

HSG SYDOW & Partner
Steuerberater Rechtsanwälte

Hindenburgstraße 28/29
30175 Hannover

JAHRESABSCHLUSS

zum 31. Dezember 2018

Fürstenberg Capital II. GmbH
Stiller Gesellschafter

Meinbrexener Straße 2

37699 Fürstenberg

Finanzamt: Holzminden

Steuer-Nr: 31/203/07817

BILANZ zum 31. Dezember 2018

Fürstenberg Capital II. GmbH Stiller Gesellschafter, Fürstenberg

AKTIVA

| | Geschäftsjahr EUR | 31.12.2017 EUR |
|--|----------------------|-------------------|
| A. Anlagevermögen | | |
| I. Sachanlagen | | |
| 1. andere Anlagen, Betriebs- und Geschäftsausstattung | 1.553,00 | 1.140,74 |
| II. Finanzanlagen | | |
| 1. sonstige Ausleihungen | 289.590.000,00 | 289.590.000,00 |
| B. Umlaufvermögen | | |
| I. Forderungen und sonstige Vermögensgegenstände | | |
| 1. sonstige Vermögensgegenstände | 5.065.625,90 | 617.000,00 |
| II. Kassenbestand, Bundesbank- guthaben, Guthaben bei Kreditinstituten und Schecks | 1.803.435,56 | 1.565.398,85 |
| C. Rechnungsabgrenzungsposten | 2.528,99 | 2.290,78 |
| | <hr/> | <hr/> |
| | 296.463.143,45 | 291.775.830,37 |
| | <hr/> | <hr/> |

BILANZ zum 31. Dezember 2018

Fürstenberg Capital II. GmbH Stiller Gesellschafter, Fürstenberg

PASSIVA

| | EUR | Geschäftsjahr EUR | 31.12.2017 EUR |
|---|------------------|----------------------|-------------------|
| A. Eigenkapital | | | |
| I. Gezeichnetes Kapital | | 25.000,00 | 25.000,00 |
| II. Gewinnvortrag | | 2.124.924,17 | 2.302.319,90 |
| III. Jahresüberschuss | | 65.784,85 | 176.690,77- |
| B. Rückstellungen | | | |
| 1. Steuerrückstellungen | 1.442,00 | | 0,00 |
| 2. sonstige Rückstellungen | <u>32.232,50</u> | | <u>33.256,00</u> |
| | | 33.674,50 | 33.256,00 |
| C. Verbindlichkeiten | | | |
| 1. Anleihen | 289.590.000,00 | | 289.590.000,00 |
| - davon mit einer Restlaufzeit von mehr als einem Jahr EUR 289.590.000,00 (EUR 289.590.000,00) | | | |
| 2. Verbindlichkeiten gegenüber Kreditinstituten | 4.613.876,80 | | 0,00 |
| - davon mit einer Restlaufzeit bis zu einem Jahr EUR 4.613.876,80 (EUR 0,00) | | | |
| 3. Verbindlichkeiten aus Lieferungen und Leistungen | 7.845,47 | | 595,00 |
| - davon mit einer Restlaufzeit bis zu einem Jahr EUR 7.845,47 (EUR 595,00) | | | |
| 4. sonstige Verbindlichkeiten | <u>2.037,66</u> | | <u>1.350,24</u> |
| - davon aus Steuern EUR 709,54 (EUR 582,45) | | 294.213.759,93 | 289.591.945,24 |
| - davon mit einer Restlaufzeit bis zu einem Jahr EUR 2.037,66 (EUR 1.350,24) | | | |
| | | <hr/> | <hr/> |
| | | 296.463.143,45 | 291.775.830,37 |
| | | <hr/> <hr/> | <hr/> <hr/> |

