

**Report on the preparation  
of the annual financial statements**

as of 31 December 2022

of

**Genexis Germany GmbH**

Trade and distribution of electronic devices

Hauptstr. 48

53545 Ockenfels

by

**Reichhardt & Partner**

Tax Advisors Partnership Company

Rethelstrasse 38

40237 Düsseldorf

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## Engagement Acceptance

### 1.1 Client and Engagement Definition

The management of

**Genexis Germany GmbH,**

**Ockenfels**

- hereinafter also referred to as "Genexis GmbH" or "Company" for short -

engaged us to prepare the annual financial statements as of 31 December 2022 from the receipts, books and inventory records submitted to us, which we have not reviewed in accordance with our engagement, taking into account the information provided pursuant to the statutory requirements and the client's instructions within this framework to exercise existing options. We carried out this engagement for the preparation without assessments in January 2023 in our offices in Düsseldorf.

Our engagement to prepare the annual financial statements did not include any activities going beyond the type of engagement and hence also did not include any extended responsibilities as a tax consulting company.

The obligation to prepare the annual financial statements was incumbent on the legal representative of the Company who engaged us to prepare them and who had to decide on the exercise of all structuring options and legal acts associated with the preparation.

We informed our client about such circumstances that led to options and obtained instructions for decisions from it for the exercise of substantive and formal structuring options (recognition, valuation and disclosure options) as well as discretionary decisions.

This applied equally to the decisions to be made by our client on the application of preparation and disclosure relief options for the annual financial statements for small and medium-sized companies.

According to the size classes specified in Section 267 of the German Commercial Code (HGB), the Company is a small corporation.

Amount in EUR	2022	2021	2020
Total assets	3,138,165.18	2,328,087.32	426,833.32
Revenues	30,035,891.17	17,665,046.53	787,092.00
Number of employees	7	4	2

When preparing the annual financial statements, use was made of the size-related relief options of Sections 267, 276, 288, 274a HGB.

The annual financial statements as of 31 December 2021 and the other necessary documents have been disclosed.

The engagement assigned to us to prepare the annual financial statements included all the activities that were necessary, on the basis of the bookkeeping and the inventory as well as the information obtained on questions of recognition, disclosure and valuation and the requirements for the accounting and valuation methods to be applied while making the closing entries, to prepare the annual financial statements required by commercial law, consisting of a balance sheet, profit and loss statement and notes.

Since the preparation of a preparation report was agreed, but no specific stipulations regarding the type and scope of our reporting were made in the engagement agreements, we are reporting in the manner customary in the profession within the meaning of the announcement by the *Federal Chamber of Tax Consultants on the principles for the preparation of annual financial statements* of 12/13 April 2010 on the scope and result of our activities.

Our engagement agreements provide that reference to the preparation by us may only be made in connection with the complete annual financial statements prepared by us.

Upon accepting the engagement, we stipulated from our client that we be given all the documents and explanations required for the execution of the engagement.

#### **General terms and conditions**

For the performance of the engagement and our responsibility concerning third parties as well, the agreed "General terms and conditions for tax consultants and tax consulting companies" attached to this report as an Annex shall prevail.

## 1.2 Performance of the engagement

As part of the preparation of the annual financial statements and our reporting on them, we have observed the relevant standards of our professional code and our professional duties, including the principles of independence, conscientiousness, confidentiality and personal responsibility (Section 57 of the German Tax Consultancy Act (StBerG)).

Regardless of the type of our engagement, the preparation of the annual financial statements includes the activities that are necessary to prepare the legally required balance sheet and profit and loss statement on the basis of the bookkeeping and the inventory as well as the requirements as to the applicable accounting and valuation methods while making the closing entries, as well as preparing the notes and other components of the financial statements.

The preparation of the annual financial statements does not include the necessary decisions on the exercise of substantive and formal structuring options (recognition, valuation and disclosure options as well as discretionary decisions). Existing structuring options were exercised by us within the framework of the preparation according to the specifications of the merchant or the legal representative.

The same applies to decisions on the application of preparation and disclosure relief options of the annual financial statements for small and medium-sized companies.

We have also informed our client about the statutory deadlines for preparing, approving and disclosing the annual financial statements.

We have introduced regulations in our law firm that guarantee with sufficient certainty that the statutory provisions and professional rules are observed when processing the engagement for the preparation of annual financial statements, including reporting.

When preparing the annual financial statements, we observed the principles of economy and materiality.

The preparation of the annual financial statements required us to know and observe the applicable statutory provisions, including the principles of proper bookkeeping, the relevant provisions of the partnership agreement and the relevant professional statements.

In order to carry out the engagement, we had to acquire the necessary knowledge about the industry, the legal framework and the business activities of our client's undertaking for the present type of engagement.

We are not allowed to participate in recognized inadmissible valuations and representations in the annual financial statements. If corresponding valuations and representations were requested or necessary corrections were refused, we would have to acknowledge this in an appropriate manner in our attestation and in our preparation report or lay down our engagement if assets or debts were valued assuming the going concern, even though the actual or legal circumstances were obviously contrary.

Doubts about the correctness of the submitted documents would have to be clarified by us. If these were confirmed and the deficiencies were not remedied, we would express the resulting objections, insofar as they were material to the annual financial statements, in our attestation. If clarifications or the submission of documents that are necessary for clarification or the implementation of corresponding assessments were refused, we would have to lay down our engagement.

In the case of serious deficiencies in the bookkeeping, the inventories or other sub-areas of the accounting not included in the engagement, the effects of which cannot be delimited and which our client did not want to or could not remedy, we may not issue an attestation. In cases of this kind, we would have to inform our client of the deficiencies in writing and decide whether termination of the engagement would be appropriate.

The annual financial statements were prepared in compliance with the statutory provisions of commercial and tax law, the principles of proper accounting and the provisions of the partnership agreement.

As part of the engagement that was assigned, we have observed the statutory provisions for the preparation of annual financial statements and the principles of proper bookkeeping. The observance of other statutory provisions as well as the detection and investigation of criminal offenses and administrative offenses committed outside of accounting were not the subject of our engagement.

### **Declaration of completeness**

The management has given us the requested professionally customary declaration of completeness regarding the bookkeeping, receipts and inventory records as well as the information given to us in writing, which we have included in the records.

In addition, the management has confirmed to us in writing in the customary declaration of completeness, which does not represent a substitute for acts of preparation and for engagement-dependent assessments of the correctness of the underlying documents, that all assets, obligations, risks and delimitations that are subject to accounting and all expenses are taken into account in the bookkeeping and annual financial statements and earnings, all necessary information has been provided and all existing liabilities have been disclosed.

Obtaining the declaration of completeness in connection with the preparation of annual financial statements was carried out in such a way that we submitted the draft of the annual financial statements, the accounting documents and a draft of this preparation report to the competent body of the company as the basis for its declaration.

## **2. Basis of the financial statements**

### **2.1 Bookkeeping and inventory, information provided**

According to Section 238 HGB, the Company is obliged to keep accounts.

The bookkeeping was created on the company's IT systems. The Jeeves software from Jeeves Information Systems AB used for this fulfills the requirements for proper financial accounting and the preparation of the annual financial statements.

