



SRP Partnerschaft mbB

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Independent Auditor's Report

Financial Statements

For The Year Ended March 31, 2025

of

TOPSIM GmbH

Tübingen

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INDEPENDENT AUDITOR'S REPORT TO TOPSIM GmbH

We have audited the financial statements of TOPSIM GmbH (the Company), which comprise the balance sheet as at March 31, 2025, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Germany, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Cologne, May 14, 2025

SRP Partnerschaft mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Philipp Heimbach
Wirtschaftsprüfer

Murad Hasanzade
Wirtschaftsprüfer

TOPSIM GmbH, Tübingen
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	Notes	03/31/2025 €	03/31/2024 €
Assets			
A. Fixed assets	(1)		
<u>I. Intangible assets</u>			
Internally generated intangible assets		306.581,00	441.602,00
<u>II. Equipment</u>			
Other equipment, operational and office equipment		45.649,00	27.573,00
		352.230,00	469.175,00
B. Current assets			
<u>I. Accounts receivable and other assets</u>			
1. Trade debtors	(2)	246.090,36	192.958,56
2. Other receivables		44.909,26	26.722,09
		290.999,62	219.680,65
<u>II. Cash and cash equivalents</u>			
	(3)	1.307.993,10	1.531.752,14
		1.598.992,72	1.751.432,79
C. Deferred tax asset			
	(4)	3.034,53	17.008,42
		1.954.257,25	2.237.616,21

TOPSIM GmbH, Tübingen
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	Notes	03/31/2025 €	03/31/2024 €
Shareholder's Equity and Liabilities			
A. Shareholder's Equity			
I. <u>Share capital</u>	(5)	228.600,00	228.600,00
II. <u>Accumulated profit</u>		<u>713.633,90</u>	<u>815.385,77</u>
		942.233,90	1.043.985,77
B. Current Liabilities			
	(6)		
1. Advance payments received on account of order		0,00	15.784,66
2. Accounts payable		29.949,98	7.805,52
3. Other liabilities and accrued expenses		114.062,70	110.549,18
4. Short term taxes payable		<u>21.239,36</u>	<u>35.036,05</u>
		165.252,04	169.175,41
C. Deferred income			
	(7)	846.771,31	1.024.455,03
		1.954.257,25	2.237.616,21

TOPSIM GmbH, Tübingen

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2025

	Notes	April 1, 2024 to March 31, 2025 €	April 1, 2023 to March 31, 2024 €
1. Sales		2.010.732,08	2.011.810,44
2. Other operating income		889,44	0,00
3. Cost of purchased services		-172.294,42	-250.806,22
4. Personnel expenses		-1.262.921,88	-1.159.950,57
5. Depreciation		-150.558,23	-155.169,25
6. Other operating expenses	(8)	-170.570,53	-178.560,48
7. Interest receivable and similar income		11.945,56	0,00
8. Taxes	(9)	<u>-13.973,89</u>	<u>15.320,42</u>
9. Net Income		253.248,13	282.644,34
10. Accumulated profit brought forward		815.385,77	532.741,43
11. Profit distribution		<u>-355.000,00</u>	<u>0,00</u>
12. Accumulated profit		713.633,90 =====	815.385,77 =====

TOPSIM GmbH, Tübingen**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2025**

	Share capital €	Accumulated profit €	Total shareholder's equity €
At March 31, 2023	228.600,00	532.741,43	761.341,43
Net income	-	282.644,34	282.644,34
At March 31, 2024	228.600,00	815.385,77	1.043.985,77
Profit Distribution	-	-355.000,00	-355.000,00
Net income	-	253.248,13	253.248,13
At March 31, 2025	228.600,00	713.633,90	942.233,90

TOPSIM GmbH, Tübingen
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	April 1, 2024 to March 31, 2025 T€	April 1, 2023 to March 31, 2024 T€
Net income	253,2	282,6
Depreciation on non-current assets	150,6	155,2
Increase/Decrease of inventories, trade receivables and other assets not attributable to investing or financing activities	-56,8	-67,9
Increase/Decrease of trade payables and other liabilities not attributable to investing or financing activities	-181,6	-206,7
Interest expense/interest income	-11,9	0,0
Cash flows from operating activities	153,5	163,2
Purchase of equipment and intangible assets	-34,2	-99,6
Interest received	11,9	0,0
Cash flows from investing activities	-22,3	-99,6
Dividends paid to shareholders of the parent entity	-355,0	0,0
Cash flows from financing activities	-355,0	0,0
Change in cash funds from cash relevant transactions	-223,8	63,6
Cash funds at April 1, 2024/April 1, 2023	1.531,8	1.468,2
Cash funds	1.308,0	1.531,8

The cash funds include cash and cash equivalents.