GEWINN- UND VERLUSTRECHNUNG vom 01.01.2018 bis 31.12.2018

Fürstenberg Capital II. GmbH Stiller Gesellschafter, Fürstenberg

| | | Geschäftsjahr | 01.01.2017 - 31.12.2017 |
|--|-----------------|---------------|----------------------------|
| | EUR | EUR | EUR |
| 1. sonstige betriebliche Erträge | | | |
| a) Erträge aus der Auflösung von Rückstellungen | 1.190,00 | | 2.110,48 |
| b) übrige sonstige betriebliche Erträge | <u>5.874,00</u> | | <u>3.260,00</u> |
| | | 7.064,00 | 5.370,48 |
| 2. Personalaufwand | | | |
| a) Löhne und Gehälter | 15.207,12 | | 15.207,12 |
| b) soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung | <u>2.056,31</u> | | <u>2.074,04</u> |
| | | 17.263,43 | 17.281,16 |
| 3. Abschreibungen | | | |
| a) auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen | | 453,62 | 503,27 |
| 4. sonstige betriebliche Aufwendungen | | | |
| a) Raumkosten | 1.190,00 | | 1.190,00 |
| b) Versicherungen, Beiträge und Abgaben | 22.382,60 | | 11.675,01 |
| c) verschiedene betriebliche Kosten | 54.652,10 | | 70.841,22 |
| d) Verluste aus dem Abgang von Gegenständen des Anlagevermögens | <u>0,00</u> | | <u>240,00</u> |
| | | 78.224,70 | 83.946,23 |
| 5. auf Grund einer Gewinn- gemeinschaft, eines Gewinnabführungs- oder Teilgewinnabführungsvertrags erhaltene Gewinne | | 17.230.605,00 | 0,00 |
| 6. Zinsen und ähnliche Aufwendungen | | 16.358.742,23 | 80.330,59 |
| | | <hr/> | <hr/> |
| Übertrag | | 782.985,02 | 176.690,77- |

GEWINN- UND VERLUSTRECHNUNG vom 01.01.2018 bis 31.12.2018

Fürstenberg Capital II. GmbH Stiller Gesellschafter, Fürstenberg

| | | Geschäftsjahr | 01.01.2017 - 31.12.2017 |
|--|-----|-------------------------|----------------------------|
| | EUR | EUR | EUR |
| Übertrag | | 782.985,02 | 176.690,77- |
| 7. Steuern vom Einkommen und vom Ertrag | | <u>717.200,17</u> | <u>0,00</u> |
| 8. Ergebnis nach Steuern | | <u>65.784,85</u> | <u>176.690,77-</u> |
| 9. Jahresüberschuss | | <u><u>65.784,85</u></u> | <u><u>176.690,77-</u></u> |

Management Report for the annual report December, 31st 2018

1. Business and general conditions

The Company was founded on May 4, 2005 and entered in the Commercial Register on May 13, 2005.

The business activity consists in participating as a silent partner in the trading company of Norddeutsche Landesbank -Girozentrale- (NORD/LB), in refinancing the equity investment by the issuance of capital notes and in pre-financing the expected refund of capital gains tax by taking out loans. Due to the firmly concluded contracts, this is a limited business activity which can be planned and which is of little complexity and without any operative business. The assets mainly consist of the dormant contribution which was refinanced by the issuance of capital notes (shareholder's equity and liabilities).

The management uses the annual financial statements prepared in accordance with commercial law as key performance indicator.

2. Results of operations/financial position/net assets

The company generated an income from a partial transfer agreement (dormant equity investment) in financial year 2018 of TEUR 17,230.

The payments of interests on the capital notes are TEUR 16,289.

The result considering the other expenses and income is a net income for the year 2018 in the amount of TEUR 65.

Shareholder's equity amounts to TEUR 2,215TEUR. The balance sheet total is TEUR 296,463. The dormant equity investment amounts to TEUR 289,590 which compares to correspondent capital notes in the same amount.

The Company was solvent at all times in 2018.

3. Statements on the accounting-related internal control system

It is ensured that the bookkeeping data are processed correctly, as the tax advisor's office which prepares the annual financial statements observes a "four eyes principle". The Management of the Company was able to satisfy itself thereof on a sample basis. The management is informed about the financial position of the Company every month by remittance of the business analysis reports. Only the managing director has account authorization.

4. Risk and opportunity report

Income from the partial profit transfer agreement (dormant equity investment) depends on the commercial result of NORD/LB; however, this risk is compensated for by the fact that the obligations from the capital notes exist only if the equity investment is serviced.