The asset accounting was created on the company's IT systems. The Jeeves software from Jeeves Information Systems AB used for this meets the requirements for proper asset accounting.

The wage and salary accounting was created on our IT systems. According to an attestation from Ernst & Young GmbH dated 15 July 2015, the wage and salary software of DATEV eG that is used meets the requirements for proper wage and salary accounting.

The bookkeeping was created on our IT system up to and including the 2020 financial year. From the 2021 financial year, the accounting was prepared on the company's IT systems.

The inventory carried out on 31 December 2022 was not observed by us. We also did not make any organizational preparations or specify implementation instructions.

Management provided information.

The management appointed the following persons to provide information:

Pieter Snellemann  
Carla Deetmann

All requested information, clarifications and evidence were willingly provided by the management and by the employees named for the provision of information.

### **2.2 Provisions on the exercise of elections**

Necessary decisions about the exercise of substantive and formal structuring options (recognition, valuation and disclosure options as well as discretionary decisions) are not part of the preparation of the annual financial statements. However, we have informed our client about the exercise of substantive and formal structuring options (recognition, valuation and disclosure options as well as discretionary decisions), obtained our client's decision instructions and exercised them exactly as part of the preparation according to the instructions of the merchant or the legal representative.

The same applied to decisions on the application of preparation and disclosure relief options of the annual financial statements for small and medium-sized companies.

We have also informed our client about the statutory deadlines for preparing, approving and disclosing the annual financial statements.

### **2.3 Findings on the basis of the annual financial statements**

The organization of the bookkeeping system, the internal control system, the flow of data and documentation system allow for complete, accurate, timely and orderly collection and posting of transactions.

The balances carried forward as of 1 January 2022 correspond to the amounts in the balance sheet as of 31 December 2021.

The company's bookkeeping is correct and conclusive, the receipts are in order. The balances of the annual financial statements as of 31 December 2021 have been properly carried forward.

The annual financial statements were created on our IT systems. According to an attestation from Ernst & Young GmbH dated 15 February 2016, the law firm accounting pro software of DATEV eG in Nuremberg that is used meets the requirements for proper financial accounting and the preparation of the annual financial statements.

As far as postings resulted from the preparation of our annual financial statements, we coordinated them with the management of our client. The final postings were made up to the end of our work.

The structure of the annual financial statements corresponds to the provisions of the HGB, with particular reference to Sections 266 and 275 HGB.

The applicable commercial law valuation regulations were observed based on a going concern. The valuation methods applied to the previous annual financial statements have been retained.

All risks existing on the balance sheet date – insofar as they were recognizable at the time the annual financial statements were prepared – have been taken into account through the formation of sufficient provisions and impairments. If such risks arose after the balance sheet date, reference is made to them in the notes.

The notes contain the prescribed explanations on the individual items of the balance sheet and the profit and loss account – insofar as they have not already been made there – and it reproduces the other mandatory information correctly and completely.

Reference is made to further explanations in the notes.



### 3. Legal and economic basis

#### 3.1 Legal conditions

Company name:	Genexis Germany GmbH
Legal form:	GmbH
Formation on:	22/06/2012
Registered office:	Ockenfels
Address:	Hauptstr. 48 53545 Ockenfels
Name according to the Court of Registry:	Genexis Germany GmbH
Register entry:	Commercial register
Court of Registry:	Montabaur
Register no.:	27336
Partnership agreement:	As amended on 07/01/2020
Financial year:	1 January through 31 December
Object of the Company:	Trade and distribution of electronic devices
Subscribed capital:	25,000.00
Shareholders:	Genexis Holding B.V.
Management, representation:	Gerard Nicolaas van den Hoven, sole power of representation Jan Oliver Mayer, sole power of representation Conny Daniel Franzen

### **3.2 Tax conditions**

Competent tax office: Neuwied

Tax number: 32/655/02544

According to Section 1 of the German Corporation Tax Act (KStG), the Company is subject to corporation tax.

The company is subject to standard taxation in accordance with Sections 16-18 of the German Value-Added Tax Act (UstG).

The commercial operation is subject to trade tax liability in accordance with Section 2 para. 1 of the German Trade Tax Act (GewStG).

### 3.3 Economic conditions

#### 3.3.1 Asset situation

The presentation of the Company's asset situation derived from the balance sheet as of 31 December 2022 can be presented as follows compared to the previous balance sheet date:

	Balance sheet as of 31/12/2022		Balance sheet as of 31/12/2021		Change vs. previous year in	
	TEUR	%	TEUR	%	TEUR	%
<b>ASSETS</b>						
Tangible fixed assets	34.0	1.1	35.5	1.5	-1.5	-4.2
Liabilities	2,821.0	89.9	1,919.2	82.4	901.8	47.0
Other assets	162.2	5.2	100.0	4.3	62.2	62.2
Cash and cash equivalents/securities	72.4	2.3	237.2	10.2	-164.8	-69.5
Deferred income	48.6	1.5	36.2	1.6	12.4	34.3
<b>Total assets</b>	<b>3,138.2</b>	<b>100.0</b>	<b>2,328.1</b>	<b>100.0</b>	<b>810.1</b>	<b>34.8</b>

	Balance sheet as of 31/12/2022		Balance sheet as of 31/12/2021		Change vs. previous year in	
	TEUR	%	TEUR	%	TEUR	%
<b>LIABILITIES</b>						
Equity	2,564.8	81.7	998.0	42.9	1,566.8	157.0
Provisions	514.4	16.4	298.6	12.8	215.8	72.3
Trade accounts payable	29.1	0.9	27.3	1.2	1.8	6.6
Group accounts payable	0.1	0.0	467.0	20.1	-466.9	-100.0
Other liabilities	29.7	0.9	537.3	23.1	-507.6	-94.5
<b>Total liabilities</b>	<b>3,138.2</b>	<b>100.0</b>	<b>2,328.1</b>	<b>100.0</b>	<b>810.1</b>	<b>34.8</b>

Rounding difference

0.0

0.0

### 3.3.2 Earnings situation

The earnings situation has developed as follows compared to the previous year:

	01/01 01/01 through 31/12/2022		01/01 through 31/12/2021		Change vs. previous year in	
	TEUR	%	TEUR	%	TEUR	%
Revenues	30,035.9	100.0	17,665.0	100.0	12,370.9	70.0
+ other operating income	56.3	0.2	170.9	1.0	-114.6	-67.1
- Cost of materials	25,907.0	86.3	15,431.6	87.4	10,475.4	67.9
- Personnel expenses	557.9	1.9	387.1	2.2	170.8	44.1
- Depreciation	7.8	0.0	5.0	0.0	2.8	56.0
- other operational expenses	1,335.1	4.4	917.6	5.2	417.5	45.5
- Financial expenses	26.3	0.1	4.2	0.0	22.1	526.2
- Taxes on earnings	691.3	2.3	337.1	1.9	354.2	105.1
<b>Earnings after taxes</b>	<b>1,566.8</b>	<b>5.2</b>	<b>753.3</b>	<b>4.3</b>	<b>813.5</b>	<b>108.0</b>
<b>Results for the year</b>	<b>1,566.8</b>	<b>5.2</b>	<b>753.3</b>	<b>4.3</b>	<b>813.5</b>	<b>108.0</b>

The company closed the 2022 financial year with an annual result of EUR 1,566,788.11 (previous year: EUR 753,285.49).

