

search result

Surname	Area	information	V. date
AVANCIS GmbH Torgau	Accounting/ financial reports	Consolidated financial statements for the financial year from January 1st, 2021 to December 31st, 2021	March 1, 2023

AVANCIS GmbH**Torgau****Consolidated financial statements as of December 31, 2021 and group management report****Group management report for the 2021 financial year****A. Group and business areas (fundamentals of the group)**

In addition to the parent company AVANCIS GmbH, Torgau, the AVANCIS GmbH group includes the subsidiary AVANCIS Korea Inc., Ochang (South Korea) and the subsidiary AVANCIS (Shanghai) Photovoltaic Technology Co., Ltd., Shanghai (China). AVANCIS Shanghai is not included in the scope of consolidation in accordance with Section 296 of the German Commercial Code (HGB).

The group's activities essentially extend to the business areas of research and development as well as the production and marketing of photovoltaic systems, in particular thin-film photovoltaic modules; the planning, ready-to-use production, operation and maintenance of machines and systems for the production of photovoltaic modules; the provision of services in the above-mentioned areas.

The photovoltaic modules developed and produced by AVANCIS are produced exclusively using the advanced CIS thin-film technology (also known as CIGS), which have an attractive aesthetic.

In competition with other manufacturers of CIS modules, AVANCIS occupies the high-quality premium segment, which is characterized by particularly robust, long-lasting, efficient and aesthetically sophisticated modules.

Business development in Germany in 2021 was particularly characterized by the implementation of contract research, development and industrialization projects. The corona pandemic led to a reduction in our production output compared to the previous year.

Further projects were realized in the BIPV (Building Integrated Photovoltaics) business area, even if the business volume fell short of expectations due to project postponements caused by the pandemic. Interested customers could also be offered additional color variants in the 2021 financial year. The development of the SKALA product series for building-integrated photovoltaics continued. With our own patented technology for producing colored modules, the product range was expanded again and demonstrated in further customer projects. The production of shortened modules was industrialized and the new products were used in several customer projects. Prototypes for passive facade elements were developed as an economical addition to a homogeneously designed BIPV facade. For use as a construction product, general building authority approval (abZ) for higher wind loads and a certified fire protection class B1 were achieved.

AVANCIS continues to provide technical support to the CIGS factories built in China.

The mandate for research, development and industrialization was to further develop the technology with regard to customer-relevant product properties, in particular module performance, field yield and reliability.

At the R&D location in Munich, development activities for higher efficiencies and better yields continued in the pilot line. New processes and materials were used to increase peak efficiency. At the beginning of the year, a new independently certified efficiency world record for thin-film PV technologies of 19.6% on 30x30 modules was achieved, which was further increased to an externally certified world record of 19.8% towards the end of the year.

At the Torgau site, the focus was once again on upscaling new processes from the laboratory to series product format as well as supporting production in the practical implementation of all process and product improvements.

During the further development of the production systems, the system concepts for the new processes developed in previous years at the Munich location were created and implemented to increase module performance. Further process improvements to increase efficiency were tested on full format in the Fullsize Development development group.

Another key variable with regard to competitiveness is the investment costs (CAPEX) for the production facilities for producing the solar modules. AVANCIS decided last year to use its sophisticated process and system know-how to set the course for a new business area in the field of mechanical engineering. On this basis, AVANCIS started a pilot project to build a production facility in 2020. Within this framework, the first systems were completed in 2021.

AVANCIS' Shanghai subsidiary is actively working on setting up the two factories in China that are still under construction. The South Korean subsidiary, AVANCIS Korea, continued to work on repairing and modernizing the production equipment. We are convinced that building-integrated photovoltaic (BIPV) applications also have great potential in Korea and that this business area can represent a central element of future growth. In order to prepare the market in Korea for this, the first projects were successfully implemented via AVANCIS Korea with BIPV modules from Germany.

As of December 31, 2021, the group's headcount was 314 employees, with 226 employees working at the Torgau location, 42 employees at the Munich location, and 46 in Ochang, Korea.

AVANCIS also attaches great importance to the further development of its employees. In 2021, as part of personnel development, employees were able to take part in training courses and measures on the topics of technical, social and methodological skills.

B Economic report

B.1 Macroeconomic and industry-related framework conditions

As a company in the field of photovoltaics, AVANCIS GmbH attaches great importance to the development of the construction industry and the gross domestic product in the EU and Asia, especially China. Consequently, the forecast GDP figures represent an important benchmark for overall economic development.

The economic situation in Germany in 2021 was characterized by moderate economic growth. According to calculations by the Federal Statistical Office, the price-adjusted gross domestic product (GDP) was 2.7% higher in 2021 than in the previous year. ^[1] Low growth is expected from all institutions in 2022 (ifo Institute +1.8%) ^[2]. It is generally pointed out that these forecasts are subject to great uncertainty with regard to the development of the current Corona crisis and the Russia-Ukraine conflict.

The increase in global gross domestic product (GDP), which was +6.1% in 2021 according to the current IMF forecast, will decline in 2022 and amount to +3.2%. ^[3] The growth forecast for 2022 for Europe is +2.7% and is therefore even higher than the values for Germany. However, the IMF emphasizes that the forecasts are extremely uncertain. On the one hand, developments will be significantly influenced by whether it is possible to eliminate the disruptions in global supply chains caused by the global Corona crisis. If further disruptions occur, there is a clear risk that the outlook would deteriorate again. On the other hand, the Russian war of aggression in Ukraine also led to rising prices in the food and energy sectors and the associated uncertainties regarding energy supplies. ^[4]

Primary energy consumption ^[1] ^[5] in Germany reached a level of 12,265 petajoules (PJ) or 418.5 million tons of hard coal units (million t TCE) in 2021. This corresponds to an increase of 3.1 percent compared to the previous year. However, energy consumption is still noticeably below the level of the pre-Corona period, which indicates that energy and overall economic development in Germany continues to be largely influenced by the corona pandemic and its effects. Both the economic recovery and the cooler weather compared to the previous year had an increasing effect on consumption in 2021. Overall economic output increased by almost 2.4 percent. However, in the last quarter of the year, there was hardly any impact from economic development on energy consumption, as supply bottlenecks, a weakening construction sector and the expiration of catch-up effects led to stagnation in the economic recovery. The significantly cooler outside temperatures compared to 2020 had a significant impact on the increase in primary energy consumption. Adjusted for the weather effect, energy consumption in Germany would have only increased by 2.4 percent in 2021. ^[6]

Renewables were able to expand their share again in the energy mix for 2021. Biomass, solar energy, wind energy, hydropower, geothermal energy and the biogenic portion of waste covered a total of 15.9% of total domestic energy consumption. Mineral oil remained the most important energy source with a share of 32.3%, followed by natural gas with 26.8%. Hard coal accounted for 8.5% and lignite 9.2%. The contribution of nuclear energy was 6.1%. ^[7]

Primary energy consumption in the EU also increased by 5.06% compared to 2019. It amounted to 60,110 petajoules. ^[8th]

The share of renewable energy in energy consumption in the EU was 22.1% in 2021. ^[9] According to the Europe 2020 strategy, the share of renewable energies in gross final energy consumption in the EU should reach at least 32% by 2030. ^[10]

China's gross domestic product will have a greater growth factor in 2021 than in the previous year. This amounted to 8.1% and around 17.734 trillion US dollars. ^[11] The share of renewable energies in electricity generation in the People's Republic of China was 28.2% in 2021. ^[12]

B.2 Business development

The following performance factors provide an overview of the course of the past financial year, with sales and annual results representing the most important performance indicators used for internal management.

B.2.1 Earnings situation

The planned significant increase in sales revenue to €37.2 million was achieved with an increase of €8.9 million to €37.5 million compared to the previous year. The only moderate expansion in the attractive BIPV business area due to the pandemic was more than compensated for by a significant expansion/transfer of our R&D services. The consolidated annual loss of minus €2.4 million is well below the forecast consolidated annual loss of €4.0 million. This is mainly due to AVANCIS Korea Inc.'s significantly lower earnings than planned. The forecast still assumed a negative result of €9.7 million. With an annual deficit of the equivalent of €6.5 million, this result was significantly improved. However, there were opposing effects at AVANCIS GmbH, mainly due to devaluations of inventories (€6.4 million) and the extraordinary creation of additional warranty provisions amounting to €1.8 million.

