

search result

Surname	area	information	V. date
TIRA GmbH Schalkau	Accounting/ Financial Reports	Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020	02.12.2021

TIRA Ltd

Schalkau

Annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020

Jena District Court, HRB 302424

BALANCE SHEET as of December 31, 2020**ASSETS**

	€	€	€	Previous year €
A. Fixed assets				
I. Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values		331,221.89		432,908.65
II. Tangible assets				
1. Land, land rights and buildings, including buildings on third- party land	927,407.16			1,051,497.70
2. Technical installations and machines	859,391.50			1,110,062.30
3. Other equipment, fixtures and fittings	390,457.34			431,611.87
4. Advance payments made	0.00			25,852.58
		2,177,256.00		2,619,024.45
			2,508,477.89	3,051,933.10
B. Current Assets				
I. Inventories		4,812,697.03		5,414,759.31
II. Receivables and other assets		4,894,572.83		2,961,565.81
thereof receivables from shareholders KEUR 1,655,430.58 (previous year KEUR 611)				
III. Cash on hand, bank balances and cheques		390,381.28		359,185.92
			10,097,651.14	8,735,511.04
C. Prepaid expenses			37,483.26	43,045.53
			12,643,612.29	11,830,489.67

LIABILITIES

	€	€	€	Previous year €
A. Equity				
I. Drawn capital	1,000,000.00			1,000,000.00
II. Capital Reserve	1,818,584.00			1,818,584.00
III. profit carried forward	3,666,550.38			3,666,550.38
		6,485,134.38		6,485,134.38
B. Special items with an equity portion				
Special item for special depreciation in accordance with Section 4 of the Subsidy Areas Act			46,758.46	73,110.54
C. Special item for investment grants			79,012.05	123,410.74
D. Provisions			840,898.88	941,109.94
E. Liabilities				
1. Liabilities to banks	4,472,701.46			3,049,302.49
2. Other Liabilities	719,107.06			1,158,421.58
			5,191,808.52	4,207,724.07
			12,643,612.29	11,830,489.67

PROFIT AND LOSS ACCOUNT for 2020

	€	€	Previous year €
1. Raw Score		7,045,642.87	9,355,226.18
2. Personnel expenses			
a) Wages and salaries	-4,792,846.20		-5,329,613.44
b) Social charges	-903,194.73		-955,108.83
		-5,696,040.93	-6,284,722.27
3. Depreciation of intangible assets and property, plant and equipment		-668,102.99	-639,946.48
4. Other operating expenses		-1,485,394.97	-1,851,744.17
- of which expenses from currency conversion: €17,310.72 (previous year: €7,820.47)			
5. Other interest and similar income	8,344.48		5,722.25
- thereof from affiliated companies/shareholder: €7,972.85 (previous year: €5,284.05)			
6. Interest and Similar Expenses	-103,658.55		-43,971.58
		-95,314.07	-38,249.33
7. Income taxes		0.00	-65,391.00
8. Earnings after taxes		-899,210.09	475,172.93
9. Other Taxes		-8,659.55	-8,259.00
10 Earnings before loss absorption (previous year profit transfer)		-907,869.64	466,913.93
11. Income from Loss Assumption		907,869.64	0.00
12. Profit transferred under a profit transfer agreement		0.00	-466,913.93
13. Net Income		0.00	0.00

Appendix for the 2020 financial year**I. General**

These annual financial statements were prepared in accordance with Sections 242 et seq. and Sections 264 et seq. HGB and the relevant provisions of the GmbHG. The rules for medium-sized corporations apply. These annual financial statements were prepared without any changes, taking into account the going concern principle.

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

II. Accounting and valuation methods

The following accounting and valuation methods were decisive for the preparation of the annual financial statements.

Purchased intangible assets are recognized at cost and, if they are subject to wear and tear, are amortized over their useful life (linear method).

Property, plant and equipment are stated at acquisition or production cost and, where depreciable, are reduced by scheduled depreciation. Depreciation was generally based on the straight-line depreciation method.

Property, plant and equipment are depreciated over their expected useful lives. Low-value assets with a net individual value of up to €800.00 are recorded as an expense (up to €250.00) or written off in full (€250.01 to €800.00) in the year of acquisition. Additions to property, plant and equipment are also depreciated on a pro rata basis.