Revenues amounted to EUR 30,035,891.17 in the period under review. In the previous year 2021, on the other hand, an amount of EUR 17,665,046.53 was reported. This corresponds to an increase rate of 70.03%.

The expenses for raw materials, auxiliary materials and supplies and for purchased goods in 2022 amounted to EUR 25,906,999.86 compared to EUR 14,950,216.29 in the same period of 2021.

Expenses for purchased services amounted to EUR 0.00 in the reporting period. In the previous year 2020, the corresponding value was EUR 481,406.29.

Wages and salaries in 2022 amounted to EUR 475,590.17 compared to EUR 347,458.25 in the same period of 2021. The absolute change is thus EUR 128,131.92. This gives an increase rate of 36.88%.

In the 2022 reporting year, EUR 82,340.15 was incurred in social security contributions and expenses for pensions and support. In 2021, the corresponding value was EUR 39,690.08. The amount of the absolute change is EUR 42,650.07. This corresponds to a rate of increase of 107.46%.

#### **4. Nature and Scope of the Preparation Work**

We have recorded the type, scope and result of the individual activities carried out during the execution of our engagement in our working papers, insofar as they are not documented in this preparation report.

The subject of the preparation without assessments is the development of the balance sheet and profit and loss statement as well as the preparation of the notes and further components of the financial statements on the basis of the bookkeeping and inventory as well as the requirements as to the applicable accounting and valuation methods.

Our engagement to prepare the annual financial statements in accordance with the standards from the documents submitted, taking into account the information received and the closing entries made, did not extend to the assessment of the appropriateness and function of internal controls or the correctness of the accounting. In particular, the assessment of the inventories, the accruals as well as recognition and valuation did not belong to the scope of our engagement.

If closing entries were made, e.g. the calculation of depreciation, impairments, provisions, these referred to the documents submitted and the information provided without an assessment of their correctness.

Even if no assessments of the documents, books and inventory records are carried out in accordance with the engagement during the preparation without assessments, we advise our client of obvious inaccuracies in the documents submitted which we as experts immediately notice when carrying out the engagement, submit suggestions for correction and take care of the corresponding implementation in the annual financial statements.

## **5. Comments on the submitted receipts, books and inventory records**

In the case of an engagement placed for preparation without assessments, statements on the documents, books and inventory records submitted are not required because no anomalies were noted.

## **6. Result of the work and attestation**

The attestation for the annual financial statements prepared by us does not contain any additions.

We did not have any major objections to individual valuations represented by the client or to the bookkeeping.

**7. Explanations of the items in the balance sheet and the profit and loss statement****A. Fixed assets****I. Tangible fixed assets**

	31/12/2022 EUR	31/12/2021 EUR
<b>1. Other equipment, fixtures and furnishings</b>	<b>33,996.15</b>	35,524.86
	31/12/2022 EUR	31/12/2021 EUR
Operating equipment	25,163.03	26,075.86
Office equipment	8,833.12	9,449.00
	33,996.15	35,354.86
	31/12/2022 EUR	31/12/2021 EUR
<b>Total fixed assets</b>	<b>33,996.15</b>	35,354.86
	31/12/2022 EUR	31/12/2021 EUR
<b>Total assets</b>	<b>33,996.15</b>	35,354.86



**B. Current assets****I. Receivables and other assets**

	31/12/2022 EUR	31/12/2021 EUR
<b>1. Trade accounts receivable</b>	<b>1,352,972.79</b>	1,848,235.65
	31/12/2022 EUR	31/12/2021 EUR
Trade accounts receivable	0,00	1,848,235.65
Trade accounts receivable without current account	1,352,972.79	0,00
	<u>1,352,972.79</u>	<u>1,848,235.65</u>
	31/12/2022 EUR	31/12/2021 EUR
<b>2. Receivables from affiliated companies</b>	<b>1,468,055.95</b>	70,949.51
	31/12/2022 EUR	31/12/2021 EUR
Receivables from affiliated undertakings (up to 1 year)	1,468,055.95	70,949.51
	31/12/2022 EUR	31/12/2021 EUR
<b>3. Other assets</b>	<b>162,181,03</b>	99,977,17
	31/12/2022 EUR	31/12/2021 EUR
Receivables from health insurance fund under the German Expenditure Compensation Act (AAG)	1,643.95	0.00
Guarantees	5,412.00	5,412.00
Receivables from personnel wages and salaries	1,000.00	1,000.00
Receivable from trade tax overpayment	65,415.00	0.00
Tax reimbursement claim against other countries	25,494.53	30,349.62
Corporate tax reclaim	63,215.55	63,215.55
	<u>162,181.03</u>	<u>99,977.17</u>

	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
<b>II. Cash on hand, Bundesbank balances, bank balances and checks</b>	<b><u>72,357.89</u></b>	<u>237,180.00</u>
	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
Sparkasse HRV 42132498	72,057.89	237,180.00
Subaccount EUR	<u>300.00</u>	<u>0,00</u>
	<u>72,357.89</u>	<u>237,180.00</u>
	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
<b>Total current assets</b>	<b><u>3,055,567.66</u></b>	<u>2,256,342.33</u>
	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
<b>C. Accrued expenses and deferred income</b>	<u>48,601.37</u>	<u>36,220.13</u>
	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
Prepaid expenses	<u>48,601.37</u>	<u>36,220.13</u>
	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
<b>Total Assets</b>	<b><u>3,138,165.18</u></b>	<u>2,328,087.32</u>

**A. Equity**

	31/12/2022 EUR	31/12/2021 EUR
<b>1. Subscribed capital</b>	<b>25,000.00</b>	25,000.00
	31/12/2022 EUR	31/12/2021 EUR
Subscribed capital	25,000.00	25,000.00
	31/12/2022 EUR	31/12/2021 EUR
<b>2. Profit carried forward</b>	<b>972,978.04</b>	219,692.55
	31/12/2022 EUR	31/12/2021 EUR
Profit carried forward before use	972,978.04	219,692.55
	31/12/2022 EUR	31/12/2021 EUR
<b>3. Net profit</b>	<b>1,566,788.11</b>	753,285.49
	31/12/2022 EUR	31/12/2021 EUR
Net profit	1,566,788.11	753,285.49
	31/12/2022 EUR	31/12/2021 EUR
<b>Total shareholders' equity</b>	<b>2,564,766.15</b>	997,978.04

**B. Provisions**

	31/12/2022 EUR	31/12/2021 EUR
<b>1. Tax provisions</b>	<b>225,528.03</b>	109,472.16
	31/12/2022 EUR	31/12/2021 EUR
Trade tax provision Section 4 (5b) of the German Income Tax Act (EstG)	106,063.00	109,472.16
Corporate tax provision	119,465.03	0.00
	225,528.03	109,472.16