The margin between income from the investment and the interests on capital notes is for coverage the company's current expenses.

This risk is completely covered by the present company's financial resources.

Due to the results of multi-period cash flow planning and due also to the fact that no investment or procurement projects or workplace changes have been planned or are required, the management's assumption is a risk-free continuation of the Company as a going concern.

As a result, it has to be noted that no risks are currently identifiable which would sustainably or significantly impair the net assets, financial position and results of operations of the Company.

5. Outlook

Due to the contractual arrangement of both the dormant contribution and the issued capital notes, the main amounts of income and expenses for all future years are fixed.

The NORD/LB's financial year 2018 has ended with an annual deficit.

Therefore the management of the company is expecting no reimbursement according to the contract of dormant equity investment and a net loss in the financial year 2019.

Fürstenberg, April 24, 2019

Sgd., Dr. Heinrich Hahn, Managing Director

Notes to the Financial Statement 2018

I. General Information

1. Legal Background, Economic Background, Tax Situation

| | |
|-----------------------|--|
| Company Name | Fürstenberg Capital II GmbH |
| Registered Office | Fürstenberg/Weser |
| Commercial Register | HR B, No. 110956 at the Hildesheim Local Court |
| Shareholder agreement | Version dated May 11, 2015 |
| Financial year | Calendar year |
| Subscribed capital | € 25,000.00- fully paid up |

2. Accounting and Valuation Methods

By issuing the capital notes, Fürstenberg Capital II GmbH makes use of the organized market within the meaning of Section 2 (5) of the German Securities Trading Act [Wertpapierhandelsgesetz – WpHG]. It is therefore deemed to be a large corporation in accordance with Section 267 (3) Clause 2 HGB [Handelsgesetzbuch – German Commercial Code].

The corporation applies the provisions for large corporations set forth in Section 264 et seqq. HGB with respect to the classification of the balance sheet and the income statement.

As regards accounting and valuation, the Company adheres to the provisions set forth in Section 242 et seqq. HGB as well as the provisions applicable to large corporations set forth in Section 264 et seqq. HGB in the version amended by the German Accounting Directive Implementation Act (BilRUG) and the supplementary provisions of the German Limited Liability Companies Act [GmbHG].

The income statement has been prepared in accordance with the type-of-expenditure format set forth in Section 275 (2) HGB.

The applicable valuation provisions of commercial law were observed, with due consideration being given to the continuation of the Company as a going concern.

The **dormant equity investment** is valued at acquisition cost as there was no anticipated permanent impairment.

Because of the terms of emission of the capital notes there is an inner connection between the dormant equity investment and the capital notes.

There is no claim of interests if the company gets no returns from the dormant equity investment. From this the dormant equity investment and the capital notes are summed up as a valuation unit according to Section 254 HGB. In this case the “freezing-method” is applied. While setting up valuation unit the risk of the loss of the dormant equity investment amounting to 289,590 TEUR is completely secured. Because of the terms of the contracts in the long run the creditors of the capital notes have no right of repayment before the company gets her repayment of the dormant equity investment.

While setting up the valuation unit it was examined and found out that as the result the parameters of the base object and the safeguard object are completely balanced with regard to the future cash flow.

Therefore depreciation because of decrease of value of the dormant equity investment was not necessary.

Receivables and other assets are valued at normal values.

Bank balances were measured at the nominal amount.

Pursuant to Section 250 (1) HGB, **prepaid expenses and deferred charges** include expenses incurred before the balance sheet date which represent expenditure for a certain period after that date and which were deferred.

Provisions are valued at the settlement amount determined in accordance with reasonable commercial assessment. In that process, all identifiable risks are taken into account.

The **liabilities** have been valued at their settlement amount.

The amounts shown in the notes are rounded

II. Notes to the Balance Sheet

The items combined in the balance sheet are commented on separately below.

1. Fixed assets

The book value of the fixed assets of Fürstenberg Capital II GmbH (TEUR 289,591.6; prior year: TEUR 289,591.1) comprises financial assets (TEUR 289,590.0; prior year: TEUR 289,590.0) as well as operating and office equipment (TEUR 1.6; prior year: TEUR 1.1).