In addition to the scheduled depreciation, special depreciation was carried out in accordance with Section 4 of the Promotional Area Act up to December 31, 2000. The difference between the depreciation allowed under tax law at the time and the depreciation according to § 253 HGB a. F.i. V. m. § 279 HGB a. F. permissible depreciation under commercial law in the amount of € 46,758.46 (previous year: € 73,110.54) is recognized as a special item with an equity portion and will be retained according to the transitional regulations to the BilMoG. The dissolution takes place in the amount of € 26,352.08 pa

The annual result for 2020 is influenced by the income from the reversal of the special item with an equity portion in the amount of €26,352.08 (previous year: €26,352.08). This income is offset by a (fictitious) tax burden of 31% (EUR 8,169.12), which is due to the income tax unity with TIRA Holding GmbH that has existed since January 1, 2016 at the level of the controlling company.

Inventories are stated at the lower of acquisition and production cost or current market value.

Stocks of raw materials, auxiliary materials and supplies are stated at average acquisition prices or at lower replacement costs, taking into account their usability.

Work in progress and finished goods are valued at manufacturing cost on the basis of itemized calculations based on the current operating accounts, whereby manufacturing and material overheads are capitalized in addition to the directly attributable direct material costs, production wages and special direct costs; if necessary, they are written down to the lower fair value on the balance sheet date.

Merchandise is stated at the lower of cost or market price.

All recognizable risks in inventories resulting from longer than average storage periods, reduced marketability and lower replacement costs are taken into account through appropriate devaluations.

Receivables and other assets are stated at their nominal value. All risky items are generally taken into account by creating appropriate individual value adjustments; as of December 31, 2020, as in the previous year, it was not necessary to create individual value adjustments on receivables. The general credit risk is taken into account through flat-rate deductions.

The share capital is reported at nominal value.

The other provisions take into account all contingent liabilities. They are formed in the amount of the settlement amount that is necessary according to prudent business judgement, if necessary taking into account future cost and price increases.

Assets that serve exclusively to fulfill obligations from partial retirement agreements and that are not accessible to all other creditors are valued at TIRA GmbH at fair value. Income and expenses from these assets are netted with the expenses from interest on the corresponding obligations and balance each other out completely. Furthermore, these assets are offset against the underlying obligation.

If there is a surplus of assets, this is reported as a debit difference from asset allocation. Any excess obligations are recorded under other provisions.

Liabilities are stated at the repayment amount.

Assets and liabilities denominated in foreign currencies were generally converted at the average spot exchange rate on the balance sheet date. With a remaining term of more than one year, the realization principle (section 252 (1) no. 4 half-sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) were observed.

III. Notes to the balance sheet**Capital assets**

The development of the individual items of fixed assets is shown in the statement of changes in fixed assets, including the depreciation for the financial year.

Receivables and other assets

As in the previous year, the remaining terms of receivables and other assets are all less than one year.

Equity capital

The share capital is € 1,000,000.00. The share capital is fully paid up. TIRA Holding GmbH, Schalkau, held 100% of the capital contribution on the reporting date.

Special item for investment grants

The special item for investment grants includes the investment grants approved or paid out by the Thuringian Ministry of Economics and Infrastructure. The investment grants are reversed according to the depreciation of the favored assets. In 2020, the income from the reversal amounted to €44,398.69 (previous year: €44,398.68).

Other provisions

The other provisions were formed primarily for warranty obligations, holiday entitlements, profit-sharing, Vario time accounts, commissions and costs for the annual financial statements.

The settlement amount from arrears from partial retirement obligations (EUR 170 thousand; previous year: EUR 213 thousand) is offset by assets to be offset (reinsurance policies) with a fair value (EUR 139; previous year: EUR 175 thousand) and acquisition costs in the same amount. They are offset against the underlying obligations; the resulting surplus of liabilities of €31 thousand (previous year: €38 thousand) was reported under other provisions. The resulting interest expenses of €1 thousand were offset against interest income (€1 thousand) within the financial result.

The fair value of the netted assets results from the actuarial reserve calculated at the end of the insurance period, but at least from the guaranteed surrender value.

liabilities

The remaining terms and the collateral for the liabilities are shown in detail in the schedule of liabilities (in T€).

type of liability	12/31/2020			In total
	up to 1 year	remaining term over 1 year	of which more than 5 years	
1. Liabilities to banks	2,268	2,205	300	4,473
2. Other Liabilities	719	0	0	719
from taxes	(46)	(0)	(0)	(46)
	2,987	2,205	300	5,192
type of liability	12/31/2019			In total
	up to 1 year	remaining term over 1 year	of which more than 5 years	
1. Liabilities to banks	2,268	781	1	3,049
2. Other Liabilities	1,159	0	0	1,159
from taxes	(65)	(0)	(0)	(65)
	3,427	781	1	4,208

Liabilities to banks and credit lines are secured by assets of TIRA GmbH as follows:

- Global assignment of all existing and future trade receivables
- Transfer of ownership of all raw, auxiliary and operating materials, unfinished and finished products together with their construction plans and building descriptions as well as merchandise of all kinds in the premises of the Schalkau premises, Eisfelder Straße 23 - 25, presently and in the future
- Assignment by way of security of the movable fixed assets financed in each case
- Total land charge on the property (Bachfeld and Schalkau land registers)

Furthermore, the parent company TIRA Holding GmbH is jointly liable (joined debt; guarantee) for liabilities of TIRA GmbH to banks (EUR 3,353 thousand).

