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| KERN Microtechnik GmbH | Accounting / finan- | Annual financial statements for the business year | 06/07/2018 |
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KERN Microtechnik GmbH

Murnau a. Staffelsee

Annual financial statements for the business year from 01/01/2017 to 12/31/2017**Balance sheet as of December 31, 2017****ASSETS**

| | December 31, 2017 | December 31, 2016 |
|---|-------------------|-------------------|
| | € | € |
| A. FIXED ASSETS | | |
| I. Intangible Assets | | |
| 1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values | 173,976.96 | 187,435.00 |
| 2. Goodwill | 87,182.19 | 111,520.28 |
| | 261,159.15 | 298,955.28 |
| II. Tangible assets | | |
| 1. Land, land rights and buildings including buildings on third-party land | 2,325,330.04 | 2,365,409.79 |
| 2. Technical systems and machines | 1,018,864.46 | 1,061,767.60 |
| 3. Other equipment, factory and office equipment | 586,957.21 | 640,092.19 |
| 4. Advance payments and assets under construction | 0.00 | 24,132.16 |
| | 3,931,151.71 | 4,091,401.74 |
| III. Financial assets | | |
| Shares in affiliated companies | 1.00 | 1.00 |
| | 4,192,311.86 | 4,390,358.08 |
| B. CURRENT ASSETS | | |
| I. Inventories | | |
| 1. Raw materials and supplies | 4,283,223.07 | 3,492,481.16 |
| 2. Work in progress, work in progress | 3,137,604.21 | 2,739,561.91 |
| 3. Advance payments received on orders | -636,760.00 | -1,332,781.10 |
| | 6,784,067.28 | 4,899,261.97 |
| II. Receivables and other assets | | |
| 1. Accounts receivable from deliveries and services | 3,899,225.02 | 3,361,418.03 |
| 2. Receivables from affiliated companies | 991,907.68 | 370,915.37 |
| 3. Other assets | 943,340.27 | 759,151.04 |
| - of which with a remaining term of more than one year: € 712,693.19 (previous year: € 583,256.27) | | |
| | 5,834,472.97 | 4,491,484.44 |
| III. Cash in hand, Bundesbank balances, bank balances and checks | 139,906.04 | 871,621.01 |
| | 12,758,446.29 | 10,262,367.42 |
| C. PREPAID EXPENSES | 49,680.08 | 51,498.79 |
| | 17,000,438.23 | 14,704,224.23 |

LIABILITIESDecember 31, 2017
€December 31, 2016
€

| | December 31, 2017 € | December 31, 2016 € |
|--|------------------------|------------------------|
| A. EQUITY | | |
| I. Drawn capital | 500,000.00 | 500,000.00 |
| II. Capital reserve | 2,000,000.00 | 2,000,000.00 |
| III. Retained earnings | 4,246,110.26 | 2,587,958.39 |
| IV. Net income | 1,277,978.84 | 1,842,390.97 |
| | 8,024,089.10 | 6,930,349.36 |
| B. PROVISIONS | | |
| 1. Tax provisions | 0.00 | 309,819.95 |
| 2. Other provisions | 1,526,575.47 | 1,866,527.16 |
| | 1,526,575.47 | 2,176,347.11 |
| C. LIABILITIES | | |
| 1. Liabilities to banks | 6,192,354.17 | 4,414,559.25 |
| - of which with a remaining term of up to one year: € 4,673,600.44 (previous year: € 2,737,954.80) | | |
| 2. Trade accounts payable | 758,918.07 | 519,044.87 |
| of which with a remaining term of up to one year: € 758,918.07 (previous year: € 519,044.87) | | |
| 3. Liabilities to shareholders | 228,585.54 | 224,103.47 |
| - of which to affiliated companies: € 0.00 (previous year: € 0.00) | | |
| - of which with a remaining term of up to one year: € 228,585.54 (previous year: € 224,103.47) | | |
| 4. Other Liabilities | 269,915.88 | 439,820.17 |
| - of which from taxes: € 161,615.52 (previous year: € 144,988.98) | | |
| - of which in the context of social security: € 12,897.03 (previous year: € 21,605.98) | | |
| - of which with a remaining term of up to one year: € 269,915.88 (previous year: € 439,151.23) | | |
| | 7,449,773.66 | 5,597,527.76 |
| | 17,000,438.23 | 14,704,224.23 |

