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**BRZ Germany GmbH**

Nuremberg

**Annual financial statements as of December 31, 2019****Management report for the 2019 financial year****A. Fundamentals of Society****1. Company's business model**

The BRZ Group is one of the leading providers of information and communication technology for the construction industry. With BRZ-SOFTWARE, BRZ-OUTSOURCING, BRZ-SYSTEMS and BRZ-CONSULTING all the specific needs of construction companies are covered.

**2. Organizational and legal structure**

BRZ Deutschland GmbH is a 100% subsidiary of Nürnberger Assemblage GmbH + Co KG.

**B. Economic report****1. Overall economy and industry situation**

According to the Kiel Institute for the World Economy, the global economy grew by 2.6% in 2019 (previous year: 3.7%). After a strong increase in the first quarter, growth gradually declines as the year progresses. The United States of America and China make the largest contributions to global economic growth.

In the euro area, the gross domestic product increased by only 1.2% (previous year: 1.9%) and is thus in a phase of "stagnation". The inflation rate is 1.7% (previous year 2.0%). The unemployment rate rose again slightly to 7.5% (previous year: 7.2%).

Measured against gross domestic product, growth in Germany is falling for the second year in a row and is now only 0.6% (previous year 1.5%). The annual average unemployment rate in 2019 was 5.0% (previous year: 5.2%).

The willingness of the BRZ customer group to invest depends on the economic conditions and prospects in the construction and real estate industry as well as the overall budget for information technology.

The construction industry will remain "Germany's economic pillar" in 2019 and again increased its sales by 6.7% (previous year: 11.0%) to 135.0 billion euros compared to the previous year. All construction sectors can increase, namely the

- Residential construction by 5.1% (previous year 11.7%)
- Commercial construction by 9.0% (previous year 12.5%)
- public construction by 5.8% (previous year 9.2%).

The average number of employees in the main construction trade continues to rise to 870,000 (previous year: 837,000).

In 2019, the German information technology industry was able to increase sales again by 2.9% (previous year: 3.5%) to 92.9 billion euros compared to the previous year. The software area recorded an increase of 6.3% and the hardware area of 0.5%. Service sales increase by 2.4%.

(Sources: www.ifw-kiel.de; www.bitkom.org)

**2. Course of Business**

The BRZ is able to increase sales by 10.0% compared to the previous year to EUR 55,005 thousand and is benefiting from the continuing very good overall economic situation in the construction industry. IT services increased by 21.8%, software maintenance by 17.5% and outsourcing activities by 6.1%.

Our planning provided for an increase in sales to EUR 52,900 thousand with an increase in earnings before taxes to EUR 6,600 thousand. While we were able to significantly exceed planning on the sales side, earnings before taxes at EUR 5,770 thousand were below planning.

The reasons for this are payments for bonuses and royalties, which exceed the amount set aside at the end of 2018 by around EUR 200 thousand, the increase in the provision for pension obligations of around EUR 400 thousand and higher license fees to BRZ Software + Service GmbH of around EUR 900 thousand.

The improvement in earnings due to the increase in sales can only partially compensate for these effects.

**3. Presentation of the situation****financial position**

After deducting annual depreciation, fixed assets fall to EUR 2,640 thousand (previous year: EUR 2,796 thousand).

At EUR 1,776 thousand, trade receivables are at the level of the previous year (previous year: EUR 1,709 thousand).

The receivables in the association area increase by EUR 2,518 thousand to EUR 15,599 thousand. The amount of the claim mainly consists of the balance of BRZ Germany within the framework of cash pooling within the Nuremberg construction group (EUR 15,383 thousand).

Due to higher tax refund claims, other assets increase to EUR 1,022 thousand (previous year: EUR 236 thousand).

Equity increases by EUR 879 thousand to EUR 14,045 thousand because the annual surplus exceeds the distribution of EUR 3,000 thousand made in the financial year. The equity ratio is 60.0% (previous year 62.8%).

Provisions for pensions and similar obligations increase by EUR 444 thousand to EUR 3,156 thousand. The increase affects both the pension obligations to former BRZ employees and the pension equalization obligation to an affiliated company.

