two defaults on trade receivables due to insolvencies. The defaulted net receivables amounted to EUR 5 thousand. We were reimbursed EUR 3 thousand of this amount via trade credit insurance.
 - With over 600 customers served in the financial year, the default rate is 0.3%.

2. Opportunity report

Our opportunities lie in generating additional market share by expanding our sales territories and co-operating with customers.

Our aim is to win new markets in the field of hydrogen production, battery storage, etc. We are working closely potential and existing customers to achieve this. We are also planning a cooperation with CG Motors to support the market development of the motors in Germany.

In Q4 2024/2025, we started to develop new geographical markets, e.g. Austria and Switzerland.

We also focus on marketing our new products, which increase our competitiveness. We use our expertise and customer-specific offers to retain customers in the long term and acquire new customers.

The development of new solutions for the crane and elevator technology sectors has been completed and is in the marketing phase.

3. Overall statement

The main risks are a further stagnation of the economy, the price development of suppliers and, in some cases, their inability to deliver.

However, this is offset by our ability to acquire customers and develop new areas of application for our products and services.

Our customers are solvent and bad debt losses are a low risk, as we check our customers' liquidity, work with advance payment where necessary and take out trade credit insurance.

There are currently no identifiable risks that could jeopardize the continued existence of the company.

E. Research & Development

The basic development of new products for the German market takes place in Sweden and India, whereby the requirements of the local market are taken into account through intensive involvement of the company.

CG D&A does not operate a research or development department, so there are no employees in such a department. If there is a need for a development project so that we can offer new customer solutions/products, individual employees from project engineering and control cabinet construction are selected to work on the project on a temporary - not full-time - basis.

In the current financial year, we worked on a development project. Nine employees worked on this project for a total of 2,385 hours. The costs for this amounted to EUR 99 thousand (previous year: EUR 137 thousand). No costs were capitalized for this development project in the financial year.

F. Permanent establishment

CG D&A has a dependent operating facility. It is located in Neuffen, Baden-Württemberg and is a second service center for repairs and maintenance, primarily for the southern part of Germany.

Wernigerode, den 14.04.2024

Managing Directors: Rainer Gessing, Coenrad Marais Nel, Kapil Agrawal

INDEPENDENT AUDITOR'S REPORT

To CG Drives & Automation GmbH, Wernigerode

AUDIT OPINIONS

We have audited the annual financial statements, of CG Drives & Automation GmbH, Wernigerode, which comprise the balance sheet as at 31 March 2025 and the statement of profit or loss for the financial year from 1 April 2024 to 31 March 2025 and notes, including the presentation of the recognition and measurement policies.

In addition, we have audited the management report of CG Drives & Automation GmbH 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 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 § 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 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 § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 they 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 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 § 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, and 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 (systems) 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 internal controls of the company or these arrangements and measures.
- 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 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.

Hannover, 9 May 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed by Schelling
Wirtschaftsprüfer
(German Public Auditor)

Signed by Horn
Wirtschaftsprüfer
(German Public Auditor)

- Special Terms and Conditions -

1. General Provisions

(a) We render our services based on (i) the engagement letter and any possible attachments to the engagement letter (in particular any service descriptions, revocation notices for consumers and portal terms of use), (ii) these Special Terms and Conditions (hereinafter the "STC"), and (iii) the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften of the Institute of German Certified Accountants (hereinafter the "GET") (hereinafter collectively referred to as the "Client Agreement"). The same also applies to any part of our services that may be rendered by us before the Client Agreement is signed with legal effect. Different or conflicting terms and conditions will apply only if they have been expressly accepted by us in writing. The provisions of our engagement letter, the STC and GET will apply even if we do not expressly object to an order placed on the basis of different terms and conditions (e.g., terms and conditions of written orders).

(b) Unless otherwise agreed, these STC and GET also apply if we render services in addition to those agreed upon in the engagement letter or any attachments thereto.

2. Fees, Payment Due Date

(a) Our invoices, including any invoices for installment payments or prepayments, will be issued in Euro and will be due for payment immediately. We will invoice you at cost for any subcontractor services.

(b) Any demands for advance payments are subject to section 13 (1) sentence 2 of the GET. We have the right to invoice the client for reasonable installment payments on fees, charges and expenses, including incidental costs, at any time.

(c) All information we provide regarding the expected amount of fees generally is only a cost estimate, unless the Client Agreement expressly provides for a flat fee. In case we are engaged to provide audit services or an expert opinion, a quoted flat fee may be exceeded in accordance with sec. 43 (2) BS WP/vBP (Professional Charter of the Wirtschaftsprüferkammer on the Rights and Responsibilities of Wirtschaftsprüfer and vereidigte Buchprüfer in Exercising the Profession - Berufssatzung der Wirtschaftsprüfer / vereidigte Buchprüfer), if unforeseeable events beyond our control will result in a considerable amount of additional work.

(d) If we should discontinue our services early, we shall have the right to invoice the client for the number of hours worked up to that point in time, unless termination of the contract is due to wrongful conduct on our part. However, in the latter case we may invoice you for the number of hours worked, if and to the extent that the services rendered are utilizable despite early termination.