	31/12/2022 EUR	31/12/2021 EUR
<b>2. Other provisions</b>	<b>288,905.45</b>	189,122.85
	31/12/2022 EUR	31/12/2021 EUR
Other provisions	288,905.45	189,122.85
	31/12/2022 EUR	31/12/2021 EUR
<b>C. Liabilities</b>		
	31/12/2022 EUR	31/12/2021 EUR
<b>1. Liabilities to banks</b>	<b>0.01</b>	0.00
- of which with a remaining term of up to one year EUR 0.01 (EUR 0.00)		
	31/12/2022 EUR	31/12/2021 EUR
Subaccount USD	0.01	0.00
	31/12/2022 EUR	31/12/2021 EUR
<b>2. Trade accounts payable</b>	<b>29,095.90</b>	27,256.21
- of which with a remaining term of up to one year EUR 29,095.90 (EUR 27,256.21)		
	31/12/2022 EUR	31/12/2021 EUR
Trade accounts payable	0.00	27,256.21
Trade accounts payable without current account	29,095.90	0.00
	29,095.90	27,256.21
	31/12/2022 EUR	31/12/2021 EUR
<b>3. Liabilities to affiliated companies</b>	<b>134.14</b>	467,003.79
- of which with a remaining term of up to one year EUR 134.14 (EUR 467,003.79)		
	31/12/2022 EUR	31/12/2021 EUR
Corporate tax provision	134.14	467,003.79

	31/12/2022 EUR	31/12/2021 EUR
<b>4. Other liabilities</b>	<b>29,735.50</b>	537,254.27
<b>- of which from taxes EUR 29,735.50 (EUR 536,534.27)</b>		
<b>- of which with a remaining term of up to one year EUR 29,735.50(EUR 537,254.27)</b>		
	31.12.2022 EUR	31/12/2021 EUR
Deductible input tax	-150,062.54	-112,826.80
Deductible input tax from EU acquisition 19%	-4,710,416.92	-2,270,358.13
Deductible input tax Section 13b UStG 19%	-137,388.43	-91,467.18
Other liabilities	0.00	720.00
Liabilities from wage tax and church tax	9,166.38	4,078.97
Value-added tax from EU acquisition 19%	4,710,416.92	2,270,358.13
Value-added tax 19%	4,783,664.99	2,982,287.23
Value-added tax prepayments	-4,345,346.32	-3,170,791.29
Value-added tax prepayments 1/11	-288,253.00	0,00
Value-added tax according to Section 13b UStG 19%	137,388.43	91,467.18
Value-added tax current year	321,896.85	833,786.16
Value-added tax for the previous year	<u>-301,330.86</u>	<u>0.00</u>
	29,735.50	537,254.27
	31/12/2022 EUR	31/12/2021 EUR
<b>Total liabilities</b>	<b>3,138,165.18</b>	2,326,087.32

	2022 EUR	2021 EUR
<b>1. Revenues</b>	<b>30,035,891.17</b>	17,665,046.53
	2022 EUR	2021 EUR
Intracommunity triangular transaction	3,316,685.50	292,386.00
Revenues	0.00	1,683,252.08
Revenue from taxable supplies in other EU countries	1,506,795.88	0.00
Not taxable other performance Section 18b UstG	47,171.77	3,949.77
Revenues 19% VAT	25,165,238.02	15,685,458.68
	<b>30,035,891.17</b>	17,665,046.53
	2022 EUR	2021 EUR
<b>2. Overall performance</b>	<b>30,035,891.17</b>	17,665,046.53
<b>3. Other operating income</b>		
	2022 EUR	2021 EUR
<b>a) Income from the release of reserves</b>	<b>0.00</b>	3,100.00
	2022 EUR	2021 EUR
Income from reversal of provisions	<b>0.00</b>	3,100.00
	2022 EUR	2021 EUR
<b>b) Additional other operating income</b>	<b>56,258.27</b>	167,765.00
<b>- of which income from currency conversion EUR 19,243.03 (EUR 110,333.30)</b>		
	2022 EUR	2021 EUR
Income from currency conversion	19,243.03	110,333.30
Other income not relating to the operating period	22,786.01	0.00
Reimbursements under the Expenditure Compensation Act	2,247.71	0.00
Other operating income	0.00	46,641.78
Settlement of other benefits in kind vehicle 19% VAT	11,981.52	10,789.92
	<b>56,258.27</b>	167,765.00

**4. Cost of materials**

	2022 EUR	2021 EUR
<b>a) Cost of raw materials, auxiliary materials and operating materials and purchased goods</b>	<b>25,906,999.86</b>	14,950,216.29

	2022 EUR	2021 EUR
Goods Receipt	1,115,331.86	1,008,534.70
EU acquisition 19% input tax/VAT	24,791,668.00	11,949,250.57
Acquisition 1st buyer in triangular transaction	0.00	568,389.92
Goods receipt, taxable in the other EU country	0.00	1,424,041.10
	<u>25,906,999.86</u>	<u>14,950,216.29</u>

	2022 EUR	2021 EUR
<b>b) Cost of purchased services</b>	<b>0.00</b>	481,406.29

	2022 EUR	2021 EUR
Other services EU 19% input tax/VAT	0.00	481,406.29

**5. Personnel expenses**

	2022 EUR	2021 EUR
<b>a) Wages and salaries</b>	<b>475,590.17</b>	347,458.25

	2022 EUR	2021 EUR
Salaries	443,110.27	334,618.25
Benefits in kind and services to contractors	14,879.90	12,840.00
Expenses for change in vacation provisions	17,600.00	0.00
	<u>475,590.17</u>	<u>347,458.25</u>

	2022 EUR	2021 EUR
<b>b) Social security contributions and expenses for pensions and other benefits</b>	<b>82,340.15</b>	39,690.08

	2022 EUR	2021 EUR
Statutory social security expenses	82,340.15	39,690.08

**6. Depreciation**

	2022 EUR	2021 EUR
<b>a) of intangible assets and fixed assets</b>	<b>7,818.00</b>	5,020.00
	2022 EUR	2021 EUR
Depreciation of tangible assets	7,818.00	5,020.00

**7. Other operating expenses**

	2022 EUR	2021 EUR
<b>a) Occupancy costs</b>	<b>29,963.50</b>	30,241.66
	2022 EUR	2021 EUR
Rent, immovable assets	27,454.08	27,671.69
Gas, electricity, water	1,333.40	1,597.50
Maintenance of operation space	1,176.02	972.47
	29,963.50	30,241.66
	2022 EUR	2021 EUR
<b>b) Insurance, contributions and taxes</b>	<b>75,748.73</b>	36,396.35
	2022 EUR	2021 EUR
Insurance	21,184.39	4,719.52
Insurance for buildings	325.71	0.00
Contributions	54,238.63	27,342.83
Other charges	0.00	4,334.00
	75,748,73	36,396.35



