

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

100046/20

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

☒ What this form is NOT for
You cannot use this form to
an alteration of manner of
with accounting requireme

TUESDAY



A09

A91J208G

24/03/2020

#287

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

ECOCLAN GmbH

UK establishment
number

B R O I 8 9 8 1

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ②

SECTION 317 OF GERMAN COMMERCIAL CODE

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

SECTION 242 AND 264 OF THE GERMAN COMMERCIAL CODE

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

OS AA01

Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

- ☐ No. Go to Part 3 'Signature'.
- ☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

① Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ①

GERMAN INSTITUTE OF PUBLIC AUDITORS

A5

Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

- ☐ No.
- ☐ Yes.

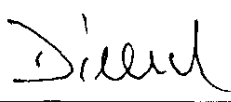
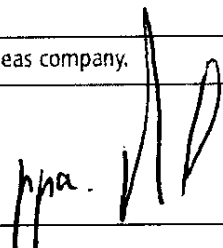
Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X  ppa.  X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

ASKERS

Address

5 THE QUADRANT

Post town

COVENTRY

County/Region

Postcode

C V I 2 E L

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Copy of annual financial statements and auditor's report

Ecoclean GmbH
Filderstadt

Annual financial statements for the short financial year
1 April to 31 December 2018, and the management report for the same
short financial year

AUDIT OPINION OF THE INDEPENDENT AUDITOR



Contents	Page
Management report	1
Annual financial statements for the financial year 1 April to 31 December 2018.....	1
Balance sheet for 31 December 2018	2
Income statement for the financial year 1 April 2018 to 31 December 2018.....	5
NOTES for Ecoclean GmbH, Filderstadt, for the financial year 1 April 2018 to 31 December 2018	1
Asset schedule	17
AUDIT OPINION OF THE INDEPENDENT AUDITOR	1

Management report for Ecoclean GmbH, Filderstadt, for the short financial year 1 April 2018 to 31 December 2018

Key expertise, market size and market trends

Together with its subsidiary in the Czech Republic and the affiliated companies in Switzerland, the US, France, China and India, Ecoclean GmbH is the largest global provider of industrial cleaning systems. The global market is serviced and supplied through the global sales, service and production network.

The economic situation in global markets remained stable compared to 2017 (from 3.8% to 3.6%). In the US and in China, the GDP continued to grow at a rate of 3% (previous year: 2%) and 7% (previous year: 7%), respectively. In contrast, the economy of the Eurozone registered a slight 1.1% increase in economic performance. Emerging economies reported flat economic growth. Risks include the escalating trade conflict between the US and China, and the upcoming Brexit.

In addition to the widely diversified industrial market, medical technology, optics and the aviation industry, the automotive industry with its OEMs and the automotive supplier chains also represent an important customer segment in a wider sense. Demand still exists, although our automotive customers have adopted a decidedly reserved attitude when it comes to decision-making. Ecoclean addresses the current challenges in the production segment of the metal-cutting industry due to smaller batch sizes, more complex components and greater diversity of parts by developing and marketing the appropriate equipment concepts for component cleaning.

Current trends in machine and plant building, such as electromobility, digitization, energy efficiency, lightweight construction and the structural transformation in the automotive value chain all have an effect on Ecoclean GmbH's business activities. Ecoclean has obtained important contracts for cleaning individual components since 2017. In addition, Ecoclean also takes advantage of the opportunities that the digital transformation offers for cleaning technologies, and it is expanding its portfolio with measurement systems for bath quality and the option of connecting the cleaning system to higher-level control levels (IoT-ready). The "CareConnect" data connection system has been successfully implemented at selected customers and prepared for series readiness since October 2018. In addition, a new product development, which will be presented for the first time at this year's EMO, will open up a previously non-addressed market segment and numerous new customer applications for Ecoclean.

The global competitive environment for Ecoclean GmbH has remained virtually unchanged. Of the approximately 100 competitors, only around 10% may be considered as relevant. With new products such as EcoCwave, EcoCagile and EcoCduty, Ecoclean GmbH has been able to confirm its market position, and the company is a strong and reliable partner to its customers. The application knowledge of many different industries, work pieces and cleaning media/processes represents the core competence of Ecoclean GmbH. Together with the company's global presence, it provides a major unique selling point.

Economic performance and market situation

The result of the 1 April 2018 to 31 December 2018 financial year was in line with the high expectations. Orders received and sales revenues fluctuated during the year, while the plants were consistently running at capacity. Viewed together, the results reflect an extremely good financial year and a positive and solid business performance by Ecoclean GmbH.

Compared to the previous year, which was characterized by higher-than-average sales revenues in Europe, Ecoclean reported proportionately higher sales revenues in Germany and China in the current financial year. Sales revenues in the US declined.

Orders on hand in the automotive segment and the current development of incoming orders of both segments in Monschau and Filderstadt made a positive contribution to the result.

The company is reaping the benefits of the changes that were initiated in previous years. They also include the segments process and product development, which have set and will continue to set new standards in the market. The concentration on key tasks and the expansion of internal collaboration at Ecoclean GmbH lead to greater efficiency in development and order processing, which compensates for higher material and wage costs.

Ecoclean GmbH

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Orders received	97,096	140,843	42,887	150,021
Sales revenues	115,938	150,608	35,170	129,179
EBIT	10,838	9,894	2,744	10,340
Result	10,656	9,791	2,620	9,980
Investments*	1,907	870	578	2,371
Employees	481	473	454	455

* In property, plant and equipment and intangible assets, without showroom facilities

Based on the nine months of the previous year, sales revenues were slightly higher, while orders received declined during the financial year. Figures cannot be compared to the numbers of the previous financial year that were projected to 12 months. Additional planning is based on the assumption that orders received will increase moderately or stabilize over the next few years.

Besides concentrating on cleaning applications in the industrial and automotive business, Ecoclean GmbH also wants to expand the Surface Processing segment over the next few years, with the objective of developing additional market potential in addition to the classic segment of cleaning technology and services.

Electromobility is an important issue for Ecoclean GmbH. The business in the automotive industry is characterized by uncertainty in long-term planning. Since Dieselgate and the discussions surrounding electromobility, investments in power trains are increasingly scrutinized and frequently postponed. New projects, mostly prototypes and smaller test series, have already been requested and planned for electromobility components.

Business developments and the company's situation

Orders received, orders on hand and sales revenues can be broken down along domestic and international lines as follows:

Orders received

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Germany	36,697	46,241	10,929	43,530
International	60,399	94,602	31,958	106,491
Total	97,096	140,843	42,887	150,021
International portion	62.1	67.2	74.5	71.0

Orders received



Orders received and orders on hand compared to the previous year

In the cleaning equipment segment, new orders totaled EUR 69.3 million (previous year: EUR 100.3 million, 1 January 2017 - 31 March 2017: EUR 34.9 million, 2016: EUR 111.5 million). This means that after adjustments, orders received in the equipment segment declined by 8% compared to the previous year.

Orders received in the service business totaled EUR 27.8 million (previous year: EUR 37.3 million, 1 January 2017 - 31 March 2017: EUR 7.6 million, 2016: EUR 38.5 million). After adjustments, orders received in the service segment remained virtually unchanged compared to the previous year.