The other provisions essentially consist of provisions in the personnel area as well as provisions for rework and warranties. The increase to EUR 4,380k (prior year: EUR 3,803k) is due to higher provisions for outstanding bonus and commission payments.

Liabilities to affiliated companies increase to EUR 1,285 thousand (previous year: EUR 562 thousand) as of the reporting date and are mainly due to BRZ Software + Service GmbH.

#### **financial position**

Investment projects can be financed from your own funds. There are no bank liabilities in 2019 either.

As of December 31, 2019, the excess liquidity consisting of bank balances and the receivable from the cash pooling within the Nuremberg construction group was EUR 17,437 thousand (previous year: EUR 16,111 thousand).

#### **earnings situation**

Regarding the development of sales, reference is made to the explanations under point 2. Business development.

The other operating income consists primarily of the reversal of provisions and bad debt allowances as well as income from the activation of ceapoint licenses acquired in previous years and increases to EUR 632 thousand (previous year: EUR 179 thousand).

At 40.0%, the materials ratio is at the level of the previous year (prior year: 40.1%).

Personnel expenses increase to EUR 21,720 thousand (previous year: EUR 18,648 thousand). In addition to the additions to the provisions for pension obligations already explained, the increase is due to the increase in personnel, above all in the areas of consulting and IT support.

Other operating expenses increase by EUR 522 thousand to EUR 5,582 thousand. The main reasons for this are, on the one hand, a higher lump sum for overheads to reimburse the increased expenses in the central services located at Nürnberger Montage GmbH + Co KG. On the other hand, the expenses for the BRZ Mittelstandsforum have an effect here.

The interest result is KEUR -83 (previous year KEUR -89). It mainly includes the interest portion for the pension obligations.

#### **Financial performance indicators**

Important performance indicators for us are the share of so-called "recurring sales" in total sales, the return on sales and the range of receivables.

By recurring sales, we mean maintenance sales and service sales, which are therefore independent of new software and hardware sales in the short term. Earnings before taxes are decisive for the return on sales.

As in the previous year, recurring sales remained at a high and stable level at 82%.

The return on sales is 10.5% (previous year 12.0%). We did not achieve our target of 12.0%. The reasons for this are the effects listed under point 2. Business development.

The range of receivables is 11.6 days (previous year 12.3 days). We clearly exceeded our target of less than 15 days.

#### **C. Forecast Report**

Due to the global corona pandemic, there is currently a great deal of uncertainty about further economic development. The measures introduced to contain the pandemic are having a massive impact on the economy. The impact on 2020 and beyond will largely depend on how long the measures need to be maintained.

In the euro area, Italy and Spain, the countries hardest hit by the pandemic, are preparing for the biggest downturn. But the economy in Germany is also likely to "shrink" for the year as a whole. Statements about the expected extent are pure speculation at the moment.

Before the "Corona" crisis, another growth of 5.5% was forecast for the construction industry in Germany, further supported by the investment backlog that still exists in public infrastructure and in residential construction. Current forecasts for the development of the industry after the outbreak of the "Corona" crisis are speculative. Obviously, the construction industry has so far been less affected by the crisis than other sectors.

Before the "Corona" crisis, the industry association Bitkom expected growth of 2.7% in the information technology sector for 2020, with an increase of 6.4% again being forecast for the software sector.

In the fourth quarter, we decided to realign the development of the new software generation and to focus entirely on a cloud solution. The first delivery stages will now be available in 2020. However, significant sales from the new development are not expected in 2020.

Overall, we are planning sales of EUR 55,500k for 2020 with earnings before taxes of EUR 5,900k. As of today, we assume that we will achieve the plan. This statement assumes that the effects of the Corona crisis will not hit our customers massively in the months that follow.

In mid-February 2020, the IT infrastructure of the Nuremberg assembly group was significantly affected by a malware attack for several days. The attack resulted in downtime for employees at all subsidiaries. In addition, expenses were incurred to restore business operations. In principle, the Nuremberg assembly group is insured against such damage. Claims settlement with the insurer will take some time. There will be no significant impact on earnings for BRZ Deutschland GmbH.