The following table shows the consolidated earnings situation of the group:

scroll ↔

	2021		2020	
	€ million	%	€ million	%
1. Sales revenue	37.5	81.2	28.6	60.5

	2021		2020	
	€ million	%	€ million	%
2. Other operating income, changes in inventories and capitalized own work	8.6	18.8	18.7	39.5
3rd overall	46.1	100.0	47.3	100.0
4. Cost of materials	-12.5	-27.1	-11.2	-23.7
5. Personnel expenses	-19.0	-41.1	-19.0	-40.2
6. Depreciation	-3.6	-7.8	-3.1	-6.6
7. Other operating expenses	-12.1	-26.2	-9.5	-20.1
8. EBIT	-1.1	-2.4	4.5	9.5
9. Interest and similar expenses	-1.4	-3.0	-0.9	-2.0
10. Taxes on income and profits	0.1	0.2	-0.4	-0.9
11. Consolidated annual loss/profit	-2.4	-5.2	3.2	6.8

Module sales amounted to €1.7 million (previous year: €1.0 million), 4.5%, and revenues with the shareholder from contract research amounted to €34.7 million (previous year: €26.9 million). . €) 92.5% and revenues from affiliated companies from project management (for the construction of additional solar module factories) amounting to €1.1 million (previous year: €0.7 million), 2.9%. There is also a small share of other sales revenue amounting to €28 thousand (previous year: €15 thousand).

Sales revenue developed for the individual areas as follows:

scroll ↔

	2021	2020
	€ million	million €
Sales revenue from:		
Module sales	1.7	1.0
Contract research	34.7	26.9
Project management	1.1	0.7
total	37.5	28.6

Overall, module sales generated €0.1 million in sales to third countries, €0.3 million to the Community territory and €1.3 million to Germany.

The reduction in inventories of €6.1 million is essentially caused by the high devaluations of work in progress and finished products amounting to €6.4 million.

The capitalized own work relates to the development of a prototype for the equipment business and amounts to €4.1 million (previous year: €3.3 million).

Other operating income includes income from shareholder grants included in R&D research contracts amounting to €6.7 million (previous year: €7.7 million). In addition, income from the reversal of the negative difference amounting to €2.4 million (previous year: €5.9 million) is reported under other operating income. The Federal Ministry for the Environment includes €0.6 million in R&D grants.

The cost of materials including the devaluation of inventories in the 2021 financial year amounts to €12.5 million (previous year: €11.2 million). Expenses for raw materials, auxiliary materials and operating supplies amount to €8.2 million. Expenses for purchased services amounting to €4.3 million are also included in the cost of materials. The increase of €1.3 million compared to the previous year is essentially due to a further increased shift to development services compared to the previous year.

As in 2020, the focus in the 2021 financial year was on increasing our production-related engineering activities. The standard PowerMax Module production output is reduced. With the BIPV SKALA modules, the focus was on the development of additional colors and stable color layers. The product range has also been expanded to include shortened module lengths in all colors. The total cost of materials increased by €0.4 million.

At €19.0 million, personnel expenses are at the same level as the previous year. For the group, this consists of wages and salaries amounting to €15.8 million and social security contributions and pension expenses amounting to €3.2 million. In the 2021 financial year, the AVANCIS Group employed an average of 314 employees, including trainees (previous year: 336 employees).

Other operating expenses increased by €2.6 million compared to the previous year. This essentially results from the increase in our warranty provisions by €1.8 million. We decided to make this provision even though no specific warranty claims had been made to us up to the balance sheet date, but we recognized the design defect at the time and had to fear the expense of completely replacing the delivered goods. Maintenance expenses increased by €0.6 million compared to the previous year because expenses were lower in 2020 due to corona and short-time work.

Depreciation increased to €3.6 million (previous year: €3.1 million), which is attributable to investing activities.

Interest expenses of €1.4 million will lead to a negative consolidated financial result of the same amount in the 2021 financial year. The increase in interest expenses is due to the increased shareholder loans in the AVANCIS Group.

The taxes on income and earnings are entirely attributable to corporate and trade tax 2021. For the 2021 financial year, there was a total income of €0.1 million.

B.2.2 Financial situation

assets

scroll ↔

	December 31, 2021		December 31, 2020	
	€ million	%	€ million	%
A. Fixed assets	56.2	67.7	51.4	65.1
I. Intangible assets	0.4	0.5	0.4	0.5
II. Tangible assets	55.7	67.1	50.9	64.5
III. Financial investments	0.1	0.1	0.1	0.1
B. Current assets	26.3	31.7	27.2	34.4
I. Supplies	13.6	16.4	20.7	26.2
II. Receivables and other assets	2.6	3.1	1.1	1.4
III. Cash on hand, balances with credit institutions	10.1	12.2	5.4	6.8
C. Prepaid expenses	0.5	0.6	0.4	0.5
Total assets	83.0	100.0	79.0	100.0

liabilities

	December 31, 2021		December 31, 2020	
	€ million	%	€ million	%
A. Equity	21.1	25.5	24.3	30.8
B. Difference from capital consolidation	0	0	2.4	3.0
C. Provisions	15.3	18.4	13.9	17.6
D. Liabilities	46.6	56.1	37.7	47.7
E. Prepaid expenses	0	0	0.7	0.9
Total assets	83.0	100.0	79.0	100.0

The group's fixed assets consist in particular of the production facilities of both companies. Overall, depreciation of €3.6 million and book value reductions of €0.2 million are offset by additions to fixed assets of €9.4 million.

In 2021, the inventories consist solely of raw materials, supplies and supplies, finished and unfinished products as well as the work in progress and advance payments made by AVANCIS GmbH and goods at AVANCIS Korea, as no ongoing production operations have started in Ochang. Inventories decreased by €7.1 million. It essentially results from the write-down of inventories by €6.4 million to their lower value. This is offset by an increase in bank balances of €4.7 million, due, among other things, to the taking out of further shareholder loans amounting to €12.6 million. Receivables from affiliated companies increased by €0.8 million. Trade receivables increased by €0.3 million due to the reporting date. In addition, other assets increased by €0.4 million, which is mainly due to reimbursement claims for trade and corporate taxes.

Group equity fell by €3.2 million, particularly due to the group annual deficit of €2.4 million.

The negative difference from the previous year of €2.4 million was released to income in 2021 as planned.

The provisions consisted of provisions for pensions and similar obligations of €2.2 million (previous year: €1.8 million), tax provisions of €0.5 million (previous year: €0.9 million).) and other provisions totaling €12.6 million (previous year: €11.2 million). The increase in other provisions is primarily due to the increase in the guarantee provision by €1.8 million.

The liabilities essentially consist of liabilities to Credit institutions of €10.0 million (previous year: €15.0 million) and liabilities compared to affiliated companies of €33.3 million (previous year: €19.6 million) and trade payables of €2.6 million. The decrease in liabilities vs. Credit institutions decreased due to scheduled repayments. The increase in liabilities to affiliated companies is primarily due to an increase in loan liabilities of €12.6 million while other liabilities to affiliated companies fell by €0.4 million.

The decline in deferred income is primarily due to the release of accrued advance payments for CAPEX components from the R&D contracts.

B.2.3 Financial position

In the 2021 financial year, the company reported a positive operating cash flow (€7.7 million). The company was financed from operational business through payments from the sale of modules and mainly from contract research for the shareholder and project management (€40.4 million), of which €9.4 million was invested in new production facilities .

In addition to the liabilities listed in the balance sheet, there are obligations from the order commitment of €4.1 million and other financial obligations of €2.1 million.

The solvency of the group companies was guaranteed at all times.

The cash flow from investing activities is negative and amounts to €9.4 million. It results from the payments for investments in fixed assets amounting to € -9.4 million. No payments were made from disposals of property, plant and equipment.

The cash flow from financing activities amounted to €6.4 million in the reporting year. It essentially consists of payments from the repayment of loans (€5.0 million), payments for taking out shareholder loans (€12.6 million) and interest paid in the amount of €1.2 million.

The financial resources increased by €4.7 million compared to the previous year. The financial resources consist of balances at banks and amount to €10.1 million.

Due to the close cooperation and support from the shareholders of the AVANCIS Group and the liquid funds made available, the asset, financial and earnings situation offers a stable basis for the further planned development of the group. The ability to pay was guaranteed at all times.

Our shareholder has issued a letter of comfort in which he undertakes to provide AVANCIS with financial resources in such a way that AVANCIS can meet its financial obligations at any time. The letter of comfort is limited to September 30, 2024 and also extends to the consolidated subsidiary AVANCIS Korea Inc.

C. Forecast, opportunity and risk report

C.1 Risk management

The early risk detection system required by the law on control and transparency in the corporate sector is used in a targeted manner to identify and manage risks at an early stage.

With the help of the risk management system that has been set up, risks should be identified and managed as early as possible. In this context, risk management processes and the reports derived from them are defined to ensure that risks that threaten the continued existence of the company can be identified in a timely manner.

For both locations, Munich and Torgau, the integrated management system for the areas of quality, energy and occupational safety has been continuously expanded in accordance with the requirements of DIN EN ISO 9001:2015 / DIN EN ISO 45001:2018 / DIN EN ISO 50001:2011. Conformity to all three ISO standards has been certified by an external, accredited service provider. AVANCIS trains employees on processes, products and safety in the working environment and carries out external and internal audits.