Orders on hand

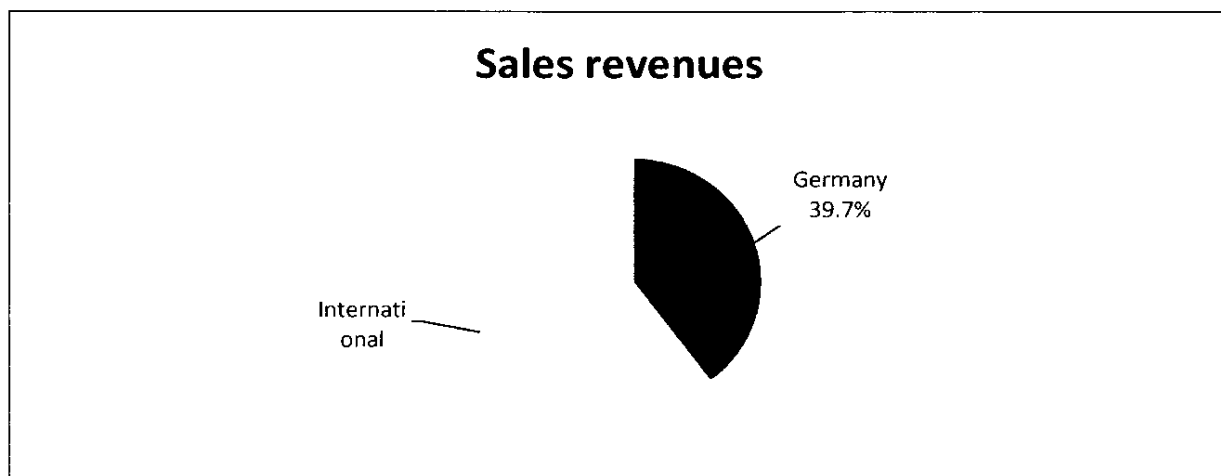
	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Monschau	137,800	147,620	164,326	158,810
Filderstadt	40,202	37,119	30,120	27,919
Total	178,002	184,739	194,446	186,729
Change	-7,207	-9,708	7,717	20,684

As at 31 December 2018, orders on hand reached EUR 178.0 million (previous year: EUR 184.7 million). This corresponds to a small decrease of EUR 6.7 million.

In Monschau, orders on hand of EUR 137.8 million (previous year: EUR 147.6 million) ensure capacity utilization for the coming year. In Filderstadt, orders on hand have steadily increased in the past few years. As at 31 December 2018, orders on hand were EUR 40.2 million (previous year: EUR 37.1 million).

Sales revenues

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Germany	46,014	65,864	8,722	52,028
International	69,924	84,744	26,448	77,151
Total	115,938	150,608	35,170	129,179
International portion	60.3	56.3%	75.2%	59.7%



At EUR 115.9 million, sales revenues declined by EUR 34.7 million compared to the financial year ending in March 2018, and they are below our forecast for 31 March 2018; after adjustments, this figure nevertheless represents an increase of 2.6% (previous year: EUR 150.6 million). Based on the current volume of orders on hand and the expected number of orders received, we expect sales revenues for the 2019 financial year to remain constant at EUR 150 million.

Results of operations

In the past financial year, which was characterized by slightly higher sales revenues, the company achieved an annual result (before interest and taxes) of EUR 10.8 million (previous year: EUR 9.9 million, +9.5%, adjusted to 12 months +46.1%) before the profit/loss transfer agreement. Therefore the company came close to achieving the expected result of EUR 11 million.

The return on sales for the short financial year 1 April 2018 to 31 December 2018 was 9.2% (previous year: 6.5%, 1 January 2017 to 31 March 2017: 7.8%, 2016: 8%).

EBIT

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Ecoclean GmbH	10,838	9,894	2,744	10,340

Ownership structure

Ecoclean GmbH owns 100% of the shares in subsidiary Ecoclean Technologies spol. s r.o. in the Czech Republic. All of the shares in Ecoclean GmbH have been held by SBS Ecoclean GmbH, Frankfurt am Main, since 1 April 2017. The capital stock of Ecoclean GmbH is EUR 5.2 million.

Net assets and financial position

Because of the balance sheet inflation as at 31 December 2018, the equity ratio decreases to 41.7% (compared to 44.2% on 31 March 2018). Inventories continued to decline to EUR 20.5 million (previous year: EUR 30.6 million, 31 March 2017: EUR 49.3 million, 31 December 2016: EUR 41.7 million). This development is also due to the reduction in unfinished project inventories.

The company has been in a cash pool with the new parent company SBS Ecoclean since 1 April 2017. As of the closing date of 31 December 2018, receivables from affiliated companies from cash pooling amounted to EUR 25.0 million (previous year: EUR 32.1 million). Overall, trade receivables from affiliated companies rose by EUR 6.0 million to EUR 47.0 million (previous year: EUR +1.5 million).

Overall, trade payables to affiliated companies as at 31 December 2018 increased by EUR 2.5 million to EUR 5.2 million (compared to EUR +1.3 million on 31 March 2018). Liabilities to affiliated companies rose mainly because of the profit transfer to SBS Ecoclean GmbH in the amount of EUR 10.7 million.

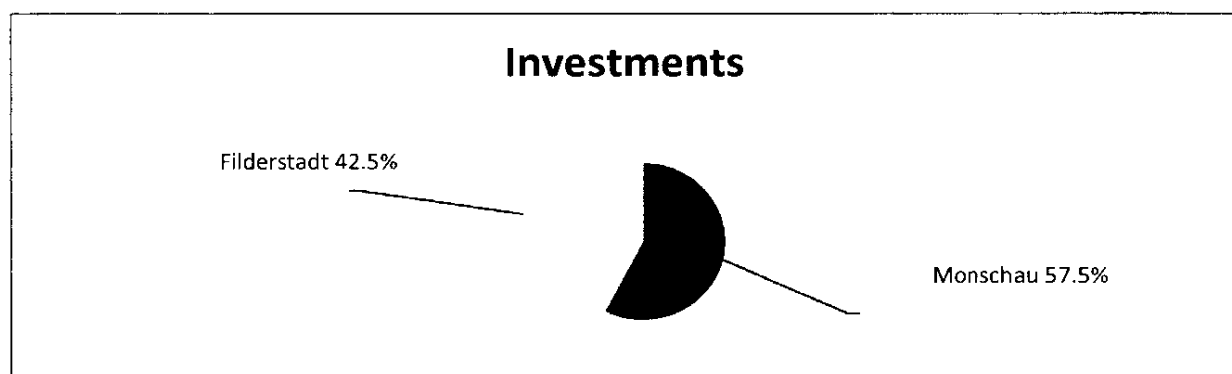
Compared to the previous year, provisions declined by EUR 2.1 million to EUR 14.7 million, mainly as a result of the reduction in non-posted incoming invoices for deliveries and services, and the lower provisions for vacation (which depend on the closing date). The provision for bonuses increased as a result of the amended closing date, since they were only paid out in March of the following year.