#### **D. Opportunity and Risk Report**

##### **1. Risk Report**

A quality and risk management system has been installed so that market opportunities and risks can be identified at an early stage and a regulated flow of business processes is ensured. Based on the overall strategic orientation, a detailed annual plan is drawn up. The current market, sales, earnings and order situation is analyzed in regular meetings.

The introduction of new software products, as we have planned for the next few years, usually burdens the annual results before the planned sales growth sets in. We therefore also expect returns on sales of a maximum of 12.0% in the software area over the next three years.

We currently see the greatest challenge in recruiting new employees, particularly in the areas of development and consulting. Due to demographic change and the consistently good economic conditions, it is becoming increasingly difficult to fill vacancies. We are reacting to this with increased personnel development and recruitment activities.

##### **2. Opportunity Report**

The largest growth area is seen in the digitization of the construction industry. This complex of topics includes "cloud computing" technology as well as mobile data acquisition and data analysis ("mobility"). We want to participate in this growth with our new software products and our new software generation BRZ 365. We also see growth opportunities in the area of outsourcing, where we anticipate rising demand due to the growing shortage of skilled workers.

##### **3. Overall statement**

With its clear strategic focus on the construction industry, the BRZ is very well positioned. The new software products entail significantly higher opportunities than risks. There are no risks that could jeopardize the existence of the company.

**E. Existing Branch Offices**

The BRZ has 17 branches in Germany.

**Nuremberg, June 3, 2020**

*The Board*

*Signed Dipl.-Ing. Joseph Kronfli*

*signed Prof. Dr. Ralf Peter Oepen*

*Signed Dipl.-Kfm. Rudolph Edelman*

**BALANCE SHEET AS OF DECEMBER 31, 2019****BRZ DEUTSCHLAND GMBH, NUREMBERG****ASSETS**

	12/31/2019 EUR	12/31/2018 EUR
<b>A. FIXED ASSETS</b>	2,640,428.44	2,794,831.44
I. Intangible assets	41,572.00	120,701.00
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	41,571.00	120,700.00
2. Goodwill	1.00	1.00
II. Tangible assets	292,243.00	357,517.00
1. Other equipment, fixtures and fittings	292,243.00	357,517.00
III. financial assets	2,306,613.44	2,316,613.44
1. Shares in affiliated companies	2,306,613.44	2,306,613.44
2. Holdings	0.00	10,000.00
<b>B. CURENT ASSETS</b>	20,674,460.63	18,091,926.21
I. Inventories	224,012.00	12,138.00
1. Finished Goods and Merchandise	6,812.00	12,138.00
2. Advance payments made	217,200.00	0.00
II. Receivables and other assets	18,396,663.66	15,025,999.44
1. Trade accounts receivable	1,775,649.67	1,709,133.62
2. Receivables from affiliated companies	15,598,709.73	13,080,850.24
3. Other Assets	1,022,304.26	236,015.58
III. Cash on hand, bank balances	2,053,784.97	3,053,788.77
<b>C. PREPAID EXPENSES</b>	98167.10	71,821.75
	23,413,056.17	20,958,579.40

**LIABILITIES**

	12/31/2019 EUR	12/31/2018 EUR
<b>A. EQUITY</b>	14,044,831.84	13,165,439.12
I. Drawn capital	2,500,000.00	2,500,000.00
II. Retained Earnings	24,715.96	24,715.96
III. retained profit	11,520,115.88	10,640,723.16
<b>B. PROVISIONS</b>	7,536,597.00	6,788,757.90
1. Provisions for pensions and similar obligations	3,155,977.00	2,712,450.00
2. Tax Provisions	0.00	273,757.90
3. Other Provisions	4,380,620.00	3,802,550.00
<b>C. LIABILITIES</b>	1,831,627.33	1,004,382.38
1. Trade accounts payable	244,787.99	184,054.39
2. Liabilities to affiliated companies	1,284,642.46	561,601.32
3. Other Liabilities	302,196.88	258,726.67
- thereof from taxes: EUR 224,775.99 (previous year EUR 204,412.43)		
- of which in the context of social security: EUR 3,832.76 (previous year EUR 2,433.36)		
	23,413,056.17	20,958,579.40

