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HC Starck GmbH

Goslar

Annual financial statements for the business year from 01/01/2018 to 12/31/2018**Management report for the financial year from January 1 to December 31, 2018****A. Company basics****I. Business model of the company****1. Business areas and products of HC Starck GmbH**

HC Starck GmbH is part of the international HC Starck Group, which is divided into the three business areas Powders, Fabricated Products and Ceramics.

Since August 1, 2016, HC Starck GmbH has acted exclusively as a service company and financial holding company for the German powder companies of the HC Starck Group with the group and service functions IT, Human Resources, Legal, Patents & Insurances, Taxes, Trade Laws & Customs, Group Strategy, Internal Controlling, Accounting, Corporate Treasury, Maintenance, Technology & Engineering, Analytics and General Procurement.

II. Important business transactions in fiscal year 20 18

With a notarial deed dated December 22, 2017, HC Starck GmbH sold all shares in HC Starck Surface Technology and Ceramic Powders GmbH, Munich, to Höganäs AB, Sweden, as part of the strategic development of the HC Starck Group. The transfer of the shares in HC Starck Surface Technology and Ceramic Powders GmbH took place at the end of February 28, 2018. Upon completion, HC Starck Surface Technology and Ceramic Powders GmbH also took over 37 employees who were previously employed by HC Starck GmbH were. The reconciliation of interests agreement concluded with the works council in this context is dated February 5, 2018.

Furthermore, the HC Starck GmbH with a notarial deed of 26./27. February 2018 all shares in HC Starck Tantalum and Niobium GmbH, Munich, sold to JX Metals Deutschland GmbH. The transaction was completed at the end of June 30, 2018. With the transfer, HC Starck Tantalum and Niobium GmbH took over 48 employees from HC Starck GmbH. The reconciliation of interests agreement concluded with the works council in this context is dated April 3, 2018.

With a contract dated June 1, 2018, HC Starck GmbH transferred all of its shares in HC Starck Specialties Materials Co. Ltd., Taicang, People's Republic of China to HC Starck Inc., Newton, USA.

With a contract dated August 9, 2018, HC Starck GmbH transferred all shares in Nui Phao HC Starck Chemicals Manufacturing LLC, Thai Nguyen / Vietnam to Nui Phao Mining Company Ltd. Thai Nguyen / Vietnam sold. The beneficial owner of the shares was HC Starck Tungsten GmbH.

In addition, HC Starck GmbH has brought the "Analytical Services" area, previously managed as a dependent service function, into the newly founded ChemiLytics GmbH & Co KG with effect from October 1st, 2018. In a reconciliation of interests agreement dated August 15, 2018, it was agreed that 71 employees would transfer to ChemiLytics GmbH & Co KG on October 01, 2018 by way of a transfer of operations according to Section 613a BGB.

On the basis of a further reconciliation of interests, also dated August 15, 2018, it was regulated that Chemitas GmbH will take over 15 employees from HC Starck GmbH on October 01, 2018.

In a "works agreement including a balance of interests and disadvantages in connection with the further optimization of the corporate structure of HC Starck GmbH, including HC Starck Tungsten GmbH as well as the intended sale of HC Starck Tungsten GmbH and related measures" of November 20, 2018 with the works council of HC Starck GmbH agreed that by the end of December 31, 2018, 62 employees should move to HC Starck Tungsten GmbH, 2 employees to ChemiLytics GmbH & Co KG and 11 employees to Chemitas GmbH. In addition, another 19 employees will move to HC Starck Tungsten GmbH in the 2019 financial year. All personnel changes take place within the framework of tripartite agreements. A total of 11 employees will terminate their employment relationship with HC Starck GmbH in connection with this measure.

B. Economic report**I. Economic framework**

The expansion of the global economy slowed in 2018. The economic sentiment is gloomy in almost all sectors, even if this has not yet had an impact on world production. The increase of 3.7% in 2018 was almost at the previous year's level. A slight decrease of 3.4% is forecast for 2019. The differences in economic dynamics between the countries increased again in the past financial year. In the advanced economies, the pace of expansion slowed after the middle of the year, mainly driven by a sharp decline in automobile production. In the emerging markets, on the other hand, the global economy has also come under pressure.

The German economy developed positively again in 2018. Compared to the previous year, the growth was 1.5%. The federal government expects price-adjusted gross domestic product to grow by 1.0% in 2019 as well. This means that Germany is on a growth path for the tenth year in a row. This is the longest upswing since 1966 (sources: Kiel Institute for the World Economy, Federal Ministry for Economic Affairs and Energy).

The value of the euro compared to the US dollar fell in the course of 2018 from 1.20 dollars per euro to 1.145 dollars per euro.

The persistently good economic climate is reflected equally in the sales and business development of HC Starck GmbH in the 2018 financial year, as it determined the results of the affiliated companies.

II. Analysis of the development and the location of the cate h mens**1. Significant control parameters**

HC Starck GmbH controls its operational business activities primarily using the **financial performance indicators** "sales revenue from services" and "investment result", since the company, as a holding company, is dependent on the development of the operating

investment companies, which are reflected in the profit and loss transfer agreements or in dividend distributions. The performance indicators are as follows:

Performance indicator	2018	2017
Revenue from services	30.7 million euros	38.1 million euros
Investment result (profit transfers, dividends)	25.2 million euros	-7.1 million euros

The decline in sales of up to 10% forecast in the previous year could not be achieved. The main reason for the significant decrease compared to the previous year is the outsourcing of services to the two subsidiaries Chemitas GmbH and ChemiLytics GmbH & Co KG as of October 01, 2018.

2. Course of business and earnings

HC Starck GmbH achieved **sales of** EUR 30.7 million in the 2018 financial year (2017: EUR 40.1 million).

Of sales in the 2018 financial year, 93.8% were generated in Europe, 93.3% of which was generated in Germany. The regions outside Europe only play a subordinate role in sales.

The **operating result** (EBIT) in 2018 was EUR 130.8 million (2017: EUR 25.8 million). In the year under review, EBIT was largely shaped by the sale of equity investments.

The **investment** result results from income from profit transfer agreements in the amount of EUR 26.2 million, income from loans of financial assets in the amount of EUR 1.7 million and expenses from the assumption of losses in the amount of EUR 2.7 million.