Investments and depreciation/amortization

Investments

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Monschau	1,097	296	74	499
Filderstadt	810	574	504	1,872
Ecoclean GmbH*	1,907	870	578	2,371

* Does not include the investments for the equipment in the showroom



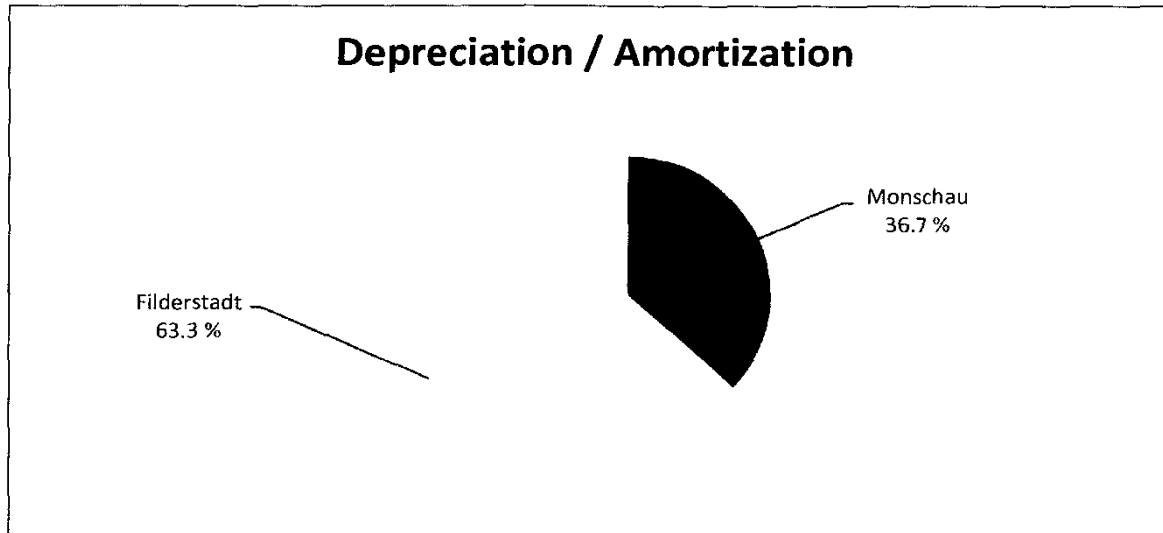
Investments until 31 December 2018 include the purchase of a patent from French affiliate Ecoclean S.A.S. for EUR 0.6 million. Moreover, technological development costs of EUR 0.6 million for product developments (CNC burring technology) were also entered on the asset side of the balance sheet. A total of EUR 0.2 million (AiB OneSAP) was also added to intangible fixed assets in connection with the further development of the global SAP system.

Depreciation / Amortization

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2016 - 31 December 2016
Amounts in EUR 000				
Monschau	397	480	259	440
Filderstadt	685	830	111	339
Ecoclean GmbH*	1,082	1,310	370	779

* Does not include the depreciation for the equipment in the showroom

The (adjusted) increase in amortization/depreciation over the previous year is mainly due to the significantly higher investment volume.



Research and development

In Monschau, activities continued to focus on the development of new and highly-efficient processes and products, including improved efficiency in work piece deburring / surface processing using the booster technology. In total, EUR 1.0 million (previous year: EUR 1.8 million, 1 January 2017 - 31 March 2017: EUR 0.1 million) were spent on research and development at Monschau in the 2018 financial year.

At Filderstadt, strategic new product development activities were continued in order to introduce additional innovative cleaning equipment to the market. In total, EUR 1.4 million (previous year: EUR 1.9 million, 1 January 2017 - 31 March 2017: EUR 0.2 million; 2016: EUR 1.2 million) were spent on research and development at Filderstadt, with a focus on RTA150, digitization, plasma technology and product maintenance.

Electromobility is also changing our market and creates demand for equipment with higher cleaning performance. We use the engineering know-how of UCM AG, our specialist for particularly high cleaning processes with a successful Filderstadt process. The objective of our RTA150 project is the market for higher-level equipment and cleaning technology. Plasma technology is used to develop equipment for maximum grease removal.

CareConnect provides the local data of the EcoCore equipment (and later also of other equipment) in a **digital form** on-line (Internet of Things or IoT), which makes it easier to manage and monitor the processes in the equipment.

Personnel

	1 April 2018 - 31 December 2018	1 April 2017 - 31 March 2018	1 January 2017 - 31 March 2018	1 January 2016 - 31 December 2016
Number of employees				
Monschau	257	263	254	254
Filderstadt	224	210	200	201
Ecoclean GmbH	481	473	454	455

Compared to the previous year, the number of employees increased by eight compared to the 31 December 2018 closing date.

Internal control system for the accounting process

Our internal control system (ICS) for the accounting process has two objectives: first, it must warrant the reliability of financial reporting with sufficient certainty; and second, the ICS contributes to ensuring that the annual financial statements are prepared in accordance with the German Commercial Code (HGB).

The following control and security routines in the accounting process are the major components of the ICS.

1. Up to 31 March 2017, the company observed the accounting directive of Dürr AG, which covers all of the aspects that are of relevance to the company pursuant to HGB and IFRS. Ecoclean GmbH has continued to use these directives since 1 April 2017.
2. Our ERP system and the management reporting tool perform automatic controls of posting processes and verify that information is reported in the correct balance sheet items.
3. Using a multi-level security process, we take samples and conduct plausibility checks and other audit activities. The following levels participate in this process: Accounting, controlling and company management.

Training is used to ensure that the employees in the finance department are able to comply with the requirements of their roles at all times. Our qualification measures cover both the applicable financial reporting standards and accounting rules, as well as the handling of software tools.

To prevent risks, we define key focus areas that are essential to the quality of our financial reporting. Of particular importance is the accounting of production orders; it includes an estimate of the total expected costs for an order and the order-related provisions. Other key issues include the recoverability of participating interests and the veracity of the qualitative statements in the management report.

Risk management

The management of potentially existential risks was a high-level priority during the reporting period. The risks that have been classified as relevant to the company, along with the respective risk status, were regularly updated and assessed by top management and the managers in the company.

Overall, we see risks in a changing political environment, due to changes in the market situation and as a result of technological change.

No existential risks have been identified at this time.

Political risks

- Change in the global economy, particularly in the US due to possible economic sanctions with the ensuing reactions, also in the Asian region.
- Changing economic policies in the European region. In particular economic and political exclusions, encouraged by Brexit.

In view of the fact that approximately 61% of sales revenues are generated in Germany, Austria and Switzerland, and another approx. 10% within the EU, i.e. almost 71% in Europe, we expect that while the aforementioned political risks are a given, they can nevertheless be described as minor given the strong concentration on (core) Europe.

Market risks specific to CLA (Cleaning Automotive at Monschau)

- High dependency on individual customers and industries, and particularly on the economic situation in the automotive industry
- Risks from developments in procurement markets
- Changing competitive environment
- Project risks and capacity utilization risks

The very strong ties to the automotive industry, which accounts for over 50% of sales revenues at Ecoclean GmbH, represent a potential risk. With the energy transformation and the resulting launch of electromobility, the automotive industry is facing a structural upheaval that will also affect all industries that work with the automotive industry.

At this time, Ecoclean GmbH has a risk in the US, as orders received remain below expectations due to the lack of a local supplier base.

Market risks specific to CLI (Cleaning Industrial at Filderstadt)

- Because of the market structure, reliable order forecasts can only be provided for a 12-week period.
- Some competitors are family-managed and have more flexibility when responding to market changes.

Customer invoices in foreign currency, receivables from affiliated companies and liabilities are hedged against currency risks with forward transactions. In general, only micro hedges are used in this context. Foreign currency is also hedged on the basis of the Dürr Group Directive (as at 31 December 2016) for hedging foreign currency transactions. The previous process has been maintained.