(e) The German Regulations on Fees of Tax Advisors (*Steuerberatervergütungsverordnung - StBVV*) shall apply only to the extent expressly agreed in writing. If after the Client Agreement is signed you request us to perform services, that are not included in the engagement letter, we will invoice you for these services either based on a separate agreement or, absent a separate agreement, based on our standard hourly rates applicable to these services, which are available upon request.

(f) If we are requested or required (whether before or after services are rendered) to make available information about our services to a competent court, a trustee or insolvency administrator, a public, regulatory or supervisory authority (*WPK, PCAOB, DPR*) or to any other third party (including the hearing of our personnel as witnesses), we shall have the right to invoice you for the time expended in this context based on hourly rates as agreed in the Client Agreement.

3. Limitations of our Liability

(a) Unless otherwise specified in this section 3 of the STC our liability is governed by section 9 of the GET. In derogation of section 9 (2) and (5) of the GET, each of the liability limits stated therein shall however be replaced throughout by the amount of € 5 million. Section 9 (1) of the GET shall in each case remain unaffected.

(b) If in your opinion the risk associated with our services substantially exceeds the amount of € 5 million, you will inform us about the required

maximum liability amount. We will consider your request and, if necessary, discuss with our liability carrier the possibility of obtaining an adequate additional insurance. You are responsible for any additional premiums incurred in connection therewith.

(c) Contrary to section 9 (2) of the GET and section 3 (a) of the STC our liability is unlimited if (i) expressly agreed in writing, or (ii) as far as we have to perform our work without any limitations of liability to meet the requirements of the laws of the United States of America concerning the independence of auditors.

4. Our Work Results

Work results that must be delivered in writing or in text form and signed by us shall be binding only if the original is signed by two employees or, in case of e-mails, if two employees are named as signatories. Unless otherwise agreed or in violation of any applicable laws or professional standards, we may also deliver our work results to you exclusively (i) as a PDF file and/or (ii) by e-mail and/or (iii) with a qualified electronic signature.

5. Disclosure of Our Work Results, Rights to Work Results

(a) Any disclosure of our work results to third parties or any use of our work results for advertising purposes is subject to section 6 of the GET.

(b) Our work results are intended exclusively for the purpose agreed in the respective Client Agreement, are therefore solely addressed to you, and may not be used for any other purpose, disclosed, or passed on to third parties without our prior consent which must be given in text form.

(c) Unless otherwise agreed in text form, we generally will consent to a disclosure of our work results to third parties only under the condition that a standard disclosure agreement (release letter) has been agreed by the third party/parties. This does not apply to a:

- Disclosure on the basis of section 6 (1) last sub-sentence of the GET - insofar as an obligation arises from statutory law, regulation, official or judicial order.
- Disclosure to your affiliated companies within the meaning of section 15 of the German Stock Corporation Act (*AktG*), your statutory auditor or other auditors/advisors/lawyers with an obligation to maintain confidentiality who require the information in connection with their services, whereby you are obliged to ensure that this disclosure of information does not result in any additional responsibility or liability on our side.

(d) Any disclosure of our work results must be made in full text and include all appendices. Sec. 334 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) shall remain unaffected by any such disclosure.

(e) You agree to hold harmless and indemnify us from and against any and all losses and damages that may result from any non-compliance with the foregoing provisions in section 5 (a) and/or (d).

(f) We will grant you rights to use our work results only to the extent necessary given the purpose of the applicable Client Agreement.

6. Principles of Our Cooperation, Independence

(a) The amount of time needed to render our services and used to calculate our fees depends in substantial part on satisfaction of the requirements set forth in section 3 (1) of the GET.

(b) Unless otherwise provided by the engagement letter, binding laws to which we are subject or any other provisions or applicable standards, we shall have no obligation to review any information made available to us for accuracy or completeness.

(c) We provide our services independently and under our own responsibility and not as your employee, agent, corporate body, or shareholder. You are solely responsible for any management decisions required in relation to our services and for any determination as to the suitability of the services for your purposes. Therefore, you will appoint sufficient qualified contacts for any required coordination in connection with the services to be provided by us.

7. Special Clause for Tax Advice

(a) You hereby instruct and authorize us to electronically submit in your name all statements prepared for you that are intended and have been approved for electronic transmission to the responsible office of the German tax authority directly through DATEV eG. The foregoing instruction and authorization shall be effective immediately and may be revoked at any time. Any notice of revocation must be at least in text form.

(b) If documents requiring action by a certain deadline are submitted to us, we shall have no obligation to take any steps to meet the deadline unless the documents are transmitted to us via our BDO Global Portal, by regular mail or fax.

8. Electronic Communication, Antivirus Protection and Information Security

(a) Electronic communication is subject to section 12 of the GET. You hereby further acknowledge that data sent via the Internet cannot be reliably protected against access by third parties, might be subject to loss, delay or viruses. To the extent permitted by law, we therefore disclaim any responsibility and liability for the integrity of e-mails after they leave our control, and for any damages you or any third parties may suffer as a result. This also applies if despite antivirus programs used by us, viruses enter your system as a result of receiving e-mails from us.