	2022 EUR	2021 EUR
<b>c) Repairs and maintenance</b>	<b>0.00</b>	49.53
	2022 EUR	2021 EUR
Repairs/maintenance of other facilities and operating equipment	0.00	49.53
	2022 EUR	2021 EUR
<b>d) Vehicle costs</b>	<b>46,234.23</b>	24,645.37
	2022 EUR	2021 EUR
Car insurance	4,595.26	3,105.59
Ongoing vehicle operating costs	14,196.23	5,858.62
Car repairs	4,345.84	960.39
Rental leasing vehicle	20,986.61	14,688.00
Other vehicle costs	2,110.29	32.77
	<b>46,234.23</b>	24.645,37
	2022 EUR	2021 EUR
<b>e) Business and travel expenses</b>	<b>64,936.26</b>	24,377.67
	2022 EUR	2021 EUR
Business expenses	30,981.11	16,366.49
Promotional items	30,35	0.00
Gifts deductible without Section37b EStG	337.72	0.00
Gifts not deductible without Section37b EStG	0.00	200.00
Entertainment costs	8,976.13	2.164.82
Gifts of nominal value	3,832.22	1,949.64
Travel expenses for employees	3,246.11	138.33
Travel expenses for employees, travel expenses	0.00	13.50
Travel expenses for contractors accommodation expenses	17,532.62	3,544.89
	64.936,26	24,377.67

	2022 EUR	2021 EUR
<b>f) Costs of delivery of goods</b>	<b>150,000.00</b>	7.55
	2022 EUR	2021 EUR
Outbound freight	150,000.00	7.55
	2022 EUR	2021 EUR
<b>g) Miscellaneous operational costs</b>	<b>946,339.90</b>	708,238.81
	2022 EUR	2021 EUR
Other operating expenses	16,165.16	39,761.94
External services and works	263,799.96	263,799.99
Postage	151.45	276.80
Telephone	5,513.10	4,443.37
Office supplies	1,507.87	2,283.63
Legal and consulting costs	17,520.00	2,795.00
Services Wegoo Ltd	567,331.65	314,897.46
Accounting costs	67,384.22	65,156.23
Ancillary expenses for monetary transactions	3,136.11	10,903.65
Other operating requirements	222.73	0.00
Tools and small equipment	3,607.65	3,920.74
	<b>946,339.90</b>	<b>708,238.81</b>

	2022 EUR	2021 EUR
<b>h) Additional other operating expenses</b>	<b>21,863.85</b>	93,595.57
<b>- of which expenses from currency conversion EUR 21,863.85 (EUR 93,595.57)</b>		
	2022 EUR	2021 EUR
Currency conversion expenses	21,863.85	93,595.57
	2022 EUR	2021 EUR
<b>8. Interest and similar expenses</b>	<b>26,251.65</b>	4,162.67
	2022 EUR	2021 EUR
Interest expenses for current liabilities	26,251.65	4,162.67
	2022 EUR	2021 EUR
<b>9. Taxes on income and earnings</b>	<b>691,275.03</b>	337,119.95
	2022 EUR	2021 EUR
Corporation tax	338,237.00	165,081.00
Solidarity surcharge	18,603.03	9,078.95
Trade tax	334,435.00	162,960.00
	691,275.03	337,119.95
	2022 EUR	2021 EUR
<b>10. Earnings after taxes</b>	<b>1,566,788.11</b>	753,285.49
	2022 EUR	2021 EUR
<b>11. Net profit</b>	<b>1,566,788.11</b>	753,285.49

## 8. Annexes

Genexis Germany GmbH Trade and distribution of electronic devices, 53545 Ockenfels

## ASSETS

## LIABILITIES

	Financial year	Previous year		Financial year	Previous year
	EUR	EUR		EUR	EUR
<b>A. Fixed assets</b>			<b>A. Equity</b>		
I. Tangible fixed assets			I. Subscribed capital	25,000.00	25,000.00
1. Other equipment, fixtures and furnishings		33,996.15	35,524.86	II. Profit carried forward	972,978.04
			III. Net profit	1,566,788.11	753,285.49
Total assets		33,996.15	35,524.86	Total shareholders' equity	2,564,766.15
					997,978.04
<b>B. Current assets</b>			<b>B. Provisions</b>		
I. Receivables and other assets			1. Tax provisions	225,528.03	109,472.16
1. Trade accounts receivable	1,352,972.79		1,848,235.65	2. Other provisions	288,905.45
2. Receivables from affiliated companies	1,468,055.95		70,949.51	<b>C. Liabilities</b>	
3. Other assets	162,181.03	2,983,209.77	99,977.17	1. Liabilities to banks	0.01
II. Cash on hand, Bundesbank balances, bank balances and checks		72,357.89	237,180.00	- of which with a remaining term of up to one year EUR 0.01 (EUR 0.00)	
Total current assets		3,055,567.66	2,256,342.33	2. Trade accounts payable	29,095.90
				- of which with a remaining term of up to one year EUR 27,256.21 (EUR 112,178.29)	
<b>C. Accrued expenses and deferred income</b>		48,601.37	36,220.13		27,256.21
				29,095.90	
Carryover		3,138,165.18	2,328,087.32	Carryover	3,079,199.63
					1,296,573.05

Genexis Germany GmbH Trade and distribution of electronic devices, 53545 Ockenfels

## ASSETS

## LIABILITIES

	EUR	Financial year EUR	Previous year EUR		EUR	Financial year EUR	Previous year EUR
Carryover		3,138,165.18	2,328,087.32	Carryover		3,079,199.63	1,296,573.05
					29,095.90		27,256.21
				3. Liabilities to affiliated companies	134.14		467.003,79
				- of which with a remaining term of up to one year EUR 134.14 (EUR 467,003.79)			
				4. Other liabilities	29,735.50		537,254.27
				- of which from taxes EUR 29,735.50 (EUR 536,534.27)			
				- of which with a remaining term of up to one year EUR 29,735.50 (EUR 537,254.27)		58,965.55	
		<b>3,138,165.18</b>	<b>2,328,087.32</b>			<b>3,138,165.18</b>	<b>2,328.087.32</b>

	Financial year EUR	Previous year EUR
1. Revenues	30,035,891.17	17,665,046.53
<b>2. Overall performance</b>	<b>30,035,891.17</b>	<b>17,665,046.53</b>
3. Other operating income		
a) Income from the release of reserves	0.00	3,100.00
b) Additional other operating income	56,258.27	167,765.00
- of which income from currency conversion EUR 19,243.03 (EUR 110,333.30)		
	56,258.27	170,865.00
4. Cost of materials		
a) Cost of raw materials, auxiliary materials and operating materials and purchased goods	25,906,999.86	14,950,216.29
b) Cost of purchased services	0.00	481,406.29
	25,906,999.86	15,431,622.58
5. Personnel expenses		
a) Wages and salaries	475,590.17	347,458.25
b) Social security contributions and expenses for pensions and other benefits	82,340.15	39,690.08
	557,930.32	387,148.33
6. Depreciation		
a) of intangible assets and fixed assets	7,818.00	5,020.00
7. Other operating expenses		
a) Occupancy costs	29,963.50	30,241.66
b) Insurance, contributions and taxes	75,748.73	36,396.35
c) Repairs and maintenance	0.00	49.53
d) Vehicle costs	46,234.23	24,645.37
e) Business and travel expenses	64,936.26	24,377.67
f) Costs of delivery of goods	150,000.00	7.55
g) Miscellaneous operational costs	946,339.90	708,238.81
h) Additional other operating expenses	21,863.85	93,595.57
- of which expenses from currency conversion EUR 21,863.85 (EUR 93,595.57)		
	1,335,086.47	917,552.51
8. Interest and similar expenses	26,251.65	4,162.67
Carryover	2,258,063.14	1,090,405.44

