

## search result

Surname	Area	information	V. date
InPro electric GmbH Wolfsburg	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020	03/03/2022

**InPro electric GmbH****Wolfsburg****Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020****Balance sheet as of December 31, 2020****assets**

	EUR	EUR	As of 12/31/2019 kEUR
A. Fixed assets			
I. Intangible assets			
(purchased software)		224,035.00	182
II. Tangible assets			
1. Land and buildings	751,888.00		828
2. Other facilities, fixtures and fittings	3,466,393.00		3,300
		4,218,281.00	4.128
III. financial assets			
1. Shares in affiliated companies	980,246.46		980
2. other loans	0.00		600
		980,246.46	1,580
		5,422,562.46	5,890
B. Current Assets			
I. Inventories			
1. work in progress	88,310,000.00		103,060
2. Advance payments received on orders	-86,938,286.76		-97,373
		1,371,713.24	5,687
II. Receivables and other assets			
1. Trade accounts receivable	6,269,372.84		9,737
2. Receivables from affiliated companies	5,449,593.36		1,846
3. other assets	2,544,020.27		6,048
		14,262,986.47	17,631
III. Cash on hand, bank balances		26,227,203.06	17,595
		41,861,902.77	40,913
C. Prepaid expenses		116,524.48	107
		47,400,989.71	46,910

**liabilities**

	EUR	EUR	As of 12/31/2019 kEUR
A. Equity			
I. Subscribed capital (share capital)	3,000,000.00		3,000
less the nominal amount of treasury shares	-638,100.00		-638
issued capital		2,361,900.00	2,362
II. Retained Earnings			
(other retained earnings)		9,025,208.38	9.149
III. net income		8,820,908.72	8,876
		20,208,017.10	20,387
B. Provisions			

	EUR	EUR	As of 12/31/2019 kEUR
1. Provisions for taxes	464,200.00		0
2. other provisions	7,303,000.00		6,682
		7,767,200.00	6,682
<b>C. Liabilities</b>			
1. Advance payments received on orders	13,186,789.78		8,470
2. Trade Accounts Payable	3,221,721.22		5,311
3. Liabilities to affiliated companies	119,204.31		1,763
4. other liabilities	2,898,057.30		4,297
(of which from taxes: EUR 1,282,831.47, previous year EUR 2,849 thousand in the context of social security: EUR 7,617.64, previous year EUR 9 thousand)		19,425,772.61	19,841
		47,400,989.71	46,910

At the ordinary shareholders' meeting on April 27, 2021, the annual financial statements as of December 31, 2020 were adopted.

### Profit and Loss Account for the year ended January 1st to December 31st 2020

	EUR	EUR	Previous year kEUR
1. Revenue		121,500,388.67	83,578
2. Decrease (previous year: increase) in inventories of work in progress		-14,750,000.00	19,800
		106,750,388.67	103,378
3. other operating income		506,858.95	541
		107,257,247.62	103,919
4. Cost of Materials			
a) Expenses for auxiliary and operating materials and for purchased goods	13,712,611.34		18,210
b) Expenses for purchased services	44,132,755.50		39,546
		57,845,366.84	57,756
		49,411,880.78	46,163
5. Personnel expenses			
a) Wages and salaries	28,259,490.58		27,439
b) social security contributions and pension expenses	4,892,244.15		4,852
	33,151,734.73		32,291
6. Depreciation of intangible assets and property, plant and equipment	1,262,315.83		1,246
7. other operating expenses	6,395,237.89		7,487
		40,809,288.45	41,024
		8,602,592.33	5,139
8. Income from participations	2,930,003.10		5,450
9. other interest and similar income	89,685.00		108
10. Interest and Similar Expenses	0.00		4
		3,019,688.10	5,554
		11,622,280.43	10,693
11. Income taxes		2,703,592.82	1,636
12. Earnings after taxes		8,918,687.61	9,057
13. other taxes		97,778.89	181
14. Net Income		8,820,908.72	8,876

### Appendix for the 2020 financial year

#### I. General information

The company, based in Wolfsburg, is entered in the Commercial Register of the District Court of Braunschweig under number HRB 100234.