Income statement for the 2017 financial year

| | 2017 € | 2016 € |
|--|----------------|----------------|
| 1. Sales | 28,644,687.98 | 27,289,446.43 |
| 2. Increase / decrease in stocks of finished and unfinished products | 398,041.24 | -361,190.96 |
| 3. Other own work capitalized | 676,336.65 | 1,096,333.48 |
| 4. Overall performance | 29,719,065.87 | 28,024,588.95 |
| 5. Other operating income | | |
| - of which income from currency translation: € 17,582.97 (previous year: € 19,988.63) | | |
| Other miscellaneous operating income | 524,368.27 | 1,524,720.08 |
| 6. Cost of materials | | |
| a) Expenses for raw materials, consumables and supplies and for purchased goods | -10,911,016.83 | -10,528,148.21 |
| b) Expenses for purchased services | -1,232,966.27 | -911,536.75 |
| | -12,143,983.10 | -11,439,684.96 |
| 7. Gross result | 18,099,451.04 | 18,109,624.07 |
| 8. Personnel expenses | | |
| a) Wages and salaries | -8,349,902.33 | -7,859,910.49 |
| b) Social security and pension and support expenses | -1,564,386.20 | -1,435,202.19 |
| - of which for pensions: € 15,600.48 (previous year: € 23,926.92) | | |
| | -9,914,288.53 | -9,295,112.68 |
| 9. Depreciation | | |
| Depreciation on intangible assets and property, plant and equipment | -1,239,645.53 | -1,141,203.06 |
| 10. Other operating expenses | | |
| - of which expenses from currency conversion: € 26,750.38 (previous year: € 11,720.51) | | |
| Other miscellaneous operating expenses | -4,935,481.66 | -4,873,587.91 |
| 11. Income from operations | 2,010,035.32 | 2,799,720.42 |
| 12. Other Interest and Similar Income | 9,698.28 | 0.00 |
| 13. Interest and Similar Expenses | -171,150.61 | -178,007.06 |

| | 2017 € | 2016 € |
|--|--------------|--------------|
| - of which expenses from discounting: € 0.00 (previous year: € 9,249.70) | | |
| 14. Financial result | -161,452.33 | -178,007.06 |
| 15. Taxes on income and earnings | -506,515.96 | -717,538.34 |
| 16. Profit after tax | 1,342,067.03 | 1,904,175.02 |
| 17. Other taxes | -64,088.19 | -61,784.05 |
| 18. Net income | 1,277,978.84 | 1,842,390.97 |

Appendix for the 2017 financial year

General Information

Kern Microtechnik GmbH was founded on January 1st, 2012. It emerged from Kern Micro- und Feinwerktechnik GmbH & Co. KG, Murnau, and is listed in the commercial register (HRB 200372, Munich Local Court).

The main tasks of the company are the development, production and worldwide sales of high-precision machine tools and the service as a contract manufacturer for parts with the highest accuracy requirements.

The annual financial statements of KERN Microtechnik GmbH were prepared on the basis of the accounting regulations of the Commercial Code for corporations and the GmbH Act.

The total cost method was chosen for the profit and loss account.

According to the size classes specified in Section 267 of the HGB, the company is a medium-sized corporation.

Information on accounting and valuation

Accounting and valuation principles

Acquired intangible assets were carried at cost and, if they were subject to wear and tear, reduced by scheduled depreciation.

Tangible fixed assets were valued at acquisition or production cost and, if they were subject to wear and tear, reduced by scheduled depreciation.

Movable fixed assets up to a value of EUR 410 that were added in the year under review were written off in full.

The financial assets were recognized and valued as follows:

- Shares in affiliated companies exclusively contain shares in a foreign subsidiary, which was written down in 2008 to the lower fair value. The approach is based on the remainder value of EUR 1.00.