Both the location in Torgau and the pilot line in Munich are regularly checked for technical safety. External audits and reports are part of securing the locations. As part of the HSE management system, risk assessments and risk considerations are carried out for all critical processes and machines. Risk analysis (e.g. through FMEA) is also an important part of the development process. In addition, inspections and internal audits ensure that AVANCIS managers in particular are fully involved in all occupational safety issues.

AVANCIS Korea reports at regular intervals on developments regarding required approvals, investment projects and liquidity resources. The development and initiation of measures at AVANCIS Korea takes place in close coordination with the shareholder BDRIGI and the management of AVANCIS GmbH. With regard to the repair of the production facilities, the existing safety concepts are implemented and compliance with them is monitored by the local management.

There are security concepts for each location, which also include, for example, an evacuation alarm. In addition, there is an emergency and crisis management plan that ensures that all interested parties (neighbours, relatives, police, emergency services and shareholders) are informed by AVANCIS should there be a risk beyond AVANCIS due to fire, flood or an accident due to a malfunction of a production system enter.

Instruction and training as well as the review and follow-up of the imparted know-how help to maintain a strong security awareness at all levels of the organization. The identification of near misses and the associated determination of corrective measures are an essential part of the occupational safety culture.

The legal register is continually updated and supplemented with other binding obligations to ensure compliance with all applicable laws.

Significant opportunities and risks

The opportunities and risks are presented in the gross presentation of the risks.

procurement market

The aim of the procurement organization and strategy is to make a significant contribution to the company's success and risk management with sustainability-oriented management of the supply chain. In addition to a reliable supply of raw materials, technical goods and services at competitive prices, shared value creation is at the forefront of our collaboration with all suppliers.

In order to secure price advantages with a further reduced factory volume, due to the alignment of AVANCIS with a stronger focus on the consistent further development of the technology and flexibilization of the standard production line to adapt to customer requirements, and at the same time, due to the corona pandemic, the risk of possible supplier failures. In order to minimize supply bottlenecks and supply bottlenecks, it was even more crucial in 2021 to place orders with our suppliers as early as possible and to effectively implement long-term order and contract management.

A shortage of raw materials in German industrial companies became more difficult in the first half of 2021. According to the survey by the Federal Association of Materials Management, Purchasing and Logistics (BME), the ongoing shortage of raw materials had a particularly negative impact on steel, semiconductors and plastics. This means that almost all companies - across all industries - are directly or indirectly affected by the bottlenecks.

In addition to these price-driving raw material shortages and rising logistics costs, the shortage of oil and gas also caused a dramatic increase in energy prices. According to the BME's forecasts and against the background of the war in Ukraine, these factors will not ease and will continue to worsen in the coming years.

Against this background of price increases and restrictions in the global movement of goods as well as the risk of supplier failure, initiatives are continuing to be launched to identify new potential sources of supply, primarily in the local and European markets, to secure long-term production capability and to expand the supplier portfolio.

New suppliers were identified and contacted in order to start new qualifications that minimize the increased range of requirements for our end product and risks in procurement. Continuing intensive cooperation and communication with our long-standing suppliers will continue to ensure cost advantages and sustainability for us. Based on the measures taken, we assume a medium risk.

sales market

Market situation and positioning of AVANCIS:

The European Union has set the emissions reduction target of at least 55 percent by 2030 as an interim goal on the way to the desired climate neutrality by 2050 and plans to legally anchor the realization of climate neutrality by 2035 through European law. In addition, discussions about reducing the carbon footprint and thus increasing the sustainability of buildings are reaching the general public. Demand and advice for BIPV projects continued to rise in 2021 and will continue to rise in subsequent years. This strengthens the expectations of increased sales growth with SKALA products.

The year 2021 was marked by changes due to the ongoing pandemic situation and global challenges in logistics. Larger public events such as trade fairs were canceled, particularly in the first half of the year. AVANCIS continued to focus on digital communication options with customers. The logistics difficulties caused by the blockage of the Suez Canal negatively affected AVANCIS' sales developments, particularly in New Zealand / Australia, due to significant delays in deliveries and the associated increases in transport costs.

At the same time, global supply bottlenecks increased the shortage of raw materials in the construction sector. This caused delays on construction sites in many places, which also affected some AVANCIS projects and thus postponed deliveries until 2022. On the other hand, it improved demand on the domestic European market, so that in addition to the significantly increased sales of building-integrated photovoltaics (BIPV), AVANCIS was also able to achieve increases in sales of photovoltaic modules for roofs and open spaces. Another positive market development for AVANCIS is the price increase for crystalline photovoltaic modules on the European spot market, which will continue throughout 2021. There are further opportunities to increase sales here, especially in 2022, with production in Germany and German stock goods.

There is a significant risk to future development, primarily due to the continued unsatisfactory market prices and the associated negative contribution margins for the standard modules at the Torgau plant. We assess the risk as medium.

Due to important, implemented reference projects, AVANCIS' market positioning improved. The increasing number of project inquiries and their backgrounds confirm the consistent further development of AVANCIS' portfolio, which is now also receiving positive impulses from politics. Even before the federal elections in Germany, discussions about climate change reignited public interest in the topic of sustainability. The change in the German government reinforced this and announcements about a massive increase in the share of sustainable energy production contributed to a very positive mood in the industry towards the end of the year. On the one hand, this increases competitive pressure, but on the other hand it offers a broader market. We are currently assuming growing opportunities for sales increases in 2022 and 2023. We assume a medium risk in the market due to increasing competition.

Production/Technology

As a continuation of the company's realignment initiated in 2017, the development corridor was consistently used and expanded over the course of 2021 in order to increase module efficiencies and to develop and produce new products for the emerging BIPV market.

In 2021, the new technology from the introduction in Q3 2020 and the associated new improved products were successfully implemented in production. This was achieved through the use of new materials as well as process and system upgrades.

Production risk management covers financial and performance areas. Dangers in the value chain include, for example, bottlenecks in the supply of materials, which have been minimized through second source strategies and inventory analyses. The increased vertical integration in the CNBM group also reduced corporate risk. Product defects were reduced, among other things, through the continuous improvement process. Technology risks could be excluded with various certifications and qualifications. The "Smart Copy" concept in the manufacturing cluster also reduces the risk of transfer losses. Overall, we assume a low risk.

In order to increase competitiveness, it is planned that AVANCIS will bring its know-how in the area of production systems for the manufacture of solar modules into a new business area in the field of mechanical engineering. On this basis, AVANCIS successfully implemented a pilot project to build a production facility in 2021. Within this framework, the fundamental mechanical, electrical and software planning basis could be created in the construction area. Overall, we assume a low risk.

Quality management

The development, production and sales of the solar modules are based on the certification requirements of these AVANCIS business areas according to the ISO 9001, 50001 and 45001 standards, which were also externally confirmed in 2021.

The tests on the reliability and safety of the AVANCIS modules under extreme conditions take place at the Torgau test center and special tests at the Munich location. Here, modules are artificially aged in climate chambers and under extreme conditions that go beyond standard requirements and their safety is tested. This gives AVANCIS further knowledge of the long-term stability of our modules in the field.

The product improvements and material adjustments require an expansion of the existing certification for product safety and product reliability. The tests are carried out continuously in collaboration with TÜV Rheinland according to internationally recognized standards ICE 61215 and 61730 for product improvements.

For the products in the area of building-integrated photovoltaics, quality parameters are defined, suitable measurement methods are developed and implemented in production. On this basis, the general building authority approval Z -70.1-224, issued by the German Institute for Building Technology, was obtained and this is checked twice a year by the Darmstadt materials testing office during ongoing production.

However, in real field conditions, a wide variety of stress factors (temperature, humidity, UV light, mechanical stress, special environmental influences such as salinity or air purity) can reinforce each other or occur in combinations that can no longer be reflected in the accelerated aging test. Given the long warranty periods that are customary in the market, there is a risk that is common in the industry that, despite the external certifications and further tests, performance degradations or other reductions in quality may occur at the customer's site, which could lead to complaints due to the warranty agreements. Overall, we assume a low risk. These risks are adequately covered.

Financial risks

A significant risk to future development exists primarily due to the continued unsatisfactory market prices and the associated negative contribution margins for the standard modules at the Torgau plant. In combination with the research, development and administrative costs, this will lead to further cash outflows in 2022. These cash outflows are to be compensated for by concluding further R&D and industrialization contracts with the shareholder. The company's financial situation is constantly monitored closely as part of our risk management in order to identify risks as early as possible and counter them in a timely manner. The operation of the production facility in Torgau in 2021 was characterized by intensive development activities in the area of the color range of the colored solar modules. For the R&D services, payments were made via the R&D contract concluded in May 2020 (duration May 2020 - December 2021) with a volume over the contract term of €66 million (of which €14.0 million is CAPEX share) between BDRIGI and AVANCIS. Payments amounting to €40.4 million were made from this contract in 2021. In addition, loans were granted by the bank and the shareholder.

