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LWB Steinl GmbH & Co. KG

Altdorf

Annual financial statements for the financial year from April 1st, 2018 to March 31st, 2019

BALANCE SHEET as of March 31, 2019

LWB Steinl GmbH & Co. KG

ASSETS

	Euro	fiscal year euros	previous year euros
A. Fixed assets			
I. Intangible assets		37,697.00	36,588.00
II. Tangible assets		1,136,234.00	1,125,876.84
III. financial assets		1,975,000.00	1,375,000.00
B. Current Assets			
I. Inventories		7,609,269.18	6,236,588.53
II. Receivables and other assets		6,572,889.84	7,960,871.06
III. securities		0.00	0.00
IV. Cash on hand, bank balances and cheques		2,725,296.73	2,005,415.86
C. Prepaid expenses		144,342.41	161,329.86
		20,200,729.16	18,901,670.15

LIABILITIES

	Euro	fiscal year euros	previous year euros
A. Equity			
I. Capital shares of the limited partners		7,460,575.95	6,949,972.24
B. Provisions		2,787,113.13	3,093,706.33
C. Liabilities		9,906,211.93	8,857,847.57
- of which with a remaining term of up to 1 year EUR 6,612,275.93 (EUR 6,738,119.57)			
- of which from taxes EUR 454,732.26 (EUR 422,745.40)			
- thereof in the context of social security Euro 31,342.07 (Euro 27,925.05)			
D. Accruals and Accruals		46,828.15	144.01
		20,200,729.16	18,901,670.15

PROFIT AND LOSS ACCOUNT from 04/01/2018 to 03/31/2019

LWB Steinl GmbH & Co. KG

	Euro	fiscal year euros	previous year euros
1. Raw Score		22,343,581.34	21,929,649.17
- of which from currency conversion EUR 648,527.08 (EUR 336,143.39)			
2. Personnel expenses			
a.) Wages and salaries	10,964,033.42		10,962,843.94
b.) social security contributions and expenses for pensions and for support	2,164,294.33		2,124,130.40
-of which for pensions EUR 5,612.71 (EUR 8,037.13)		13,128,327.75	13,086,974.34
3. Depreciation			

	Euro	fiscal year euros	previous year euros
a.) on intangible assets and property, plant and equipment		410,348.62	412,531.35
b.) to current assets		0.00	0.00
4. other operating expenses		7,123,519.49	7,382,365.82
- of which from currency conversion EUR 184,247.33 (EUR 773,002.07)			
5. other interest and similar income		43,167.87	90068.11
- thereof from discounting Euro 0.00 (Euro 0.00)			
6. Interest and Similar Expenses		465,962.02	430,159.45
- thereof from discounting EUR 20,349.28 (EUR 16,193.83)			
7. Loss absorption expenses		35,517.75	31,462.60
- thereof from affiliated companies EUR 35,517.75 (EUR 31,462.60)			
8. Income taxes		269,423.00	181,285.00
9. Earnings after tax		953,650.58	494,938.72
10. other taxes		8,134.23	7,989.23
11. Net Income		945,516.35	486,949.49
15. Credit to item "Capital shares"		945,516.35	486,949.49
16. Retained Earnings		0.00	0.00

Appendix to the annual financial statements - financial year 04/01/2018 - 03/31/2019

A. General information about the financial statements

Company:	LWB Steinl GmbH & Co. KG
Seat:	84032 Altdorf, Sonnenring 35
Registration court:	AG Landshut, HRA 7070

The annual financial statements of LWB Steinl GmbH & Co. KG were drawn up on the basis of the accounting and valuation regulations of the German Commercial Code.

According to § 267 HGB, the company is classified as a medium-sized company. Use was made of the simplifications in the disclosures in the notes that are possible under Section 288 (2) Sentence 2 HGB.

The structure corresponds to §§ 266 and 275 HGB. The income statement is prepared using the nature of expense method. Use was made of the size-related simplifications of Section 276 (summary of the gross result).