All other reported liabilities are unsecured.

contingent liabilities

TIRA GmbH is jointly and severally liable for credit liabilities of its shareholder TIRA Holding GmbH (value date December 31, 2020: €945 thousand) with the following securities:

- registered land charges

A liability claim is not to be expected due to the satisfactory financial situation of TIRA Holding GmbH.

Other Financial Obligations**Rental and leasing contracts:**

The company has various leasing contracts for operating and office equipment, in particular cars. In the year under review, around €92 thousand (previous year: €99 thousand) was spent on rental and leasing installments. As a result of the non-cancellable contracts existing on the balance sheet date, the amounts to be paid in the following years are as follows:

	2020	2019
	k€	k€
2020	-	67
2021	73	33
2022	54	19
subsequent years	51	2
	178	121

Furthermore, there were other financial obligations in connection with investments in fixed assets amounting to €0 thousand (previous year: €17 thousand) as of the balance sheet date.

IV. Notes to the Profit and Loss Account

Other company income

Reportable Income i. S. of § 285 No. 31 HGB were not available.

Other operating expenses

Reportable expenses i. S. of § 285 No. 31 HGB were not available.

V. Other information**Managing directors**

Managing Director of the company:

- Mr. Daniel Trommer, Zella-Mehlis (since October 1, 2020)
- Mr. Christoph Renner, Mellrichstadt (until August 31, 2020)

Total remuneration of the management

With regard to remuneration, use is made of the protective clause in Section 286 (4) HGB.

Employee

Average number of employees during the financial year:

Wage earners	60
employee	74
	134
trainee	11
	145

Appropriation of earnings

In accordance with the profit and loss transfer agreement concluded with TIRA Holding GmbH, the loss for the 2020 financial year in the amount of €907,869.64 was assumed by the sole shareholder TIRA Holding GmbH.

Schalkau, May 28, 2021

Signed The management

Development of fixed assets as of December 31, 2020

(assets analysis)

	1/1/2020 €	Acquisition and production costs			12/31/2020 €
		additions €	departures €	transfers €	
I. Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	972,365.37	3,619.70	0.00	0.00	975,985.07
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	3,943,062.81	32,985.98	0.00	25,852.58	4,001,901.37
2. Technical installations and machines	3,515,899.01	1,112.00	-6,877.13	0.00	3,510,133.88
3. Other equipment, fixtures and fittings	1,655,837.90	87,505.77	-24,560.08	0.00	1,718,783.59
4. Advance payments made	25,852.58	0.00	0.00	-25,852.58	0.00
	9,140,652.30	121,603.75	-31,437.21	0.00	9,230,818.84
	10,113,017.67	125,223.45	-31,437.21	0.00	10,206,803.91
		Accumulated depreciation			
		1/1/2020	additions	departures	12/31/2020
		€	€	€	€
I. Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values		539,456.72	105,306.46	0.00	644,763.18
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land		2,891,565.11	182,929.10	0.00	3,074,494.21
2. Technical installations and machines		2,405,836.71	251,777.19	-6,871.52	2,650,742.38
3. Other equipment, fixtures and fittings		1,224,226.03	128,090.24	-23,990.02	1,328,326.25
4. Advance payments made		0.00	0.00	0.00	0.00
		6,521,627.85	562,796.53	-30,861.54	7,053,562.84
		7,061,084.57	668,102.99	-30,861.54	7,698,326.02
		book values			
				12/31/2020	12/31/2019
				€	€
I. Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values				331,221.89	432,908.65
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land				927,407.16	1,051,497.70
2. Technical installations and machines				859,391.50	1,110,062.30
3. Other equipment, fixtures and fittings				390,457.34	431,611.87

	book values	
	12/31/2020	12/31/2019
	€	€
4. Advance payments made	0.00	25,852.58
	2,177,256.00	2,619,024.45
	2,508,477.89	3,051,933.10

MANAGEMENT REPORT for the fiscal year from 1.1. until 31.12.2020

TIRA GmbH is a company based exclusively in Schalkau, Eisfelder Straße 23/25, which specializes in the development, production and sale of measurement and testing technology, in particular vibration testing technology, industrial balancing technology, materials testing technology and general mechanical engineering. The company has been successful with this range on the German and international market for more than 60 years. The company can position itself on the markets mentioned, e.g. T. also in special niches, hold its own internationally and is also characterized by certain unique selling points. In addition to the domestic sales market, which is important for TIRA GmbH, there are important sales markets for TIRA GmbH in other European and non-European countries.