	Financial year	Previous year
	EUR	EUR
Carryover	2,258,063.14	1,090,405.44
9. Taxes on income and earnings	691,275.03	337,119.95
<b>10. Earnings after taxes</b>	<b>1,566,788.11</b>	<b>753,285.49</b>
<b>11. Net profit</b>	<b>1,566,788.11</b>	<b>753,285.49</b>



	31/12/2020 EUR	31/12/2021 EUR	31/12/2022 EUR
1. Revenues	787,092.00	17,665,046.53	30,035,891.17
<b>2. Overall performance</b>	<b>787,092.00</b>	<b>17,665,046.53</b>	<b>30,035,891.17</b>
3. Other operating income			
a) Income from the release of reserves	2,091.25	3,100.00	0.00
b) Additional other operating income	10,052.87	167,765.00	56,258.27
- of which income from currency conversion	0.13-	110,333.30	19,243.03
4. Cost of materials			
a) Cost of raw materials, auxiliary materials and operating materials and purchased goods	0.00	14,950,216.29	25,906,999.86
b) Cost of purchased services	0.00	481,406.29	0.00
5. Personnel expenses			
a) Wages and salaries	175,918.30	347,458.25	475,590.17
b) Social security contributions and expenses for pensions and other benefits	32,844.85	39,690.08	82,340.15
6. Depreciation			
a) of intangible assets and fixed assets	15,336.61	5,020.00	7,818.00
7. Other operating expenses			
a) Occupancy costs	36,173.33	30,241.66	29,963.50
b) Insurance, contributions and taxes	3,565.15	36,396.35	75,748.73
c) Repairs and maintenance	2,627.29	49.53	0.00
d) Vehicle costs	29,359.76	24,645.37	46,234.23
e) Business and travel expenses	23,626.45	24,377.67	64,936.26

Genexis Germany GmbH Trade and distribution of electronic devices, 53545 Ockenfels

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	31/12/2020	31/12/2021	31/12/2022
	EUR	EUR	EUR
f) Costs of delivery of goods	0.00	7.55	150,000.00
g) Miscellaneous operational costs	395,314.93	708,238.81	946,339.90
h) Losses from disposal of fixed assets	2.00	0.00	0.00
i) Additional other operating expenses	0.00	93,595.57	21,863.85
- of which expenses from currency conversion	0.00	93,595.57	21,863.85
8. Interest and similar expenses	0.00	4,162.67	26,251.65
9. Taxes on income and earnings	26,147.90	337,119.95	691,275.03
<b>10. Earnings after taxes</b>	<b>58,319.55</b>	<b>753,285.49</b>	<b>1,566,788.11</b>
11. Other taxes	772.00	0.00	0.00
<b>12. Net profit</b>	<b>57,547.55</b>	<b>753,285.49</b>	<b>1,566,788.11</b>

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	31/12/2020 EUR	31/12/2021 EUR	31/12/2022 EUR
<b>A. Fixed assets</b>			
I. Tangible fixed assets			
1. Other equipment, fixtures and furnishings	15,096.00	35,524.86	33,996.15
Total assets	15,096.00	35,524.86	33,996.15
<b>B. Current assets</b>			
I. Receivables and other assets			
1. Trade accounts receivable	223,176.00	1,848,235.65	1,352,972.79
2. Receivables from affiliated companies	0.00	70,949.51	1,468,055.95
3. Other assets	42,050.97	99,977.17	162,181.03
- of which with a remaining term of greater than one year	5,412.00	0.00	0.00
II. Cash on hand, Bundesbank balances, bank balances and checks	139,640.40	237,180.00	72,357.89
Total current assets	404,867.37	2,256,342.33	3,055,567.66
<b>C. Accrued expenses and deferred income</b>	6,869.95	36,220.13	48,601.37
	<b>426,833.32</b>	<b>2,328,087.32</b>	<b>3,138,165.18</b>

Genexis Germany GmbH Trade and distribution of electronic devices, 53545 Ockenfels

	31/12/2020 EUR	31/12/2021 EUR	31/12/2022 EUR
<b>A. Equity</b>			
I. Subscribed capital	25,000.00	25,000.00	25,000.00
II. Profit carried forward	162,145.00	219,692.55	972,978.04
III. Net profit	57,547.55	753,285.49	1,566,788.11
Total shareholders' equity	244,692.55	997,978.04	2,564,766.15
<b>B. Provisions</b>			
1. Tax provisions	28,867.02	109,472.16	225,528.03
2. Other provisions	33,177.19	189,122.85	288,905.45
<b>C. Liabilities</b>			
1. Liabilities to banks	0.00	0.00	0.01
- of which with a remaining term of up to one year	0.00	0.00	0.01
2. Trade accounts payable	112,178.29	27,256.21	29,095.90
- of which with a remaining term of up to one year	112,178.29	27,256.21	29,095.90
3. Liabilities to affiliated companies	0.00	467,003.79	134.14
- of which with a remaining term of up to one year	0.00	467,003.79	134.14
4. Other liabilities	7,918.27	537,254.27	29,735.50
- of which from taxes	2,816.51	536,534.27	29,735.50
- of which in the context of social security	1,823.41	0.00	0.00

Genexis Germany GmbH Trade and distribution of electronic devices, 53545 Ockenfels

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	31/12/2020	31/12/2021	31/12/2022
	EUR	EUR	EUR
- of which with a remaining term of up to one year	<u>7,918.27</u>	<u>537,254.27</u>	<u>29,735.50</u>
	<b><u>426,833.32</u></b>	<b><u>2,328,087.32</u></b>	<b><u>3,138,165.18</u></b>

**Notes****General information on the financial statements****Information identifying the Company according to the Court of Registry**

Company name according to the Court of Registry:	Genexis Germany GmbH
Registered office according to the Court of Registry:	Ockenfels
Register entry:	Commercial register
Court of Registry:	Montabaur
Register no.:	27336

**Information regarding the accounting and valuation methods****Accounting policies and valuation methods**

Property, plant and equipment was valued at acquisition or production costs and was reduced by depreciation where applicable.

Scheduled depreciation was carried out on a straight-line basis according to the expected useful life of the assets.

Where necessary, the lower value available on the balance sheet date was used.

Receivables and securities were valued taking into account all identifiable risks.

The tax provisions contain the taxes relating to the financial year that have not yet been assessed.

The other provisions were formed for all other contingent liabilities. All recognizable risks were taken into account.

Liabilities were recognized at the settlement amount.

**Deviating accounting and valuation methods compared to the previous year**

In the annual financial statements, the previously applied accounting and valuation methods were largely adopted.

There was no fundamental change in accounting and valuation methods compared to the previous year.

**Balance Sheet Information****Information on receivables with a remaining term of greater than one year**

The amount of receivables with a remaining term of greater than one year is EUR 0.00 (previous year: EUR 0.00).

Receivables from affiliated companies include receivables from shareholders in the amount of EUR 1,468,055.95 (previous year: EUR 70,949.51).

**Information on remaining term notes**

The amount of liabilities with a remaining term of up to one year is EUR 58,965.55 (previous year: EUR 1,031,514.27).