The accounting and valuation methods were presented using the Accounting Law Modernization Act (BilMoG) and the Accounting Directive Implementation Act (BilRUG).

B. Information on accounting and valuation methods

Intangible assets were recognized at acquisition cost and, if they were subject to wear and tear, reduced by scheduled depreciation over their usual useful life.

Property, plant and equipment were stated at acquisition or production cost and reduced by scheduled depreciation. Depreciation was carried out on a straight-line or degressive basis according to the expected useful life of the assets and the course of wear and tear.

Low-value assets costing between EUR 250.00 and EUR 1,000.00 were depreciated on a straight-line basis over five years. Low-value assets costing less than EUR 250.00 were written off in full in the year of acquisition.

Financial assets are stated at acquisition cost or lower applicable values.

The raw materials, auxiliary materials and supplies were valued at acquisition cost, taking into account the lower of cost or market principle.

Work in progress and finished goods were always valued at production cost. A material overhead surcharge was applied. Interest was not included in the manufacturing cost. As in the previous year, the range devaluation is based on a modified scale model.

The remaining inventories were valued at the lower of cost or cost or at the lower of cost or replacement cost, in accordance with the strict lower of cost or market principle. Appropriate deductions were made for inventory items that were difficult to sell and those that could no longer be used.

Receivables and other assets are stated at nominal value. An individual valuation allowance of EUR 140 thousand was formed. A correspondingly measured general allowance was made for the general credit risk.

Foreign currency positions are valued at the mean spot exchange rate. Losses from exchange rate changes are taken into account by revaluation on the balance sheet date. Terms longer than 1 year are discounted.

Cash and cash equivalents are accounted for at their nominal values.

Expenses before the balance sheet date are shown as prepaid expenses on the assets side, provided they represent expenses for a specific period after this date.

Deferred taxes were not recognized due to an excess of assets in accordance with the option under Section 274 of the German Commercial Code.

The pension provisions were valued using the projected unit credit method. An interest rate of 3.08% (previous year 3.57%), a pension trend of 1.8% and the "2018 G mortality tables" by Prof. Dr. Klaus Heubeck as a basis.

A reinsurance policy in the amount of the fair value of EUR 27,609 was offset.

The average market interest rate for the past ten years determined by the German Bundesbank for the remaining term of 15 years was used as the discount factor.

Using an average market interest rate from the past seven financial years and an interest rate of 2.25% would result in a provision of EUR 679,841. This results in a difference of EUR 73,364 that is barred from distribution pursuant to Section 253 (6) HGB.

All recognizable risks and uncertain obligations are taken into account in the provisions. Terms longer than 1 year are discounted.

Liabilities are recognized at the settlement amount.

C. Information and explanations on individual items in the balance sheet and the profit and loss account

1. Development of fixed assets

The development of fixed assets is shown in the following overview:

(see Attachment)

2. Maintenance provision for rented real estate

In the fiscal year, all of the company's real estate was rented from a holding company. A corresponding provision was formed for the fulfillment of repairs after the end of the rental agreement. Additionally required operating devices and facilities were capitalized in fixed assets.

3. Receivables and Other Assets

All items shown under receivables and other assets are due within one year (apart from a loan granted with a remaining term of between one and five years in the amount of €280,217.00).

4. Provisions of a not inconsiderable extent

The following are recognized as other provisions of a not inconsiderable extent:

- Provisions for warranty obligations €436,296
- Provision for old vacation, Christmas bonus and time credit: €638,727
- Provision for royalties: €345,022
- Provision for restoration: €438,559

5. Liabilities

The disclosures required under Section 285 No. 2 HGB result from the following table of liabilities:

	Remaining term Up to 1 year	Remaining term 1-5 years	remaining term over 5 years	In total
Liabilities to credit institutions	2,007,240.00	3,293,936.00		5,301,176.00
liabilities from goods and services	549,577.19			549,577.19
Liabilities to shareholders	3,000,000.00			3,000,000.00
Liabilities to affiliated companies	274,276.36			274,276.36
Other liabilities	781,182.38			781,182.38
	6,612,275.93	3,293,936.00		9,906,211.93

There were no mortgages as of the balance sheet date.