Market opportunities

- Additional strengthening of market leadership (re: volumes) due to the continued positive economic situation in China.
- Continued promotion of market activities in Asia and North America.
- Optimization of cost structure through improved project and claims management.
- Optimization of capacity utilization through comprehensive activities in the SBS Ecoclean Group

Political and structural changes in markets and industries also open up opportunities for developing new markets and expanding the company's presence in the current markets. In addition to the strong Chinese market, we also envision opportunities in the larger Asian region, and also in South and Central America (in addition to the US).

At this time, we do not expect any growth in the "transmission" automotive segment. In the next few years, electromobility will still be closely tied to hybrid engines. Ecoclean GmbH is well positioned for casings.

Electromobility is also a growth industry in China. Here, the situation is the same as in Europe. In addition, the number of combustion engines and transmissions is also expected to grow. Ecoclean GmbH is well positioned in both segments. Gaining a foothold in this market requires excellent processing activities with the corresponding positive references.

Technological opportunities

- Continuation of modular designs
- Digitization and Industry 4.0
- Promotion of technological collaboration between the SEG companies.

Risks

The risk analyses as described cannot provide a useful quantification of risks.

The company and its subsidiaries were part of the Dürr AG risk management system until 31 March 2017. The regulations of Dürr AG will continue to apply to Ecoclean GmbH until further notice.

Outstanding receivables are regularly reviewed and sometimes reinsured with contingency insurance taking into account the customer's credit rating. In addition, the company is ramping up efforts to enforce more favorable payment terms from its customers.

Based on the positive volume of orders on hand as at 31 December 2018, together with the company's good position in the area of innovative cleaning technologies, we believe that the risks for the company are limited. Existential risks have not been identified at this time.

Financing activities

The issue of Net Working Capital will once again be the focus of activities at the GmbH and at the subsidiaries / affiliates this year. The optimization of the receivables and cash management process is supposed to continue to help with reducing the net working capital. In this context, the special features and dependencies of the automotive industry must also be observed, however.

Opportunities report and outlook for the next financial years

Tentative investment patterns in the automotive segment have led to a significantly slower automotive market. However, we also believe that the company as a whole will perform well due to the initiated growth strategy in the industrial segment and the expansion of the Surface Processing segment. Our modular system is steadily enhanced and aligned to current requirements in order to realize global production concepts - an approach that is confirmed by the success of the past year. The global connectivity of our locations and the sales and service organizations will continue to be intensified next year, so that the company may participate in the investments that are made abroad. Local advisory expertise coupled with local production, followed by local service according to international benchmarks, enables Ecoclean GmbH to function as a global partner for its customers.

Future focus areas:

- Concentration and further expansion of the core business industrial cleaning technology and surface processing
- Targeted entry into new business segments using new developments and processes
- Accelerated expansion of growth markets, particularly China
- Continuous expansion of Ecoclean's own sales and service network in Europe, and targeted promotion of our Chinese activities
- Product modularization, establishment of a product line in the Precision segment to comply with cleaning requirements < 400 µ
- Significant expansion in the service business (Customer Excellence Project)
- Permanent reduction in production costs (with product improvements, among others)
- Continuation of development activities EcoCagile (development for the Asian and American market)
- Permanent quality improvement and error minimization
- Global market introduction of EcoCvelox (machine for deburring)

The improvements that have been initiated (and most of which have already been implemented) form a very solid foundation for the next financial year (1 January 2019 to 31 December 2019), with an expected result of approximately EUR 10 million before interest and taxes. This expectation is based on a revenue target of EUR 150 million. Negative impacts on our activities must be expected as a result of current market developments, uncertainties in the automotive segment and the imminent trade conflict between the US and China. In the medium term, the result will decline due to the required changes in the market. Since these market changes harbor both opportunities and risks, we expect that the weakness will only be temporary.

In 2018, it was decided, by way of a shareholders' resolution, that starting on 1 January 2019, the financial year will be based on the calendar year. This resulted in a short financial year that started on 1 April 2018 and ended on 31 December 2018.

Filderstadt, 18 September 2019

Ecoclean GmbH

Management

Michael Pörster

Ralf Dienel

	31.12.2018	31.03.2018
	EUR	EUR
Assets		
A. Fixed assets		
I. Intangible assets		
1. Concessions, commercial trademarks and similar rights and assets, and licenses for such rights and assets, purchased against payment	1,126,323.00	829,667.00
2. Advance payments	168,000.00	0.00
	<u>1,294,323.00</u>	<u>829,667.00</u>
II. Property, plant and equipment		
1. Land, land-like rights and buildings including buildings on outside properties	3,082,770.65	3,194,722.65
2. Technical equipment and machines	4,742,504.94	3,074,617.30
3. Other equipment, business and office equipment	2,062,510.00	2,028,094.00
4. Advance payments and facilities under construction	958,829.32	0.00
	<u>10,846,614.91</u>	<u>8,297,433.95</u>
III. Financial assets		
1. Shares in affiliated companies	1,125,000.00	1,125,000.00
2. Loans to affiliated companies	872,491.58	983,682.22
	<u>1,997,491.58</u>	<u>2,108,682.22</u>
	<u>14,138,429.49</u>	<u>11,235,783.17</u>
B. Current assets		
I. Inventories		
1. Raw materials and supplies	2,291,448.36	2,099,527.82
2. Work in progress	85,201,027.59	94,594,845.64
3. Advance payments	555,195.03	1,961,797.77
4. Advance payments received	-67,498,647.63	-68,064,764.62
	<u>20,549,023.35</u>	<u>30,591,406.61</u>
II. Receivables and other assets		
1. Accounts receivable	14,607,850.81	16,304,536.57
2. Receivables from affiliated companies	46,965,452.62	40,950,836.94
3. Other assets	1,958,890.03	2,663,003.04
	<u>63,532,193.46</u>	<u>59,918,376.55</u>
III. Cash on hand, balances at credit institutions	<u>13,097,817.38</u>	<u>1,585,120.83</u>
	<u>97,179,034.19</u>	<u>92,094,903.99</u>
C. Prepaid expenses and other current assets	<u>98,903.61</u>	<u>196,635.41</u>
D. Excess of plan assets over pension liability	<u>253,536.50</u>	<u>1,778,700.18</u>
	<u>111,669,903.79</u>	<u>105,306,022.75</u>

	31.12.2018	31.03.2018
	EUR	EUR
Liabilities		
A. Shareholders' equity		
I. Subscribed capital	5,200,000.00	5,200,000.00
II. Capital reserve	41,417,000.00	41,417,000.00
	<u>46,617,000.00</u>	<u>46,617,000.00</u>
B. Provisions		
1. Provisions for pensions and similar obligations	1,227,840.02	1,142,083.00
2. Other provisions	<u>13,473,424.21</u>	<u>15,704,360.55</u>
	<u>14,701,264.23</u>	<u>16,846,443.55</u>
C. Liabilities		
1. Advances received on orders	12,203,805.83	15,767,611.53
2. Trade payables	8,768,397.48	9,021,202.44
3. Liabilities to affiliated companies	25,637,848.26	12,494,167.32
4. Other liabilities	<u>3,741,587.99</u>	<u>4,559,597.91</u>
	<u>50,351,639.56</u>	<u>41,842,579.20</u>
	<u>111,669,903.79</u>	<u>105,306,022.75</u>