**INCOME STATEMENT FOR FISCAL YEAR 2019**

	2019 EUR	2018 EUR
1. Revenue	55005203.36	49,995,810.78
2. other operating income	631,791.77	179,384.63
3. Cost of Materials	-22,247,437.80	-20,133,743.62
a) Expenses for purchased goods	-2,486,964.05	-1,974,223.31
b) Expenses for purchased services	-19,760,473.75	-18,159,520.31

	2019 EUR	2018 EUR
4. Personnel expenses	-21,720,475.98	-18,647,758.54
a) Wages and salaries	-18,093,867.45	-15,660,042.17
b) Social security contributions and expenses for pensions and for assistance - of which for pensions: EUR 489,485.77 (previous year EUR 219,554.01)	-3,626,608.53	-2,987,716.37
5. Depreciation	-232,922.92	-225,642.63
6. Other Operating Expenses	-5,581,114.30	-5,061,853.72
7. Other Interest and Similar Income	2,628.17	3,875.68
8. Interest and Similar Expenses	-85,905.00	-92,426.21
9. Income taxes	-1,890,597.58	-1,978,732.17
10. Earnings after taxes	3,881,169.72	4,038,914.20
11. Other Taxes	-1,777.00	-1,905.00
12. Net Income	3,879,392.72	4,037,009.20
13. Earnings Carry Forward	10,640,723.16	9,853,713.96
14. Appropriation of Earnings	-3,000,000.00	-3,250,000.00
15. Retained Earnings	11,520,115.88	10,640,723.16

### Notes for the 2019 financial year

#### I. General information on the annual financial statements

The company is a large corporation within the meaning of Section 267 (3) HGB.

The name of the company is BRZ Deutschland GmbH. It has its registered office in Nuremberg and is entered in the commercial register of the District Court of Nuremberg under HRB 175.

The annual financial statements as of December 31, 2019 were prepared in accordance with the German commercial law provisions of §§ 242 ff. HGB for large corporations and the supplementary provisions of the GmbH Act.

The structure of the balance sheet corresponds to Section 266 (2) and (3) HGB.

The income statement was drawn up using the nature of expense method in accordance with Section 275 (2) HGB.

The accounting and valuation methods remained unchanged compared to the previous year.

#### II. Information on the accounting and valuation methods

The following accounting and valuation methods are used in preparing the balance sheet and the income statement:

Intangible assets are stated at acquisition cost less scheduled depreciation. Depreciation is always carried out on a straight-line basis and in the case of additions during the year pro rata temporis. If the value to be applied on the balance sheet date was permanently lower, an unscheduled depreciation was made on this value.

Property, plant and equipment are valued at acquisition or production cost less scheduled depreciation. If the value to be applied on the balance sheet date was permanently lower, an unscheduled depreciation was made on this value.

Low-value assets, ie depreciable movable assets whose acquisition/manufacturing costs are more than EUR 250.00 and do not exceed EUR 800.00 (excluding sales tax), are written off in full in the year of acquisition.

Scheduled depreciation is based on the customary useful life of the respective asset. Additions since the 2009 financial year are always depreciated on a straight-line basis. Movables acquired before January 1, 2009 are partially depreciated using the declining balance method. The transition from declining balance to straight-line depreciation takes place as soon as straight-line depreciation leads to higher depreciation amounts.

Used assets are recognized with a shorter useful life and thus a higher depreciation rate.

Financial assets are stated at the lower of cost or fair value.

Merchandise is stated at the lower of cost or fair value.

Receivables and other assets are stated at their nominal value. Interest-free and low-interest-bearing receivables are recognized at their present value. Doubtful receivables are written down individually to the lower fair value on the reporting date. Bad debts are written off in full. The general receivables risk is adequately taken into account by means of general value adjustments with the help of past experience.

Cash on hand and bank balances are stated at their nominal value.

Active accruals and deferrals are recognized at the level of actual expenditure.