The annual financial statements for the 2020 financial year were prepared in accordance with the accounting regulations of the German Commercial Code (HGB), taking into account the regulations for corporations and the supplementary regulations of the GmbH Act.

The principle of consistency of assessment was observed.

In the interests of clarity and transparency, we have almost exclusively listed the notes to be made separately for the individual items in the balance sheet and the profit and loss account in accordance with the statutory provisions in the appendix.

The profit and loss account is prepared according to the previous handling according to the nature of expense method.

Currency receivables and liabilities are converted at the mean spot exchange rate on the balance sheet date.

#### II. Notes to the balance sheet

Intangible fixed assets and tangible assets are valued at acquisition or production cost and - insofar as their use is limited in time - reduced by scheduled depreciation, some of which is linear, some of which is declining balance, in accordance with the customary useful life. Depreciable movable assets with acquisition costs of more than €250.00 to €1,000.00 are depreciated at 20% pa based on the tax regulations (§ 6 Para. 2 a EStG).

The shares in affiliated companies reported under financial assets are valued at acquisition cost and relate to the following subsidiaries:

	shares	Equity (12/31/2019) €	Annual result <sup>1</sup> 2019 €
InPro electric España SLU, Valencia/Spain	100.0	1,828,569.66	436,344.95
InPro electric sro, Bratislava/Slovakia	100.0	4,458,025.59	1,659,437.10
InPro electric Sp. z oo, Katowice/Poland	100.0	395,732.26	111,899.52
InPro electric USA Ltd., Greer/USA	100.0	2,658,313.74	1,057,220.35
InPro electric SA de CV, Puebla/Mexico	100.0	2,940,090.66	335,395.40
IP servicios electricos SA de CV, Puebla/Mexico	100.0	153,511.18	36,880.77
InPro electric do Brasil Ltda., Taubate/Brazil <sup>2</sup>	99.99	712,632.13	501,329.15
InPro (Shanghai) Automation Technology Co., Ltd. Shanghai/China	100.0	449,938.99	33,803.84

The development of fixed assets can be seen from the following asset history sheet:

<sup>1</sup> HB II - result

<sup>2</sup> indirectly via InPro electric España SLU additional 0.01%

#### asset history sheet

	Acquisition and production costs			As of 12/31/2020 EUR
	As of 01/01/2020 EUR	Access EUR	departure EUR	
I. Intangible assets				
(purchased software)	1,028,708.28	126,923.61	16,961.85	1,138,670.04
II. Tangible assets				
1. Land and buildings	979,259.61			979,259.61
2. Other facilities, fixtures and fittings	9,838,922.48	1,319,325.22	1,418,030.21	9,740,217.49
	10818182.09	1,319,325.22	1,418,030.21	10,719,477.10
III. financial assets				
1. Shares in affiliated companies	980,246.46			980,246.46
2. other loans	600,000.00		600,000.00	0.00
	1,580,246.46	0.00	600,000.00	980,246.46
Total I. - III.	13,427,136.83	1,446,248.83	2,034,992.06	12,838,393.60
		depreciation		
	As of 01/01/2020 EUR	Access EUR	departure EUR	As of 12/31/2020 EUR
I. Intangible assets				
(purchased software)	846,742.28	84,854.61	16,961.85	914,635.04
II. Tangible assets				
1. Land and buildings	151,263.61	76,108.00		227,371.61
2. Other facilities, fixtures and fittings	6,539,134.48	1,101,353.22	1,366,663.21	6,273,824.49
	6,690,398.09	1,177,461.22	1,366,663.21	6,501,196.10
III. financial assets				
1. Shares in affiliated companies	0.00			0.00
2. other loans	0.00			0.00
	0.00	0.00	0.00	0.00
Total I. - III.	7,537,140.37	1,262,315.83	1,383,625.06	7,415,831.14
		book values		
		As of 01/01/2020 EUR		As of 12/31/2020 EUR
I. Intangible assets				
(purchased software)		181,966.00		224,035.00
II. Tangible assets				
1. Land and buildings		827,996.00		751,888.00
2. Other facilities, fixtures and fittings		3,299,788.00		3,466,393.00
		4,127,784.00		4,218,281.00
III. financial assets				
1. Shares in affiliated companies		980,246.46		980,246.46
2. other loans		600,000.00		0.00
		1,580,246.46		980,246.46
Total I. - III.		5,889,996.46		5,422,562.46

The work in progress reported under inventories is accounted for at production cost, taking into account the lower of cost or market principle. In addition to the direct material and production costs, the production costs also include overhead costs.