Other liabilities include liabilities to shareholders in the amount of €13,000.00.

D. Other Information

1. Other financial obligations

Other financial obligations result from the rental and leasing contracts existing on the balance sheet date:

due in 2019/20:	1,276 thousand euros
due in 2020/21-2021/22:	1,469 thousand euros
due 2022/23 and later:	499 thousand euros

The company holds 100% of the shares in Biofibre GmbH, Altdorf, whose equity amounted to EUR 308 thousand in the last annual financial statements dated March 31, 2019.

According to the domination and profit and loss transfer agreement dated March 8th, 2013, the company is obliged to assume any losses occurring at Biofibre GmbH during the contract period.

The annual result of Biofibre GmbH is therefore always EUR 0.

The company holds 100% of the shares in LWB Automation GmbH, Altdorf, which was newly founded in April 2017 and has share capital of EUR 25 thousand. The unlimited default liability for the start-up financing of EUR 1.0 million and a guarantee and current account line of EUR 1,250 thousand from Sparkasse Landshut is dated November 20th, 2018. In addition, there is a joint liability for guarantee lines at AXA Versicherungs AG totaling a maximum of EUR 3.5 million, as well as an additional current account and guarantee line of EUR 1,250 thousand at Deutsche Bank AG, both of which are charged as of the balance sheet date.

The equity of LWB Automation GmbH, Altdorf, in the last annual financial statements from December 31, 2018 was EUR -40 thousand with a net loss of EUR 555 thousand.

2. Information on derivative financial instruments

As of March 31, 2019, there is still a so-called interest rate swap to hedge future interest rate risks with an expiry date of December 29, 2023. The valuation is made by discounting the future cash flows on the valuation date. The disadvantage from this derivative transaction calculated on the balance sheet date was set aside at €118 thousand.

Furthermore, as of March 31, 2019, there is a forward exchange transaction for the sale of USD 2.0 million with a due date of June 14, 2019. The disadvantage from this derivative transaction determined up to the preparation of the balance sheet was set aside at 29,000 euros.

3. Total Auditor's Fees

Use is made of the right to choose under Section 288 Paragraph 2 Sentence 2 of the German Commercial Code.

4. staff

On average over the year, 202 people were employed (previous year: 202).

5. Personally liable partner and members of management

Personally liable partner during the financial year was:

Company Alfred Steinl Verwaltungsgesellschaft mbH, Altdorf

Subscribed capital:

€25,600.00

The general partner was represented by the following managing directors until the day the financial statements were prepared:

Mr. Dipl. Ing. Peter Steinl

Mr. Reinhard Danzer (new from 03.07.2018)

6. Information on the total remuneration of the managing directors

This information is omitted in accordance with Section 286 (4) HGB.

7. Appropriation of Results

The profit for the year was credited to the shareholders' capital accounts.

8. Supplementary report

There have been no significant events to be reported after the balance sheet date.

Altdorf

LWB Steinl GmbH & Co. KG

Information for Disclosure Purposes

Separate information according to § 327 S. 2 HGB

assets items	03/31/19 kEUR	03/31/18 kEUR
A. II 1. Land, land rights and buildings, including buildings on third-party land	43	60
A. II 2. technical systems and machines	241	356
A. II 3. Other facilities, factory and office equipment	812	710
A. II. 4. Payments on account and assets under construction	40	0
A.III. 1. Shares in affiliated companies	1,975	1,375
B. II. 1. Receivables from affiliated companies	80	6
liability items	Post	
C. 1. Liabilities to banks	5.301	3,465
C. 2. Liabilities to affiliated companies	274	372

(The item designations refer to the actual designation in the annual financial statements, not to that in § 327 HGB).