According to the liquidity planning for 2022 and 2023, liquidity is required for further development work, which will be provided through the R&D service transfer contracts VI and VII (with a total volume of €36.7 million) with the parent company and through further borrowings from Industrial and Commercial Bank of China (ICBC) and the shareholder are to be financed. Corresponding joint projects are already being planned and some have already been contracted or should be contractually agreed with the shareholder in the near future. We also expect further cash inflows from the equipment business in the 2022 and 2023 financial years.

The planned sales revenues are as follows:

scroll ↔

	2022	2023
	MEUR	MEUR
Module sales	13.0	13.3
Contract research	21.7	18.6
Equipment store	2.6	13.6
Other sales revenue	0.8	1.9
total	38.1	47.4

According to the liquidity planning, AVANCIS Korea also needs liquidity inflows of €22.0 million to repair the site by 2023, which is to be provided by the shareholder of the AVANCIS Group in the form of loans. However, there is a risk that future events may differ from our forward-looking statements.

If financial support is not granted, there will be significant uncertainty regarding the continuation of the AVANCIS Group's business activities. In December 2022, the shareholder renewed its letter of comfort and undertakes to provide AVANCIS with financial resources in such a way that AVANCIS can meet its financial obligations at any time. The letter of comfort is limited until September 30, 2024. The letter of comfort also includes AVANCIS Korea Inc.

The events and circumstances indicate the existence of a material uncertainty that can raise significant doubts about the continuation of the company's activities and that represents a risk that threatens the continued existence of the company within the meaning of Section 322 Paragraph 2 Sentence 3 of the German Commercial Code (HGB).

For the coming financial year, taking into account the currently foreseeable effects of the corona pandemic and the war in Ukraine, we expect liquidity inflows of €15.8 million for the group from the research contracts that have already been partially concluded in the 2022 financial year and inflows of €20 million in the 2023 financial year €9.9 million. By November 30, 2022, shareholder loans amounting to €15.0 million were repaid and new shareholder loans amounting to €30.7 million were granted. The shareholder has declared subordination for shareholder loans and the resulting interest liabilities. In addition, loans from ICBC amounting to €10.0 million were repaid. We assess the risk as medium.

We currently consider the risks from the interest rate turnaround and the resulting higher refinancing costs to be low, as the costs for interim financing of our R&D activities are taken into account.

Currency risks

On the sales and procurement sides, AVANCIS processed a small number of transactions in foreign currencies in 2021. There was never any significant currency risk. We consider the risk to be low due to the small volume of foreign currency transactions.

C.2 Forecast report

In the coming years, the consolidated result will continue to be influenced by the effects of the difficult photovoltaics market and the associated uncertain macroeconomic and regulatory conditions.

The consolidated result in the following years will essentially continue to depend on whether AVANCIS succeeds in further increasing the effectiveness of all activities and successfully establishing the new mechanical engineering business model. In 2021, a self-built production system was already successfully implemented in the area of mechanical engineering.

For 2022, Avancis is now aiming to further develop the production facility for higher production capacities (150MW CIGS factory) and sell the resulting series. Among other things, but not only, it is important to increase the effectiveness of engineering activities in Torgau by improving machine availability and organizational improvements in order to achieve the goals specified in the contract research contracts. The focus of these goals will continue to be on increasing efficiency and reducing production costs. When it comes to reducing costs, increased efforts are being made to create competition from second suppliers, shift sourcing to China and optimize product and process design.

Another, still important lever for increasing the consolidated result is the building facades business area. The aim here is to overcome the temporary obstacles to project implementation caused by the pandemic and achieve volume, based, among other

things, on the extensive cooperation and partnerships that have been concluded. It is expected that there will be a significant increase in 2022 compared to the previous year, which will also be noticeable in the company's sales.

Increasing efficiency continues to be an important topic in the business area of technology transfer for the construction of new factories in China. For this purpose, the business processes between the individual companies were optimized. To date, the contracts with the company that operates the Chinese factory have been concluded directly with AVANCIS GmbH. On-site services are regulated by a subcontractor agreement between AVANCIS GmbH and AVANCIS Shanghai. In the future, these services will be concluded directly between AVANCIS Shanghai and the factory operator and any additional work carried out by AVANCIS GmbH will be billed to AVANCIS Shanghai through a general service contract.

For the 2022 financial year, due to the ongoing delays at AVANCIS Korea Inc. and the associated start-up losses as well as a delay in the conclusion of the R&D follow-up contracts at AVANCIS GmbH, there will be a consolidated annual loss of €22.0 million and for the 2023 financial year a consolidated annual loss of €13.0 million was expected. These estimates are subject to the currently unforeseeable development of the Covid-19 pandemic and its impact on consolidated earnings and sales revenue. With regard to the continuation of contract research for the shareholder, AVANCIS is close to concluding a follow-up R&D contract. Based on current planning, we assume an increase in consolidated sales revenue to €38.1 million in 2022 and €47.4 million in 2023.

The renewable energy segment, and in particular electricity generation from solar energy using PV, is a long-term growth area, not only because of the reduction in CO₂ emissions, but also because of the independence it gives states from fossil fuels such as oil, gas, Nuclear power exists. For the end consumer, even in our latitudes, a decentralized PV system on their own roof is a highly attractive investment in terms of energy independence at household level. With the stricter energy saving measures through climate policy and the planned climate law, the legal requirements can no longer be met in new buildings without the use of renewable energies. In this sense, it is assumed that the PV segment will continue to grow.

¹ Gross domestic product increased by 2.7% in 2021 - Federal Statistical Office (destatis.de)

² ifo economic forecast winter 2022: inflation and recession | Facts | ifo Institute ³ Infographic: Gloomy prospects for the global economy | Statista

⁴ State of the global economy: IMF lowers global growth forecast | tagesschau.de ⁵ "Primary energy consumption (PEV) refers to the energy content of all energy sources used domestically. The term includes so-called primary energy sources, such as lignite and hard coal, mineral oil or natural gas, which are either used directly or converted into so-called secondary energy sources such as coal briquettes, fuels, electricity or district heating." <https://www.umweltbundesamt.de/data/energy/primary-energy-consumption-textpart-1>. ⁶ Energy consumption is increasing again » AG Energy Balances e. V. (ag-energiebalancen.de) ⁷ https://ag-energierechner.de/wp-content/uploads/2022/04/AGEB_Annual-Report2021_20220524_dt_Web.pdf ⁸ <https://de.statista.com/statistics/data/study/42457/survey/european-union-primary-energy-consumption-selected-fuels-in-millions-tons-of-oil-equivalent/> :~:text=Not%20included%20are%20accordingly%20energy carrier%C3%A4ger,around%2021%2C32%20Exajoule%20Earth%C3%B6l. ⁹ <https://www.destatis.de/Europa/DE/Thema/Umwelt-Energie/Ausbau-ErneuerbareEnergien.html> ¹⁰ <http://register.consilium.europa.eu/doc/srv?l=DE&f=ST%2013%202010%20INIT>, <https://www.bmwienergie.wende.de/EWD/Redaktion/Newsletter/2018/07/Meldung/topthema-EU.html> ¹¹ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2021&locations=CN&start=2018>; <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2021&locations=CN&start=2018> ¹² <https://chinaenergyportal.org/en/2021-electricity-other-energy-statistics-preliminary/>

Torgau, December 20, 2022

AVANCIS GmbH
Helmut Frankenberger

Consolidated balance sheet as of December 31, 2021

assets

scroll ↔

	December 31, 2021		December 31, 2020	
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Intangible assets				
Software purchased for a fee		413,435.38		422,568.58
II. Tangible assets				
1. Buildings, including buildings on third-party land	20,019,133.70		21,359,579.63	

	December 31, 2021		December 31, 2020	
	EUR	EUR	EUR	EUR
2. Technical systems and machines	21,455,084.19		9,469,164.72	
3. Other facilities, operating and office equipment	1,079,519.92		1,052,599.08	
4. Advance payments made and assets under construction	13,175,399.18	55,729,136.99	19,066,448.68	50,947,792.11
III. Financial investments				
Shares in unconsolidated affiliated companies		65,161.01		65,161.01
		56,207,733.38		51,435,521.70
B. Current assets				
I. Supplies				
1. Raw materials, auxiliary materials and operating materials	5,457,993.26		6,299,620.73	
2. Work in progress	347,727.91		214,309.09	
3. Finished products and goods	7,766,477.49		14,059,108.58	
4. Deposits paid	61,395.64	13,633,594.30	110,993.79	20,684,032.19
II. Receivables and other assets				
1. Trade receivables	637,012.54		367,249.22	
2. Receivables from unconsolidated affiliated companies	910,645.06		79,072.13	
3. Other assets	1,050,622.17	2,598,279.77	606,817.23	1,053,138.58
III. Cash and bank balances		10,124,188.59		5,387,271.66
		26,356,062.66		27,124,442.43
C. Prepaid expenses		454,090.01		459,230.35
		83,017,886.05		79,019,194.48

liabilities

	12/31/2021	12/31/2020
	EUR	EUR
A. Equity		
I. Drawn capital	25,100.00	25,100.00
II. Capital reserves	64,212,276.93	64,212,276.93
III. Loss carryforward	-38,977,443.03	-42,143,954.09
IV. Consolidated net loss for the year (previous year: consolidated net profit for the year)	-2,435,807.61	3,166,511.06
V. Currency translation differences	-1,670,593.37	-937,737.47
	21,153,532.92	24,322,196.43
B. Difference from capital consolidation	0.00	2,392,803.14
C. Provisions		
1. Provisions for pensions and similar obligations	2,168,968.66	1,837,487.38
2. Tax provisions	503,162.31	868,539.55
3. Other provisions	12,642,081.87	11,229,378.31
	15,314,212.84	13,935,405.24
D. Liabilities		
1. Liabilities to credit institutions	10,000,000.00	15,000,000.00
2. Deposits received on orders	31,491.85	168,349.07
3. Trade payables	2,637,402.28	2,617,689.82
4. Liabilities to Unconsolidated Affiliates	33,287,866.32	19,588,506.77
5. Other liabilities	593,379.84	292,554.01
- of which from taxes EUR 280,556.28 (previous year: EUR 184,269.36) -		
- of which EUR 140.00 as part of social security (previous year: EUR 0.00) -		
	46,550,140.29	37,667,099.67
E. Prepaid expenses	0.00	701,690.00
	83,017,886.05	79,019,194.48