Receivables and other assets are valued at their nominal value after deducting a general value adjustment. The other assets have a remaining term of less than one year.

The share capital is fully paid up and recognized at nominal value. In January 2021, a distribution of €4.0 million was approved.

The nominal value of the treasury shares (€ 638,000) is openly deducted from the "subscribed capital" item.

Based on prudent business judgement, the other provisions take into account all identifiable risks and uncertain obligations in the amount of the settlement amount and consist primarily of personnel costs (€6,357 thousand), warranties (€731 thousand) and outstanding invoices (€70 thousand).

Of the advance payments received on orders (EUR 100,125 thousand), EUR 86,938 thousand is openly deducted from inventories, as this is offset by work in progress, and EUR 13,187 thousand is reported separately under liabilities.

Liabilities are stated at the repayment amount and have a remaining term of less than one year.

The liabilities are - apart from the usual retention of title - unsecured.

The commercial law valuations of the following balance sheet items deviate from the tax valuations and result in the following active (-) and passive (+) taxes:

operating and office equipment	+1 T€
loans	-2 T€
Receivables from affiliated companies	-14 T€
bank balance	-30 T€
	-45 T€

Deferred taxes developed as follows in the year under review:

	As of 01/01/2020	change	As of 12/31/2020
	kEUR	kEUR	kEUR
deferred tax assets	16,000.00	30,000.00	46,000.00
deferred tax liabilities	7,000.00	-6,000.00	1,000.00
balance	9,000.00	36,000.00	45,000.00

Since these differences are expected to decrease in later financial years, the resulting tax relief (approx. EUR 45 thousand) would have been deferred tax assets i. s.d. § 274 para. 1 HGB can be recognized in the balance sheet. No use was made of the right to vote. The differences were valued at a tax rate of around 29.8% as of the balance sheet date.

### III. Notes to the Profit and Loss Account

Of the sales, €97,722 thousand (previous year: €64,882 thousand) came from Germany and €24,103 thousand (previous year: €19,061 thousand) from abroad. Customer bonuses and discounts amounting to €325 thousand (previous year: €365 thousand) are reported as sales deductions.

Other operating income includes income relating to other periods (6, py €1k), exchange rate gains (6, py 162k), the reversal of provisions (0, py 14k), insurance compensation (T€55, previous year: T€38) and gains from the disposal of assets (T€18, last year: T€31).

Personnel expenses include pension expenses of €156 thousand (previous year: €131 thousand).

Other operating expenses include rents, selling and administrative expenses, maintenance and exchange rate losses (€128 thousand, previous year €25 thousand), expenses from insurance compensation (€57 thousand, previous year €36 thousand), losses from asset disposals (€12 thousand, previous year €28 thousand), expenses relating to other periods (€39 thousand, €137 thousand in the previous year) and additions to bad debt allowances (€0 thousand, €43 thousand in the previous year).

The investment income is attributable to affiliated companies.

A further EUR 42 thousand (py EUR 44 thousand) of the interest and similar income relates to affiliated companies.

Income taxes essentially relate to corporation tax/solidarity surcharge (€1,412 thousand) and trade tax (€1,248 thousand) for the current year. For previous years, there are additional expenses of EUR 44 thousand.