The inventories were valued at acquisition or production cost. If the fair values were lower on the balance sheet date, these were applied.

Receivables and other assets are generally reported at their nominal value. Identifiable individual risks are taken into account through write-downs on these receivables or other assets. Due to the general credit risk, a general bad debt allowance of 1% of the adjusted net receivables was made for trade receivables. A non-interest-bearing tenant loan was discounted at 5.5% in accordance with the term.

Provisions are shown in the amount of the settlement amount necessary according to prudent business judgment.

The tax provisions contain the not yet assessed trade and corporation taxes and the solidarity surcharges.

The other provisions were set up for all other uncertain liabilities. All identifiable risks were taken into account.

Liabilities were shown at the settlement amount.

Different accounting and valuation methods compared to the previous year

There was no fundamental change in accounting and valuation methods compared to the previous year. In the previous year, the accounting and valuation methods were adapted to the provisions of the BilRUG.

Basics for converting foreign currency items into euros

The annual financial statements contain items denominated in a foreign currency that have been converted into euros.

Receivables and liabilities in foreign currencies are valued at the mean spot exchange rate on the balance sheet date,

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

Gross fixed asset movement schedule

The breakdown and development of the asset values can be found in the schedule of assets.

Significant investments In 2017, three Kern development and machining centers were worth a total of EUR 676 thousand, as well as investments in the capacity expansion for our plant in Murnau worth EUR 249 thousand.

Fiscal year depreciation

The annual depreciation for each item in the balance sheet can be found in the schedule of assets.

The low-value assets are shown as additions and disposals in the year of addition in the schedule of assets. The amount of the immediate depreciation included in the depreciation amounts for the year of acquisition is EUR 39 thousand.

Amortization of goodwill

The acquired goodwill was capitalized. The amortization is based on the average term of customer relationships at the time of acquisition over the normal useful life of 15 years.

Information and explanations on provisions

The provisions item includes provisions for warranties of 35.5% (2017 EUR 523.9 thousand, 2016 EUR 773 thousand) and provisions for vacation, overtime and profit-related remuneration with 50.8% (2017 EUR 750 thousand, 2016 EUR 850 thousand) contain. The other provisions in the amount of EUR 196 thousand include expected expenses for annual audit, professional association, archiving and outstanding invoices (2016 EUR 243 thousand); in 2017, a provision of EUR 4.5 thousand was formed for impending losses (2016 EUR 0 thousand). No provision has been made for corporation tax and trade income tax.

Information on liabilities

As of the balance sheet date of December 31, 2017, the statement of liabilities shows the following:

| Type of liability as of December 31, 2017 | thereof with a remaining maturity | | | |
|---|-----------------------------------|--------------------------|------------------------------|--------------------------|
| | total 12/31/2017 KEUR | less than 1 year TEUR | 1 to 5 years EUR thousand | greater than 5 J. EUR |
| towards credit institutions | 6,192.35 | 4,673.60 | 1,518.75 | 0.00 |
| from deliveries and services | 758.92 | 758.92 | 0.00 | 0.00 |
| towards affiliated companies | 0.00 | 0.00 | 0.00 | 0.00 |
| towards shareholders | 228.58 | 228.58 | 0.00 | 0.00 |
| other liabilities | 269.91 | 269.91 | 0.00 | 0.00 |
| total | 7,449.76 | 5,931.01 | 1,518.75 | 0.00 |

The liabilities to banks are secured by a land charge on the business property in Eschenlohe.

The trade payables are regularly secured with retention of title in favor of the supplier.

For economic reasons, a 20-year leasing contract was concluded for the company building in Murnau from April 1, 2003 to March 31, 2023. At the same time, the obligation to grant a tenant loan was entered into. The annual obligations for this total EUR 259 thousand. There is a total obligation of EUR 1,260 thousand for the remaining term.

For the same reason, there are leasing contracts for vehicles and machines, which establish total obligations for the remaining term of EUR 336 thousand as of the reporting date.