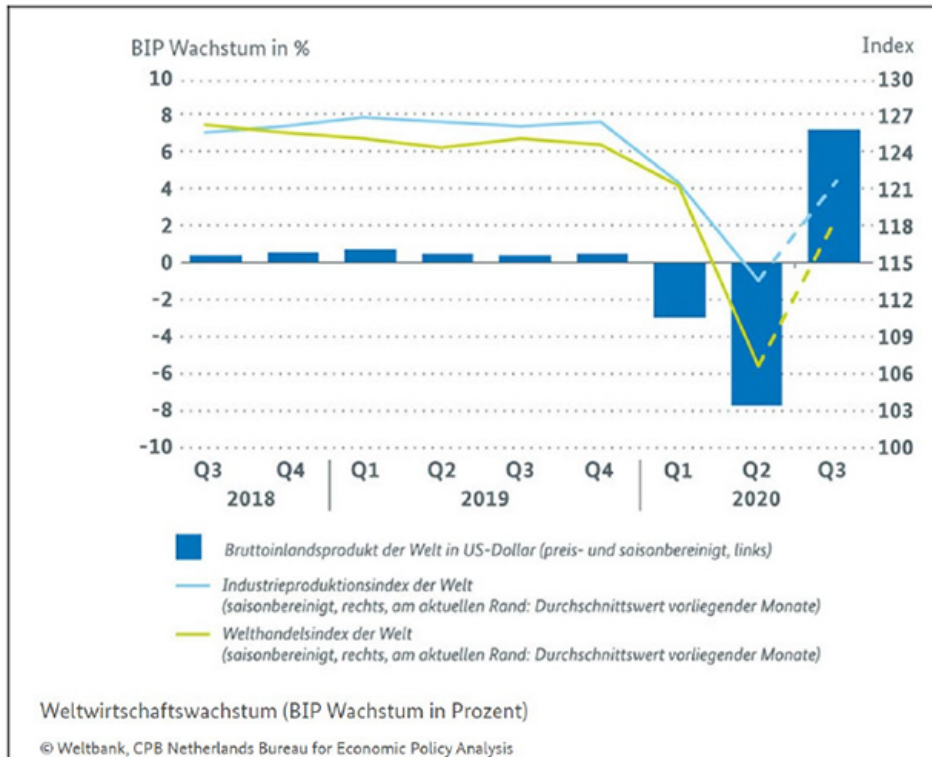
1. Macroeconomic and industry-specific conditions

Global Economic Environment

Determined by the global pandemic surrounding the SARS-2 Covid 19 virus (Corona), the volatile economic development in 2020 counteracted the forecasts and estimates of the International Monetary Fund (IMF) and the National Institute at the beginning of the second quarter of 2020. The forecasts and projections were continuously adjusted in view of the pandemic and its impact on the global economy.

The downturn of the previous years continued and, looking back at 2020, resulted in a recession of minus 3.5 percent.

After a historic slump in the second quarter of 2020, the economy recovered slightly in view of various rescue measures by politicians, the financial policy of the central banks and the return of euphoria due to the sharp drop in incidence values (infected people per 100,000 inhabitants).



The ongoing trade conflicts and foreign policy tensions between the USA and China, USA and Russia and their allied trading partners also had an impact on the EU and also on export business outside the EU. The newly created free trade zone RCEP between the ten ASEAN member states and five other states in the Asia-Pacific region, as a response to the aforementioned conflicts, is now making fair competition in the East Asian region more difficult and will also lead to adapted measures in 2021.

In its updated projection from October 2020, the IMF assumes a decline in the economy in the EU area of 8.3% in 2020 and a recovery of 5.2% in 2021 that is not nearly as strong.

German economy

According to initial calculations by the Federal Statistical Office (Destatis), price-adjusted gross domestic product (GDP) was 5.0% lower in 2020 than in the previous year. The German economy has shrunk for the first time after ten years of continuous growth.