### IV. Other information

#### Managing Director:

Dipl.-Ing. Gerhard Muter, Koenigslutter

Dipl.-Ing. Marco Renken, Wolfsburg

Dipl.-Ing. Udo Niebergall, Lich

The average number of employees during the financial year is:

		Previous year
employed staff	293	288
Industrial workers	137	133
temporary workers	19	23
According to §267 paragraph 5 HGB	449	444
trainee	9	9
Managing Director	3	3
	461	456

The information on the auditor's fee in accordance with Section 285 Sentence 1 No. 17 HGB is included in the consolidated financial statements of InPro electric GmbH, Wolfsburg.

### V. Supplementary report

There have been no events of particular importance after the end of the fiscal year that are of particular importance for the company's earnings, assets and financial position.

**Wolfsburg, March 30, 2021**

**InPro electric GmbH**

***The Board***

**Management report for the 2020 financial year**

**1. Company**

InPro electric GmbH is a leading provider of electrotechnical services for production automation. In this technically demanding business, she automates processes in the most diverse areas of production, assembly and logistics. Mechanical and plant engineering companies are predominantly their customers. She works for the automotive industry, in the data and telecommunications industry, in the field of medical technology, for the environmental and food industries, but also for other economic sectors.

The core business of InPro electric GmbH is automation technology in the automotive industry - it has particular expertise in body construction. Here it holds a leading market position, which it strengthens and expands through recognized know-how, presence at all major production sites, high quality standards, particular flexibility in providing the necessary resources and last but not least through manufacturer independence in control technology and robot programming.

In addition to the headquarters, the company maintains technical offices in Germany as dependent branches at the following locations:

Berlin	
Brunswick/Salzgitter	(Lower Saxony)
Bremen	
emden	(Lower Saxony)
Glauchau	(Saxony)
Grunberg	(Hesse)
Hanover	(Lower Saxony)
Ingolstadt	(Bavaria)
kassel	(Hesse)
Regensburg/Munich	(Bavaria)
Wolfsburg	(Lower Saxony)

In close cooperation with the German automotive industry and its supplier machine builders, significant projects are also successfully completed abroad - for example in North and South America, in South Africa, China and in many European countries.

It is only logical to support customers worldwide and to have branches in key countries. The company therefore has legally independent subsidiaries in Spain, Slovakia, Poland, Mexico, Brazil, the United States and China.

The individual companies and locations are:

InPro electric Spain SLU	Valencia, Spain)
InPro electric do Brasil Ltda.	Taubaté, Sao Paulo (Brazil)
InPro electric sro	Bratislava (Slovakia)
InPro electric USA Ltd.	Greer, SC (USA)
InPro electric SA de CV	Puebla (Mexico)
IP servicios eléctricos SA de CV	Puebla (Mexico)
InPro (Shanghai) Automation Technology Co., Ltd.	Shanghai (PRC)
InPro electric Sp. z oo	Katowice (Poland)

Worldwide, highly qualified and motivated employees work together effectively in changing teams and, with the claim to be better than the competition, ensure the success and future of the company.

**2. Business and General Conditions**

The global economy experienced an unprecedented slump in the 2020 reporting year due to the spread of the SARS-COV-2 coronavirus.

Due to the effects of the corona pandemic and in particular the measures taken to combat the spread, economies around the world have recorded extraordinary declines in gross domestic product (GDP).

The use of so-called lockdowns, i.e. the almost complete shutting down of social, cultural and societal life, resulted in drastic cuts on the demand and supply side. As a result, the German economy shrank by 5.0 percent.

The economies in the rest of Europe were hit harder. In the euro zone, economic output fell by 6.8 percent compared to the previous year.

GDP		2020	2019
(change on the previous year in %)			
Germany		-5.0	0.6
Europe	euro zone	-6.8	1.2
Europe	EU	-6.4	1.4

Source: Federal Statistical Office GDP, eurostat

Due to the effects of the corona pandemic, new passenger car registrations by German manufacturers in Germany and Europe have fallen sharply. Although the shares of German manufacturers were even able to increase, the market as a whole experienced a significant slump.