Notes to the financial statements 2024/25
of
TOPSIM GmbH
Tübingen

General

Nature and purpose of TOPSIM GmbH, Tübingen, Germany, business is the following:

TOPSIM® – Business Games were created by UNICON which had been founded in 1982 and has become the market leader for computer- and web-based business simulation games in the German-speaking part of Europe. Since 2006 TOPSIM® is part of TOPSIM GmbH product-portfolio.

TOPSIM® – Simulations are used by numerous **companies, education centers and universities** for professional training and education. Various TOPSIM® - Simulations are available to serve training needs. These simulations integrate specific topics (e.g. marketing, e-business or entrepreneurship) or represent specific industries and markets (e.g. Insurance or Banking). Besides the well-known TOPSIM® – Simulations, TOPSIM GmbH also offers a variety of management training sessions, from "Introduction to Business Administration for Engineers" to "Top-Executive Leadership Development" programs. TOPSIM GmbH also offers tailored simulations for organizations.

TOPSIM GmbH offers its repertoire of global experience and educational/training expertise e.g.: Animations, Assessments, Conversion and Maintenance, Courseware, Games & Game-Based Learning, Onboarding, Process Training, Product Training, Sales Training, Simulation Workshops, Soft Skills Training, Software Applications.

The company's registered address is Neckarhalde 55 in 72070 Tübingen, Germany.

The number of employees on payroll as at March 31, 2025: was 17 (March 31, 2024: 17). The company does not have any branches and subsidiaries.

Presentation of financial statements

The financial statements of TOPSIM GmbH, Tübingen, Germany, are based on the German financial statements which were prepared under German Generally Accepted Accounting Principles (GAAP) and were transformed according to International Financial Reporting Standards (IAS/IFRS) so that the financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS).

The measurement and presentation currency for the financial statements is EURO.

Summary of significant accounting policies

Foreign currencies transactions

There are no transactions in currencies other than EURO (€).

Revenue Recognition

Individual contracts with defined transaction/licences prices were signed between topsim and the customer. Revenues from contracts are recognized when it is probable that the economic benefits associated with a transaction will flow to the enterprise and the revenues can be measured reliably. Sales are recognized net of value-added tax.

(1) Fixed Assets

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is calculated under the straight-line method utilizing the estimated useful economic lives:

Licences and int. generated intangible assets	1 - 10 years
Fixtures	10 years
Office equipment	3 - 19 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

	Licences €	Office Equipment €	Total €
Cost / Valuation			
At March 31, 2024	1.341.395,07	280.603,83	1.621.998,90
Additions	0,00	34.157,23	34.157,23
Disposals	0,00	92.653,16	92.653,16
At March 31, 2025	1.341.395,07	222.107,90	1.563.502,97
Accumulated Depreciation			
At March 31, 2024	899.793,07	253.030,83	1.152.823,90
Charge for the year	135.021,00	15.537,23	150.558,23
Disposals	0,00	92.109,16	92.109,16
At March 31, 2025	1.034.814,07	176.458,90	1.211.272,97
Net Book Value			
At March 31, 2025	306.581,00	45.649,00	352.230,00
At March 31, 2024	441.602,00	27.573,00	469.175,00

Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risk and rewards of ownership to the lessee. The company has only marginal operating leases.

(2) Accounts receivable and other assets

Receivables are stated at their nominal value as reduced by lump-sum allowance of around 2,0 percent.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments with maturities of less than one month, which are readily convertible to known amounts of cash and are not subject to risks of changes in value. The company has only Cash in banks.