Consolidated income statement for the period from January 1 to December 31, 2021

scroll ↔

	2021		2020	
	EUR	EUR	EUR	EUR
1. Sales revenue		37,472,240.83		28,612,908.75
2. Reduction (previous year increase) in inventories of finished and unfinished products		-6,117,155.00		541,176.80
3. other capitalized own contributions		4,075,639.36		3,261,238.49
4. Other operating income		10,598,398.72		14,933,439.71
5. Cost of materials				
a) Expenses for raw materials, supplies and operating materials and for purchased goods	-8,164,199.97		-7,632,351.52	
b) Expenses for purchased services	-4,322,112.84	-12,486,312.81	-3,585,631.50	-11,217,983.02
6. Personnel expenses				
a) Wages and salaries	-15,801,132.13		-16,250,695.97	
b) Social security contributions and expenses for pensions and support	-3,178,854.76	-18,979,986.89	-2,751,338.58	-19,002,034.55
- of which for pension provision EUR 331,671.56 (previous year: EUR 113,289.53) -				
7. Depreciation of intangible fixed assets and property, plant and equipment		-3,589,095.08		-3,126,695.02
8. Other operating expenses		-12,081,435.10		-9,545,560.11
9. Other interest and similar income		8,957.06		1,213.21
10. Interest and similar expenses		-1,400,158.34		-924,169.20
- of which to affiliated companies EUR 1,162,682.64 (previous year: EUR 479,129.55) -				
11. Taxes on income and profits		64,860.64		-365,000.00
12. Earnings after taxes		-2,434,046.61		3,168,535.06
13. Other Taxes		-1,761.00		-2,024.00
14. Consolidated net loss for the year (previous year: consolidated net profit for the year)		-2,435,807.61		3,166,511.06

Consolidated cash flow statement for the period from January 1 to December 31, 2021

scroll ↔

	2021	2020
	EUR thousand	TEUR
Consolidated net loss for the year (previous year: consolidated net profit for the year)	-2,436	3,167
+ Depreciation	3,590	3,127
+ Increase in provisions	1,701	570
-/+ other non-cash income/expenses	-2,304	-5,854
+/- Decrease/increase in inventories, trade receivables and other assets, that cannot be assigned to investing or financing activities	5,575	1,883
+/- Increase Decrease in trade payables and other liabilities that are not attributable to investing or financing activities	418	-4,407
+/- Loss/gain from the disposal of fixed assets	216	37
+ Interest result	1,391	923
+ Income tax income (previous year income tax expense)	-65	365
- Income tax payments	-366	-124
= Cash flow from operating activities	7,720	-313
- Payments for investments in intangible assets	-106	-102
- Payments for investments in property, plant and equipment	-9,291	-7,535
+ Payments for disposals from property, plant and equipment	0	171
+ Interest received	9	1
= Cash flow from investing activities	-9,388	-7,465
+ Deposits from taking out bonds and (financial) loans	0	15,000
- Payment from the repayment of bonds and (financial) loans	-5,000	-15,000
+ Deposits from taking out shareholder loans	12,600	10,000

	2021 EUR thousand	2020 TEUR
- Interest paid	-1,193	-847
= Cash flow from financing activities	6,407	9,153
Cash-effective change in financial resources	4,739	1,375
Changes in the financial resources fund due to exchange rates	-2	-3
Financial resources fund at the beginning of the period	5,387	4,015
Financial resources fund at the end of the period	10,124	5,387

Consolidated statement of equity for the period from January 1 to December 31, 2021

scroll ↔

	Subscribed capital EUR	Capital reserve EUR	Group equity Loss carryforward EUR	Consolidated annual loss (previous year consolidated annual surplus) EUR
As of December 31, 2019	25,100.00	64,212,276.93	-50,818,723.08	8,674,768.99
Presentation on new account	0.00	0.00	8,674,768.99	-8,674,768.99
Currency conversion difference	0.00	0.00	0.00	0.00
Consolidated annual profit	0.00	0.00	0.00	3,166,511.06
As of December 31, 2020	25,100.00	64,212,276.93	-42,143,954.09	3,166,511.06
Presentation on new account	0.00	0.00	3,166,511.06	-3,166,511.06
Currency conversion difference	0.00	0.00	0.00	0.00
Group annual loss	0.00	0.00	0.00	-2,435,807.61
As of December 31, 2021	25,100.00	64,212,276.93	-38,977,443.03	-2,435,807.61

scroll ↔

	Group equity Equity difference from currency conversion EUR	Equity EUR
As of December 31, 2019	-175,320.26	21,918,102.58
Presentation on new account	0.00	0.00
Currency conversion difference	-762,417.21	-762,417.21
Consolidated annual profit	0.00	3,166,511.06
As of December 31, 2020	-937,737.47	24,322,196.43
Presentation on new account	0.00	0.00
Currency conversion difference	-732,855.90	-732,855.90
Group annual loss	0.00	-2,435,807.61
As of December 31, 2021	-1,670,593.37	21,153,532.92

With the exception of an amount of EUR 159 thousand (previous year: EUR 166 thousand) from the difference in accordance with Section 253 Paragraph 6 Sentence 3 of the German Commercial Code (HGB), the capital generated is completely available for distribution.

There are no further blocks on distributions due to law, statutes or articles of association.

Consolidated notes for the financial year from January 1 to December 31, 2021

I. General explanations

AVANCIS GmbH (HR B 30332, Leipzig District Court), based at Solarstrasse 3 in 04860 Torgau, Germany, is the parent company of the AVANCIS Group ("AVANCIS" or "Group").

The financial statements of AVANCIS as of December 31, 2021 were prepared on the basis of the accounting and valuation regulations of the Commercial Code, in particular taking into account Sections 238 ff., §§ 264 ff. and § 290 ff. In addition to these regulations, the regulations of GmbH law must be observed.

Accounting and valuation are carried out under the assumption that the company's operations will continue. With regard to events and circumstances that indicate the existence of a material uncertainty that may raise significant doubts about the company's ability to continue as a going concern and that represents a risk that threatens the continued existence of the company, we refer to the statements in the management report.

The total cost method in accordance with Section 275 Paragraph 2 of the German Commercial Code (HGB) was used to structure the profit and loss statement.

The business year corresponds to the calendar year.

According to the size classes specified in Section 267 of the German Commercial Code (HGB), the company is a large corporation within the meaning of Section 264 of the German Commercial Code (HGB).

In addition to the profit and loss statement, the cash flow statement and the balance sheet, the change in equity is shown.

The consolidated financial statements are prepared in euros. Rounding differences can also occur for computational reasons.

In December 2022, the shareholder CNBM Research Institute for Advanced Glass Materials Group Co., Ltd. (hereinafter: BDRIGI) has renewed its letter of comfort and undertakes to provide AVANCIS with financial resources in such a way that AVANCIS can meet its financial obligations at any time. The letter of comfort is limited until September 30, 2024. The letter of comfort also includes AVANCIS Korea Inc. With regard to the material uncertainty that may raise significant doubts about the Group's ability to continue as a going concern, we refer to our presentation in the Group management report in section "C. Forecast, Opportunities and Risk Report" in the "Financial Risks" subsection.

When an acquired company is initially consolidated, the subsidiary's equity is valued at the fair value of the assets, liabilities and prepaid expenses to be included in the consolidated financial statements on the consolidation date. Provisions are valued in accordance with Section 253 Paragraph 1 Sentence 2 and 3, Paragraph 2 and deferred taxes in accordance with Section 274 Paragraph 2.