	01.04.2018 - 31.12.2018	01.04.2017 - 31.03.2018
1. Sales revenues	115,937,726.90	150,607,620.06
2. Reduction in inventory of finished goods and work in progress	-5,522,673.60	-1,433,648.39
3. Other operating income of which income from currency conversion EUR 150,772.08 (prev. yr. EUR 481,629.71)	1,052,005.76	2,456,650.55
	<u>111,467,059.06</u>	<u>151,630,622.22</u>
4. Cost of materials a) Expenses for raw materials and supplies and for purchased goods	32,441,927.63	45,024,491.30
b) Expenses for purchased services	21,378,590.77	33,069,057.13
5. Personnel expenses a) Wages and salaries	26,911,060.61	36,713,664.28
b) Social contributions and expenses for retirement provisions and for support	4,623,427.53	5,763,114.32
6. Amortization / Depreciation of intangible fixed assets and property, plant and equipment	1,663,609.66	2,044,125.30
7. Other operating expenses of which expenses from currency conversion EUR 250,316.55 (prev. yr. EUR 431,963.50)	13,610,322.60	19,121,909.87
	<u>100,628,938.80</u>	<u>141,736,362.20</u>
8. Other interest and similar income of which income from discounting EUR 10,472.56 (prev. yr. EUR 40,435.33)	181,769.96	247,789.89
9. Interest and similar expenses of which income from compounding EUR 71,524.21 (prev. yr. EUR 104,607.96)	269,590.89	104,834.95
	<u>-87,820.93</u>	<u>142,954.94</u>
10. Income tax	8,307.96	0.00
11. After-tax result	10,741,991.37	10,037,214.96
12. Other taxes	86,250.83	246,405.34
13. Expenses from profit/loss transfer	<u>-10,655,740.54</u>	<u>-9,790,809.62</u>
14. Result for the year	<u>0.00</u>	<u>0.00</u>

NOTES for Ecoclean GmbH, Filderstadt, for the financial year 1 April 2018 to 31 December 2018

(1) Principles and methods

The registered office of Ecoclean GmbH is located in Filderstadt (Germany); the company is entered in the Municipal Court of Stuttgart, Department B, under HRB Nr. 224029.

The annual financial statements were prepared in accordance with sec. 242 et seq. HGB, sec. 264 et seq. HGB and the relevant provisions of the Limited Liability Companies Act (GmbH Act) pertaining to large incorporated companies. For reasons of conciseness, individual items in the balance sheet and income statement have been combined. These items are listed separately in the Notes and explained.

The income statement was prepared in accordance with the total cost method. Because of the short financial year from 1 April 2018 to 31 December 2018, the amounts in the income statement can only be somewhat compared to those of the previous financial year.

(2) Accounting policies

As in the previous year, assets and liabilities continue to be reported in accordance with the provisions under the commercial code. Finished goods continue to be reported under technical equipment and machines in the property, plant and equipment item. These machines are used for presentation purposes and as loans to customers, and are therefore subject to wear and tear.

INFORMATION REGARDING THE BALANCE SHEET

(3) Fixed assets

The development of fixed assets is attached to the Notes as Annex A.

Intangible assets

Purchased intangible assets are entered on the asset side at acquisition cost and - if subject to wear and tear - amortized on the basis of their expected useful life on a straight line basis / to the fair value.

Property, plant and equipment

Additions to property, plant and equipment are entered on the asset side at acquisition/production costs. Regular depreciation is based on the straight-line depreciation method.

Low-value capital assets with an individual net value of EUR 250 - EUR 800 are expensed within one year.

Financial assets

Shares in affiliated companies are entered at acquisition cost or the lower fair value.

(4) Inventories

	31.12.2018 EUR 000	31.03.2018 EUR 000
Raw materials and supplies	2,292	2,100
Work in progress	85,201	94,595
Finished goods	0	0
Advance payments	555	1,962
of which to affiliated companies	377	1,540
Advance payments received	-67,499	-68,065
of which from affiliated companies	-1,056	-568
	<u>20,549</u>	<u>30,592</u>

Raw materials and supplies were measured at acquisition cost or the lower current prices. The appropriate marketability discounts were taken into account.

Work in progress is measured at production cost on the basis of individual calculations (which in turn are based on current cost accounting), whereby production and material overhead and depreciation is also taken into account, as are direct material costs, production wages and special direct costs. Borrowing costs were not included in the production costs. Costs for general administration, expenses for social amenities, voluntary social services and company retirement benefits were capitalized in accordance with sec. 255 (2) sent. 3 HGB.

Machines that were previously reported under finished goods have been reported under fixed assets since 1 April 2017.

Advance payments (made and received) are reported at the nominal value.

The appropriate provisions have been created for losses from supply and purchase obligations.

(5) Receivables and other assets

	31.12.2018 (31.03.2018)	of which with a residual term of up to 1 year EUR 000
	EUR 000	
Trade receivables	14,608 (16,305)	14,608 (16,305)
Receivables from affiliated companies	46,965 (40,951)	46,965 (40,951)
Other assets	1,959 (2,663)	1,959 (2,663)
	<u>63,532</u> <u>(59,919)</u>	<u>63,532</u> <u>(59,919)</u>

Receivables and other assets were entered at the nominal value less appropriate value adjustments. All items that are subject to risks were addressed with the creation of suitable specific risk provisions; the general credit risk has been addressed with a lump-sum deduction of 1% (excluding receivables with specific provisions).

Receivables and other assets are due within one year. Insofar as short-term receivables contain receivables in foreign currency, such were measured at the closing rate. Amounts are not adjusted to the closing rate if the rate was hedged with a forward exchange transaction.

Receivables from affiliated companies relate to trade receivables of EUR 8.793 million (previous year: EUR 4.209 million), financing activities (cash pool) of EUR 24.014 million (previous year: EUR 32.058 million) and other receivables of EUR 13.162 million (previous year: EUR 4.145 million).

Other assets include foreign tax credits of EUR 19,000 (previous year: EUR 510,000), which however only accrue in a legal sense after the closing date.

(6) Cash resources

This item includes cash on hand as well as balances at credit institutions. Balances at credit institutions in foreign currency were converted at the closing rate. Cash on hand and balances at credit institutions are reported at the nominal value.

(7) Prepaid expenses and other assets

This item mainly consists of proportionate fees from maintenance agreements for software programs, which relate to the year 2019.

(8) Excess of plan assets over pension liability

The excess of plan assets results from the netting process according to sec. 246 (2) sent. 2 HGB, in which retirement benefit obligations are set off against assets that are used solely to meet the retirement benefit obligations and that cannot be accessed by the other creditors (plan assets as defined by sec. 246 (2) sent. 2 HGB). In addition, the insolvency insurance for accrued retirement benefits is also offset against the corresponding obligation.

The assets consist of reinsurance and securities.

Information regarding the offset according to sec. 246 (2) sent. 2 HGB for retirement benefit obligations (advance program) and accrued retirement benefits:

	31.12.2018 EUR 000	31.03.2018 EUR 000
Amount repayable for allocated debt	1,201	940
Acquisition costs for assets	1,339	2,564
Fair value of assets	1,454	2,719
Allocated expenses	21	30
Allocated income	37	31

The fair value of the reinsurance claim consists of the thus named actuarial reserve of the insurance company as per the business plan, plus any existing credits from refunds (so-called excess participation). The securities used to protect the company's accrued retirement benefits against insolvency are measured at the market value.

(9) Deferred taxes

The company maintains a corporate tax and trade affiliation (tax group) with SBS Ecoclean GmbH, Frankfurt. As a result, the deferred taxes of Ecoclean GmbH, Filderstadt, are accounted for by the controlling company SBS Ecoclean GmbH.