Information according to § 328 HGB

1. Determination

The annual financial statements as of March 31, 2019 were approved on October 28, 2019.

2. Facilitation Partial Disclosure

The annual financial statements are only partially disclosed due to the use of simplifications. It is pointed out that, in contrast, the unqualified auditor's report, which is also disclosed, relates to the complete annual financial statements and the complete management report. The auditor's report contains no notice i. s.d. Section 322 (3) sentence 2 HGB.

Management report for the financial year from April 1, 2018 to March 31, 2019

A) Presentation of the course of business

General economic conditions

The economic growth expected by the International Monetary Fund (IMF) had to be reduced several times in the course of 2018 and the further outlook lowered. After global growth was reduced to 3.6 percent in 2018 compared to the planned 3.9 percent, the IMF now expects growth of 3.3 percent for this year and 3.6 percent for the following year. The trade conflicts that are still smoldering, the latent risk of a no-deal Brexit and economic and political uncertainties in Argentina and Turkey are leading to continued uncertainty and restraint. Significant and one-off effects of the US tax reform have expired, which leads to a reduction in further growth expectations, particularly in the USA. China, which is locked in an ongoing trade dispute with the US, is currently weakened, while Europe risks being drawn into the dispute as well. Germany, with its high dependency on exports and the high proportion of the economy in the automotive sector, faces disproportionately high risks. Overall, the IMF is assuming GDP growth of 1.6 percent for the euro zone this year, with growth in the Federal Republic of Germany significantly reduced to 1.3 percent. which is locked in an ongoing trade dispute with the US is currently weakened, while Europe risks being drawn into the dispute as well. Germany, with its high dependency on exports and the high proportion of the economy in the automotive sector, faces disproportionately high risks. Overall, the IMF is assuming GDP growth of 1.6 percent for the euro zone this year, with growth in the Federal Republic of Germany significantly reduced to 1.3 percent. which is locked in an ongoing trade dispute with the US is currently weakened, while Europe risks being drawn into the dispute as well. Germany, with its high dependency on exports and the high proportion of the economy in the automotive sector, faces disproportionately high risks. Overall, the IMF is assuming GDP growth of 1.6 percent for the euro zone this year, with growth in the Federal Republic of Germany significantly reduced to 1.3 percent.

For the first time in many years, the German Association of the Automotive Industry (VDA) has reported a slight decline in global automobile production. The development between the markets was quite different. While North America and Europe were still relatively stable, production volumes fell, particularly in the former growth market of China, although this slowdown accelerated towards the end of the year.

A similar development can be seen in South Korea, while Japan ends almost unchanged. Significant increases were recorded in Russia and Brazil.

Brazil is increasingly stabilizing, although the new elections are causing a great deal of uncertainty in the market. Within Europe, the main markets diverged. While Germany and Great Britain are struggling with high declines, France was able to develop positively.

industry development

According to an initial projection by the VDA, global automobile production fell by around 1.2 percent in 2018 and was unable to meet the expectations at the beginning of the year. The decreases in China could not be fully compensated by the increases in Russia and Brazil. Production volumes are stagnating at a high level in the USA, Mexico and Europe. The new measurement methods for the WLTP exhaust gas test procedure led to a backlog of orders in autumn last year, but have since been cleared. Uncertainties exist with regard to new drive technologies. These require high investments, while there are still no signs of a uniform solution for everything from e-mobility to hydrogen drives to hybrid and bio-fuel engines. This development is likely to continue for a long time and lead to restrained action by market participants.