	2020	2019	%
New car registrations (in 1000 units)			
Germany	2,917	3,607	-19.2
European Union + EFTA	11,961	15,805	-24.3
thereof share of German manufacturers			
VW group	25.4%	24.5%	+0.9
BMW Group	7.1%	6.6%	+0.5
Daimler	6.4%	6.4%	-

Source: Federal Motor Transport Authority, ACEA

The dramatic slump in demand, the temporary breakdown in supply chains and weeks of production stops meant that German manufacturers produced significantly fewer vehicles than in the previous year.

	2020	2019	%
Deliveries car (in 1000 units)			
Volkswagen Group	8,743	10,240	-14.6
thereof VW	5,328	6,278	-15.1
Audi	1,692	1,845	-8.3
Skoda	1,004	1,242	-19.2
Daimler Group	2,202	2,456	-10.3
including Mercedes-Benz	2,164	2,339	-7.5
BMW Group	2,324	2,520	-7.8
thereof BMW	2,028	2,168	-6.5

Source: VW, Daimler, BMW

The transformation for new drives and digitalization pose additional challenges for manufacturers. The investments required for this go hand in hand with stricter austerity measures along the supply chains.

The core business of InPro electric GmbH is automation technology in body construction in the automotive industry. With this competence, it is an integral part of the investments made by German automobile manufacturers.

More than half of the annual hours worked in 2020 were for the projects listed below for new models and model variants.

Manufacturer	Type	Model	place of production
Audi	AU 41X	e-Q5	Ingolstadt
Audi	AU 581	A6	Shanghai
Daimler	BR 2014	E class	Sindelfingen
Daimler	BR 206	C class	Bremen
Daimler	MFA2	A and B class	Rastatt, Kecskemét (Hungary)
Volkswagen	VN 41S	ID BUZZ	Hanover
Volkswagen	MEB	ID	Zwickau
Volkswagen		battery manufacturing	Brunswick
Volkswagen	Volkswagen 416	Atlas	Chattanooga (USA)
Volkswagen	Volkswagen 483	Arteon	emden

InPro electric GmbH is confident that it will continue to be able to secure its market share, even if many end customers are increasingly involving suppliers in their efforts to reduce costs due to the current situation – this is already clearly noticeable.

In the year under review, incoming orders and orders on hand were at a consistently good level of €97 million and €90 million (previous year: €78 and €96 million) – this corresponds to a range of approx. 45 (previous year: 53) weeks .

In the reporting year, many projects were completed with an effect on earnings, which is also reflected in the high operating performance of €106.7 million (previous year: €103.4 million). Accordingly, the EBIT margin (earnings before financial result and income taxes in relation to operating performance) increased significantly to 8.1 (py 5.0) percent.

Due to the sufficiently high order backlog, the company expects an operating performance of €95 million (plus/minus €5 million) and a margin of around 7 percent (plus/minus 2 percent). The margin of 8 percent (plus/minus 2 percent) forecast for the financial year was achieved.

The company's proven long-term strategy remains to promote the application of new customer technologies, to concentrate on key projects in the automotive industry in body construction, to systematically develop tools for creating and improving control and robot programs themselves, and to offer customers professional project management and an efficient provide project management. Continuity and improvement therefore continue to determine corporate policy.

### 3. Employees

In terms of personnel policy, the company continues to focus on the acquisition and further training of new and young employees.

The internal training programs and the training catalog continue to be well received and equally strengthen the qualifications and motivation of our employees.

The competence centers for robot offline programming (OLP) and virtual commissioning (VIBN) form the basis for continuing to be state-of-the-art and for strengthening our position in the market.

A professional and efficient project handling for the customer ensures the success of the company – the employees accept these challenges.

The average number of employees during the reporting year is as follows:

		Previous year
employed staff	296	291
Industrial workers	137	133

		Previous year
temporary workers	19	23
trainee	9	9
	461	456

At the end of 2020, the number of company employees was 457 (471 at the end of the previous year) and 454 on January 1, 2021.

#### 4. Results of operations

In the year under review, InPro electric GmbH achieved sales revenues of €121.5 million (previous year: €83.6 million) through the completion of a number of major projects - a historic high. Directly related to this is the decline in inventories of work in progress by 14.6 percent to a total of €88.3 million (previous year: €103.4 million).