3. Assets and financial position

3.1. Financial position

The balance sheet total of HC Starck GmbH as of December 31, 2018 compared to December 31, 2017 and the balance sheet ratios derived from this are as follows:

Balance sheet ratios	December 31, 2018	December 31, 2017
Total assets	711.2 million euros	1,083.3 million euros
Asset intensity	49.7%	78.5%
Orbital intensity	50.3%	21.5%

3.2 Financial position

3.2.1 Capital structure

The main balance sheet ratios for the capital structure are:

Balance sheet ratios	December 31, 2018	December 31, 2017
Leverage	248.2%	430.3%
3rd degree liquidity	115.8%	54.0%
Equity ratio	28.7%	18.9%
Debt ratio	71.3%	81.1%

The reduction in the debt capital ratio compared to the previous year results mainly from the repayment of financial liabilities from a syndicated loan agreement.

3.2.2 Investments

HC Starck GmbH has invested EUR 0.3 million in intangible assets and property, plant and equipment. This involved various smaller projects, the value of which in individual cases did not exceed EUR 0.1 million. In terms of content, the investments relate to replacement and expansion investments in the areas of IT and maintenance.

3.2.3 Liquidity

Cash and cash equivalents as of December 31, 2018 amounted to EUR 23.9 million (2017: EUR 20.8 million). In addition, free credit lines of EUR 34.6 million (2017: EUR 9.1 million) were available for immediate drawing.

The analysis of the payment flows gives the following picture:

Abridged cash flow statement	2018	2017
Cash flow from operating activities	-46.9 million euros	-8.9 million euros
Cash flow from investing activities	449.3 million euros	-76.7. Euro
Cash flow from financing activities	-393.3 million euros	-17.0 million euros
Cash change *	9.1 million euros	-102.6 million euros

* Changes in cash and cash pool accounts

III. Overall statement on the course of business and the situation of the company

From the management's point of view, business development in 2018 was very good overall.

C. Sustainability

Based on the factors of employee qualification, active health and safety management, economic and ecological efficiency, energy efficiency, product and process quality as well as observance of the highest ethical, social and legal standards, we make a lasting contribution to improving the quality of life with our business activities, products and services and create values that benefit our customers, shareholders, employees, suppliers and the public.

The HC Starck Group has been using standardized management systems for many years. In addition to a continuous improvement process, adherence to the measures and processes specified there guarantees sustainable action by every company belonging to the HC Starck Group. The certificates and the sustainability report for 2017 can be viewed on the HC Starck Group's website at www.hcstarck.com.

I. Employee

As of December 31, 2018, the company had 141 employees (2017: 325 employees).

As of December 31, 2018, 42% (2017: 58%) of the employees are in the technical departments, 5% (2016: 2%) in sales & marketing, 0% (2017: 1%) in research and 53% (2017: 39%) assigned to administration.

In addition to the above-mentioned employees, 1 trainee (2017: 9) was employed. The training quota was 0.7% (2017: 2.7%).

II. Health, Safety, Environment and Quality (HSEQ)

1 . General

As in previous years, in the 2018 reporting year - in accordance with our HSEQ 2018 targets for the HC Starck Group - one of the main focuses in the area of the environment was the reduction of specific energy consumption and the associated improvement in the ecological footprint. In addition to the key figures listed in this report, further information can be found in the HC Starck Company Review as well as the current reporting on sustainability issues - available at www.hcstarck.com.

When it comes to compliance, the company is guided by legal provisions and international agreements.

2. Occupational health and safety

The improvement of safety and health protection is a permanent and central goal and is manifested in the overarching goals of the HC Starck Group. As in previous years, the functionality and effectiveness of the occupational safety management system according to OHSAS 18001 was confirmed by an external audit in the reporting period.

Regular examinations of employees in accordance with the requirements of the employers' liability insurance association as well as regular training courses and inspections with a focus on safety and health protection continue to serve to maintain or further improve the introduced standard.

HC Starck GmbH recorded 3 accidents (2017: 15) with 87 days lost in the reporting year.

3. Non-financial performance indicators

To review corporate performance in the area of sustainability, key performance indicators (KPI) were created specifically for the area of environment and occupational safety, which are regularly checked and further developed with the help of the integrated management systems at the locations and used as a basis for corrective measures.

For HC Starck GmbH, the number of days lost per 1 million working hours (accident severity quotient - USQ) was defined as a **non-financial performance** indicator from the KPI system - in the reporting year this was:

non-financial performance indicator	2018	2017
Accident severity quotient - USQ	195.6	63.6

Unfortunately, it was not possible in the past financial year to achieve the desired goal of completely avoiding occupational accidents. The number of work accidents has decreased significantly compared to the previous year. Due to the severity of the accidents, however, they led to a massive increase in the USQ. The other non-financial performance indicators are not used to manage the company.

III. Corporate governance statement

The Supervisory Board decided in the 2017 financial year to set a quota of women at "zero" at the level of the Supervisory Board and at the management level. For the first two management levels below the management, it also decides to set a quota of women of "zero". The management reserves the right to change the quota for women at a later date. The specified proportions of women should expressly be minimum sizes. An upward deviation from these minimum sizes is expressly provided and is supported by the supervisory board and the management of HC Starck GmbH.

D. Risk and Opportunity Report

I. Risk report

1. Risk management

The existing management system systematically identifies, evaluates and monitors all major opportunities and risks of the HC Starck Group.

At HC Starck GmbH, risk management is an integral part of the business processes set up for corporate management. The main instruments of corporate control are the management structure, the planning system, the reporting and information systems, a detailed set of management regulations and technical standards as well as meetings, committees, committees and conferences. When designing business processes, the company relies on comprehensive legal advice to minimize risk. The management and employees of HC Starck GmbH have committed themselves to ethical principles and actions within the framework of the compliance system, which is continuously improved. No violations were known or discovered in the past financial year.

2. Individual risks

2a. Overall economic risk

The development of the business and the associated financial goals also indirectly depend on the economic development of the relevant procurement and sales markets that are relevant for the subsidiaries. To this end, the economic development in the most important countries and regions is continuously monitored in order to incorporate the findings into operational business planning and to counteract this as early as possible. The development of the political and legal framework in the People's Republic of China is of particular importance here. Both the probability of occurrence of the risk and the extent of occurrence are assessed as medium, unchanged from the previous year.

2 B . Currency risk

Since some of the loans issued to affiliated companies are denominated in foreign currency, this leads to a direct currency risk due to the development of the exchange rate. We assume that the relevant exchange rates will change only insignificantly in 2019, so that, as in previous years, a low probability of occurrence with a medium level is assumed.

2 c. Interest rate risk

The HC Starck Group's financing was taken out at variable interest rates. Financing within the HC Starck Group is based on the interest rates that the Group has with external lenders. In view of the current low interest rate policy of the European Central Bank, which the management believes will continue in the medium term, interest rate hedging for the company's loans with group companies was waived. As in previous years, both the probability of occurrence of this immediate risk and the extent of its occurrence are assessed as low.