The first-time full consolidation of AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.), Ochang (South Korea), as of December 31, 2017 resulted in a passive difference, as the investment book value corresponds to the value of the pro rata, revalued equity AVANCIS Korea Inc. falls below. The resulting passive difference has the character of debt capital and reflects the negative expectations regarding the earnings development at AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.) taken into account in the purchase price.

The passive difference is shown as a separate item "difference from capital consolidation" after equity in accordance with Section 301 Paragraph 3 Sentence 1 HGB.

The accounting and valuation methods were applied unchanged from the previous year, with the following exception. In the previous year, capitalized own work amounting to EUR 3,261,238.49 was reported net in the cost of materials under the item "Expenses for raw materials, supplies and supplies and for purchased goods". For better comparability, the reporting error in the previous year was corrected and the previous year's reporting was adjusted.

II. Consolidation

1. Scope of consolidation

In addition to AVANCIS GmbH, as the parent company, the affiliated company AVANCIS Korea Inc. was included in the consolidated financial statements by way of full consolidation (§§ 300 ff. HGB). The AVANICS (Shanghai) Photovoltaik Technology Limited Company, Shanghai, China, founded in July 2019, has not been consolidated because the subsidiary is of minor importance in conveying a true picture of the Group's assets, finances and results of operations.

As of December 7, 2017, AVANCIS GmbH acquired the remaining 50% of the shares of AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd., Korea) based on the joint venture agreement of September 19, 2016.

On February 5, 2017, Hyundai-AVANCIS Co. Ltd. its name to AVANCIS Korea Inc. The equity of AVANCIS Korea Inc., Ochang/South Korea (100% subsidiary of AVANCIS GmbH), amounted to 21,722,365 TKRW as of December 31, 2021, the annual result for 2021 amounted to - 8,764,670 TKRW (KRW 1,345.30 = €1).

The equity of AVANICS (Shanghai) Photovoltaik Technology Limited Company, Shanghai, China (100% subsidiary of AVANCIS GmbH) amounted to RMB 1,352,174.72 as of December 31, 2021. The annual net profit for 2021 was 254,028.91 RMB (7.21659 RMB = €1).

2. Currency conversion

The foreign subsidiary's commercial balance sheet II was converted using the modified reporting date method. With the exception of equity, the balance sheet items are converted at the closing rates as of December 31, 2021, and the income statement items are translated at average rates. The equity was converted at historical exchange rates at the time of initial consolidation. Currency differences are reported in the adjustment item for currency differences.

3. Capital consolidation

The investment book values are offset against the proportionate equity of the subsidiary at the respective acquisition date against the fair value of the subsidiary's assets and liabilities. The initial consolidation took place on December 31, 2017.

The capital consolidation between AVANCIS GmbH and AVANCIS Korea Inc. resulted in a passive difference of €31,896 thousand. This was released as planned in the amount of €5,442 thousand in the 2018 financial year and in the amount of €18,207 thousand in the 2019 financial year and in the amount of €5,854 thousand in the 2020 financial year and in the amount of €2,393 thousand in the 2021 financial year and amounts to 0 thousand as of the balance sheet date €.

4. Debt consolidation

During the debt consolidation, receivables, liabilities and provisions between included companies were eliminated. There were no significant offsetting differences from debt consolidation. Contingencies within the group were ignored.

5. Consolidation of expenses and income

Sales revenues and other income from deliveries and services between the companies included in the consolidated financial statements were offset against the expenses attributable to them, unless they are to be reported as an increase in the inventory of finished and unfinished products.

6. Elimination of intermediate results

Intercompany results from intragroup purchases and sales were not incurred and therefore cannot be eliminated.

7. Deferred taxes

Deferred taxes from consolidation measures (Section 306 HGB) were offset. With regard to the activation of the surplus assets, the right to choose in accordance with Section 274 Paragraph 1 Sentence 2 HGB in conjunction with V. m. § 298 and § 300 Para. 2 HGB are used and there is no capitalization in the balance sheet.

III. Accounting and valuation methods

1. Fixed assets

The **intangible assets and property, plant and equipment** were valued at acquisition or production cost and - to the extent that they can be worn out - reduced by scheduled depreciation.

The depreciation of intangible assets was carried out using the straight-line method based on the expected useful life in accordance with the tax depreciation tables. The assumed useful life is between 3 and 5 years.

The production costs of property, plant and equipment include all cost components that represent the lower limit for tax purposes. The scheduled depreciation is based on the normal useful life, taking into account the tax depreciation tables (these essentially correspond to the useful life under commercial law).

Scheduled depreciation is carried out over the following (group-wide) useful lives:

scroll ↔

Plant group	Useful lives
Buildings, including buildings on third-party land	14 years
Technical equipment and machinery	4 to 18 years
Other facilities, operating and business equipment	3 to 15 years

Low-value movable assets with acquisition or production costs of more than €250 to €1,000 are included in an annual collective item and depreciated on a straight-line basis over a period of 5 years.

Shares in non-consolidated affiliated companies were valued at acquisition cost or, in the case of permanent impairment, at the lower fair value. If the permanent impairment no longer occurs, a write-up is made up to the historical acquisition cost.

2. Current assets

The **inventory** items were generally valued at acquisition or production cost, taking into account the strict lower of cost or market principle.

When evaluating raw materials, auxiliary materials and operating materials, the weighted average price is used.

Unfinished and finished products are valued at manufacturing costs, which, in addition to the direct material and manufacturing costs, also include appropriate parts of the material and manufacturing overhead costs as well as manufacturing-related depreciation. Interest on borrowed capital is not capitalized. If the expected sales proceeds less the costs still to be incurred before the sale are lower, this value is used. In addition, inventory risks resulting from reduced usability or obsolescence are taken into account through marketability discounts. The strict lower of cost or market principle is taken into account through appropriate deductions.

The goods are valued at acquisition cost or at the lower fair value.

Advance payments made are stated at nominal value, taking into account the strict lower of cost or market principle.

The **receivables and other assets** are stated at their nominal value, taking into account the strict lower of cost or market principle. Identifiable risks are taken into account through value adjustments.

Foreign currency receivables and liabilities of more than one year are valued at the acquisition rate or at the less favorable rate on the balance sheet date. Foreign currency receivables and liabilities with a term of less than one year are valued at the average spot exchange rate in accordance with Section 256a of the German Commercial Code (HGB) and any resulting conversion gains or losses are recorded separately in the income statement. The income and expenses resulting from foreign currency transactions are converted at the current exchange rate at the time they arise.

Liquid assets are stated at nominal value.

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

3. Equity

The equity is stated at nominal value.

4. Passive difference

The first-time full consolidation of AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.) resulted in a passive difference because the investment book value was the value of the pro rata, revalued equity of AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.). falls below. The resulting passive difference has the character of debt capital and reflects the expenses for the start-up and investment measures at AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.) taken into account in the purchase price.

The negative difference of T€ 31,896 was released to profit or loss by T€ 5,442 in 2018, T€ 18,207 in 2019 and T€ 5,854 in 2020. The remaining liability difference was released as follows in the 2021 financial year:

scroll ↔

	Resolution puB in T€
Resolution 2021	-2,393
total	-2,393

5. Provisions and liabilities

The provisions **for pensions** were calculated in accordance with the recognized principles of actuarial mathematics using the "Projected Unit Credit Method" (PUC) on the basis of the average market interest rate of 2.3% published by the Deutsche Bundesbank, which was calculated over the past 10 years financial years with an assumed remaining term of 15 years. Wage and salary increases as well as pension increases were assumed to be 2.4% and 1.8% pa, respectively.

The 2018 G mortality tables from Prof. Dr. were used. Klaus Heubeck. The average market interest rate published by the Deutsche Bundesbank for the past ten financial years is used to discount pension obligations. The difference in accordance with Section 253 Paragraph 6 Sentence 3 of the German Commercial Code (HGB) amounts to €159 thousand and is not subject to distribution.

The **tax provisions** and **other provisions** take into account all risks identified on the balance sheet date that are based on past business transactions or past events and whose amount or maturity is uncertain. The provisions are stated at their expected settlement amount. Long-term provisions were discounted based on the remaining term using the discount rates in accordance with Section 253 Paragraph 2 of the German Commercial Code (HGB) using the average market interest rate for the past 7 years published by the Deutsche Bundesbank.

The **liabilities** are stated at the settlement amount.

The deferred income item includes income before the balance sheet date to the extent that it represents income for a certain period thereafter.

6. Deferred taxes

Deferred taxes in accordance with Section 274 of the German Commercial Code (HGB) from different valuations in the commercial and tax balance sheets at the level of the individual financial statements included are essentially based on differences in the recognition and valuation of the balance sheet items fixed assets, provisions for pensions and similar obligations and other provisions. In application of the right to choose in accordance with Section 274 Paragraph 1 Sentence 2 HGB i. In accordance with Section 298 and Section 300 Paragraph 2 of the German Commercial Code (HGB), the so-called surplus of deferred taxes was not recognized. The calculation was based on a tax rate of 12.559% (previous year: 12.302%).