The corona pandemic led to a historic slump in German economic output in the second quarter of 2020. The hard shutdown from mid-March to the end of April left its mark. Despite the economic recovery that began with the easing of the containment measures in May and June, the price-adjusted gross domestic product fell by 9.7% on average in the second quarter of 2020 compared to the previous quarter, calendar and seasonally adjusted. It had already fallen by 2.0% in the first quarter (source: BMWi).

On the production side, almost all sectors of the economy were badly affected. On the usage side, as expected, demand collapsed for both consumption and investment. The state, on the other hand, increased its demand significantly as a result of the support measures. Foreign trade was also extremely weak in view of the shutdown and the global pandemic.

In the third quarter of 2020, economic output increased by 8.2% and thus to almost 96 percent of the pre-crisis level from the last quarter of 2019. Private consumer spending, investment in equipment and foreign trade in particular provided strong impetus. The catching-up process lasted until October, but slowed down from August in view of the national and global pandemic. The infection, which began to spread rapidly again from late summer, made additional measures to reduce social contacts necessary in November. Despite the carefully considered measures, the economy suffered in November as a result of the restrictions in particular on consumption options.

German mechanical and plant engineering

In the manufacturing sector (excluding construction), the price-adjusted economic output in 2020 fell by around 10% compared to 2019.

In May 2020, capacity utilization in industry in the EU fell to the crisis level of 2009 (source: DG ECFIN, LBBW Research).

The corona pandemic is causing companies to hold back on investments in mechanical and plant engineering. After a historically weak second quarter of 2020, production also suffered in the second half of 2020 (source: VDMA). The decline in orders is measured at around 14%.

2. Business development and situation 2020 of TIRA GmbH

As can also be seen in the development of the global economy, TIRA GmbH recorded a decline in sales due to investment postponements or cancellations. The short-term incoming orders for small and medium-sized systems, which are necessary in all business areas, did not materialize in the second quarter in particular.

As in 2019, global political developments did not have a positive effect on the business development of TIRA GmbH. In particular, the failure to lift the embargo against Russia and strict export controls in non-EU countries led to the loss of orders because politicians / export control authorities were reluctant to approve. Possible follow-up orders were also lost because the rejections or commitments came too late.

This particularly affected the vibration testing technology product groups and, depending on this, mechanical production as a result. All in all, orders totaling approx. € 2 million could not be accepted.

The order intake for systems over 55kN remained stable or was partially postponed to 2021, which keeps market penetration in this area at a high level. The high level of funding and the associated expansion of e-mobility and the financial strength of the aerospace industry were able to prevent even more significant losses in sales here. The trend of previous years with regard to small and medium-sized systems continued, so that there was less demand for them; The cause here lies in the current weakness in mechanical engineering and the automotive supply industry, but also in a marketing and product strategy that has not been adjusted.

In contrast, the balancing technology product group developed very well. It started the new year with an order backlog that already amounted to 70% of the annual budget, and was able to win additional orders in the first quarter. The major project for testing electric motor rotors was extremely delayed and tied up resources, and the systems were not delivered until the end of the second quarter of 2020. Overall, the product group achieved the planned sales target. Unplanned shifts were also recorded at the end of the year, so that a further increase in sales could not be achieved.

The material testing technology product group has developed over the past year in relation to the current economic situation. The planned sales target was clearly missed, but the losses in this area could be reduced with suitable measures.

Mechanical production also fell well short of expectations due to a lack of sales. The general weakness in mechanical engineering is particularly noticeable in this area. The majority of external orders are made via short-term calls. Some major customers reduced their calls by 70% compared to the average of previous years. Insufficient machine output and weak external demand caused the result to be far below plan. The main intention of this group is still to support the 3 final product groups with sub-products for the testing machines and to serve external customers. This was also implemented more intensively in the 4th quarter and once again significantly reduced the losses.

Overall, the company's business development was unsatisfactory in the past year.

Sales, total output and EBT of TIRA GmbH in the 2020 financial year were significantly below the previous year in accordance with the (adjusted) forecast.

In terms of earnings, TIRA GmbH's net loss for the year of around EUR -0.9 million is well below the previous year's, in particular due to the weak results in the product groups of vibration technology and mechanical production.

At around €9 million, the order backlog at the beginning of 2021 is largely at the same level as at the beginning of the crisis year 2020.

3. Research and Development (R&D)

In addition to some DtC (Design to Cost) projects and product revisions, a first standard class for electronic cabinets from smaller shakers up to 11kN was developed in the field of vibration technology. With this, both better scalability and process optimization in procurement and production are possible. The first cabinets have already been successfully delivered. Another standard class in the higher performance range is currently being developed.

The development of our own power amplifiers was also carried out with an external partner in order to become more independent from individual suppliers in terms of technology and price.