Earnings development (amounts in T-€uro)

Raw result:	22,344	(prev.yr. 21.930)
Export rate in percent	75	(PY. 74)

production

The production program mainly includes rubber injection molding machines. A total of around 304 (previous year: 327) machines were produced and delivered.

procurement

Inventory processing is order-related and receipts are stagnating at a high level. As part of new machine generations, some adjustments are made to the range of parts; the ability to deliver and order deadlines must be observed at all times. The quality of supplied parts must also continue to be checked very carefully. This development is countered with an expansion of material testing through the creation of quality management and high stock levels. There are still framework agreements with important suppliers, and the ability to deliver has improved over the course of the financial year.

investments

The investment volume in the reporting period was around €1,022 thousand (previous year: €1,220 thousand). These are general replacement and maintenance investments for operating and office equipment. In addition, a major investment was the increase in equity in LWB Automation GmbH.

human resources

As of March 31, 2019, there were 204 (excluding trainees) employees (previous year: 205), an annual average of 202 employees. The training rate remains at the same high level, and recruiting trainees is becoming increasingly difficult.

B) Representation of the situation

earnings situation

Amounts in T-€uro	04/01/18-03/31/19	Previous year
raw result	22,344	21,930
- Personnel expenses	13.128	13,087
- otherwise. Expenses (including depreciation)	7,534	7,795
= operating result	1,682	1,048
+/- Financial result	-458	-372
result d. wt. business activity	1,224	676
Annual surplus / annual deficit	946	487

The gross profit increased by 1.9 percent compared to the previous year. The orders on hand could be processed with a constant personnel structure. The costs for purchasing materials and external services have fallen slightly. Other operating expenses also fell slightly again by 3.3 percent, while repair and maintenance expenses stagnated at a constant level. The order backlog fell slightly towards the end of the financial year and can no longer maintain the high level of many years.

financial and asset position

The following cash flow statement provides information about the liquidity situation and financial development:

	03/31/2019	
	kEUR	kEUR
Net Income (before appropriation)	946	
Depreciation on AV objects	+ 410	
Decrease in provisions	- 306	
Income from the disposal of AV objects Decrease in current assets	- 25	
(without change in cash and cash equivalents) Decrease in current liabilities	+ 32	
(without change in provisions)	- 742	
Cash flow from operating activities		+ 315
Inflows from disposals of fixed assets	+ 25	
Investments in fixed assets:		
Intangible assets	- 25	
Property, plant and equipment	- 397	
financial assets	- 600	
Cash outflow from investing activities		- 997
Balance from remuneration and withdrawals of the limited partners	- 435	
Decrease in long-term liabilities	- 1,063	
Increase in long-term liabilities	+ 2,900	
Cash inflow/outflow from financing activities		+ 1,402
		+ 720

Compared to the previous year, the balance sheet total increased by 6.9 percent from €18,902 thousand to €20,201 thousand. The equity ratio (economic equity including shareholder loans) fell slightly to 51.78 percent due to the increase in total assets.

The land and buildings required for operations were rented throughout the financial year and, in individual areas, processes that had to be capitalized were added.

The asset structure as of March 31, 2019 was as follows:

Amounts in T-€uro	03/31/2019	03/31/2018	deviation
Capital assets	3.149	2,538	611
immat. assets	38	37	1
Property, plant and equipment	1.136	1.126	10
financial assets	1,975	1,375	600
Current assets (incl. RAP)	17,052	16,364	688
inventories less advance payments	7,610	6.237	1,373
Trade receivables	5,078	6,599	-1,521
Claims Association	80	6	74
Other assets	1,415	1,356	59
securities	0	0	0
liquid funds	2,725	2,005	720
prepaid expenses	144	161	-17
total assets	20.201	18,902	1,299

These assets are offset by liabilities and provisions in the amount of €12,740k.

Development in the financial year 2019/2020 and 2020/2021

Incoming orders and orders on hand can no longer maintain the high level of recent years; we expect a decline of around 10 percent over the course of the year. The order reach is declining, but still amounts to several months. The high wage level and the prevailing full employment in southern Germany lead to high price pressure within the existing cost structure. The recently tense delivery situation on the part of suppliers and service providers is gradually dissolving and reflects the general market situation in mechanical engineering, while at the same time there is a shortage of skilled workers. Due to the high level of competition with falling demand volumes and the uncertain exchange rate developments, there is only a limited response on the earnings side. For the current year we are expecting a positive annual result, but significantly below that of the previous year.