(10) Shareholders' equity

The company's capital stock is paid in full and totals EUR 5,200,000.00 on the closing date. The entire capital stock is held by SBS Ecoclean GmbH, Frankfurt. Of the freely available reserves (capital reserve), EUR 422,000 (previous year: EUR 437,000) is blocked from distribution.

(11) Provisions

	31.12.2018 EUR 000	31.03.2018 EUR 000
Provisions for pensions	1,228	1,142
Other provisions	<u>13,473</u>	<u>15,704</u>
	<u>14,701</u>	<u>16,846</u>

Pension obligations

Pension and anniversary obligations were calculated in accordance with the Projected Unit Credit method (PUC). The option available under sec. 253 (2) sent. 2 HGB was utilized for calculating the term-congruent actuarial interest rate. Under this option, provisions for retirement benefit obligations or similar obligations that are due in the long term can be discounted (lump-sum) using an average market interest rate that results from an assumed residual term of 15 years.

The calculation of the pension obligations is based on the probability values according to Prof. Dr. Klaus Heubeck's 2018 G Reference Tables. The difference resulting from the amended biometric calculation basis is EUR 27,000.

Assets that cannot be accessed by the other creditors, that are unencumbered and protected against insolvency and that are used solely for paying debts and pension obligations (plan assets), were directly offset against the corresponding debts in accordance with sec. 246 (2) sent. 2 HGB.

a) Conventional pension obligations

The applied tax rate is 3.21 % (previous year: 3.57%).

The measurements took into account that a beneficiary employee may leave the company before a pension claim due to an employee- or employer-initiated termination. Therefore the calculations also include a company-specific fluctuation rate of 3.00% (previous year: 3.00%).

In addition, the calculation of the pension obligation also includes a pension adjustment rate of 1.5% (previous year: 1.5%).

b) Advance program

The company provides its employees with the opportunity to take advantage of an employee-financed pension commitment. This means that beneficiaries can convert certain parts of their future payments into an entitlement for additional company payments.

To secure and finance the resulting obligation, the company has taken out a reinsurance policy for the lives of the beneficiaries.

The fair value of the reinsurance claim consists of the thus named actuarial reserve of the insurance company as per the business plan, plus any existing credits from refunds (so-called excess participation).

Assets that are used solely for meeting the retirement obligations, and which cannot be accessed by the other creditors (plan assets in terms of sec. 246 (2) sent. 2 HBG), were offset against the provisions at their fair value. The reported fair values include the contributions including available excess portions until the end of the contribution payment period that is in effect on the closing or assessment date.

The applied actuarial interest rate (10-year average) is 3.21% (previous year: 3.57%). Moreover, a pension adjustment rate of 1.5% (previous year: 1.5%) was also included in the calculation of the pension obligation.

During the reporting year, the offset with the plan assets resulted in an excess of EUR 254,000, see statements under item (8).

c) Part-time retirement

The provisions for part-time retirement were calculated in accordance with the Projected Unit Credit method (PUC) taking into account a three-year term-congruent interest rate of 0.97% (previous year: 1.31%).

The measurement took into account that the company's obligation to pay additional amounts expires on the death or invalidity of the employee.

Other provisions

Other provisions include identifiable risks and uncertain obligations and were measured at the amount repayable on the basis of a reasonable business assessment (i.e. including future cost and price increases). They relate mainly to still expected costs from already invoiced orders, personnel and social obligations as well as warranty obligations.

(12) Liabilities

	31.12.2018 (31.03.2018)	of which with a residual term of up to 1 year EUR 000
	EUR 000	
Advance payments received on orders	12,204 <u>(15,768)</u>	12,204 <u>(15,768)</u>
Trade payables	8,768 (9,021)	8,768 (9,021)
Liabilities to affiliated companies	25,638 <u>(12,494)</u>	25,638 <u>(12,494)</u>
of which to shareholders (EAV)	20,447 (9,791)	20,447 (9,791)
Other liabilities	3,742 <u>(4,560)</u>	3,742 <u>(4,560)</u>
of which from taxes	1,195 (1,303)	1,195 (1,303)
of which in line with social security	(0) (7)	(0) (7)
	50,352 <u>(41,843)</u>	50,352 <u>(41,843)</u>

The company does not have any liabilities with a residual term of more than one year.

All liabilities are entered at the amount repayable. Advances received on orders are entered at the nominal value.

Insofar as the liabilities include liabilities in foreign currency, such are generally measured at the closing rate.

Amounts are not adjusted to the closing rate if the rate was hedged with a forward exchange transaction.

The customary retentions of title for the delivered items apply with regard to the trade payables.

Liabilities to affiliated companies include EUR 20.447 million (previous year: EUR 9.791 million) in liabilities from the profit/loss transfer agreement with SBS Ecoclean GmbH and EUR 1.875 million (previous year: EUR 397,000) from financing activities (cash pool).

(13) Block on distribution, transfers and withdrawals (see sec. 285 nr. 28 HGB)

The recognition of assets at the fair value results in an amount of EUR 422,000 (previous year: EUR 437,000) that is blocked from distribution.

Explanations regarding the income statement

(14) Sales revenues

	01.04.18- 31.12.2018 EUR 000	01.04.17- 31.03.2018 EUR 000
<u>Break-down by industry</u>		
Cleaning equipment - Automotive	66,157	88,742
Cleaning equipment - Industrial	<u>49,781</u>	<u>61,866</u>
	<u>115,938</u>	<u>150,608</u>
<u>Break-down by sales territory</u>		
Germany	46,014	65,864
Europe	38,225	46,311
Other	31,699	38,433
	<u>115,938</u>	<u>150,608</u>

(15) Other operating income

Other operating income includes income related to other periods in the amount of EUR 952,000 (previous year: EUR 2.047 million), which is mainly due to the reversal of provisions.

(16) Cost of materials

	01.04.18- 31.12.2018 EUR 000	01.04.17- 31.03.2018 EUR 000
Expenditures for raw materials and supplies and for goods purchased	32,442	45,024
Expenses for services received	<u>21,379</u>	<u>33,069</u>
	<u>53,821</u>	<u>78,093</u>

(17) Personnel expenses

	01.04.18- 31.12.2018 EUR 000	01.04.17- 31.03.2018 EUR 000
Wages and salaries	26,911	36,714
Social contributions and expenses for retirement benefits	4,623	5,763
of which for retirement benefits	<u>195</u>	<u>369</u>
	<u>31,534</u>	<u>42,477</u>

Average number of employees during the year:

	01.04.18- 31.12.2018 Number	01.04.17- 31.03.2018 Number
Salaried employees	481	461
Apprentices	<u>15</u>	<u>15</u>
	<u>496</u>	<u>476</u>

(18) Other operating expenses

Other operating expenses consist mainly of travel costs, commissions and other sales expenses, service expenses for affiliated companies and other administration expenses, maintenance and leases.

(19) Financial result

	01.04.18- 31.12.2018 EUR 000	01.04.17- 31.03.2018 EUR 000
Other interest and similar income	182	248
of which from affiliated companies	(171)	(207)
Interest and similar expenses	270	105
of which to affiliated companies	(0)	(0)
	<u>88</u>	<u>143</u>

(20) Expenses from profit transfers

On the basis of the existing profit/loss and control agreement, the net profit is transferred to SBS Ecoclean GmbH.

Other information

Company's executive body

Management:

Michael Förster, Chief Executive Officer, Diplom-Ingenieur (FH)

Frank Christian Ringat, Managing Director, Diplom-Ingenieur (FH), until 17 April 2018

Ralf Dienel, Managing Director, Diplom-Ingenieur (FH), since 17 April 2018.