The amount of liabilities with a remaining term of greater than one year is EUR 0.00 (previous year: EUR 0.00).

Liabilities to affiliated companies include liabilities to shareholders of EUR 134.14 (previous year: EUR 467,003.79).

**Other Information****Average number of employees during the financial year:**

The average number of people employed by the company during the financial year was 7.00.

**Signature of the management**

Ockenfels, 08/02/2023

Place, date

Signature

## Attestation

### Attestation from the tax consulting company on the preparation

In accordance with our engagement, we have prepared the following financial statements – comprising the balance sheet, profit and loss statement and notes – of Genexis Germany GmbH for the financial year from 1 January to 31 December 2022 in accordance with German commercial law and the supplementary provisions of the partnership agreement.

The basis for the preparation was the evidence, books and asset records presented to us, which we did not review in accordance with our engagement, as well as the information provided to us.

The accounting and the preparation of the inventory and the annual financial statements in accordance with German commercial law and the supplementary provisions of the partnership agreement is the responsibility of the management of the Company.

We carried out our engagement in compliance with the pronouncement of the Federal Chamber of Tax Consultants on the principles for the preparation of annual financial statements. This includes the development of the balance sheet and profit and loss statement and the notes on the basis of the bookkeeping and inventory as well as the requirements as to the applicable accounting and valuation methods.

Düsseldorf, 6/2/2023

[stamp:]

REICHHARDT & PARTNER MBB  
TAX CONSULTANTS  
PARTNERSHIP  
DÜSSELDORF

[signature]  
Reichhardt & Partner  
Tax Consultants  
Partnership



**General terms and conditions for tax consultants and tax consulting companies**

## **General terms and conditions for tax consultants, tax agents and tax consulting companies**

Valid as of: November 2016

The following "General Terms and Conditions" apply to contracts between tax consultants, tax agents and tax consulting companies (hereinafter referred to as "Tax Consultants") and their clients, unless something else has been expressly agreed in text form or is mandatory by law.

### **1. Scope and performance of the engagement**

- (1) The engagement assigned is decisive for the scope of the services to be provided by the tax consultant. The engagement is carried out according to the principles of proper professional practice, taking into account the relevant professional standards and professional duties (cf. StBerG, Professional Code of Conduct of the German Chamber of Tax Consultants (BOSTB)).
- (2) The consideration of foreign law requires an express agreement in text form.
- (3) If the legal situation changes after the final settlement of a matter, the tax consultant is not obliged to inform the client of the change or the resulting consequences.
- (4) The examination of the correctness, completeness and regularity of the documents and figures handed over to the tax consultant, in particular the bookkeeping and balance sheet, shall only be part of the engagement if this has been agreed in text form. The tax consultant will proceed on the assumption that the information provided by the client, in particular the figures stated, is correct. If he discovers obvious inaccuracies, he is obliged to point them out.
- (5) The engagement does not constitute a power of attorney for representation before authorities, courts or other bodies. This is to be issued separately. If, due to the client's absence, it is not possible to agree on the filing of appeals or legal remedies, the tax consultant is entitled and obliged to act within the deadline in case of doubt.

### **2. Duty of confidentiality**

- (1) In accordance with the law, the tax consultant is obliged to maintain secrecy about all facts that come to his knowledge in connection with the execution of the engagement, unless the client releases him from this obligation. The duty of confidentiality continues even after the end of the contractual relationship. The duty of confidentiality applies to the same extent to the employees of the tax consultant.
- (2) The duty of confidentiality does not exist insofar as the disclosure is necessary to protect the legitimate interests of the tax consultant. The tax consultant is also released from the duty of confidentiality insofar as he is obliged to provide information and to cooperate according to the insurance conditions of his professional liability insurance.
- (3) Statutory information and refusal rights according to Section 102 of the German Tax Code (AO), Section 53 of the German Code of Criminal Procedure (StPO) and Section 383 of the German Code of Civil Procedure (ZPO) remain unaffected.
- (4) The tax consultant is released from the duty of confidentiality insofar as this is necessary to carry out a certification audit in the tax consultant's office and the persons working in this respect have themselves been advised of their duty of confidentiality. The client agrees that the certifier/auditor may inspect his reference file created and managed by the tax consultant.

### **3. Participation of third parties**

The tax consultant is entitled to use employees, expert third parties and data processing companies to carry out the engagement. When engaging competent third parties and data processing companies, the tax consultant must ensure that they commit to secrecy in accordance with section 2, para. 1. Under no circumstances is the tax consultant liable for the services of those engaged; the persons engaged are not vicarious agents of the tax consultant in terms of liability law. If the tax consultant has suggested the involvement of a third party named by him, he is only liable for a proper selection of the person engaged.

#### **3. a. Electronic communication, data protection**

- (1) The tax consultant is entitled to automatically collect personal data of the client and its employees as part of the engagements placed and to process them in an automated file or to transfer them to a service computer center for further data processing.
- (2) The tax consultant is entitled to appoint a data protection officer to fulfill his obligations under the German Federal Data Protection Act. If this data protection officer is not already subject to the duty of confidentiality pursuant to section 2 para. 1 sentence 3, the tax consultant must ensure that the data protection officer undertakes to maintain data secrecy when he starts his work.
- (3) If the client provides the tax consultant with a fax number or an email address, it agrees, until revoked or otherwise expressly instructed, that the tax consultant will send it mandate-related information using those contact details without restrictions. The client warrants that only it or persons commissioned by it have access to the receiving/transmitting device or the email account and that it regularly checks incoming messages there. The client is obliged to inform the tax consultant if there are restrictions, for example the receiving/transmitting device or the email account is only irregularly checked for incoming messages or submissions are only desired after prior notification. The tax consultant assumes no liability for the security of the data and information transmitted with unencrypted emails and is also not liable for any damage that the client may incur as a result. Insofar as the client has the technical prerequisites for the use of signature and encryption processes and wishes to use them, it shall inform the tax consultant of this in good time; the client shall bear the associated costs of the tax consultant (e.g. for the acquisition and installation of necessary software or hardware).

#### **4. Correction of deficiencies**

- (1) The client is entitled to the correction of any deficiencies. The tax consultant must be given the opportunity to make corrections. The client has the right – if and to the extent that the mandate is a service contract within the meaning of Sections 611, 675 BGB – to refuse the corrections by the tax consultant if the mandate is terminated by the client and the deficiency is only identified after the effective termination of the mandate.
- (2) If the tax consultant does not remedy the alleged deficiencies within a reasonable period of time or if he refuses to eliminate the deficiencies, the client can have the deficiencies remedied by another tax consultant at the expense of the tax consultant or, at its discretion, demand a reduction in the remuneration or cancellation of the contract.
- (3) Obvious inaccuracies (e.g. typographical errors, calculation errors) can be corrected by the tax consultant at any time, including in relation to third parties. The tax consultant may correct other deficiencies in relation to third parties with the consent of the client. Consent is not required if the legitimate interests of the tax consultant take precedence over the interests of the client.