(b) You are obliged to inform us immediately of any security incidents (such as cyber-attacks) that could also have an impact on us.

9. BDO Network, Sole Recourse

(a) We are a member of BDO International Limited, a British company with limited capital contributions, and we are part of the international BDO network of legally independent member firms. BDO is the brand of the BDO network and the BDO member firms (hereinafter "BDO Firms"). To render services, we may involve other BDO Firms as subcontractors. For this purpose, you hereby release us from our duty of confidentiality in relation to such BDO Firms.

(b) You hereby acknowledge and agree that in such cases we will bear full responsibility for both our acts and/or omissions and also all acts and/or omissions of any BDO Firms assisting us as subcontractors. Accordingly, you agree that you shall bring no claims or proceedings of any kind whatsoever against any BDO subcontractors (including BDO International Limited or Brussels Worldwide Services BVBA). This shall not apply to any claim or proceeding founded on an allegation of fraud or willful misconduct or any other claims that cannot be excluded under the laws of the Federal Republic of Germany.

(c) The liability provisions of this Client Agreement, including, without limitation, the limitations of liability, shall also apply for the benefit of any BDO Firms assisting us as subcontractors. Such BDO subcontractors have the right to directly invoke the provisions of the foregoing section 9 (b) of these STC.

10. BDO Legal Rechtsanwaltsgesellschaft mbH (BDO Legal) and BDO Group

(a) If in connection with our services you are also engaging BDO Legal or other companies of the BDO group, you hereby release us from our duty of confidentiality with respect to all engagement-related information in relation to BDO Legal and/or other companies of the BDO group, so that services can be rendered as smoothly and efficiently as possible.

(b) We are legally independent from BDO Legal and from other companies of the BDO group, we neither assume responsibility for their actions or omissions, nor do we form partnership under civil law (*Gesellschaft bürgerlichen Rechts - GbR*) with BDO Legal or any company of the BDO group, nor are we subject to joint and several liability with BDO Legal or any company of the BDO group.

11. Money-Laundering Act, Sanctions

Under the provisions of the German Money-Laundering Act (*Geldwäschegesetz - GWG*) we are required to follow certain identification procedures with respect to our contract partners. You are obligated to provide us, fully and truthfully, with all information and documentation that must be provided under the German Money-Laundering Act, and you are obligated to update such information and documentation without demand in the further course of the business relationship. We hereby expressly advise you of our obligations to terminate business relationships in accordance with applicable provisions of the German Money-Laundering Act. We further note that we also review our business relationships, *inter alia*, for relevant national or international sanctions. We reserve the right to terminate a business relationship without notice if we determine in the course of any sanction reviews that you and/or any of your controlling shareholders/partners are subject to relevant sanctions.

12. Marketing

Unless we are instructed otherwise by you in writing or highly personal matters or mandates of consumers within the meaning of sec. 13 of the German Civil Code are involved, you hereby allow us to use the type and nature of our contract with you for marketing purposes. This authorization exclusively covers a factual description of the basic nature of the contract and the client (e.g., reference lists with firm and logo, as well as scorecards).

13. Statute of Limitations

(a) The limitation of warranty claims is subject to section 7 (2) of the GET. The limitation of all other claims is as provided in the following subsections.

(b) In cases of simple negligence not involving harm to life, body, freedom or health, all claims against us shall be subject to a general limitation period of one year.

(c) The limitation period shall begin to run at the end of the calendar year in which the claim occurred and in which you discovered or absent gross negligence would have discovered the circumstances giving rise to the claim as well as the identity of the liable party ("knowledge or grossly negligent lack of knowledge"). Irrespective of the above, claims shall be time-barred after a period of five years after they occurred, or, without regard to their occurrence and to your knowledge or grossly negligent lack of knowledge, ten years after the act, breach of duty or any other event triggering the damage. Whichever deadline expires first shall be relevant.

(d) Except as provided herein, the limitation of claims shall be governed by applicable law.

14. Jurisdiction, Form, Severability

(a) If you are a merchant (*Kaufmann*), a legal entity under public law or a special fund under public law, or if you do not have a general place of jurisdiction in Germany, the place of jurisdiction for any and all disputes arising from or in connection with the Client Agreement shall, at our option, be (i) Hamburg/Germany, (ii) the place at which the work in dispute was performed, or (iii) the place of your registered office or residence.

(b) Any amendment, supplement or cancellation of the Client Agreement shall be made at least in text form (sec. 126b German Civil Code). This shall also apply to any amendment, supplement, or cancellation of this clause 14 (b) STC.

(c) If any provision of this agreement - in whole or in part - is held to be invalid or otherwise impracticable, the other provisions shall remain in full force and effect. Any invalid or impracticable provision shall be deemed to be replaced by such valid and enforceable provision as comes as close as possible to the economic intent of the invalid or unenforceable provision. The foregoing shall apply, *mutatis mutandis*, if any provision has been inadvertently omitted from this agreement.

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.