Shareholder receipts

Utilizing the protective clause of sec. 286 (4) HGB, information about the total receipts and pension provisions for current and former Managing Directors was omitted because the information can be used to determine the receipts of individual members of this group.

Off-balance sheet transactions

Operating leases are obtained solely for the vehicle fleet. The purpose of operating leases is to reduce resource commitments, whereby the risks remain with the lessor, risks are minimized and liquid resources are made available.

Contingent liabilities, other financial obligations and financial derivatives

Other financial obligations consist of rental and leasing obligations and current IT license agreements.

	31.12.2018 EUR 000	31.03.2018 EUR 000
Due		
- within 1 year	1,175	1,311
- over 1 year up to 5 years	1,178	2,034
- over 5 years	0	0
	<u>2,353</u>	<u>3,345</u>

Financial derivatives

A derivative is a financial instrument or another contract with all of the following attributes:

- 1.) Its value changes as a result of changes in a certain interest rate, the price of a financial instrument, commodity prices, exchange rates, price or interest indices, credit ratings or credit indices or other variables,
- 2.) It does not require a purchase payment or a payment that is lower compared to other contract forms (from which it can be expected that they will react similarly to changing market conditions), and
- 3.) It is paid at a later date.

The company uses derivative financial instruments such as forward exchange contracts to protect itself against currency risks. These derivatives are financial sector stocks that are settled exclusively outside of the stock exchange between Ecoclean and credit institutions (so-called over-the-counter (OTC) products).

The fair value of the financial instruments was calculated on the basis of the following methods and assumptions:

In the case of forward exchange transactions, the fair values were calculated as the net present value of the cash flows taking into account the respective contractually agreed forward rates and the forward rate on the closing date.

Financial instruments (not recognized at fair value)

Currency-related transactions:	Nominal amount	Positive fair value	Negative fair value	Book value (if available)	in balance sheet item (if recognized in the
Forward exchange	5,120,880.00 CHF	38,199.72		-220,238.69	Other liabilities
Forward exchange	55,010,139.11 CZK	492.61		25,191.60	Other assets
Forward exchange	160,008.26 GBP		-1,332.08		
Forward exchange	208,848.09 GBP	847.01		-433.87	Other liabilities
Forward exchange	13,074,854.09 USD	64,507.57		399,850.79	Other assets
Forward exchange	359,128.45 USD	1,494.37			

The value change in a derivative is reported in the income statement item in which the change in the value of the underlying transaction was also recognized.

If a valuation unit was not created, derivatives are entered at most at acquisition cost. If the fair value was below the acquisition cost, it was written down to the fair value. Since the underlying transactions are closed positions, there was not need to create a provision.

Valuation units

The hedges used by the company and the associated underlying transactions form a valuation unit as defined by sec. 254 HGB. The balancing value changes are not entered in the balance sheet ("net hedge presentation method").

Assets and debt included in the valuation units:

	Amount	Balance sheet item	Type of hedged risks	Type of valuation unit	Hedged volume
Off-balance sheet transactions	4,525,344.64 EUR		Currency risk	Micro hedge	5,120,880.00 CHF
Off-balance sheet transactions	2,131,980.19 EUR	Other liabilities	Currency risk	Micro hedge	55,010,139.11 CZK
Off-balance sheet transactions	173,153.44 EUR		Currency risk	Micro hedge	160,008.26 GBP
Off-balance sheet transactions	231,710.16 EUR	Other liabilities	Currency risk	Micro hedge	208,848.09 GBP
Off-balance sheet transactions	11,293,396.68 EUR	Other assets	Currency risk	Micro hedge	13,074,854.09 USD
Off-balance sheet transactions	340,202.69 EUR				389,128.45 USD

All financial derivatives and the underlying transactions are subject to regular internal controls and measurement in the context of a Management Board directive. Derivative financial instruments are only used for the purpose of financially hedging the operating business.

Both the hedge and the risk management objectives/strategies with regard to the hedge are formally defined and documented at the beginning of a hedge. This documentation includes the definition of the hedging instrument, the underlying transaction or the hedged transaction, and the type of the hedged risk, along with a description of how the company will determine the effectiveness of the hedging instrument for compensating the risks from changes in the fair value or the cash flow from the hedged underlying transaction. Regarding the ability to compensate for risks from changes to the fair value or the cash flow, such hedges are assessed as highly effective. They are continuously assessed as to whether they were actually highly effective during the entire reporting period for which the hedge was designated.

To protect itself against risks, the company uses mainly micro hedges, whereby a risk resulting from a single underlying transaction is hedged using a single hedging instrument.

The fair value of the financial instruments was calculated on the basis of the following methods and assumptions:

In the case of forward exchange transactions, the fair values were calculated as the net present value of the cash flows taking into account the respective contractually agreed forward rates and the forward rate on the closing date. The fair values of the interest rate currency hedging contracts result from the expected discounted future cash flows based on current market parameters.

By the closing date, the contrary value changes and cash flows from underlying and hedging transactions fully balanced each other out, since in accordance with the group risk policy, risk items (underlying transaction) are immediately hedged at the same amount and for the same currency and time period using forward exchange transactions.

The Critical Terms Match method is used to measure the effectiveness of the hedges. The contrary value changes balance each other out within a period of 1 - 13 months, depending on the due date of the underlying transactions.

Supplementary report

Events of special significance, which would have to be reported in this section, did not occur by the end of the financial year on 31 March 2018.

Other information

Ecoclean GmbH, Filderstadt, is the parent company as defined in sec. 290 (1) HGB for the subsidiaries listed under the financial assets.

Ecoclean GmbH is a wholly-owned subsidiary of SBS Ecoclean GmbH pursuant to sec. 290 HGB, which in turn is a 85% subsidiary of Shenyang Blue Silver Industry Automation Equipment co., LTD, Shenyang (China). 15 % of the shares are held by Carl Schenck AG in Darmstadt.

The annual financial statements for 31 December 2018 of Ecoclean GmbH and its direct subsidiaries are included in the consolidated financial statements of SBS Ecoclean, Frankfurt. The consolidated financial statements of SBS Ecoclean GmbH, Frankfurt am Main, are published in the German Official Federal Gazette and filed with the company register (HRB 758385). Therefore Ecoclean GmbH is exempt from the obligation to prepare consolidated financial statements and a group management report according to sec. 291 HGB.

Ecoclean GmbH holds 100% of the shares in Ecoclean spol s.r.o.. The subscribed equity capital is EUR 1.125 million, with a net profit of EUR 1.201 million (previous year: EUR 852,000).

Annex 3
Page 14

Information about the total fee for the services rendered by the auditor in the 1 April 2018 to 31 December 2018 financial year is omitted since the company is included in the consolidated financial statements of SBS Ecoclean GmbH, Frankfurt, and this information is included in the consolidated financial statements.

The company did not enter into any transactions with related parties at terms that were not consistent with market standards.