Provisions for pensions and similar obligations are discounted in accordance with Section 253 (2) Sentence 2 HGB using the average market interest rate resulting from an assumed residual term of 15 years.

For contingent liabilities and warranties without a legal obligation, provisions are made in the amount that is necessary to fulfill the obligation according to prudent business judgement. The provisions take into account all identifiable risks and contingent liabilities to a sufficient extent. The provisions with a remaining term of more than one year are discounted at the average market interest rate for the past seven financial years corresponding to their remaining term in accordance with Section 253 (2) HGB.

Liabilities are recognized at their settlement amount. The highest value principle was applied as of the balance sheet date.

Income and expenses denominated in a foreign currency were converted at the relevant valid spot exchange rate at the time they arose. Assets and liabilities denominated in foreign currencies with a remaining term of less than one year are valued at the mean spot exchange rate on the balance sheet date.

#### III. Details of balance sheet items

##### 1. Fixed assets

The development of the individual items of the fixed assets can be seen from the fixed asset movement schedule attached to this appendix. Based on the total acquisition and production costs, it lists the additions, disposals and depreciation for the financial year as well as the total depreciation.

The purchased goodwill was amortized over 10 years based on past experience of the average duration of the business relationship.

Fixed assets include the following capital shares of at least 20% in other companies:

	Equity 2019	capital share %	Result in the 2019 reporting year	currency
MJP-BRZ Bausoftware GmbH, Nuremberg	464,581	100.0	1,066	EUR
BRZ France SAS, Wasquehal France	-1,909,451	66.6	5,653	EUR
BIB Consulting Integration Construction Software GmbH	296,350	100.0	27.113	EUR

The investment in ceapoint GmbH, Essen, was sold in the 2019 financial year.

## 2. Receivables and other assets

As of the balance sheet date, there are receivables from the shareholder of EUR 15,409k (prior year: EUR 12,911k). These are included in receivables from affiliated companies.

As of the balance sheet date, there are still receivables from affiliated companies of EUR 189k (prior year: EUR 21k) resulting from deliveries and services.

Of the receivables and other assets, EUR 0 thousand (previous year: EUR 2 thousand) have a remaining term of more than one year.

## 3. Equity

The development of the balance sheet profit from December 31, 2018 to December 31, 2019 is as follows:

Balance sheet profit as of December 31, 2018	EUR 10,640,723.16
./. Distribution for 2018	EUR 3,000,000.00
+ Net profit in 2019	EUR 3,879,392.72
= retained earnings as of December 31, 2019	EUR 11,520,115.88

## 4. Pension Accruals

Provisions for pensions were valued using the projected unit credit method (PUC method). The valuation was based on the following parameters:

Remaining term: flat-rate average remaining term of 15 years

Actuarial interest rate as of December 31, 2019: average market interest rate over the past 10 years of 2.71% pa (previous year average market interest rate over the past 10 years of 3.21% pa)

Pension trend: 2.00% pa

Expected benefit trend: 0.00% pa

Mortality tables: 2018 G mortality tables by Prof. Dr. Klaus Heubeck

A fluctuation in the number of employees entitled to a pension is not to be expected. Consequently, no consideration was given here either.

Discounting the pension provision using the average market interest rate for the past 10 years compared to discounting using the average market interest rate for the past 7 years (1.97%) results in a difference of EUR 346k (prior year: EUR 391k). This difference is barred from distribution.

## 5. Other Provisions

The other provisions essentially include personnel obligations and warranties.

## 6. Liabilities

As of the balance sheet date, there were liabilities to affiliated companies of EUR 1,285 thousand (previous year: EUR 562 thousand) resulting from deliveries and services.

There are no liabilities with a remaining term of more than one year.

The usual retention of title applies to liabilities from deliveries.

## 7. Contingent Liabilities and Other Financial Obligations

The following financial obligations that are not reported or noted in the balance sheet exist and are important for assessing the financial position:

### Obligations from rental agreements

	total amount per year	Average remaining term
Rent office space	EUR 708 thousand	12 months

### Obligations from leasing contracts

	total amount per year	Average remaining term
vehicles	EUR 268 thousand	19 months

### Obligations from pension commitments

For two pension commitments to former managing directors, which were transferred to another company on December 31, 1999, there are still contingent liabilities of EUR 1,140 thousand (previous year: EUR 1,439 thousand).