2 d. Operational Risks

The company's business processes as well as internal and external communication are increasingly based on information technology. In order to avoid major disruptions in IT systems that pose an immediate risk, all common security measures (including redundant data centers, monitoring and securing of critical systems, duplicated servers and hard drives, regular updates, current firewalls and training courses on raising awareness of IT -Safety) realized.

As in the previous year, both the probability of occurrence of the risk and the extent of its occurrence are rated as medium.

2 e. Liquidity and Financing Risk

With the extension of the syndicated loan agreement achieved in March 2016 and adequate liquid funds both in HC Starck GmbH and in the HC Starck Group, financing is generally secured until the 2020 financial year. The syndicated loan comprises several loan agreements with different conditions. The contractual provisions of the updated syndicated loan contain different financial covenants. These were complied with as of December 31, 2018. The management currently has no reason to doubt that these contractual obligations can also be met in the future.

In connection with the loan agreements, HC Starck GmbH, as the guarantor, generally assures the fulfillment of the payment obligations of the other main debtors to the guarantor within the framework of financial guarantees. The company has assigned or pledged its assets to the lenders to secure the loan liabilities. HC Starck GmbH operates within the HC Starck Group as an in-house bank for borrowing and investment and assumes that the company and the other main debtors will be able to service all loans in the future.

In addition, the company has issued a letter of comfort to HC Starck Inc., Newton / USA, and HC Starck Specialty Materials (Taicang) Co. Ltd., Taicang / China.

HC Starck GmbH was able to successfully complete the sale of its holdings in HC Starck Surface Technology and Ceramic Powders GmbH including its subsidiary and HC Starck Tantalum and Niobium GmbH and its domestic and foreign subsidiaries in the 2018 financial year. The proceeds from the sale were used, among other things, to repay significant partial amounts from the existing consortium agreements.

A claim from the guarantees to the banks and from letters of comfort arises mainly if the other main debtors fail to make payments or another termination or termination event occurs. The maximum possible payment obligations from direct credit agreements and financial guarantees for HC Starck GmbH as of December 31, 2018 amount to EUR 24.3 million.

The probability of occurrence of this immediate risk continues to be assessed as low, although the extent of occurrence remains high.

2 f. Structural risk

According to the new corporate structure within the HC Starck Group, the company is dependent on the earnings development of its subsidiaries. As in the previous year, the immediate risk that these companies will not develop as planned overall is classified as medium, although the extent of the occurrence, unlike in 2017, is only assessed as medium.

3. Overall assessment of the risks

Significant risks jeopardizing the continued existence of the company, in particular liquidity and financing risks, were largely eliminated in the 2016 financial year through suitable measures. The successful sale of parts of the company and the use of the funds thus freed up to repay significant partial amounts from the syndicated loan agreements further significantly reduced the remaining risk. The

management has therefore not identified any risks jeopardizing the continued existence of the company. For the business, however, other risks may arise in the future that do not currently exist or that can currently be neglected from the management's point of view.

II. Opportunities report

The main opportunities for HC Starck GmbH in 2019, which go beyond the assessment in the following forecast, are that the earnings situation of the companies affiliated with the profit and loss transfer agreements will improve beyond the previous planning.

E. Forecast report

According to the economic forecasts, the economy will also develop a slight upturn in the next two years. According to this, the gross domestic product in Germany should continue to grow by 1.0% in 2019 and by 2.2% in 2020. The increase in world production is expected to be 3.4% in 2019, probably somewhat lower than in 2018. A 3.4% increase in global world production is also expected for 2019 (source: Institut für Weltwirtschaft, Kiel).

HC Starck Tungsten GmbH, Chemitas GmbH, HC Starck Infrastructure GmbH & Co KG and ChemiLytics GmbH & Co KG will in future be solely responsible for the operational business that was formerly managed by HC Starck GmbH. HC Starck GmbH will therefore benefit from the profitability and results of these companies via the existing profit and loss transfer agreements or the existing asset participation. For these companies, the earnings situation is expected to improve in 2019 due to increasing demand and the cost savings implemented. In addition, financing costs, among other things, influence the company's annual result.

The following development is expected for the **financial and non-financial performance indicators** :

Performance indicator	Forecast for 2019
Investment result (profit transfers, dividends)	approx. 20 million euros
Accident severity quotient - USQ	0

In 2019, the company will further reduce the range of services to other group companies compared to previous years. The management will therefore no longer use sales from services as a financial performance indicator in the future.

Balance sheet as of December 31, 2018

assets

	December 31, 2018	December 31, 2017
	Euro	Euro
A. Fixed assets		
I. Intangible Assets		
Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	68,694	157.664
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	55,938	63.153
2. technical systems and machines	102,665	439,333
3. other equipment, factory and office equipment	800,516	635.037
4. Advance payments made and assets under construction	16,422	1,103,089
	975,541	2,240,613
III. Financial assets		
1. Shares in affiliated companies	351.160.158	704.176.891
2. Loans to affiliated companies	907.443	144,235,000
	352.067.601	848.411.891
	353.111.836	850.810.168
B. Current Assets		
I. Receivables and other assets		
1. Accounts receivable from deliveries and services	1,399,953	215,887
2. Receivables from affiliated companies	332.440.460	208,981,741
3. other assets	416.434	2,332,972
	334.256.847	211.530.600
II. Cash in hand, bank balances	23,869,912	20.775.141
	358.126.759	232,305,741
C. Prepaid expenses	3,140	156.120
	711.241.735	1,083,272,029

liabilities

	December 31, 2018	December 31, 2017
	Euro	Euro
A. Equity		
I. Drawn capital	10,000,000	10,000,000
II. Capital reserve	193,531,747	193,531,747
III. Retained earnings		
other retained earnings	729.515	729.515
	204.261.262	204.261.262
B. Provisions		
1. Provisions for pensions and similar obligations	149.556.230	151.362.171
2. Tax provisions	153.192	360.189
3. Other provisions	14,071,044	17.810.311
	163.780.466	169.532.671
C. Liabilities		
1. Liabilities to banks	49,477,863	361.330.323
2. Trade accounts payable	1,164,329	2,649,352
3. Liabilities to affiliated companies	291.784.605	344.376.296
4. Other Liabilities	773.210	1,122,125
	343.200.007	709.478.096
	711.241.735	1,083,272,029