Information on the profit and loss account

Sales

The main turnover was achieved with the sale of our machines EUR 17.096 million, service and services EUR 4.813 million and parts production EUR 6.717 million. In addition, rental income, income from goods and services and from the payment of meals for employees in the amount of EUR 149 thousand were realized.

Other company income

The other income includes insurance compensation, the release of provisions, the reimbursement of expenses for the company's own cars and bicycles by our employees, currency gains and proceeds from the disposal of fixed assets.

Employee

Average number of employees employed during the financial year

The following groups of employees were employed in the company during the financial year:

| Groups of workers | number |
|--|--------|
| Workers | 93 |
| commercial clerk | 68 |
| chief Executive Officer | 2 |
| executives | 1 |
| The total number of employees on average is thus | 164 |

trainee

The total number of trainees employed on average is 16.

Proposal for the use of results

In agreement with the shareholders, the management proposes the following appropriation of earnings:

The annual surplus amounts to 1,277,978.84 euros.

The 2016 annual surplus of 1,842,390.97 euros, minus a distribution of 184,239.10 euros, was transferred to retained earnings.

The management proposes that the annual surplus from 2017 in the amount of EUR 1,277,978.84 be carried forward to a new account.

Other mandatory disclosures

Names of the managing directors

| | | | |
|---------------------------|--------------------|---------------------|----------|
| First managing director: | Ekkehard Alschweig | regular occupation: | engineer |
| Other managing directors: | Josef Schamberger | regular occupation: | Merchant |

Information on shareholdings in other companies of at least 20 percent of the shares

In accordance with Section 285 No. 11 HGB, the following companies are reported:

| Company name / seat | Share amount | Result 2017 euros | EK 2017 euros |
|---|--------------|----------------------|------------------|
| Kern Precision, Inc. Chicago, Illinois, USA | 100% | -463.38 | -807,401.32 |

Signature of the management

Gross fixed assets as of December 31, 2017

development of the capital assets

| | 01/01/2017 € | Acquisition or manufacturing costs | | | December 31, 2017 € |
|---|-----------------|------------------------------------|----------------|------------|---------------------------|
| | | Additions € | Disposals € | Rebooking | |
| A. Fixed assets | | | | | |
| 1. Intangible assets | | | | | |
| 1. Concessions, industrial property rights and similar rights and values, as well as licenses to such rights and values | 753,249.23 | 56,703.82 | 0.00 | 0.00 | 809,953.05 |
| 2. Goodwill | 400,861.74 | 0.00 | 0.00 | 0.00 | 400,861.74 |
| Total intangible assets | 1,154,110.97 | 56,703.82 | 0.00 | 0.00 | 1,210,814.79 |
| II. Tangible assets | | | | | |
| 1. Land, land rights and buildings including buildings on third-party land | 3,178,037.74 | 57,396.72 | 0.00 | 15,340.16 | 3,250,774.62 |
| 2. Technical systems and machines | 5,965,047.89 | 911,321.65 | 798,787.51 | | 6,077,582.03 |
| 3. Other equipment, factory and office equipment | 2,185,145.51 | 229,858.12 | 105,853.80 | | 2,309,149.83 |
| 4. Advance payments and assets under construction | 24,132.16 | 0.00 | 8,792.00 | -15,340.16 | 0.00 |
| Total property, plant and equipment | 11,352,363.30 | 1,198,576.49 | 913,433.31 | 0.00 | 11,637,506.48 |
| III. Financial assets | | | | | |
| 1. Shares in affiliated companies | 42,873.81 | 0.00 | 0.00 | 0.00 | 42,873.81 |
| 2. Cooperative shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total financial assets | 42,873.81 | 0.00 | 0.00 | 0.00 | 42,873.81 |
| | 12,549,348.08 | 1,255,280.31 | 913,433.31 | 0.00 | 12,891,195.08 |