Financing came from both grants and own funds.

4. Results of operations

The key figures for the earnings situation are as follows:

	2020	2019
	k€	k€
revenues	14,263	15,313
overall performance	13,653	16,740
EBITDA	-144	1.209
EBIT	-813	570
EBT	-908	532
Earnings before loss compensation (previous year profit transfer)	-908	467
Income (previous year expense) from profit transfer	908	-467
annual result	0	0

Overall, due to the intensified recession, sales revenues fell by around €1 million compared to the previous year's level. The (unadjusted) forecast made in the run-up to 2020 was missed by around 20%. Total output fell significantly compared to 2019 (€ -3,087 thousand), which is related to a sharp reduction in inventories in the area of unfinished goods and the sharp drop in incoming orders, mainly caused by the ongoing global corona pandemic. Accordingly, the EBT decreased to € -908k and is negative for the first time.

The main reasons for this were the following factors:

The material usage rate increased by a further 2.7 percentage points in 2020 and is around 50.5% of the total output. One of the reasons for this is that customers continue to mainly order shakers from 100 KN (higher material usage rate), while orders for smaller shakers are currently stagnating.

Personnel expenses increased in 2019, in particular due to the hiring of employees. These expenses were also reflected in 2020 and could not be compensated for in proportion to the sales development due to the short-time work applied for.

However, other operating expenses were reduced by around € 0.3 million compared to the previous year. The reasons for this were, among other things, savings in sales-related expenses, such as commissions and outbound freight, through increased domestic sales and the elimination of trade fair participation, etc.

Due to the profit and loss transfer agreement, the annual deficit is taken over by the parent company; a claim was placed with TIRA Holding GmbH.

5. Financial and asset position

Key data on the assets and financial position:

2020	2019
k€	k€

	2020	2019
	k€	k€
Capital assets	2,508	3,052
current assets	10,098	8,736
Other Assets	38	43
	12,644	11,831
Equity capital	6,485	6,485
Special item with equity share	126	197
accruals	841	941
liabilities	5,192	4,208
	12,644	11,831

The equity ratio is 51.3% in 2020; it fell by around 3.5 percentage points due to the increased balance sheet total. The main reason for this was the increase in receivables from shareholders in connection with the assumption of losses by the parent company. Furthermore, trade accounts receivable have increased because Corona had to postpone start-ups, which delayed payment deadlines.

Despite the negative business result and the resulting unsatisfactory financial situation, TIRA GmbH continues to have solid financing.

In the 2020 financial year, long-term financing was expanded by taking out a KfW loan (EUR 1.5 million). As of the reporting date, the free current account lines amounted to around €1.9 million.

The resulting financial obligations were always met - usually with the generation of cash discounts - through prompt payment. Ability to pay was given at all times.

The cash flow is as follows:

	2020	2019
	k€	k€
Cash generated from operations	-1,268	-1,582
Cash flow from investing activities	-125	-828
Cash flow from financing activities	1,222	156
Cash-effective change in cash and cash equivalents	-171	-2,254
Composition of cash and cash equivalents Bank balances	390	359
Current Account Liabilities	-1,853	-1,651
	-1,463	-1,292

6. Opportunity and Risk Report

As a plant construction company, TIRA GmbH is subject to the specific risks of this industry. On the one hand, these consist of the complex technical problems of a customer-specific one-off production with regard to project planning; Design, manufacture and installation or commissioning on site.

The shift in product group exports to more and more foreign markets involves risks in terms of service costs and availability on the one hand and the special contractual and legal forms of the respective countries on the other.

Sales market risks

TIRA GmbH is dependent on the general economic situation in German and international markets. We are therefore closely monitoring developments in the key regions and markets.

In connection with the ongoing corona crisis, however, there is currently a risk that international customers in particular will postpone deliveries of systems and commissioning as well as service calls further into the future. There is also a risk that investments that have already been decided on and have been postponed due to Corona will not be realized in 2021 either.

Unchanged from the previous year, there are risks for incoming orders to the extent that BAFA approvals (eg Russia) are not granted for orders that require approval.

procurement market risks

The extreme increase in the procurement price of almost all raw materials combined with a material shortage must be reconciled with the present delivery and order obligations. This unintentionally increases material quotas and makes it more difficult to meet delivery dates. TIRA GmbH is also not dependent on any single supplier.

The process started to search for alternative suppliers for economic and quality improvements was continued. Alternative suppliers, especially for high-priced components, were and are still being sought and have already been found in some cases. This enabled economic effects to be implemented on the market.