Looking ahead over the next two years, we expect an increasing decline in new orders, with the possibility of bottoming out by mid-year and subsequent stagnation or a slight recovery. Significant market declines in Asia and a possible market downturn in North America combined with cost optimization should lead to a balanced annual result.

C) indications of future risks and opportunities

If export transactions are processed in a foreign currency, this is done in US$, CAN$ and to a lesser extent in CNY, MXN and BRL. Since hardly any added value is generated in the foreign currency area, strong exchange rate fluctuations can impair price competitiveness. The exchange rate risk is always covered by an exchange rate hedge and, depending on the market assessment, is also handled without a hedge. As has been shown in the past, exchange rate developments can also offer opportunities. In addition, the effects of the trade discussions in the direct context between Europe and the USA and indirectly between Asia and the USA must be followed very closely.

The different economic development of various countries and customers can lead to impairments, this is checked by regular and timely controls.

Potential interest rate risks are partially hedged in the following financial year. It is also important to monitor the development of skilled workers.

There is still a high dependency on developments in the automotive industry. Activities to diversify and acquire new customer groups have high priority. General other risks are checked through continuous measures.

We see opportunities in the expansion of the product portfolio with automation solutions and the expansion of business to China and various regions in Eastern Europe.

D) Other information

Research/Development:

The main focus of our R&D activities is the further concentration on innovative injection and vulcanization technologies for the continuous optimization of cycle times and product quality as well as the development of related injection molding machines and their manufacturing processes. The modernization of the product portfolio continued in the current financial year. Tasks are explicitly assigned in connection with the founding of LWB Automation GmbH, particularly in the area of development. The implementation takes place largely within the framework of individualized customer projects.

Altdorf

Development of fixed assets - fixed asset schedule as of March 31, 2019

	Acquisition and production costs				
	AHK historical	additions	transfers	departures	AHK
I. Intangible assets					
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	675,704.81	25,289.86	0.00	-23,985.00	677,009.67
2. Goodwill	28,069.92	0.00	0.00	0.00	28,069.92
total	703,774.73	25,289.86	0.00	-23,985.00	705,079.59
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	163,806.53	0.00	0.00	0.00	163,806.53
2. Technical installations and machines	2,969,053.03	24,330.00	0.00	-379,787.61	2,613,595.42
3. Other equipment, fixtures and fittings	3,037,294.28	332,236.02	0.00	-2,674.01	3,366,856.29
4. Payments on account and assets under construction	0.00	39,958.90	0.00	0.00	39,958.90
total	6,170,153.84	396,524.92	0.00	-382,461.62	6,184,217.14
III. financial assets					
1. Participation in the Biofibre company	350,000.00	0.00	0.00	0.00	350,000.00
2. Participation in the company LWB Automation GmbH	1,025,000.00	600,000.00	0.00	0.00	1,625,000.00
total	1,375,000.00	600,000.00	0.00	0.00	1,975,000.00

	Acquisition and production costs				
	AHK historical	additions	transfers	departures	AHK
Total Fixed Assets	8,248,928.57	1,021,814.78	0.00	-406,446.62	8,864,296.73

	depreciation			
	AfA historical	additions	departures	depreciation (accumulated)
I. Intangible assets				
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	-639,116.81	-24,180.86	23,985.00	-639,312.67
2. Goodwill	-28,069.92	0.00	0.00	-28,069.92
total	-667,186.73	-24,180.86	23,985.00	-667,382.59
II. Tangible assets				
1. Land, land rights and buildings, including buildings on third-party land	-103,631.53	-16,937.00	0.00	-120,568.53
2. Technical installations and machines	-2,613,376.03	-139,199.00	379,787.61	-2,372,787.42
3. Other equipment, fixtures and fittings	-2,327,269.44	-230,031.76	2,674.01	-2,554,627.19
4. Payments on account and assets under construction	0.00	0.00	0.00	0.00
total	-5,044,277.00	-386,167.76	382,461.62	-5,047,983.14
III. financial assets				
1. Participation in the Biofibre company	0.00	0.00	0.00	0.00
2. Participation in the company LWB Automation GmbH	0.00	0.00	0.00	0.00
total	0.00	0.00	0.00	0.00
Total Fixed Assets	-5,711,463.73	-410,348.62	406,446.62	-5,715,365.73