Due to the current creditworthiness and the previous payment behavior of the beneficiaries, we continue to assess the probability of claims being made on the liabilities from contingent liabilities as low.

There are no other significant contingent liabilities or other financial obligations that are important for assessing the financial situation.

## IV. Information on the profit and loss account

### 1. Revenue

Sales are generated through the sale of information and communication technology for the construction industry and the associated maintenance and service revenues.

These revenues can be broken down regionally as follows:

Domestic revenues	kEUR	54,578
Proceeds EU	kEUR	168
Proceeds third country	kEUR	259
Proceeds total	kEUR	55,005

### 2. Other Interest and Similar Expenses

The interest and similar expenses item contains interest from the discounting of provisions in the amount of EUR 86 thousand (previous year: EUR 92 thousand).

### 3. Expenses and income relating to other periods

The other operating expenses include expenses relating to other periods in the amount of EUR 200 thousand. These result from the assumption of pension obligations in the form of default liabilities of two former managing directors for the years 2015-2018 as part of a tax audit.

Other operating income includes income from other periods in the amount of EUR 332 thousand. These result from the reversal of the value adjustment of a loan for the years 2015-2018 as part of a tax audit. Furthermore, advance payments for licenses were activated. The correction of the expenses posted in previous years is now made in other operating income.

## V. Additional information

### Managing directors

Dipl.-Kfm. Rudolf Edelmann commercial director

(authorized to represent one person)

Prof. Dr. Ralf Peter Oepen technical manager

Dipl.-Ing. Joseph Kronfli, technical director from May 27th, 2020

(authorized to represent one person)

Dipl.-Ing. (FH) Max Böhler technical director resigned 08.02.2019

Dipl.-Kfm. Gernot Hannewald, Commercial Director, resigned on January 3rd, 2019

No advances or loans were granted to board members.

No unusual transactions were made with related parties in the financial year.

The disclosure of the remuneration of the members of the management is omitted due to the use of the protective clause of Section 286 (4) HGB in conjunction with Section 285 No. 9 HGB.

### number of employees

An average of 330 people were employed in the 2019 financial year. The employees are employees in the technical and commercial areas.

### Events after the reporting period

Starting in January 2020, the spread of the novel corona virus has developed very dynamically and worldwide, starting in China. Given the dynamics of the spread, the difficulty of protecting people from transmission and the danger of the virus, governments and national authorities have taken and are taking measures that extremely restrict public life and have a severe negative impact on the economy (including the movement of goods and goods). At its peak, the DAX lost more than 30% of its value, most of which has now been recovered. Some easing of the measures have already been decided. However, the effects of this development are not yet foreseeable.

Contrary to these assessments, we expect controllable effects for building informatics. The prerequisites are orderly operational processes and, above all, that large parts of the workforce do not fall ill or have to be quarantined. This also applies under the assumption that our customers are not massively affected by the effects of the Corona crisis. As a result, we assume that negative financial effects on our company cannot be ruled out, but based on current knowledge for the year 2020 the net assets, financial position and results of operations will not be significantly affected and will in no way threaten our existence.

### parent company

The parent company of the company is Nürnberger Assemblage GmbH + Co KG, Nuremberg. The consolidated financial statements of the parent company are published in the Federal Gazette. According to § 291 HGB, BRZ Deutschland GmbH is exempt from the obligation to prepare consolidated financial statements and a group management report.

### Auditor's fee

The auditor's fee for the audit of the 2019 financial year is EUR 11,100.00.

### Appropriation of earnings

The annual surplus for 2019 is EUR 3,879,392.72. Management proposes to the shareholders' meeting that the remaining unappropriated profit of EUR 11,520,115.88 be carried forward to new account.