At the same time, an attempt is made to order material deliveries promptly in order to avoid inventory build-up. The procurement risks from border closures and staff shortages were partially compensated for by building up stocks in individual warehouse areas.

With regard to the ongoing corona crisis, there is still a fundamental risk that material deliveries from suppliers will only be delivered with a delay, resulting in a delay in order processing.

personnel risks

In the implementation of large projects in particular, the economic and technical success depends on the extent to which experienced specialists can be retained in the company.

We continue to see the increasing shortage of skilled workers as a risk for the future, particularly in all technical areas. This could cause problems in the timely implementation of projects in the future. We counter this risk in particular by training our own employees. In the 2020 financial year, 6 new trainees were hired (previous year 3) to counter the ongoing shortage of skilled workers.

Financial and Liquidity Risks

In our opinion, TIRA GmbH currently has solid financial structures; the equity ratio was around 51% on December 31, 2020. Furthermore, financing is provided in part via long-term financing loans, which are repaid on schedule, and via the use of overdraft facilities. Currency risks are of secondary importance.

Overdraft facilities totaling EUR 3.8 million are currently available; EUR 1.9 million of this had been utilized on the balance sheet date. Bank balances amounted to €390 thousand on December 31, 2020 (previous year: €359 thousand).

Due to the ongoing corona crisis, there could be tensions in the liquidity situation.

Short-time work has been introduced in all parts of the company since the end of March 2020 to adjust capacity utilization. As a result, liquidity is burdened by pre-financing. Reimbursements by the Federal Agency are received with a delay.

In order to secure further liquidity reserves, we are currently in negotiations with banks in order to be able to access the appropriate funds if necessary.

opportunity report

In the case of competitors (system suppliers) from Great Britain in particular, we see opportunities for expanding our market share in the field of vibration technology due to Brexit and the associated market access restrictions.

In order to expand the dealer structures in parts of Eastern Europe and in North America, we are currently about to conclude negotiations on expanding business relationships. The first medium-sized orders in this context have already been realised. This represents a continuously improved process and is essential for the future strategic orientation.

exposure

Based on our current knowledge and after carefully assessing our company-wide risk profile, including from the ongoing spread of the coronavirus, we do not see any tangible significant risks that could jeopardize the continued existence of the company. In our opinion, based on the current state of knowledge, the effects of the spread of the corona virus will not lead to a dramatic improvement in the financial and earnings situation.

7. Forecast Report

Overall Economic Outlook

According to the International Monetary Fund and the UN World Trade Report, the global economy is expected to recover by around 8.4% in 2021 compared to 2020. According to current assessments, the global economy is on the verge of a significant recovery and a euphoric effect.



Quelle: UNCTAD

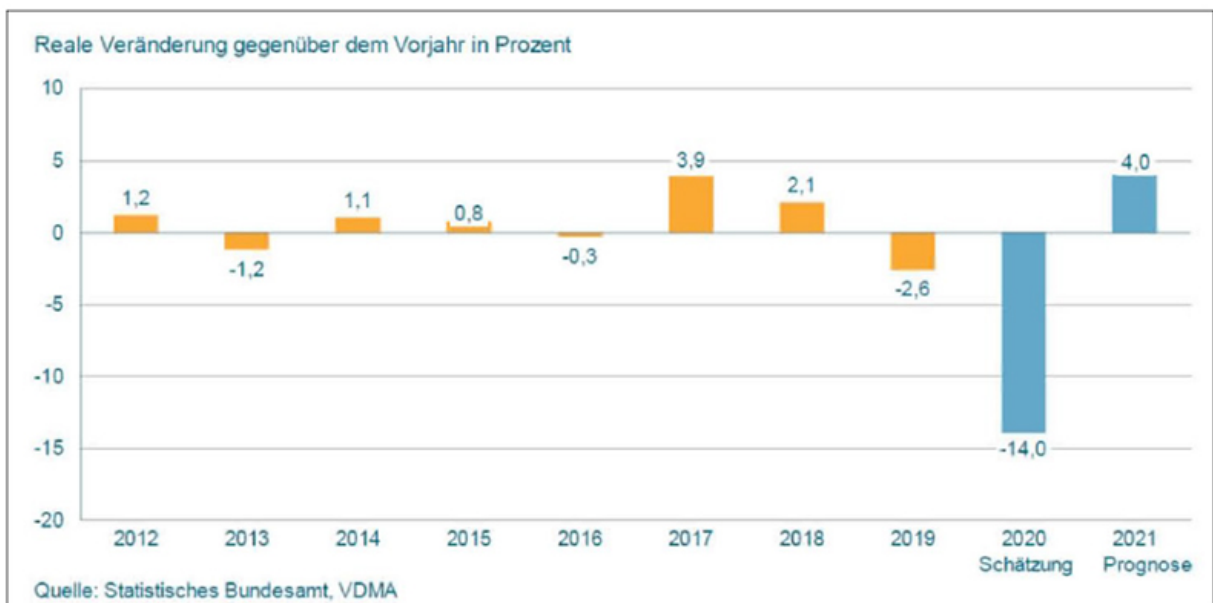
At the beginning of 2021, the euro area was in a second pandemic wave and the effects on the global economy are again difficult to assess.