The overall good business development of the company is also reflected in the invoices written in the financial year of almost €110 million (previous year: €104 million), also a historic high.

As expected, purchased goods fell by €4.5 million to a total of €13.7 million (previous year: €18.2 million), expenses for purchased services increased by 11.6 percent to €44.1 million (previous year: €39.5 million). The material ratio (cost of materials in relation to operating performance) fell by 1.7 percent to 54.2 percent.

Gross profit thus increased from €3.2 million to €49.4 million (previous year: €46.2 million).

Personnel expenses totaled €33.2 million (previous year: €32.3 million) - an increase of €0.9 million or 2.8 percent. The reason for this is the wage and salary increase of 2.6 percent on April 1, 2020. On April 1, 2021, wages and salaries will be increased by a further 1.8 percent.

Depreciation remains at the same level of €1.3 million (previous year: €1.2 million).

Other operating expenses fell noticeably by €1.1 million to €6.4 million (previous year: €7.5 million), primarily as a result of a significant reduction in travel expenses due to fewer travel activities related to the pandemic.

Overall, the company reported earnings before interest and taxes of €8.6 million (previous year: €5.1 million) - based on operating performance, this corresponds to a margin of 8.1 percent (previous year: 5.0 percent).

Consistently good results from the subsidiaries in Spain, Slovakia and the USA enable investment income of €2.9 million (py €5.5 million). At €0.1 million, other interest income was at the previous year's level.

There remains a pre-tax surplus of €11.6 million (previous year: €10.7 million).

#### 5. Assets and Financial Position

At €47.4 million, the balance sheet total at the end of the 2020 financial year exceeded the previous year's figure by 1.1 percent.

On the assets side, fixed assets are reduced by €0.5 million to €5.4 million. Property, plant and equipment increased only slightly by €0.1 million to €4.2 million. Financial assets decrease by €0.6 million because a loan has been repaid.

Work in progress fell by €14.8 million to €88.3 million (previous year: €103.1 million), accounts for around 80 percent of annual output and is almost completely covered by the advance payments received on orders.

The trade accounts receivable relate to the reporting date and are rather random, but they fell by €3.4 million to €6.3 million (previous year: €9.7 million).

Since the company not only shows advance payments received for orders as an asset, but also as a liability, and even increased by €4.7 million compared to the previous year for those for which no services have been rendered (13.2, in the previous year €8.5 million . €), liquidity also increases.

Bank balances increased significantly by almost 50 percent to €26.2 million.

Equity falls slightly by €0.2 million to €20.2 million (previous year: €20.4 million). This results from a decrease of €0.1 million in other revenue reserves and a €0.1 million lower net income. An equity ratio of 42.6 percent (previous year 43.5 percent) shows the continued financial stability of the company and its independence from lenders.

Tax provisions of €0.5 million (previous year: €0.0 million) and other provisions of €7.3 million (previous year: €6.7 million) led to provisions that were €1.1 million higher.

Total liabilities are reduced by €0.4 million to €19.4 million - the advance payments already mentioned increase by €4.7 million to €13.2 million, while other liabilities are reduced by a total of €5.1 million, which, however, relate to key dates and are rather random in terms of amount.

The cash flow in the narrower sense (net income plus depreciation) of €10.1 million (previous year €10.1 million) leads to sufficient liquid funds of €26.2 million (previous year €17.6 million). , who continues to ensure the financing of ongoing and upcoming major projects.

In summary, the following key figures result in comparison to the previous year:

			Previous year
equity ratio	(equity to total assets)	42.6%	43.5%
sales profitability	(EBIT to sales)	7.1%	6.1%
performance profitability	(EBIT to performance)	8.1%	5.0%
Equity capital		k€ 20,208	20,387
total assets		k€ 47,401	46,910
revenues		k€ 121,500	83,578
operational performance		k€ 106,750	103,378
EBIT		k€ 8,603	5,139
of which neutral result		k€ -116	-23
Interest and investment income		k€ 3,020	5,554
Earnings before taxes		k€ 11,622	10,693
EBIT = Earnings before financial result and before income taxes			

#### 6. Risk Report

The company regularly reviews possible risks.