Nuremberg, June 3, 2020

### BRZ Germany GmbH

#### The Board

*Signed Dipl.-Ing. Joseph Kronfli*

*signed Prof. Dr. Ralf Peter Oepen*

*Signed Dipl.-Kfm. Rudolph Edelman*

### Date of determination:

The annual financial statements as of December 31, 2019 were approved at the shareholders' meeting on September 9, 2020.

	ACQUISITION AND PRODUCTION COSTS			
	Jan 1, 2019 EUR	Additions EUR	Departures EUR	31 Dec 2019 EUR
<b>I. INTANGIBLE ASSETS</b>				
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	628,529.07	1,885.80	0.00	630,414.87
2. Goodwill	1,000,000.00	0.00	0.00	1,000,000.00
	1,628,529.07	1,885.80	0.00	1,630,414.87
<b>II. TANGIBLE ASSETS</b>				
1. Other equipment, fixtures and fittings	1,389,849.71	100,485.12	64,410.89	1,425,923.94
	1,389,849.71	100,485.12	64,410.89	1,425,923.94
<b>III. FINANCIAL ASSETS</b>				
1. Shares in affiliated companies	3,358,782.44	0.00	0.00	3,358,782.44
2. Holdings	10,000.00	0.00	10,000.00	0.00
	3,368,782.44	0.00	10,000.00	3,358,782.44
	6,387,161.22	102,370.92	74,410.89	6,415,121.25

	ACCUMULATED DEPRECIATION			
	Jan 1, 2019 EUR	Additions EUR	Departures EUR	31 Dec 2019 EUR
<b>I. INTANGIBLE ASSETS</b>				
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	507,829.07	81,014.80	0.00	588,843.87
2. Goodwill	999,999.00	0.00	0.00	999,999.00
	1,507,828.07	81,014.80	0.00	1,588,842.87
<b>II. TANGIBLE ASSETS</b>				
1. Other equipment, fixtures and fittings	1,032,332.71	151,908.12	50,559.89	1,133,680.94
	1,032,332.71	151,908.12	50,559.89	1,133,680.94
<b>III. FINANCIAL ASSETS</b>				
1. Shares in affiliated companies	1,052,169.00	0.00	0.00	1,052,169.00
2. Holdings	0.00	0.00	0.00	0.00
	1,052,169.00	0.00	0.00	1,052,169.00
	3,592,329.78	232,922.92	50,559.89	3,774,692.81
<b>NET CARRYING VALUES</b>				
			31 Dec 2019 EUR	31 Dec 2018 EUR
<b>I. INTANGIBLE ASSETS</b>				
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values			41,571.00	120,700.00
2. Goodwill			1.00	1.00
			41,572.00	120,701.00
<b>II. TANGIBLE ASSETS</b>				
1. Other equipment, fixtures and fittings			292,243.00	357,517.00
			292,243.00	357,517.00
<b>III. FINANCIAL ASSETS</b>				
1. Shares in affiliated companies			2,306,613.44	2,306,613.44
2. Holdings			0.00	10,000.00
			2,306,613.44	2,316,613.44
			2,640,428.44	2,794,831.44

### Independent Auditor's Report

To BRZ Deutschland GmbH, Nuremberg

#### audit opinions

We have the annual financial statements of BRZ Deutschland GmbH, Nuremberg - consisting of the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019 and the notes, including the presentation of the accounting and Valuation methods – checked. In addition, we have audited the management report of BRZ Deutschland GmbH, Nuremberg, for the financial year from January 1 to December 31, 2019.

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, 2019 and its earnings position for the financial year from January 1 to December 31, 2019 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) that they have deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions,

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

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with 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 misstatement – intentional or unintentional – in the annual financial statements and in the management report, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the given circumstances, but not with the aim of providing an audit opinion on effectiveness of these systems to society.
- We evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and the related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern can raise. If we conclude that there is a material uncertainty, we are required to draw attention to the related disclosures in the financial statements and management report in the auditor's report, or if this information is inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We evaluate the overall presentation, the structure and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a significant unavoidable risk

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.

**Kulmbach, June 3, 2020**

**CPA Wirtschaftsprüfungsgesellschaft mbH  
Wirtschaftsprüfungsgesellschaft**

*dr Mehnert, auditor*

*Magica, auditor*