Under **financial assets** (TEUR 289,590.0; prior year: TEUR 289,590.0), a typical dormant equity investment in the trading company of Norddeutsche Landesbank Girozentrale, Hanover, Braunschweig and Magdeburg (Nord/LB), is recognized as other loans.

The movements in the individual fixed asset items including write-down charged during the financial year are shown in the fixed-asset movement schedule:

Fixed-Asset Movement Schedule as of 12/31/2018

Fürstenberg Capital II GmbH
Fürstenberg

A. Fixed assets

| | Acquisition/ production cost | | | | Depreciation | | | | Book Value | |
|--|------------------------------|-----------|-----------|----------------|--------------|-----------|-----------|------------|----------------|----------------|
| | 01.01.2018 | Additions | Disposals | 31.12.2018 | 01.01.2018 | Additions | Disposals | 31.12.2018 | 31.12.2018 | 31.12.2017 |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| I. Tangible assets | | | | | | | | | | |
| 1. Other equipment, operating and office equipment | 1,284.01 | 865.88 | 0.00 | 2,149.89 | 143.27 | 453.62 | 0.00 | 596.89 | 1,553.00 | 1,140.74 |
| Tangible assets | 1,284.01 | 865.88 | 0.00 | 2,149.89 | 143.27 | 453.62 | 0.00 | 596.89 | 1,553.00 | 1,140.74 |
| II. Financial assets | | | | | | | | | | |
| 1. other loans | 289,590,000.00 | 0.00 | 0.00 | 289,590,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 289,590,000.00 | 289,590,000.00 |
| Financial assets | 289,590,000.00 | 0.00 | 0.00 | 289,590,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 289,590,000.00 | 289,590,000.00 |
| | | | | | | | | | | |
| Total fixed assets | 289,591,284.01 | 865.88 | 0.00 | 289,592,149.89 | 143.27 | 453.62 | 0.00 | 596.89 | 289,591,553.00 | 289,591,140.74 |

2. Current assets

The **current assets** of Fürstenberg Capital II GmbH (TEUR 6,869.0; prior year: TEUR 2,182.4) are composed of receivables and **other assets** (TEUR 5,065.6; prior year: TEUR 617.0) and **bank balances** (TEUR 1,803.4; prior year: TEUR 1,565.4).

Under **other assets** (TEUR 5,065.6; prior year: TEUR 617.0), receivables from tax refund claims are shown.

Prepaid expenses and deferred charges (TEUR 2.5; prior year: TEUR 2.3) include deferred fiduciary expenses.

3. Shareholders' equity

The shareholders' equity of Fürstenberg Capital II GmbH (TEUR 2,215.7; prior year: TEUR 2,150.6) is composed of the subscribed capital (TEUR 25.0; prior year: TEUR 25.0), the unappropriated retained earnings brought forward (TEUR 2,124.9; prior year: TEUR 2,302.3) and the net income for the year (TEUR 65.8; prior year: net loss of TEUR 176.7).

The **subscribed capital** (TEUR 25.0; prior year: TEUR 25.0) consists of an initial contribution.

4. Provisions

Provisions relate to the other provisions (TEUR 33.7; prior year: TEUR 33.3).

The **other provisions** (TEUR 32.2; prior year: TEUR 33.2) refer to financial and audit costs (TEUR 30.9; prior year: TEUR 32.1).

5. Liabilities

The liabilities of Fürstenberg Capital II GmbH are shown in the schedule of liabilities.

| Type of liability | Total amount | Thereof with a residual term of | | |
|---------------------------|--------------------------------------|---------------------------------|--------------|--------------------------------------|
| | | less than 1 year | 1 to 5 years | more than 5 years |
| | TEUR | TEUR | TEUR | TEUR |
| Bonds | 289,590.0 (prior year: 289,590.0) | 0.0 | 0.0 | 289,590.0 (prior year: 289,590.0) |
| Trade payables | 7.9 (prior year: 0.6) | 7.9 (prior year: 0.6) | 0.0 | 0.0 |
| Bank loans and overdrafts | 4,613.9 (prior year: 0.0) | 4,613.9 (prior year: 0.0) | 0.0 | 0.0 |
| Other liabilities | 2.0 (prior year: 1.3) | 2.0 (prior year: 1.3) | 0.0 | 0.0 |
| Total | 294,213.8 (prior year: 289,591.9) | 4,623.8 (prior year: 1.9) | 0.0 | 289,590.0 (prior year: 289,590.0) |

Bonds (TEUR 289,590.0; prior year: TEUR 289,590.0) refer to the repayment obligation of Fürstenberg Capital II GmbH to the creditors of issue. They are secured by the assignment of the payment claims from the dormant investment contract with Norddeutsche Landesbank.