| | 01/01/2017 cumulative € | Depreciation | | 12/31/2017 cumulative € |
|---|-------------------------------|---------------------------|------------------------|-------------------------------|
| | | Additions in 2017 € | Disposals 2017 € | |
| A. Fixed assets | | | | |
| 1. Intangible assets | | | | |
| 1. Concessions, industrial property rights and similar rights and values, as well as licenses to such rights and values | 565,814.23 | 70,161.86 | 0.00 | 535,976.09 |
| 2. Goodwill | 289,341.46 | 24,338.09 | 0.00 | 313,679.55 |
| Total intangible assets | 855,155.69 | 94,499.95 | 0.00 | 949,655.64 |
| II. Tangible assets | | | | |
| 1. Land, land rights and buildings including buildings on third-party land | 812,627.95 | 112,816.63 | 0.00 | 925,444.58 |
| 2. Technical systems and machines | 4,903,280.29 | 785,633.30 | 630,196.02 | 5,058,717.57 |
| 3. Other equipment, factory and office equipment | 1,545,053.32 | 246,695.65 | 69,556.35 | 1,722,192.62 |
| 4. Advance payments and assets under construction | 0.00 | 0.00 | | 0.00 |
| Total property, plant and equipment | 7,260,961.56 | 1,145,145.58 | 699,752.37 | 7,706,354.77 |
| III. Financial assets | | | | |
| 1. Shares in affiliated companies | 42,872.81 | 0.00 | 0.00 | 42,872.81 |
| 2. Cooperative shares | 0.00 | 0.00 | 0.00 | 0.00 |
| Total financial assets | 42,872.81 | 0.00 | 0.00 | 42,872.81 |
| | 8,158,990.06 | 1,239,645.53 | 699,752.37 | 8,698,883.22 |

| | Residual book values | |
|---|------------------------|------------------------|
| | December 31, 2017 € | December 31, 2016 € |
| A. Fixed assets | | |
| 1. Intangible assets | | |
| 1. Concessions, industrial property rights and similar rights and values, as well as licenses to such rights and values | | 173,976.96 |
| 2. Goodwill | | 87,182.19 |
| Total intangible assets | | 261,159.15 |
| II. Tangible assets | | |
| 1. Land, land rights and buildings including buildings on third-party land | | 2,325,330.04 |
| 2. Technical systems and machines | | 1,018,864.46 |
| 3. Other equipment, factory and office equipment | | 586,957.21 |
| 4. Advance payments and assets under construction | | 0.00 |
| Total property, plant and equipment | | 3,931,151.71 |
| III. Financial assets | | |
| | | 4,091,401.74 |

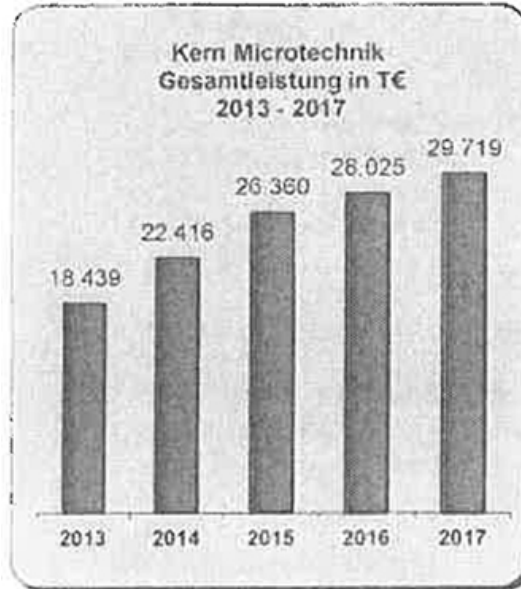
- 1. Shares in affiliated companies
- 2. Cooperative shares
- Total financial assets

| Residual book values | |
|----------------------|-------------------|
| December 31, 2017 | December 31, 2016 |
| € | € |
| 1.00 | 1.00 |
| 0.00 | 0.00 |
| 1.00 | 1.00 |
| 4,192,311.86 | 4,390,358.02 |

Management report for 2017

Kern Microtechnik GmbH

1. Business development and business result



In the 2017 financial year of KERN Microtechnik GmbH, total output grew by 6.1% to EUR 29,719 thousand.