The company-wide order processing system evaluates all orders and projects at least once a month according to specific criteria such as profitability, performance status, billing, adherence to schedules, etc.

In the inquiry and offer stage, projects are also checked for technical content. Projects with many technical features and innovations are particularly evaluated and weighted. The feasibility in terms of capacity - checked by means of structured and constantly adapted personnel deployment planning - is queried and ensured in regular planning rounds.

Default risks are checked and reduced by means of creditworthiness checks at the request and offer stage, by means of prompt billing and creditworthiness monitoring.

Implementation risks are limited by comprehensive assembly and business liability insurance.

The expanded international business is increasingly being processed in foreign currencies and thus leads to currency risks. Overall, however, the scope is too small for this risk to be sensibly hedged using financial instruments.

There are currently no risks that could endanger the existence of the company or other risks of future development, nor are they foreseeable.

## **7. Forecast Report**

InPro electric GmbH has mastered the effects of the corona pandemic well and, in view of the great challenges, can look back on a satisfactory 2020 financial year.

The effects of the pandemic will continue to be felt in the current financial year, but progress in vaccinations gives us reason to hope that the global economy will develop positively.

For 2021, the company therefore expects an operating performance of around €95 million (plus/minus €5 million). The EBIT margin (earnings before financial result and income taxes in relation to operating performance) will be around 7 percent (plus/minus 2 percent).

The development of the company as a whole is still closely linked to the economy and investment activity in the automotive industry. We remain the recognized strong partner for production automation in the automotive industry and are strengthening our position in the market.

## **Wolfsburg, March 30, 2021**

**InPro electric GmbH**

***The Board***

***signed Gerhard Muter***

***signed Marco Renken***

***signed Udo Niedergall***

The above annual financial statements (balance sheet, income statement and appendix) are the version intended for disclosure purposes in accordance with § 326 HGB. The following audit opinion was issued for the annual financial statements and the management report:

## **INDEPENDENT AUDITOR'S REPORT**

To InPro electric GmbH, Wolfsburg

### **Qualified audit opinion on the annual financial statements and audit opinion on the management report**

We have audited the annual financial statements of InPro electric GmbH - consisting of the balance sheet as of December 31, 2020 and the income statement for the financial year from January 1 to December 31, 2020 and the notes, including the presentation of the accounting and valuation methods. In addition, we have audited the management report of InPro electric GmbH for the fiscal year from January 1 to December 31, 2020.

According to our assessment based on the knowledge gained during the audit

- With the exception of the effects of the facts described in the section "Bases for the qualified audit opinion on the annual financial statements and audit opinion on the management report", the attached annual financial statements correspond in all material respects to the German commercial law regulations applicable to corporations and convey the actual information in compliance with German generally accepted accounting principles proportionate picture of the assets and financial position of the company as of December 31, 2020 and its results of operations for the financial year from January 1 to December 31, 2020 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report, with the exception of the aforementioned qualification of the audit opinion on the annual financial statements.

### **Basis for the qualified audit opinion on the annual financial statements and for the audit opinion on the management report**

Contrary to § 285 No. 9 letters a) and c) HGB, the total remuneration of the management and the loans to the management are not given in the notes.

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code, taking into account the German generally accepted auditing principles established by the Institute of Public Auditors in Germany (IDW). Our responsibility under those requirements and standards is further described in the "Auditor's responsibility for the audit of the financial statements and management report" section of our auditor's report. We are independent of the company in

accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe

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

The legal representatives are responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial - and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of annual financial statements,

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

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

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

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with § 317 HGB, taking into account the German principles of proper annual auditing established by the Institute of Public Accountants (IDW), will always uncover a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Over and beyond

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

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

**Braunschweig, April 20, 2021**

**PKF Fasselt  
partnership mbB  
auditing company**

**tax consulting company  
lawyers**

***Troch, Chartered Accountant***  
***Villwock, Chartered Accountant***

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