The differences result from the following items:

scroll ↔

	HGB value TEUR	Tax balance sheet value TEUR	Difference TEUR	Deferred tax assets EUR thousand	Deferred tax liabilities EUR thousand	Change compared to the previous year EUR thousand
balance sheet items						
Valuation differences on fixed assets	503	1,074	-571	64	0	0
Valuation differences on trade receivables	914	0	914	0	-101	-142
Liability difference	0	0	0	0	0	-714
Provision for impending losses for possible repayment obligations for investment grants received	7,458	21	7,437	818	0	-14
Pension provisions	2,059	1,046	1,013	237	0	+4
Provisions for restoration obligations	712	537	175	52	0	+18
				1,171	-101	-848

IV. Explanations to the balance sheet

1. Fixed assets

The development of the individual items of fixed assets can be seen in the statement of fixed assets attached as an appendix to the notes to the consolidated financial statements, including the acquisition and production costs as well as depreciation.

The capitalized development services are subject to the distribution ban in accordance with Section 268 Paragraph 8 of the German Commercial Code (HGB). No development services were capitalized in the financial year. Total research and development expenses amounted to €13.9 million in the financial year.

2. Receivables and other assets

As in the previous year, the receivables from non-consolidated affiliated companies (€911 thousand; previous year: €328 thousand) result primarily from contract research and relate to the shareholder.

The other assets essentially relate to input tax refund claims (€1,051 thousand).

As in the previous year, all receivables have a remaining term of up to one year.

3. Equity

The consolidated annual surplus from the previous year was carried forward and offset against the loss carried forward.

The equity developed as follows:

scroll ↔

	December 31, 2020 €	Change €	December 31, 2021 €
Subscribed capital	25,100.00	0	25,100.00
Capital reserves	64,212,276.93	0	64,212,276.93
Loss carryforward	-42,143,954.09	3,166,511.06	-38,977,443.03
Annual surplus/annual deficit	3,166,511.06	-5,602,318.67	-2,435,807.61
Currency conversion difference	-937,737.47	-732,855.90	-1,670,593.37
	24,322,196.43	-3,168,663.51	21,153,532.92

4. Passive difference

The liability difference from the capital consolidation of €31,896 thousand takes into account the loss expectations at AVANCIS Korea Inc. (formerly Hyundai-AVANCIS Co. Ltd.) contained in the purchase price of AVANCIS Korea Inc..

Due to the shutdown of production since April 2013, significant investments are required to restart production and the general overhaul of the machines, and start-up losses are forecast for the financial years from 2018 to 2021.

In the 2018 financial year, the liability difference was released to income as planned in the amount of €5,442 thousand, in 2019 in the amount of €18,207 thousand and in 2020 in the amount of €5,854 thousand. The remaining liability difference of €2,393 thousand was released in the 2021 financial year in line with original expectations.

5. Provisions

The provisions include pension provisions (€2,169 thousand, previous year: €1,837 thousand), tax provisions (€503 thousand, previous year: €869 thousand) and other provisions (€12,642 thousand, previous year: €11,229 thousand). The other provisions essentially result from impending repayment obligations for subsidies (€7,812 thousand), provisions for outstanding invoices (€1,314 thousand), vacation and bonus payments (€606 thousand), dismantling obligations (€712 thousand), and the expected costs for professional association contributions (€160 thousand), flat-rate warranty claims (€1,932 thousand) and closing and audit costs (€106 thousand).

6. Liabilities

The liabilities recognized (€46,550 thousand) have a term, with the exception of the liabilities to the shareholder (shown under liabilities to non-consolidated affiliated companies) in the amount of €6.3 million (previous year: €6.3 million). under a year. The liabilities with a term of more than 1 year in the amount of €6.3 million are secured by liens on fixed assets. As in the previous year, there are no liabilities with a remaining term of more than 5 years.

Liabilities to non-consolidated affiliated companies (€33,288 thousand) result from advance payments received of €1.6 million, trade payables of €1.4 million and currency fluctuations of €0.7 million. In addition, there are liabilities to the shareholder from loans amounting to €29.6 million. Liabilities to the shareholder amount to €33.3 million (previous year: €19.6 million). The shareholder has declared subordination in the amount of the loan liabilities.

Explanations to the profit and loss statement

The sales revenue relates to €1.7 million from module sales, €34.7 million to income from the shareholder from contract research and industrialization, €1.1 million to income from affiliated companies from project management (for the construction of additional solar module factories) and with €28 thousand other sales revenue.

A total of €52,000 was generated from module sales with third countries, €360,000 with the Community territory (excluding Germany) and €1,283,000 with Germany.

Other operating income includes income from other periods of €258 thousand, of which €182 thousand relates to the reversal of provisions. It also includes income from currency translation of €19 thousand (previous year: €102 thousand) and €41 thousand from benefits in kind for the provision of vehicles. Furthermore, shareholder contributions amounting to €6.7 million were received in the 2021 financial year. In addition, the passive difference of €2.4 million was released as planned based on AVANCIS Korea's original loss expectations.

The other operating expenses include €162,000 in expenses relating to other periods, of which €30,000 relates to the additional payment of rental and additional costs for external storage, €33,000 to legal and consulting costs, €7,000 to insurance, €10,000 to travel expenses, €4,000 Material and €52 thousand are attributable to losses from the disposal of assets as well as other expenses relating to other periods amounting to €26 thousand. Currency translation expenses include expenses amounting to €96 thousand (previous year: €8 thousand). The other operating expenses of €69 thousand are essentially attributable to the addition of the dismantling obligation at the Munich location.

In the past financial year, expenses of an exceptional magnitude or significance amounting to €8.1 million were incurred. The extraordinary expenses result in the amount of €6.4 million from the devaluation of unfinished and finished products at the lower fair value (item "Cost of materials - expenses for raw materials, supplies and supplies" in the amount of EUR 6,441 thousand") and in the amount of €1 €8 million from the creation of warranty provisions ("other operating expenses" item).

Of the interest expenses (€1.4 million), €27 thousand relate to expenses from compounding long-term provisions (previous year: €77 thousand), while €1.2 million (previous year: €479 thousand) relate to interest expenses Business relationships with the shareholder result.

V. Other information

1. Contingent liabilities from off-balance sheet liabilities in accordance with Section 251 of the German Commercial Code (HGB) and other financial obligations

In addition to the liabilities listed in the balance sheet, there are obligations from the order commitment of €4.1 million and other financial obligations of €2.1 million.

2. Cash flow statement

The cash flow statement (see Appendix 1.3) was prepared in accordance with DRS 21. The cash flow from ongoing business activities was determined using the indirect method. The non-cash income essentially relates to the reversal of the negative difference.

The financial resources fund consists of cash and, if available, sight deposits with credit institutions due on demand.

CAPEX grants from the shareholder as part of the R&D contracts are reported in cash flow from operating activities. Loans from the shareholder are reported in cash flow from financing activities.

3. Auditor's fee

The auditor's total fee for the financial year is:

scroll ↔

a) for final audit services	€86 thousand
b) for other confirmation services	€33 thousand
c) for other tax advisory services	74 thousand euros

4. Workforce

On average, the group employed 304 people in the 2021 financial year, of which 151 were salaried employees and 153 were commercial employees.

5. Composition of the organs, expenses for organs

The company's managing directors in the financial year were:

scroll ↔

- Mr. Helmut Frankenberger (Chief Executive Officer AVANCIS)
- Mr. Oliver Just (Chief Financial Officer AVANCIS) until July 31, 2022

The protective clause in accordance with Section 314 Paragraph 1 No. 6 HGB and Section 314 Paragraph 3 HGB in conjunction with Section 286 Paragraph 4 HGB is used to indicate the managing director's remuneration.

6. Consolidated financial statements

The AVANCIS Group, Torgau, belongs to the Chinese building materials and glass group China National Building Materials Group Corporation, Beijing (China) through its shareholder, the (CNBM) Bengbu Design & Research Institute for Glass Industry Co. Ltd., Bengbu (China).

The consolidated financial statements (largest circle) can be viewed at the company's headquarters. The consolidated financial statements (smallest circle) are prepared by AVANCIS GmbH, Torgau, and published in the Federal Gazette.

7. Events after the balance sheet date

Special circumstances affecting the general economic situation have arisen due to the restrictions in place in the wake of the COVID-19 pandemic. As in the past financial year, the effects on society continue to depend on the type and duration of the restrictions. From today's perspective, no significant negative influences caused by COVID-19 are expected on the 2022 financial year.

Further special circumstances arose at the beginning of 2022 from the escalating circumstances surrounding the situation in Ukraine and Russia and the associated sanctions and influences on the global economy. The impact this has on society also depends on the type and duration as well as the areas affected by the restrictions. Delayed supply chains and minor shifts in performance are possible for the 2022 financial year, but from today's perspective no significant negative influences are foreseeable.

Otherwise, there are no other events of particular importance in the period between the reporting date and the preparation of the annual financial statements. S.d. § 285 No. 33 HGB occurred.