	book value	
	Book value period 1	Book value period 2
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	36,588.00	37,697.00
2. Goodwill	0.00	0.00
total	36,588.00	37,697.00
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	60,175.00	43,238.00
2. Technical installations and machines	355,677.00	240,808.00
3. Other equipment, fixtures and fittings	710,024.84	812,229.10
4. Payments on account and assets under construction	0.00	39,958.90
total	1,125,876.84	1,136,234.00
III. financial assets		
1. Participation in the Biofibre company	350,000.00	350,000.00
2. Participation in the company LWB Automation GmbH	1,025,000.00	1,625,000.00
total	1,375,000.00	1,975,000.00
Total Fixed Assets	2,537,464.84	3,148,931.00

Independent Auditor's Report

To LWB Steinl GmbH & Co. KG:

audit opinions

I have the annual financial statements of LWB Steinl GmbH & Co. KG, Landshut, - consisting of the balance sheet as of March 31, 2019 and the income statement for the financial year from April 1, 2018 to March 31, 2019 and the appendix, including the presentation of the Accounting and valuation methods - checked. In addition, I have audited the management report of LWB Steinl GmbH & Co. KG, Landshut, for the fiscal year from April 1, 2018 to March 31, 2019.

In my opinion based on the knowledge gained during the examination

- The attached annual financial statements correspond in all material respects to the German commercial law regulations applicable to commercial partnerships within the meaning of § 264a HGB and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of March 31, 2019 and its Results of operations for the fiscal year from April 1, 2018 to March 31, 2019 and
- the attached management report as a whole provides an accurate picture 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.

In accordance with Section 322 (3) sentence 1 HGB, I declare that my audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the test results

I have carried out my audit of the annual financial statements and the management report in accordance with § 317 HGB, taking into account the German principles of proper auditing established by the Institute of Public Auditors (IDW). My responsibilities under those regulations and policies are further described in the "Auditor's

Responsibility for the Audit of the Financial Statements and Management Report" section of my auditor's report. I am independent of the company in accordance with the requirements of German commercial and professional law and have fulfilled my other German professional responsibilities in accordance with these requirements. In my opinion,

Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with the German commercial law provisions applicable to commercial partnerships within the meaning of Section 264a HGB, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, correspond to the actual circumstances picture of the asset, financial and earnings situation of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives 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.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides a suitable view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development . Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions,

Auditor's responsibility for the audit of the annual financial statements and the management report

My objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the management report as a whole provides a suitable view of the company's position and in all material respects with the annual financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes my audit opinions on the annual financial statements and on the management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may 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 made on the basis of these financial statements and management report.

During the exam, I exercise professional judgment and maintain a critical attitude.

Furthermore

- I identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan and perform auditing procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for my audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional incompleteness, misrepresentations, or the override of internal controls.
- I gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these systems of society.
- I evaluate the appropriateness of the accounting methods used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- 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 cast significant doubt on the Company's ability to continue as a going concern can raise. If I conclude that there is a material uncertainty, I am required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if this information is inappropriate, to modify my respective audit opinion. I base my conclusions on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- I evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company.
- I assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it conveys of the company's situation.
- I perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, I 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. I do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a significant unavoidable risk

I discuss with those charged with governance, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that I identify during my audit.

Landshut, July 24, 2019

dr Bernd Rabald, auditor