Income statement for the period from January 1 to December 31, 2018

2018	2017
euros	euros

	2018 euros	2017 euros
1. Sales	30,711,414	40.051.964
2. Production costs of the services provided to generate the sales	-35,961,398	-46,742,133
3. Gross profit on sales	-5,249,984	-6,690,169
4. Distribution costs	-776,335	-957,237
5. Research and development costs	0	-826,807
6. general administration costs	-41,483,986	-29.906.316
7. other operating income	191,409,051	78.810.917
8. other operating expenses	-13,080,744	-14,589,982
9. Income from profit transfer agreements	26.160.643	12,679,564
10. Income from other securities and loans from financial assets	1,729,585	4,367,906
11. other interest and similar income	15,787,953	8,295,734
12. Depreciation on financial assets	-6,709,000	-129,863,449
13. Interest and Similar Expenses	-43.198.065	-51,839,773
14. Expenses from the assumption of losses	-2,701,499	-24.176.650
15. Taxes on income and earnings	-219,832	-174,945
16. Profit after tax	121,667,787	-154.871.207
17. Income from the assumption of losses	0	154.871.207
18. Expenses from profit transfer	-121,667,787	0
19. Annual surplus / deficit	0	0

Appendix for the 2018 financial year

I. General information

HC Starck GmbH is based in Goslar and is listed in the commercial register of the Braunschweig local court under the commercial register number HRB 200743.

As of the reporting date, HC Starck GmbH is a large corporation within the meaning of Section 267 of the German Commercial Code. The annual financial statements are prepared in accordance with the accounting regulations for corporations of the Commercial Code (HGB), taking into account the law on limited liability companies (GmbHG).

The business year corresponds to the calendar year.

In the interest of better clarity and clarity, the notes to be made under the items of the balance sheet and profit and loss account according to the statutory provisions, as well as the notes that can be optionally made in the balance sheet or profit and loss account, are largely listed in the appendix.

II. Changes in company law

With a notarial deed dated December 22, 2017, HC Starck GmbH sold all shares in HC Starck Surface Technology and Ceramic Powders GmbH, Munich, to Höganäs AB, Sweden, as part of the strategic development of the HC Starck Group. The transfer of the shares in HC Starck Surface Technology and Ceramic Powders GmbH took place at the end of February 28, 2018. Upon completion, HC Starck Surface Technology and Ceramic Powders GmbH also took over 37 employees who were previously employed by HC Starck GmbH were. The reconciliation of interests agreement concluded with the works council in this context is dated February 5, 2018.

Furthermore, the HC Starck GmbH with a notarial deed of 26./27. February 2018 all shares in HC Starck Tantalum and Niobium GmbH, Munich, sold to JX Mining and Metals Deutschland GmbH, Frankfurt. The transaction was completed at the end of June 30, 2018. With the transfer, HC Starck Tantalum and Niobium GmbH took over 48 employees who were previously employed by HC Starck GmbH. The reconciliation of interests agreement concluded with the works council in this context is dated April 3, 2018.

With a contract dated June 1, 2018, HC Starck GmbH sold all of its shares in HC Starck Specialties Materials Co. Ltd., Taicang, People's Republic of China to HC Starck Inc., Newton, USA.

In addition, HC Starck GmbH has brought the "Analytical Services" area, previously managed as a dependent service function, into the newly founded ChemiLytics GmbH & Co KG with effect from October 1st, 2018. In a reconciliation of interests agreement dated August 15, 2018, it was agreed that 71 employees would transfer to ChemiLytics GmbH & Co KG on October 01, 2018 by way of a transfer of operations according to Section 613a BGB.

Chemische Fabrik Altherzberg GmbH iL was deleted on October 24, 2018 when it was entered in the commercial register of the Braunschweig local court under the commercial register number HRB 110265.

III. Information on accounting, valuation and reporting methods

1. General information

The profit and loss account is based on the cost of sales method in accordance with Section 275 (3) of the German Commercial Code. The annual financial statements were prepared assuming the going concern.

Due to the particular importance of research and development costs in the chemical industry, these were shown separately in the past until 2017.

2. Accounting and valuation methods

Intangible fixed assets acquired from third parties are capitalized at acquisition cost and depreciated on a straight-line basis according to their expected useful life, pro rata in the year of acquisition, over a normal useful life of 3 to 8 years.

Insofar as the fair values of individual intangible fixed assets fall below their book value, additional write-downs are made in the event of a likely permanent decrease in value.

Tangible assets are valued at acquisition or production costs in accordance with Section 255 Paragraphs 1 and 2 of the German Commercial Code less scheduled depreciation, with depreciation in the year of acquisition on a pro rata basis.

Operating equipment as part of **buildings** is depreciated over a useful life of 20 years.

Technical systems and machines are depreciated with a useful life of 8 to 10 years.

Other equipment and fixtures and fittings are depreciated over a useful life of 3 to 5 years.

When purchasing used property, plant and equipment, the estimated remaining useful life is used.

Insofar as the fair values of individual items of property, plant and equipment fall below their book value, unscheduled depreciation is also made in the event of a likely permanent decrease in value.

Acquisition costs of wear-and-tear moveable fixed assets that are capable of independent use are recognized in full as an expense in the financial year of acquisition if the acquisition costs, less the pre-tax amount contained therein, do not exceed € 250 for the individual asset. For low-value assets, the acquisition costs of which, reduced by the pre-tax amount included, amount to more than € 250 and up to € 1,000, an annual collective item is created in accordance with Section 6 (2a) EStG. The annual collective item is released over five years, reducing profits. If an asset leaves the property prematurely,

In the case of **financial assets**, shares in affiliated companies and **investments** are valued at acquisition cost or, in the case of permanent impairment, at the lower fair value. If the reasons for the depreciation no longer exist, corresponding write-ups are made.

The **loans** are, as far as interest rates, recognized, moreover, the present value of the nominal value. In the case of permanent impairment, the valuation is made at a lower value. If the reasons for the depreciation no longer exist, corresponding write-ups are made.

The **requirements and other assets** are valued at the nominal value or the fair of the reporting date lower value. Appropriate value deductions are made for receivables whose collectability is subject to recognizable risks; bad debts are written off. To cover the general credit risk, with the exception of receivables from affiliated companies, a general value adjustment of 1% is made on the net receivables that have not been individually adjusted.

The **liquid means** are at their nominal value at the closing date.

Payments made before the balance sheet date are recognized as **prepaid** expenses insofar as they represent expenses for a certain period after this point in time.

The **subscribed capital** is reported at nominal value.

The **capital reserve** relates to a reserve within the meaning of Section 272 (2) No. 4 HGB.

The other **provisions** are recognized in the amount of the settlement amount required according to a reasonable commercial assessment. Provisions with a remaining term of more than one year are discounted using the average market interest rate for the past seven financial years that corresponds to their remaining term.