Trade payables (TEUR 7.9; prior year: TEUR 0.6), are accounted for by rental payments still due.

Bank loans and overdrafts (TEUR 4,613.9; prior year: TEUR 0.0) refer to a loan in the amount of (TEUR 4,544.6; prior year: TEUR 0.0) and the related proportionate amount of interest (TEUR 69.3; prior year: TEUR 0.0).

Liabilities towards the tax office (TEUR 0.7; prior year: TEUR 0.6) and liabilities towards the tax adviser (TEUR 0.8; prior year: TEUR 0.8) are shown as **other liabilities** (TEUR 2.0; prior year: TEUR 1.3). There were no payroll liabilities.

6. Other financial obligations

Fürstenberg Capital II GmbH has rented an office room in Fürstenberg since April 1, 2005. The rental agreement runs for an indefinite period. The monthly gross rent amounts to EUR 99.17 including heating and additional expenses.

III. Notes to the income Statement

The type-of-expenditure format is applied to the income statement.

1. Other operating income

Other operating income (TEUR 7.1; prior year: TEUR 5.4) of Fürstenberg Capital II GmbH is mainly the result of the reversal of contributions (TEUR 1.2; prior year: TEUR 2.1) and refund of costs of the Federal Office for Finance (BAFin) (TEUR 5.9; prior year: TEUR 3.3).

2. Personal expenses

Personal expenses (TEUR 17.3; prior year: TEUR 17.3) comprise the remuneration of the managing director and the salary for the staff member in marginal employment as well as the social security charges.

3. Depreciation

Depreciation of tangible assets (TEUR 0.5; prior year: TEUR 0.5) fully relates to the scheduled depreciation of operating and office equipment.

4. Other operating expenses

Other operating expenses (TEUR 78.2, prior year: TEUR 83.9) include financial statement and audit costs (TEUR 47.0; prior year: TEUR 45.9), expenses for legal and consultancy fees (TEUR 1.9; prior year: TEUR 19.5), dues (TEUR 13.2; prior year: TEUR 2.4), other charges (TEUR 9.2; prior year: TEUR 9.3), bookkeeping costs (TEUR 3.1; prior year: TEUR 3.1), rental expenses (TEUR 1.2; prior year: TEUR 1.2), other operating expenses (TEUR 2.3; prior year: TEUR 1.4), incidental costs of monetary transactions (TEUR 0.3; prior year: TEUR 0.7) and other operating supplies (TEUR 0.0; prior year: TEUR 0.2).

5. Income from a partial profit transfer agreement

Income from a partial profit transfer agreement refers to income from the dormant equity investment (TEUR 17,230.6; prior year: TEUR 0.0).

6. Interest and similar expenses

This item (TEUR 16,358.7; prior year: TEUR 80.3) includes interest expenses for the short-term loan liabilities (TEUR 69.3; prior year: TEUR 80.3) and interest expenses for long-term loan liabilities (TEUR 16,289.4; prior year: TEUR 0.0).

8. Taxes on income

This item (TEUR 717.2; prior year: TEUR 0.0) includes expenses for trade tax (TEUR 621.3; prior year: TEUR 0.0), corporation tax (TEUR 90.9; prior year: TEUR 0.0) and solidarity surcharge (TEUR 5.0; prior year: TEUR 0.0).