KERN has been growing continuously for five years.

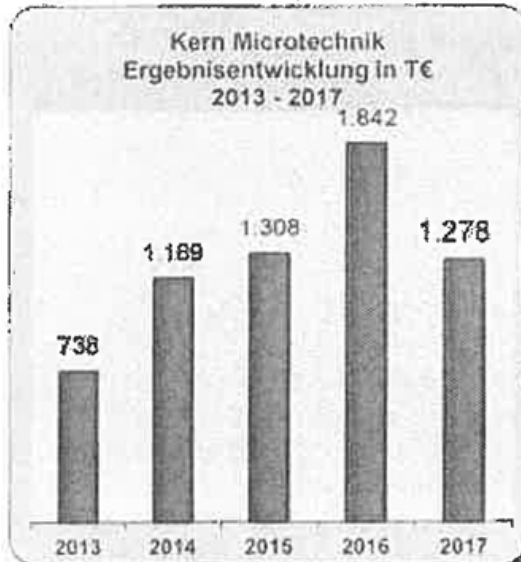
The result of 1,278 T € is 4.3% of the total output

The focus of the sales markets was Germany followed by EU countries.

49% of the services were exported.

The two business areas of mechanical engineering (Eschenlohe location) and contract manufacturing (Mumau location) contributed equally to the increase in sales and earnings.

2. Asset, financial and earnings position



The company's financial position is solid, the equity ratio is 47.2%.

The investment rate in fixed assets of 4.2% (€ 1,255,000) of the total output meets the current requirements.

KERN is modernly equipped with all the necessary equipment and systems, and regular investments are made in sustainable projects and in personnel and organization.

The following can also be said about the financial position:

- Fixed assets remained constant (€ 4,192,000), while depreciation increased to € 1,239,000
- Current assets increased by EUR 2,497 thousand to EUR 12,758 thousand in 2017
- Trade accounts receivable changed by EUR 1,159 thousand.
- Personnel expenses rose to EUR 9.914 thousand (+6.7%). The increase is due to an increase from 13 employees to a total of 184 employees and higher wages.
- The cost of materials (EUR 12,144 thousand) (6.2% increase, total output increased by 6.1%) rose roughly in line with sales.
- The other operating expenses increased by 1.0% to EUR 4,935 thousand.

3. Distribution

Demand in 2017 focused on productive and customer-specific machines.

The machine types Micro and Pyramid Nano are outstanding in terms of precision, surface quality and production stability - very good prerequisites for high productivity.

In connection with automation systems for round-the-clock operation, the properties of the KERN machines come into their own. KERN customers earn money without additional effort and worry-free.

The investments in direct sales in the USA and Switzerland have been successfully implemented. The 100% US subsidiary Kern Precision Inc., based in Chicago, achieved a balanced result in 2017, and service activities were further expanded. The branch in Switzerland based in Dietikon also achieved a balanced result.

4. Research and Development

The focus of the further development of existing machine series was the long-term stability and productivity of the KERN machines.

Modern development tools such as simulation, complex measurement technology and test bench testing are used for development. Another focus is on software development.

The consistent pursuit of the modular structure enables KERN to offer customer-specific solutions with high performance and quality as well as short delivery times.

New developments based on existing machine series have been started. These machines will hit the market in the coming years.

Cooperation with research institutions

is an important part of development work for KERN. Knowing what is going on in the research area allows us to decide in good time which trends are to be followed up. The trusting cooperation with the research partners also strengthens sales in this area.

5. Employees and organization

The number of employees rose by 13 to 184. The 13 additional employees were not only due to the growth in sales, but also strengthen the KERN team in future-oriented tasks.



The focus of HR work is goal-oriented leadership, the further development of employees and the adaptation of the organization. This is how KERN changes constantly and in line with customer needs.

KERN regularly works with students who get to know the company during their master's or diploma thesis and then, with mutual benevolence, start working at KERN.