Provisions for pensions and similar obligations are based on actuarial calculations using the projected unit credit method, taking into account the 2018 G mortality tables by Prof. Dr. Klaus Heubeck rated.

The 2016 pension scheme (company agreement of December 9, 2015) represents the current company pension scheme. The 2016 pension scheme is a pure matching model, ie if the employee does not make a contribution, there is no longer any subsidy from the employer. The maximum allowance per year is 50% of the deferred compensation amount, but a maximum of € 500 for employees subject to collective bargaining agreements or € 2,000 for employees not covered by collective agreements. Another important change is the switch to a capitalized pension plan, which means that the employee can choose between a one-off payment or a payment in installments with 12 or 13 annual installments. Furthermore, the employee can also opt for a pension upon application. For employees who by 31

On February 18, 2016, the German Bundestag resolved to amend Section 253 (2) sentence 2 of the German Commercial Code (HGB) to extend the period of averaging in determining interest from seven to ten years. The new regulation is binding for all annual financial statements after December 31, 2015. The interest rate for a ten-year average as of December 31, 2018 is 3.21%, for a seven-year average it is 2.32%. The resulting difference is € 17,904 thousand. The difference is subject to a distribution block but not a transfer block.

As of the reporting date, the total amount of the pension obligations and the obligations similar to pensions according to the actuarial report was T € 149,556.

When determining the provisions for pensions and similar obligations, annual wage and salary increases of 2.75% and annual pension increases of 1.00% to 1.85% with a firm commitment were used.

The **anniversary provisions** are based on HC Starck GmbH's binding obligation under labor law to grant employees one-off benefits after a certain period of service (anniversary service). When evaluating the anniversary provisions, an interest rate of 2.32% pa, the 2018 G mortality tables by Prof. Dr. Klaus Heubeck and an annual wage and salary increase of 2.75%. On the basis of these parameters and a statistically determined utilization taking into account the fluctuation, the present value of the payment obligations was determined according to actuarial principles using the projected unit credit method, which represents the settlement amount to be reported.

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

Business transactions in **foreign currencies** are generally recorded using the exchange rate at the time of the initial posting. Balance sheet items are valued as follows on the balance sheet date: Long-term foreign currency receivables are stated at historical rates when the receivable arises or at the lower fair value based on the foreign currency rate on the balance sheet date (impairment principle). Short-term foreign currency receivables (remaining term of one year or less) as well as liquid funds or other short-term assets in foreign currencies are converted at the mean spot exchange rate on the reporting date.

Long-term foreign currency liabilities are valued at the historical rate when the liability arises or at the higher rate on the reporting date (impairment principle). Short-term foreign currency liabilities (remaining term of one year or less) are also converted at the mean spot exchange rate on the reporting date.

The **revenue recognition** takes place, as far as the amount owed has been furnished and a claim arises for consideration. Sales from services are recognized as soon as the service has been provided. The amount of sales corresponds to the agreed consideration.

Otherwise, sales are shown after deducting sales tax.

IV. Explanation of the balance sheet

The development of the individual items of fixed assets is shown in the schedule of fixed assets. The schedule of assets is attached to the appendix as an appendix.

The **shares in affiliated companies and participations** (shareholdings) within the meaning of Section 271 (1) of the German Commercial Code (HGB) shown in the financial assets are as follows:

Surname	Seat	Capital share in%	Equity 12/31/2018		Annual result 2018	
			T €	T €	T €	T €
HC Starck Hungary Holding Kft. with the following holdings	Budapest / Hungary	100.0	*) 384	*) -135		
HC Starck Inc. with the following holdings	Newton / USA	100.0	*) - 26,867	*) -13,836		
HC Starck North American Trading LLC	Newton / USA	100.0	****)	****)		
HC Starck Fabricated Products GK	Tokyo / Japan	100.0	7th	-12		
HC Starck Specialty Materials (Taicang) Company Ltd.	Taicang / China	100.0	*) -6,624	*) -3,696		
HC Starck Ltd. with the following participation	Calne / UK	84.13	*) 7,672	*) 949		
Molypress Germany GmbH with the following participation	Hermsdorf	84.13	*) 997	*) 0		
HC Starck Hermsdorf GmbH	Hermsdorf	84.13	*) 31,981	*) 200		
HC Starck Tungsten GmbH with the following holdings	Munich	100.0	176,279	**) 0		
HC Starck Canada Inc.	Sarnia / Canada	100.0	*) 21,847	*) -1,643		
HC Starck Jiangwu Tungsten Specialties (Ganzhou) Co., Ltd.	Ganzhou / China	60.0	*) 4,866	*) -2,104		
Jiangwu HC Starck Tungsten Products Co., Ltd.	Ganzhou / China	30.0	*) 6,079	*) -1,988		
HC Starck Tungsten GK	Tokyo / Japan	100.0	374	393		
HC Starck Ceramics GmbH	Same	100.0	13,248	1,248		

Surname	Seat	Capital share in%	Equity 12/31/2018 T €	Annual result 2018 T €
with the following participation				
HC Starck Infrastructure GmbH & Co. KG	Munich	0.0	98,830	-5,629
Chemitas GmbH	Goslar	100.0	25th	**) 0
HC Starck (India) Private Limited	Maharashtra / India	50.0	***) 114	***) -20
Chemilytics GmbH & Co. KG	Goslar	98.0	2,707	-280
Chemical factories				
Oker and Braunschweig AG	Goslar	100.0	159	**) 0

*) Data as of December 31, 2017.

**) There is a profit and loss transfer agreement with HC Starck GmbH.

***) The company has a different financial year, dates as of March 31, 2017.

****) The company is included in the consolidated financial statements of HC Starck Inc., USA

In the case of annual financial statements in a foreign currency, the equity capital was converted using the rate on the reporting date and the annual result was converted using the average rate for the respective financial year.

In the **financial assets**, income of € 11,260 thousand was achieved due to the repayment of loans to HC Starck Specialty Materials (Taicang) Company Ltd., China, which had already been written down.

All trade **accounts receivable** are due within one year.

The **receivables from affiliated companies** result from:

	December 31, 2018 T €	December 31, 2017 T €
Requests from deliveries and services	1,643	3,387
Claims against the sole shareholder	57,724	154,871
Cash pool	15,064	6,720
Receivables from the sale of shares	14,483	14,483
Receivables from financial transactions	227,964	15,851
Receivables from profit and loss transfer agreements	15,562	12,680
Others	0	990
	332,440	208,975

The receivables from the sole shareholder include receivables from short-term loans in the amount of T € 56,763 as well as deferred interest amounting to T € 961. In the previous year, only receivables from loss compensation claims were included.