#### **5. Liability**

- (1) The liability of the tax consultant and his vicarious agents for damage resulting from one or – in the case of a uniform damage consequence – from several breaches of duty in connection with the fulfillment of an engagement is limited to €1,000,000.00 (in words: one million euros). The limitation of liability relates solely to negligence. Liability for intent remains unaffected in this respect. Excluded from the limitation of liability are liability claims for damage resulting from injury to life, limb or health. The limitation of liability applies to the entire activity of the tax consultant for the client, i.e. in particular also for an extension of the engagement content; a new agreement on the limitation of liability is not required in this respect. The limitation of liability also applies when a law firm/partnership is formed and the law firm/partnership assumes the engagement, as well as for new partners joining the law firm/partnership. The limitation of liability also applies to third parties, insofar as these fall within the scope of protection of the client relationship; Section 334 BGB is expressly not waived in this respect. Individual contractual liability limitation agreements take precedence over this regulation, but leave the effectiveness of this regulation unaffected – unless expressly regulated otherwise.
- (2) The limitation of liability applies, if a correspondingly high level of insurance cover existed, retroactively from the beginning of the client relationship or the time of the additional insurance and extends to these cases if the scope of the engagement is subsequently changed or extended.

#### **6. Obligations of the client; failure to cooperate and default in acceptance by the client**

- (1) The client is obliged to cooperate insofar as it is necessary for the proper completion of the engagement. In particular, it shall hand over to the tax consultant all the documents necessary for the execution of the engagement in full and in good time, without being asked, so that the tax consultant has a reasonable processing time. The same applies to the information about all processes and circumstances that may be of importance for the execution of the engagement. The client is obliged to take note of all written and verbal communications from the tax consultant and to consult with him in case of doubt.
- (2) The client must refrain from anything that could impair the independence of the tax consultant or his vicarious agents.
- (3) The client undertakes to pass on the results of the tax consultant's work only with his consent, unless consent to the disclosure to a specific third party already results from the content of the engagement.
- (4) If the tax consultant uses data processing programs on the client's premises, the client is obliged to follow the tax consultant's instructions for installing and using the programs. Furthermore, the client is obliged to use the programs only to the extent prescribed by the tax consultant, and it is also only entitled to use them to that extent. The client may not distribute the programs. The tax consultant remains the owner of the rights of use. The client must refrain from doing anything that prevents the tax consultant from exercising the right to use the programs.
- (5) If the client fails to cooperate in accordance with section 6 paras. 1 to 4 or otherwise, or if it is in default of acceptance of the service offered by the tax consultant, the tax consultant is entitled to terminate the contract without notice (cf. section 9 para. 3). The tax consultant's claim for compensation for the additional expenses incurred as a result of the default or failure to cooperate on the part of the client and for the damage caused shall remain unaffected, even if the tax consultant does not exercise the right of termination.

#### **7. Copyright protection**

The services of the tax consultant represent his intellectual property. They are protected by copyright. A transfer of work results outside of the intended use is only permitted with the prior consent of the tax consultant in text form.

#### **8. Remuneration, advance payment and set-off**

- (1) The remuneration (fees and reimbursement of expenses) of the tax consultant for his professional activity according to Section 33 StBerG is measured according to the Tax Consultant Remuneration Ordinance (StBVV). Remuneration higher or lower than the statutory remuneration can be agreed in text form. The agreement of a lower remuneration is only permissible in out-of-court matters. It must be proportionate to the performance, responsibility and liability risk of the tax consultant (Section 4 para. 3 StBVV).
- (2) For activities that are not regulated in the Remuneration Ordinance (e.g. Section 57 para. 3 nos. 2 and 3 StBerG), the agreed remuneration applies, else the statutory remuneration provided for this activity shall apply, otherwise the usual remuneration (Sections 612 para. 2 and 632 para. 2 BGB).
- (3) Offsetting against a tax consultant's claim for remuneration is only permitted with undisputed or legally established claims.
- (4) The tax consultant can demand an advance payment for fees and expenses that have already been incurred and are expected to be incurred. If the advance payment requested is not paid, the tax consultant can, after prior notification,

discontinue his further work for the client until the advance payment is received. The tax consultant is obliged to notify the client in good time of his intention to discontinue work if the client may suffer disadvantages from the discontinuation of the work.

#### **9. Termination of contract**

- (1) The contract ends upon fulfillment of the agreed services, upon expiry of the agreed term or upon termination. The contract does not end through the death, through the onset of insolvency of the client or, in the case of a company, through its dissolution.
- (2) The contract can – if and to the extent that it is a service contract within the meaning of Sections 611, 675 BGB – can be terminated extraordinarily by each contractual partner, unless it is a service relationship with fixed remuneration, Section 627 para. 1 BGB; the termination must be made in text form. Insofar as deviations from this are to be made in individual cases, an agreement is needed that must be negotiated between the tax consultant and the client.
- (3) If the contract is terminated by the tax consultant, in order to avoid legal disadvantages for the client, the tax consultant must always take those actions that are reasonable and cannot be postponed (e.g. application for an extension of the deadline if the deadline is imminent).
- (4) The tax consultant is obliged to surrender to the client everything that he receives or has received for the execution of the engagement and what he has obtained from acting as agent. In addition, the tax consultant is obliged to provide the client with information on the status of the matter upon request and to render accounts.
- (5) Upon termination of the contract, the client must hand over to the tax consultant the data processing programs used by the client to carry out the engagement without undue delay, including any copies made and other program documents, or delete them from the hard drive.
- (6) After the end of the contractual relationship, the documents must be collected from the tax consultant.
- (7) If the engagement ends before it has been completed, the tax consultant's claim to remuneration is governed by the law. Insofar as deviations from this are to be made in individual cases, a separate agreement in text form is required.

#### **10. Storage, surrender and right of retention with regard to work results and documents**

- (1) The tax consultant must store the reference files for a period of ten years after the end of the engagement. However, this obligation expires before the end of this period if the tax consultant has asked the client to take receipt of the reference files and the client has not complied with this request within six months of receiving it.
- (2) Reference files within the meaning of para. 1 are only the documents that the tax consultant has received from the client or for it as a result of his professional activity, but not the correspondence between the tax consultant and his client and the documents that he has already received in the original or a copy, as well as the working papers prepared for internal purposes (Section 66 para. 3 StBG).
- (3) At the request of the client, but at the latest after the end of the engagement, the tax consultant must return the reference files to the client within a reasonable period of time. The tax consultant may make and retain copies or duplicates of the documents that he returns to the client.
- (4) The tax consultant can refuse to hand over the reference files until he has been satisfied with respect to his fees and expenses. This does not apply if withholding the reference files and the individual documents would be unreasonable under the circumstances (Section 66 para. 2 sentence 2 StBerG).

#### **11. Other**

The engagement, its performance and the resulting claims shall be governed exclusively by German law. The place of performance is the domicile of the client, unless it is a merchant, a legal entity under public law or a special fund under public law, otherwise the professional branch of the tax consultant. The tax consultant is – not – willing to participate in a dispute resolution procedure before a consumer arbitration board (Sections 36, 37 of the German Act on Alternative Dispute Resolution in Consumer Matters (VSBG)).

#### **12. Severability**

Should individual provisions of these terms and conditions be or become invalid, this shall not affect the validity of the remaining provisions. The invalid provision is to be replaced by a valid one that comes as close as possible to the intended purpose.