IV. Other disclosures

1. Auditors' fee

The fee which was recorded as net expenditure in the financial year amounts to the following for:

| | 2018 | 2017 |
|---|-----------|-----------|
| a) financial statement and audit services | 19.8 TEUR | 17.8 TEUR |
| b) other certification services | 0 | 0 |
| c) tax consulting services | 0 | 0 |
| d) other services | 0 | 0 |

2. Average number of staff employed during the financial year:

Employees

| | 2018 | 2017 |
|------------------------------|------|------|
| Managing director | 1 | 1 |
| Staff in marginal employment | 1 | 1 |
| | 2 | 2 |

At the balance sheet date, there were two staff members.

3. Establishment of an audit committee

The Company refrained from establishing an audit committee in accordance with Section 324 (1) No. 1 HGB, as the purpose of corporation tax consists exclusively in the issuance of securities within the meaning of Section 2 (1) Clause 1 WpHG which are secured by assets.

4. Appropriation of profit

The management proposes to carry the net profit for the year of TEUR 65.8 to new account.

VI. Disclosures concerning the managing director

1. Managing director

The managing team consists of the following individuals in 2018:

- Lawyer Dr. Heinrich Hahn, Hanover

2. Total remuneration of the managing director

The total remuneration of the managing director of Fürstenberg Capital II GmbH amounted to TEUR 14.4 in financial year 2018 (prior year: TEUR 14.4).

Fürstenberg, April 24, 2019

Dr. Heinrich Hahn
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Fürstenberg Capital II GmbH, Fürstenberg/Weser

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Fürstenberg Capital II GmbH, Fürstenberg/Weser which comprise the balance sheet as at December 31, 2018 and the income statement for the financial year from January 1, 2018 to December 31, 2018, the cash flow statement, the statement of changes in equity 2018 and the notes to the financial statements, including the accounting and measurement methods presented therein. In addition, we have audited the management report of Fürstenberg Capital II GmbH, Fürstenberg/Weser for the financial year from January 1 to December 31, 2018.

In our opinion, based on the findings of our audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give an true and fair view of the net assets and financial position of the Company in accordance with German principles of proper accounting as at December 31, 2018 as well as the results of operations for the financial year from January 1 to December 31, 2018 and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with the German legal requirements and suitably presents the opportunities and risks of future development.

According to § 322 Abs. 3 Satz (sentence) 1 HGB, we state that our audit has not led to any reservations with respect to the propriety or the annual financial statements and the management report.

Basis for Audit Opinions

We conducted our audit of the annual financial statements and the management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014) under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with provisions under EU law as well as German commercial law and professional requirements, and we have fulfilled our other German ethical responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 (2) f) of the EU Audit Regulation that we have not provided any prohibited non-audit services

referred to in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

We have decided, in our professional judgement, that there are no key audit matters, which have to be reported in our Auditor's Report.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements which comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. In addition management is responsible to disclose, as applicable, matters related to going concern. Furthermore management is responsible for using the going concern basis of accounting unless this conflicts with actual or legal circumstances.

Moreover, management is also responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for such policies and procedures (systems) as management determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position as well as, in all material respects, is consistent with the annual financial statements as well as the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements and this management report.

Throughout the audit we exercise professional judgement and maintain professional skepticism. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional, omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and the policies and procedures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those systems of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and the management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Company in accordance with German principles of proper accounting.
- Evaluate whether the management report is consistent with the annual financial statements, its compliance with the German legal requirements and the view it provides of the Company's position.

- Perform audit procedures on the prospective information resented by management in the management report. Based on sufficient and appropriate audit evidence, we hereby, in particular, evaluate the material assumptions used by management as a basis for the prospective information and the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events deviate significantly from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters, that may reasonably be thought to bear on our independence, and related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as auditor by the Annual General Meeting on September 13, 2018 and engaged by the management.

We have acted for the first time in the financial year 2017 as the auditor of Fürstenberg Capital II GmbH, Fürstenberg/Weser.

Responsible auditor

The auditor responsible for the audit is Dipl.-Kaufmann Ingo Dudek.

Hannover, May 03, 2019

WTR WIRTSCHAFTSTREUHAND- UND
REVISIONSGESELLSCHAFT MBH
Wirtschaftsprüfungsgesellschaft

Dipl.-Kaufmann Ingo Dudek
Wirtschaftsprüfer
(German Public Auditor)