Of the receivables from affiliated companies, € 314,393 thousand (previous year 163,259) have a remaining term of up to one year, and € 18,047 thousand (previous year € 17,331 thousand) have a remaining term of more than one year. There are none of the latter receivables with a remaining term of more than five years.

Other assets result from:

	December 31, 2018 T €	December 31, 2017 T €
Receivables from credit institutions	0	447
Tax claims	116	537
Loss compensation claim	0	995
Accounts receivable	197	164
Rest	103	190
	416	2,333

The other assets have a remaining term of up to one year.

The fully paid-in **subscribed capital** entered in the commercial register amounts to T € 10,000.

The **other provisions** in the amount of T € 14,071 (previous year: T € 17,810) essentially contain the following provisions:

	December 31, 2018 T €	December 31, 2017 T €
Pending invoice	7,042	3,140
Anniversary commitments	390	892
Special payments to employees	4,204	10,882
Severance payments	1,194	1,378
Trade association	125	164
Exam fees	557	685

The **liabilities to affiliated companies** result from:

	December 31, 2018 T €	December 31, 2017 T €
liabilities from goods and services	1,061	2,240
short term loan	48,379	200,687
Cash pool	120,620	117,273
Profit transfer	121,668	0
Assumption of loss	56	24,177
	291,784	344,377

The **other liabilities** result from:

	December 31, 2018 T €	December 31, 2017 T €
liabilities		
from taxes	512	543
in the context of social security	37	163
Transfer of demography funds, deferred compensation	199	308
Other liabilities	25th	108
	773	1,122

The total **liabilities** have the following remaining terms:

	Total amount	
	2018 T €	2017 T €
Credit institutions	49,478	361,330
Supplies and services	1,165	2,649
Affiliates	291,784	344,377
Others	773	1,122
	343,200	709,478

	up to 1 year		Thereof liabilities with a remaining term of greater than 1 year		of which: more than 5 years	
	2018	2017	2018	2017	2018	2017
	T €	T €	T €	T €	T €	T €
Credit institutions	49	50,035	49,429	311,295	0	0
Supplies and services	1,165	2,649	0	0	0	0
Affiliates	291,784	344,377	0	0	0	0
Others	753	1,019	20th	103	0	0
	293,751	398.080	49,449	311,398	0	0

V. Explanation of the profit and loss account

The **sales revenues** exclusively contain revenues from services, they are distributed over the following regions:

	2018	2017
	T €	T €
inland	28,655	38,073
Rest of Europe	137	143
North America / Mexico	1,052	941
Far East / Oceania	867	895
	30,711	40,052

The **other operating income** of T € 191,409 (previous year: T € 78,811) is made up as follows:

	2018	2017
	T €	T €
Exchange rate gains from currency conversion	13,229	14,046
Exchange rate gains from currency forwards	86	89
income for other accounting periods	7,277	3,454
Merger Profits	0	11,174
Income from other services	748	2,377
Income from commissions	808	872
Income from the sale of investments	150,834	0
Income from write-ups on financial assets	0	45,413
Income from corporate law matters	7,153	0
Remaining other income	14th	1,386
	191,409	78,811

Extraordinary income includes capital gains from the sales of HC Starck Tantalum and Niobium GmbH in the amount of € 125,457 thousand, HC Starck Surface Technology and Ceramic Powders GmbH in the amount of € 13,383 thousand and HC Starck Specialty Materials (Taicang) Company Ltd., China, in the amount of € 11,994 thousand.

Other extraordinary income results from the contribution (transfer of assets and debts at fair value to ChemiLytics GmbH & Co. KG) in the amount of € 7,067 thousand and income from the liquidation of Chemische Fabrik Altherzberg GmbH in the amount of € 86 thousand. Contains merger profits of T € 11,174.

The **other operating expenses** of € 13,081 thousand (previous year: € 14,590 thousand) essentially include:

	2018	2017
	T €	T €
Exchange rate losses from currency conversion	9,798	9,922
Exchange rate losses from currency forwards	185	352
Expenses for other services	2,468	3,309

Out of period expenses are included in the amount of T € 72 (previous year: T € 243).

Of the **interest and similar expenses** of € 43,198 thousand (previous year: € 51,840 thousand), € 7,062 thousand (previous year: € 13,830 thousand) was paid to affiliated companies.

The interest portion from the addition to the personnel provisions is included in the amount of T € 5,457 (previous year: T € 5,806).

The **cost of materials** within the meaning of Section 275 (2) No. 5 HGB (total cost method) is made up as follows:

	2018	2017
	T €	T €
Expenses for raw materials, supplies and		
Supplies and for purchased goods	376	3,853
Expenses for purchased services	756	768
	1,132	4,621

The **personnel expenses** .. 2 No. within the meaning of § 275 HGB 6 (total cost method) is structured as follows:

	2018	2017
	T €	T €
Wages and salaries	23,607	35,200
Social security and pension and support expenses	14,982	9,694
of that for pensions	(11,958)	(5,794)
	38,589	44,894

The average number of **employees** in the year is **calculated as** follows in accordance with Section 267 (5) of the German Commercial Code:

	2018	2017
	number	number
Production and technology	133	191
marketing	7th	7th
research	0	4th
administration	98	132
	238	334

The **taxes on income and earnings** (€ 220 - € 175 thousand the previous year) mainly withholding tax on interest payments from affiliated companies.

VI. Other Information

1. Contingent Liabilities

The following liability relationships exist towards third parties:

The HC Starck Group finances itself, among other things, through long-term bank liabilities that are regulated in a syndicated loan agreement and that ensure the overall financing of the HC Starck Group.

The loans from the borrowers, HC Starck GmbH and HC Starck Inc., Newton / USA (both affiliated companies), have a total value of EUR 75.5 million as of December 31, 2018.

HC Starck GmbH as part of the HC Starck Group has granted guarantees (warranty obligations) in favor of the lenders under the senior syndicated loan agreement of November 23, 2006, which was extended on March 24, 2016 to secure the liabilities of all other borrowers and guarantors its essential assets (in particular claims, including those against banks, real estate, industrial property rights, movable property and holdings in various subsidiaries) are encumbered or assigned.

In the context of external financing, the following contingent liabilities exist with affiliated companies:

HC Starck GmbH has letters of comfort vis-à-vis HC Starck Inc., Newton / USA, and HC Starck Specialty Materials (Taicang) Co. Ltd., Taicang / China. The obligations of these companies as of December 31, 2018 totaled EUR 57.2 million.