In the apprenticeship training (professions mechatronics and industrial mechanics) two training masters take care of 20 apprentices. After their apprenticeship, the young employees are offered an employment contract.

6. Opportunity and risk report

The company's opportunities and risks are derived from the competitive situation and one's own performance.

To be considered are in different time horizons

- Products and services
- Personnel and organization
- Finances

The risk management of the current business is a central component of the business planning and control instruments.

The instruments used for planning and control are based on examples from much larger, first-class companies. Our customers are mostly first class and also expect first class performance in corporate management from KERN. This includes monthly business reports, annual planning and strategic planning for all relevant areas.

The competition in the market for products and services will continue to be countered by innovation, reliability and high quality. The customer benefit is the focus of the opportunity and risk analysis.

High product quality is implemented through practical design and testing, production-integrated quality controls and cooperation with suppliers.

New products are planned based on market needs and developed with cost and performance targets. The Internet and Industry 4.0 are facing new challenges for the company. New services require long-term preparations in the infrastructure of business processes and the automation of processes.

The goal-oriented management, the further development of the employees and the recruiting of new employees are the focus of the personnel policy.

The management together with the senior management team defines the goals, managers and employees define projects and implement them. The project control is carried out regularly by the superiors.

Changes in the organization are normal at KERN, no employee is afraid of changes. The organization is regularly checked and adjusted with regard to performance and customer orientation as part of business planning. EDP systems are kept up-to-date or newly introduced.

The aim of all IT systems is the automation of processes and the integration of data.

The company's financing is based on the principles

- Self-financing of the future through sufficient profits
- Risk minimization in financing
- Openness to financial partners

The company's own financing has been an integral part of corporate policy for 15 years. The equity ratio of 47.2% has developed well.

The management of the financial positions follows a conservative risk policy.

To minimize the risk of default, Kern has an adequate debtor management system.

The company has a solvent customer base and bad debts are rare.

The use of financial instruments does not give rise to any risks as they are not used.

Currency risks are largely hedged through currency forwards.

7. Outlook

The business plan for 2018 assumes stable demand.

The order situation in mechanical engineering at the turn of the year is good, in contract manufacturing it is very good.

We are confident that 2018 will develop well, provided that no external influences slow down business development.

Ekkehard Alschweig, managing director

Josef Schamberger, managing director

Auditor's report

We have audited the annual financial statements - consisting of the balance sheet, income statement and notes - including the bookkeeping system and the management report of KERN Microtechnik GmbH for the business year from January 1 to December 31, 2017. The bookkeeping and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions of the articles of association are the responsibility of the company's legal representatives. Our task is to provide an assessment of the annual financial statements, including the bookkeeping, and the management report on the basis of the audit we have carried out.

We have carried out our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Accordingly, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the annual financial statements in accordance with the principles of proper bookkeeping and the management report are given with sufficient certainty be recognized. When determining the audit activities, knowledge of the business activity and the economic and legal environment of the company as well as expectations of possible errors are taken into account. As part of the audit, the effectiveness of the accounting-related internal control system and evidence of the information in the books and records, the annual financial statements and the management report are assessed primarily on the basis of random samples. The audit includes the assessment of the accounting principles used and the significant estimates made by the legal representatives, as well as the appraisal of the overall presentation of the annual financial statements and the management report. We believe our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the annual financial statements comply with the statutory provisions and the supplementary provisions of the articles of association and, in compliance with the principles of proper accounting, give a true and fair view of the company's asset, financial and earnings position. The

management report is consistent with the annual financial statements, complies with legal requirements, as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Munich, March 26, 2018

**RBT Römer & Bölke Treuhand GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft**

Bölke, auditor

Römer, auditor

Specification of the date on which the annual financial statements were adopted:

The annual financial statements as of December 31, 2017 were adopted by resolution of the shareholders' meeting on April 23, 2018.

Decision on the appropriation of profits:

The shareholders' meeting decided to transfer an amount of 1,150,180.96 euros from the annual surplus of 1,277,978.84 euros to retained earnings and to distribute the remaining amount of 127,797.88 euros.