(4) Deferred tax assets

Deferred tax liabilities result of recognition of intangible assets based on IFRS accounting with an amount of EURO 89.291,72. Deferred tax assets result of tax losses carried forward with an amount of EURO 92.326,25. The company has netted its deferred tax liabilities with the deferred tax assets. The disclosed net deferred tax assets amounts of EURO 3.034,53.

(5) Share Capital

The nominal share capital of the company amounts to EURO 228.600,00.

The share capital was fully paid into the company. The shareholder is MPS Limited, India.

(6) Current Liabilities

The company recognizes financial liabilities on its balance sheet when it becomes a part to a contractual obligation. Liabilities are valued at their repayment value.

Other liabilities and accrued expenses

Other liabilities and accrued expenses are recognized when the company has legal or contractual obligations, as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliable.

	March 31, 2025 €	March 31, 2024 €
Trade payables	29.949,98	7.805,52
Other liabilities and accrued expenses	114.062,70	110.549,18
Short term taxes payable	21.239,36	35.036,05
	<u>165.252,04</u>	<u>153.390,75</u>

(7) Deferred income

Deferred income includes payments received before the balance sheet date that represent income for a certain period after the balance sheet date.

(8) Other operating expenses

	April 1, 2024 To March 31, 2025 €	April 1, 2023 to March 31, 2024 €
Cost for rental	30.365,55	31.992,06
Cost of sales	22.346,98	25.096,03
Administration expenses	109.337,61	113.653,58
Other Cost	8.520,39	7.818,81
	<u>170.570,53</u>	<u>178.560,48</u>

(9) Taxes

Income tax comprises deferred taxes based on carried forward tax losses and differences between measurements of IFRS and tax accounting. Income tax has been computed in accordance with the laws of Germany. It is based on the result for the year as adjusted for items that are non-assessable or non-tax deductible and includes any adjustments to tax payable in respect of previous years. Deferred tax assets are recognized because of the probability of sufficient future taxable profit and measured at the tax rates that are expected to apply to the next five periods. Deferred tax assets/liabilities are calculated by a tax rate of 29,1 percent, assets and liabilities are matched.

(10) Related parties

The company engages in international transactions with the related party MPS Interactive Systems Limited, India. Based on the Transfer-pricing-study presented by BSR & Co. LLP for the financial year 2020-21, project and sales support activities are billed at cost-plus method, licence revenue is charged at arms-length.

(11) Financial instruments

In performing its operating, investing and financial activities, the Company is exposed to the following financial risks: **credit risk, liquidity risk and market risk.**

Those risks are defined as follows:

- **Credit risk:** the possibility that a debtor will not pay at all, pay only a portion of a debt or will not pay in a timely manner.
- **Liquidity risk:** the Company defines this risk as the risk that it may not have or may not be able to raise cash funds when needed.

In order to effectively manage those risks, Management has approved some strategies for the management of financial risks, which are in line with corporate objectives. These guidelines set forth the short and long term objectives and action to be taken in order to manage the financial risks that the company faces.

Credit risk

The company controls its exposure to credit risk by setting limits on its exposure to individual customers. There are no significant concentrations of credit risk.

Liquidity risk

The company manages liquidity risk on the basis of expected maturity dates. At present the company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments the company expects the operating activity to generate sufficient cash inflows. In addition, the company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

Managing Director

Lilly Dege, Tübingen

Rahul Arora, Noida/Indien

Tübingen, May 14, 2025

TOPSIM GmbH



Lilly Dege
- Managing Director -



Rahul Arora
- Managing Director -

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

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

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

2. Scope and execution of the engagement

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

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

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

3. The obligations of the engaging party to cooperate

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

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

4. Ensuring independence

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

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

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

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

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

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

7. Deficiency rectification

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

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

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

8. Confidentiality towards third parties, and data protection

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

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

9. Liability

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

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

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

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

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

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

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

10. Supplementary provisions for audit engagements

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

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

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

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

11. Supplementary provisions for assistance in tax matters

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

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

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

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

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

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

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

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

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

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

12. Electronic communication

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

13. Remuneration

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

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

14. Dispute Settlement

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

15. Applicable law

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