For the HC Starck Group, in addition to monthly liquidity reports, there is regular reporting to the lending banks in which deviations from the planned liquidity are analyzed and the necessary corrective measures are taken. In addition, HC Starck GmbH is responsible for the cash pool leadership of the entire HC Starck Group. Based on these instruments, HC Starck GmbH assumes that the main debtors will be able to service all loans in the future and have enough liquidity so that the letters of comfort do not come into effect. The syndicated loan agreement gives rise to obligations to comply with certain financial ratios. These were complied with as of the balance sheet date and the company assumes compliance in the future.

2. Off-balance sheet transactions

The off-balance-sheet transactions relate in particular to rental and leasing contracts (vehicle fleet and buildings). The contracts do not involve any extraordinary risks. The advantages of leasing lie in the cyclical exchange of new items.

3. Other financial obligations

There are the following other financial obligations towards third parties:

The order commitment from orders already placed for investment projects amounted to € 85 thousand as of December 31, 2018 (previous year: € 1 thousand). Corresponding payments are due only in the following financial year.

Obligations from rental and leasing contracts amount to € 614 thousand (previous year: € 927 thousand). The contracts have remaining terms of up to one year in the amount of € 391 thousand and over one year in the amount of € 223 thousand. There are no contracts with a remaining term of more than five years.

The following other financial obligations exist to affiliated companies:

The rental and license agreement with HC Starck Infrastructure GmbH & Co. KG, which runs until June 30, 2024, has a total obligation of € 6,826 thousand (previous year: € 8,067 thousand). Of this, an amount of € 1,241 thousand applies to a period of up to one year and € 5,585 thousand to a period of more than one year. Of the last-mentioned amount, a total of T € 621 is allocated over a period of five years.

In a contract dated December 20, 2018, HC Starck Holding contractually guaranteed HC Starck GmbH a loan of EUR 170 million (term until September 30, 2019, interest rate 5%). Also in a contract dated December 20, 2018, HC Starck GmbH guaranteed HC Starck Holding a loan that was congruent in terms of loan amount, term and interest rate. From an economic perspective, both agreements cancel each other out, so that both agreements are pending transactions from the perspective of the annual financial statements under commercial law as of December 31, 2018.

4. Total auditor's fee

The total fee charged by the auditor for the financial year relates to auditing services for the annual (€ 132k) and consolidated financial statements (€ 423k) as well as other services (€ 363k).

5. Significant events after the balance sheet date

In a works agreement including the reconciliation of interests and disadvantages in connection with the further optimization of the corporate structure of HC Starck GmbH, including HC Starck Tungsten GmbH as well as the intended sale of HC Starck Tungsten GmbH and the associated measures of November 20, 2018, the works council of HC Starck GmbH agreed that by the end of December 31, 2018, 62 employees will move to HC Starck Tungsten GmbH, 2 employees to ChemiLytics GmbH & Co KG and 11 employees to Chemitas GmbH. In addition, another 19 employees will move to HC Starck Tungsten GmbH in the 2019 financial year.

In addition, HC Starck GmbH sold all shares in HC Starck Ceramics GmbH, Selb, to Kycocera Fineceramics GmbH, Esslingen, with a notarial deed dated February 1, 2019. The closing took place on April 12, 2019.

HC Starck GmbH also sold all shares in Chemitas GmbH, Goslar, to MAINCLASSIC GmbH, Goslar, with a notarial deed dated April 16, 2019. The closing took place on April 17, 2019.

On April 18, 2019, HC Starck GmbH repaid all liabilities under the senior syndicated loan agreement of November 23, 2006, which was extended on March 24, 2016. In total, a nominal amount of EUR 50.2 million plus EUR 0.3 million of accrued interest was repaid.

6. Management

The managing directors of HC Starck GmbH in the reporting year were:

Dr. Jens Knöll, Düsseldorf - Chief Executive Officer of HC Starck GmbH

Dr. Jan Lösch, Zorneding - Chief Financial Officer of HC Starck GmbH (until April 04, 2019)

The managing directors are or were authorized to represent the company alone and are exempt from the restrictions of § 181 BGB.

The indication of the total remuneration of the management in accordance with Section 285 No. 9a of the German Commercial Code is dispensed with with reference to Section 286 (4) of the German Commercial Code. There are no loans, advances or other contingent liabilities in accordance with Section 285 (9c) HGB.

The total remuneration of former members of the management amounted to € 124 thousand. The pension provisions for this group of people amounted to € 998 thousand as of December 31, 2018.

7. Supervisory Board

The members of the supervisory board are:

Dr. Engelbert Heimes, Lennestadt, (management consultant) - Chairman,

Jörg Ihde, Goslar, (Works Council Chairman Goslar) - Deputy Chairman and employee representative,

Michael Banse, Goslar, (IT employee) - employee representative,

Andreas Becker, Herrischried, (Works Council Chairman Laufenburg) - and employee representatives (until February 28, 2018),

Gregor Andreas Böhm, Munich, (Managing Director),

Dr. Reinhard Gradl, Verbier / Switzerland, (consultant),

Jörg Liebermann, Rábke, (District Representative IG BCE),

Wilhelm Plumpe, Bad Homburg vd Höhe, (consultant).

The total remuneration of the members of the Supervisory Board amounted to T € 34.

8. Shareholders and group relationships

HC Starck GmbH is a 100% subsidiary of HC Starck Holding (Germany) GmbH, Goslar.

HC Starck GmbH is included in the consolidated financial statements of Opus Holdco S.à rl, Luxembourg, (smallest group of consolidated companies) and Opus Investment S.à rl, Luxembourg, (largest group of consolidated companies). Both consolidated financial statements are prepared in accordance with the regulations of the IFRS to be applied in the EU and are available at the headquarters of the companies. The consolidated financial statements of Opus Investment S.à rl are also submitted electronically to the operator of the Federal Gazette for disclosure. HC Starck GmbH avails itself of the requirement to prepare its own subgroup financial statements in accordance with Section 291 (2) of the German Commercial Code.