According to the International Monetary Fund (IMF), the ongoing extensive shutdown of public life in the fight against the coronavirus pandemic has serious economic consequences, but primarily in the service and tourism sectors. The industrial sectors are again on the upswing, mainly due to the ongoing promotion of e-mobility.

The continuing insecurity of the population, the vaccination campaign that has not yet fully started and the unclear childcare situation poses unpredictable challenges for numerous companies in the project business.

Situation in German mechanical engineering

According to the VDMA, the production forecast rose to +4% and with it the forecast capacity utilization of the companies.



Quelle: Statistisches Bundesamt, VDMA

Outlook TIRA Ltd

The planning for the 2021 financial year was based on the assumption of a significantly faster vaccination campaign and without the occurrence of the mutation variants of the corona pandemic that are currently being recorded.

Catch-up effects in the field of vibration technology with a strong order intake in the first quarter give cause for optimism, despite the external factors mentioned above. For the product groups materials testing technology and balancing technology, the order intake is even more subdued and, after catch-up effects in the first few months,

there are clearly restrained order intakes.

With the knowledge of good technological and strategic market positions, it should be possible to use incoming orders for advance development or stock production in order to shorten delivery times and to be able to present improved key technologies when demand rises again.

In the area of mechanical production, a consistent conversion and adjustment of the portfolio and the product range is carried out. This also secures the cost structure for the preliminary work for the three other product groups in the long term.

Against this background, according to the current cautious planning of TIRA GmbH for the 2021 financial year, moderate increases in sales compared to 2020 are expected, with the achievement of a balanced to slightly positive annual result.

However, the further progress of the pandemic cannot be reliably predicted. In this respect, we are currently not in a position to estimate the value development in relation to sales and earnings for 2021.

For the entire company TIRA GmbH, short-time work has been extended until the end of 2021; depending on the utilization of the individual product areas, the employees are assigned to short-time work.

The planned financial requirements of TIRA GmbH will be covered in addition to own funds by taking out long-term loans, which are also repaid consistently and according to plan, and in the short-term area by overdraft facilities. In order to secure further liquidity reserves, we are currently in negotiations with banks in order to be able to access the appropriate funds if necessary.

The market position and the product portfolio of TIRA GmbH can still be rated as attractive and competitive. Marketing, processes of materials management and the value chain as well as the strategic orientation are consistently adapted to the changed political and global economic circumstances.

Schalkau, May 28, 2021

signed Daniel Trommer, Managing Director

In the attached abridged annual financial statements intended for disclosure, the size-dependent simplifications according to Section 327 HGB were used. The following audit opinion was issued for the complete annual financial statements and the management report:

“Independent Auditor's Report

To TIRA GmbH, Schalkau

audit opinions

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

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

- The attached annual financial statements correspond in all material respects to the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, convey a true and fair view of the assets and financial position of the company as of December 31, 2020 and its earnings position for the financial year from January 1, 2020 to December 31, 2020 and
- the attached management report as a whole provides an accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

Basis for the test results

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

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

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

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

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

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

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

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

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

- We identify and assess the risks of material - intentional or unintentional - misstatements in the annual financial statements and in the management report, plan

and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of this system to give to society.
- we evaluate the appropriateness of the accounting methods used by the legal representatives as well as the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report or, if such disclosures are inappropriate, to modify our audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, give a true and fair view of the assets, financial - and results of operations of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Nuremberg, May 28, 2021

Mazars GmbH & Co. KG
auditing company
tax consulting company
signed Jürgen Engel, auditor
signed Yvonne Schneider-Klodner, auditor"

HRB 302424 (District Court Jena)

Approval of the annual accounts

The annual financial statements as of December 31, 2020 were approved on July 2, 2021.

Decision on the use of the result

Due to the existing profit and loss transfer agreement with TIRA Holding GmbH, the annual loss of TIRA GmbH in the amount of EUR 907,869.64 was taken over by the sole shareholder TIRA Holding GmbH.