8. Proposal for the use of results

The management of the parent company proposes to carry forward the annual surplus of AVANCIS GmbH to the new account.

9. Transactions with related parties

There were no transactions with related companies and persons at non-standard market conditions in the financial year.

Torgau, December 20, 2022

AVANCIS GmbH Helmut Frankengerger

Development of fixed assets in the 2021 financial year

scroll ↔

	1.1.2021 EUR	Additions EUR	Rebookings EUR	Departures EUR	Currency differences EUR	12/31/2021 EUR
Acquisition and production costs						
I. Intangible assets						
1. Self-created intangible assets	726,831.41	0.00	0.00	726,831.41	0.00	0.00
2. Software purchased for a fee	3,629,753.26	105,702.11	46,635.62	0.00	-3,005.75	3,779,085.24
	4,356,584.67	105,702.11	46,635.62	726,831.41	-3,005.75	3,779,085.24
II. Tangible assets						
1. Buildings, including buildings on third-party land	40,509,063.71	15,327.20	0.00	0.00	-691,494.62	39,832,896.29
2. Technical systems and machines	170,262,753.30	6,313,025.43	8,081,621.78	158,686.57	-30,147.82	184,468,566.12
3. Other facilities, operating and office equipment	5,637,618.81	324,391.56	51,454.63	8,584.73	-5,095.88	5,999,784.39
4. Advance payments made and assets under construction	108,283,051.79	2,639,271.41	-8,179,712.03	215,600.00	-1,420,919.01	101,106,092.16
	324,692,487.61	9,292,015.60	-46,635.62	382,871.30	-2,147,657.33	331,407,338.96
III. Financial investments						
Shares in not consolidated associated						
Pursue	65,161.01	0.00	0.00	0.00	0.00	65,161.01
	329,114,233.29	9,397,717.71	0.00	1,109,702.71	-2,150,663.08	335,251,585.21

scroll ↔

	1.1.2021 EUR	Depreciation of the financial year EUR	Departures EUR	Currency differences EUR	12/31/2021 EUR
Accumulated depreciation					
I. Intangible assets					
1. Self-created intangible assets	726,831.41	0.00	726,831.41	0.00	0.00
2. Software purchased for a fee	3,207,184.68	159,585.44	0.00	-1,120.26	3,365,649.86
	3,934,016.09	159,585.44	726,831.41	-1,120.26	3,365,649.86
II. Tangible assets					

	Accumulated depreciation				
	1.1.2021 EUR	Depreciation of the financial year EUR	Departures EUR	Currency differences EUR	12/31/2021 EUR
1. Buildings, including buildings on third-party land	19,149,484.08	675,330.53	0.00	-11,052.02	19,813,762.59
2. Technical systems and machines	160,793,588.58	2,407,591.32	158,686.57	-29,011.40	163,013,481.93
3. Other facilities, operating and office equipment	4,585,019.73	346,587.79	8,584.73	-2,758.32	4,920,264.47
4. Advance payments made and assets under construction	89,216,603.11	0.00	0.00	-1,285,910.13	87,930,692.98
	273,744,695.50	3,429,509.64	167,271.30	-1,328,731.87	275,678,201.97
III. Financial investments					
Shares in unconsolidated affiliates	0.00	0.00	0.00	0.00	0.00
	277,678,711.59	3,589,095.08	894,102.71	-1,329,852.13	279,043,851.83

scroll ↔

	Book values	
	12/31/2021 EUR	12/31/2020 EUR
I. Intangible assets		
1. Self-created intangible assets	0.00	0.00
2. Software purchased for a fee	413.435,38	422.568,58
	413.435,38	422.568,58
II. Sachanlagen		
1. Bauten einschließlich der Bauten auf fremden Grundstücken	20.019.133,70	21.359.579,63
2. Technische Anlagen und Maschinen	21.455.084,19	9.469.164,72
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	1.079.519,92	1.052.599,08
4. Geleistete Anzahlungen und Anlagen im Bau	13.175.399,18	19.066.448,68
	55.729.136,99	50.947.792,11
III. Finanzanlagen		
Anteile an nicht konsolidierten verbundenen Unternehmen	65.161,01	65.161,01
	56.207.733,38	51.435.521,70

Bestätigungsvermerk des unabhängigen Abschlussprüfers

An die AVANCIS GmbH, Torgau

Prüfungsurteile

Wir haben den Konzernabschluss der AVANCIS GmbH, Torgau, und ihrer Tochtergesellschaften (der Konzern) - bestehend aus der Konzernbilanz zum 31. Dezember 2021, der Konzern-Gewinn- und Verlustrechnung, dem Konzerneigenkapitalspiegel und der Konzernkapitalflussrechnung für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2021 sowie dem Konzernanhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden - geprüft. Darüber hinaus haben wir den Konzernlagebericht der AVANCIS GmbH für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2021 geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

scroll ↔

- entspricht der beigefügte Konzernabschluss in allen wesentlichen Belangen den deutschen handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage des Konzerns zum 31. Dezember 2021 sowie seiner Ertragslage für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2021 und
- vermittelt der beigefügte Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns. In allen wesentlichen Belangen steht dieser Konzernlagebericht in Einklang mit dem Konzernabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Konzernabschlusses und des Konzernlageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Konzernabschlusses und des Konzernlageberichts in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von den Konzernunternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht zu dienen.

Wesentliche Unsicherheit im Zusammenhang mit der Fortführung der Unternehmenstätigkeit

Wir verweisen auf die Angabe unter „I. Allgemeine Erläuterungen“ im Konzernanhang sowie die Angaben in Abschnitt „C. Prognose-, Chancen- und Risikobericht“ im Unterabschnitt „Finanzielle Risiken“ des Konzernlageberichts, in denen die gesetzlichen Vertreter beschreiben, dass ausweislich der Liquiditätsplanung für die Geschäftsjahre 2022 und 2023 für die weitere Entwicklungsleistung Liquidität benötigt wird, die durch die R&D-Service-Transferverträge VI und VII mit der Konzernmutter und durch weitere Darlehensaufnahmen bei der Industrial and Commercial Bank of China (ICBC) und dem Gesellschafter finanziert werden soll. Entsprechende gemeinsame Projekte sind bereits in Planung und teilweise bereits kontrahiert bzw. sollen zeitnah mit dem Gesellschafter vertraglich fixiert werden. Die Tochtergesellschaft AVANCIS Korea benötigt ausweislich der Liquiditätsplanung zur Instandsetzung des Standortes bis 2023 ebenfalls Liquiditätszuflüsse, die durch den Gesellschafter der AVANCIS-Gruppe in Form von Darlehen bereitgestellt werden sollen. Sofern die finanzielle Unterstützung nicht gewährt wird, besteht für die Fortführung der Unternehmenstätigkeit der AVANCIS-Gruppe eine wesentliche Unsicherheit. Im Dezember 2022 hat der Gesellschafter demgemäß seine Patronatserklärung erneuert und sich verpflichtet, AVANCIS so mit finanziellen Mitteln auszustatten, dass AVANCIS jederzeit ihren finanziellen Verpflichtungen nachkommen kann. Die Patronatserklärung ist zeitlich bis zum 30. September 2024 befristet. Wie in den Angaben unter „I. Allgemeine Erläuterungen“ im Anhang und Abschnitt „C. Prognose-, Chancen- und Risikobericht“ im Unterabschnitt „Finanzielle Risiken“ des Konzernlageberichts dargelegt, deuten diese Ereignisse und Gegebenheiten auf das Bestehen einer wesentlichen Unsicherheit hin, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen kann und die ein bestandsgefährdendes Risiko im Sinne des § 322 Abs. 2 Satz 3 HGB darstellt. Unsere Prüfungsurteile sind bezüglich dieses Sachverhalts nicht modifiziert.

Verantwortung der gesetzlichen Vertreter für den Konzernabschluss und den Konzernlagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses, der den deutschen handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Konzernabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des Konzernlageberichts, der insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines Konzernlageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen, und um ausreichende geeignete Nachweise für die Aussagen im Konzernlagebericht erbringen zu können.

Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist, und ob der Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Konzernabschlusses und Konzernlageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

scroll ↔

- identifizieren und beurteilen wir die Risiken wesentlicher - beabsichtigter oder unbeabsichtigter - falscher Darstellungen im Konzernabschluss und im Konzernlagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Konzernlageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im Konzernlagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Konzernabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.
- holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.
- beurteilen wir den Einklang des Konzernlageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.
- We carry out audit procedures on the future-oriented information presented by the legal representatives in the group management report. On the basis of sufficient, appropriate audit evidence, we particularly evaluate the significant assumptions on which the legal representatives base the future-oriented information and assess the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the forward-looking information or the underlying assumptions. There is a significant, unavoidable risk that future events may differ materially from those contained in the forward-looking statements.

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

Leipzig, December 20, 2022

KPMG AG
auditing company
Electricity, auditor
Reßler, auditor