Goslar, July 17, 2019

**Managing directors
Dr. Jens Knöll**

Development of fixed assets as of December 31, 2018

	As of 01/01/2018 euros	Acquisition or manufacturing costs			As of December 31, 2018 euros
		Additions euro	Reclassifications Reclassifications in euros	Disposals euros	
I. Intangible Assets					
1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	32,569,012	61,859	176.128	-1,016,380	31,790,619
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	176.060	0	0	0	176.060
2. technical systems and machines	33,704,285	120,340	211,671	-2,941,582	31.094.714
3. other equipment, factory and office equipment	7,145,985	115.211	475.202	-227.244	7,509,154
4. Advance payments made and assets under construction	1,103,089	0	-863.001	-223,666	16,422
	42.129.419	235,551	-176.128	-3,392,492	38,796,350
III. Financial assets					
1. Shares in affiliated companies	1,048,501,272	2,986,800	0	-374,408,908	677.079.164
2. Loans to affiliated companies	157.125.937	907.443	0	-157.125.937	907.443
	1,205,627,209	3,894,243	0	-531,534,845	677.986.607
	1,280,325,640	4,191,653	0	-535,943,717	748.573.576
			Depreciation		
	As of 01/01/2018 euros	Additions euro	Disposals euros	As of December 31, 2018 euros	
I. Intangible Assets					
1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values	32,411,348	129,560	-818,983	31,721,925	
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	112.907	7,215	0	120.122	
2. technical systems and machines	33.264.952	134,347	-2,407,250	30.992.049	
3. other equipment, factory and office equipment	6,510,948	417.703	-220.013	6,708,638	
4. Advance payments made and assets under construction	0	0	0	0	
	39,888,806	559.265	-2,627,263	37.820.809	
III. Financial assets					
1. Shares in affiliated companies	344.324.381	6,709,000	-25.114.375	325.919.006	
2. Loans to affiliated companies	12,890,937	0	-12,890,937	0	
	357.215.318	6,709,000	-38.005.312	325.919.006	
	429.515.472	7,397,825	-41,451,558	395.461.740	
			Closing stock		
			As of December 31, 2018 euros	As of December 31, 2017 euros	
I. Intangible Assets					
1. Concessions acquired against payment, industrial property rights and similar rights and values as well as licenses to such rights and values			68,694	157.664	
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land			55,938	63.153	
2. technical systems and machines			102,665	439,333	
3. other equipment, factory and office equipment			800,516	635.037	
4. Advance payments made and assets under construction			16,422	1,103,089	
			975,541	2,240,613	
III. Financial assets					
1. Shares in affiliated companies			351.160.158	704.176.891	
2. Loans to affiliated companies			907.443	144,235,000	
			352.067.601	848.411.891	
			353.111.836	850.810.168	

INDEPENDENT AUDITOR'S REPORT

To HC Starck GmbH, Goslar

Examination opinions

We have prepared the annual financial statements of HC Starck GmbH, Goslar, - consisting of the balance sheet as of December 31, 2018 and the income statement for the financial year from January 1 to December 31, 2018 as well as the notes, including the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of HC Starck GmbH for the financial year from January 1 to December 31, 2018. We have not checked the content of the declaration on corporate governance pursuant to Section 289f (4) of the German Commercial Code (information on the quota of women) in accordance with German legal regulations.

In our opinion based on the knowledge gained during the audit

- With the exception of the possible effects of the facts described in the section "Basis for the limited audit opinions", the attached annual financial statements comply in all material respects with the German commercial law regulations and, with the exception of these possible effects, give a true and fair view of the The company's net assets and financial position as of December 31, 2018 and its earnings position for the financial year from January 1 to December 31, 2018 and
- vermittelt der beigefügte Lagebericht mit Ausnahme der möglichen Auswirkungen des im Abschnitt „Grundlage für die eingeschränkten Prüfungsurteile“ beschriebenen Sachverhalts insgesamt ein zutreffendes Bild von der Lage der Gesellschaft. In allen wesentlichen Belangen, mit Ausnahme der möglichen Auswirkungen dieses Sachverhalts, steht der Lagebericht in Einklang mit einem den deutschen gesetzlichen Vorschriften entsprechenden Jahresabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar. Unser Prüfungsurteil zum Lagebericht erstreckt sich nicht auf den Inhalt der oben genannten Erklärung zur Unternehmensführung.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung mit Ausnahme der genannten Einschränkungen der Prüfungsurteile zum Jahresabschluss und zum Lagebericht zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses und des Lageberichts geführt hat.

Grundlage für die eingeschränkten Prüfungsurteile

Die Richtigkeit und die Höhe des Ausweises eines innerhalb der Erträge aus Gewinnabführungsverträgen ausgewiesenen Ergebnisanzeils einer zum 30. Juni 2018 veräußerten Tochtergesellschaft in Höhe von T€ 10.599 ist nicht hinreichend nachgewiesen, weil uns keine Nachweise zum handelsrechtlichen Ergebnis dieser Gesellschaft vorgelegt wurden. Infolgedessen liegt auch korrespondierend für einen innerhalb der sonstigen betrieblichen Erträge ausgewiesenen Buchertrag aus dem Verkauf der Anteile an dieser Organgesellschaft, dessen Verkaufspreis auch von dem abgeführten Ergebnisanzeil abhängig ist, in derselben Höhe kein Nachweis vor. Auch durch alternative Prüfungshandlungen konnten wir keine hinreichende Sicherheit über die Höhe der Erträge aus Gewinnabführungen und der sonstigen betrieblichen Erträge gewinnen. Wir können daher nicht ausschließen, dass Änderungen insbesondere am Ausweis der Erträge aus Gewinnabführungen und der sonstigen betrieblichen Erträge hätten vorgenommen werden müssen. Dieser Sachverhalt beeinträchtigt möglicherweise auch die Darstellung des Geschäftsverlaufs im Lagebericht einschließlich des Geschäftsergebnisses und der Lage der Gesellschaft sowie die Darstellung der Chancen und Risiken der zukünftigen Entwicklung. Wir haben unsere Prüfung des Jahresabschlusses und des Lageberichts in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt "Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht zu dienen.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen die Erklärung zur Unternehmensführung nach § 289f Abs. 4 HGB (Angaben zur Frauenquote).

Unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Jahresabschluss, zum Lagebericht oder unseren bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für den Jahresabschluss und den Lagebericht

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

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

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

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft zur Aufstellung des Jahresabschlusses und des Lageberichts.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts

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

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

oder insgesamt die auf der Grundlage dieses Jahresabschlusses und Lageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

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

- identifizieren und beurteilen wir die Risiken wesentlicher - beabsichtigter oder unbeabsichtigter - falscher Darstellungen im Jahresabschluss und im Lagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Lageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss und im Lagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.
- beurteilen wir den Einklang des Lageberichts mit dem Jahresabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage der Gesellschaft.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Lagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Munich, July 17, 2019

PricewaterhouseCoopers GmbH
auditing company
Katharina Deni, auditor
ppa. Martin Kyeremateng, Chartered Accountant

The annual financial statements as of December 31, 2018 were adopted on September 17, 2019.