Filderstadt, 18 September 2019

ECOCLEAN GMBH
Management

Michael Forster

Ralf Dienel

Eccoclean GmbH
Change in fixed assets as at 31 December 2018

Balance sheet item	Acquisition and production costs					Accumulated depreciation /					Book value	
	As at 01.04.2018	Additions	Disposals	Transfers	As at 31.12.2018	As at 01.04.2018	Depreciation for	Depreciation -	Depreciation -	As at 31.12.2018	As at 31.12.2018	As at 31.12.2018
Concessions, commercial trademarks and similar rights and values, as well as licenses for such rights and values	3,093,930.05	696,986.72	-476,405.22	0.00	3,316,511.55	-2,264,263.05	-402,330.72	476,405.22	0.00	-2,190,188.55	1,126,323.00	829,667.00
Advance payments	0.00	168,000.00	0.00	0.00	168,000.00	0.00	0.00	0.00	0.00	0.00	168,000.00	0.00
Total intangible assets	3,093,930.05	866,986.72	-476,405.22	0.00	3,484,511.55	-2,264,263.05	-402,330.72	476,405.22	0.00	-2,190,188.55	1,294,323.00	829,667.00
Land, land-like rights and buildings including buildings on third-party land	9,933,194.00	64,071.17	-65,905.87	0.00	9,931,359.30	-6,738,471.35	-176,023.17	65,905.87	0.00	-6,848,588.65	3,082,770.65	3,194,722.65
Technical equipment and machines	6,022,704.22	2,280,547.78	-175,426.20	0.00	8,127,825.80	-2,948,086.92	-612,660.14	175,426.20	0.00	-3,385,320.86	4,742,504.94	3,074,617.30
Other equipment, business and office equipment	6,250,983.17	514,154.63	-1,288,810.63	0.00	5,476,327.17	-4,222,889.17	-472,595.63	1,281,667.63	0.00	-3,413,817.17	2,062,510.00	2,028,094.00
Advance payments and facilities under construction	0.00	958,829.32	0.00	0.00	958,829.32	0.00	0.00	0.00	0.00	0.00	958,829.32	0.00
Total property, plant and equipment	22,206,881.39	3,817,602.90	-1,530,142.70	0.00	24,494,341.59	-13,909,447.44	-1,261,278.94	1,522,999.70	0.00	-13,647,726.68	10,846,614.91	8,297,433.95
Shares in affiliated companies	1,125,000.00	0.00	0.00	0.00	1,125,000.00	0.00	0.00	0.00	0.00	0.00	1,125,000.00	1,125,000.00
Other loans	983,682.22	0.00	-111,190.64	0.00	872,491.58	0.00	0.00	0.00	0.00	0.00	872,491.58	983,682.22
Total financial assets	2,108,682.22	0.00	-111,190.64	0.00	1,997,491.58	0.00	0.00	0.00	0.00	0.00	1,997,491.58	2,108,682.22
Total	27,408,493.66	4,684,589.62	-2,117,738.56	0.00	29,976,344.72	-16,173,710.49	-1,663,609.66	1,999,404.92	0.00	-15,837,915.23	14,138,428.49	11,235,763.17

AUDIT OPINION OF THE INDEPENDENT AUDITOR

To Ecoclean GmbH, Filderstadt

Audit conclusions

We have audited the annual financial statements of Ecoclean GmbH, Filderstadt – consisting of the balance sheet as at 31 December 2018 and the income statement for the short financial year 1 April to 31 December 2018 as well as the Notes, including the presentation of the accounting and measurement policies. In addition, we also audited the company's management report for the short financial year 1 April to 31 December 2018.

In accordance with our assessment, which is based on the insights gained during the audit,

- the attached annual financial statements in all material respects correspond to the German provisions under commercial law and, taking into account the German generally accepted accounting principles, correctly describe the company's net assets and financial position as at 31 December 2018, as well as the results of operations for the short financial year 1 April to 31 December 2018, and
- the attached management report on the whole correctly describes the company's position. In all material respects, this management report is consistent with the annual financial statements, corresponds to the German statutory provisions and correctly describes the opportunities and risks associated with future developments.

In accordance with sec. 322 (3) sent. 1 HGB, we submit that our audit did not result in any objections regarding the correctness of the annual financial statements and the management report.

Basis for the audit conclusions

We conducted our audit of the annual financial statements and the management report in accordance with sec. 317 HGB and taking into account the generally accepted standards for the audit of financial statements established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility according to these provisions and principles is described in more detail in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our audit opinion. We are independent of the company in accordance with the German provisions under commercial law and the professional code of practice, and we complied with our other German professional obligations in accordance with these requirements. We are of the opinion that the audit evidence obtained by us is sufficient and appropriate to serve as a basis for our audit conclusions regarding the annual financial statements and the management report.

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

The statutory representatives are responsible for preparing annual financial statements that correspond to the German provisions under commercial law and for ensuring that the annual financial statements, taking into account the German generally accepted accounting principles, correctly describe the company's net assets, financial position and results of operations. In addition, the statutory representatives are also responsible for the internal controls, which they have deemed necessary in compliance with the German generally accepted accounting principles, in order to ensure that the annual financial statements are free of material - intended or unintended - misrepresentations.

In preparing the annual financial statements, the statutory representatives must assess the company's continued ability to operate as a going concern. Furthermore, they must also include going concern-related facts where such facts are of relevance. In addition, they are required to draw up the accounts on the basis of the going concern principle unless this course of action is opposed by actual or legal circumstances.

The statutory representatives are also responsible for preparing a management report that correctly describes the company's position and that in all material respects is consistent with the annual financial statements, complies with the German statutory provisions and correctly describes the opportunities and risks of future developments. The statutory representatives are also responsible for the precautions and measures (systems) that they have deemed necessary to warrant the preparation of a management report that complies with the applicable German statutory provisions, and to provide sufficient and appropriate evidence for the statements contained in the management report.

Responsibility of the auditor for the audit of the annual financial statements and the management report

Our objective is to obtain sufficient certainty whether the annual financial statements as a whole are free of material - intended or otherwise - misrepresentations, and whether the management report as a whole correctly describes the company's position and in all material respects is consistent with the annual financial statements and the insights gained during the audit, complies with the German statutory provisions and correctly represents the opportunities and risks associated with future developments, and to provide an audit opinion that includes our opinions regarding the annual financial statements and the management report.

Sufficient certainty denotes a high degree of certainty but is not a guarantee that an audit conducted in accordance with sec. 317 HGB and taking into account the German generally accepted standards for the audit of financial statements issued by the Institut der Wirtschaftsprüfer (IDW) will always uncover material misrepresentations. Misrepresentations may result from breaches or incorrect items, and they are considered material if it can be reasonably expected that they, individually or as a whole, will affect the recipients' financial decisions that were made on the basis of these annual financial statements and the management report.

While conducting the audit, we exercise our professional judgment and maintain an attitude of professional skepticism. In addition,

- we identify and assess the risk of material - intended or otherwise - misrepresentations in the annual financial statements and the management report, plan and perform audit procedures in response to these risks and also obtain audit evidence that is sufficient and suitable to serve as a basis for our opinions. The risk that material misrepresentations are not uncovered is greater for breaches than for incorrect items, since breaches may include fraudulent collusion, falsifications, intentional incompleteness, misleading statements and the de-activation of internal controls.
- we gain an understanding of the internal control system that is of relevance to the audit of the annual financial statements and the precautions and measures that are of relevance to the audit of the management report, in order to plan audit procedures that are appropriate given the circumstances, but not with the goal of providing an opinion on the effectiveness of these systems at the company.
- we assess the appropriateness of the accounting methods that are used by the statutory representatives, as well as the justifiability of the estimates used by the statutory representatives and the associated information.
- we draw conclusions about the appropriateness of the going concern principle used by the statutory representatives and, using the audit evidence that is obtained, whether there are material uncertainties in connection with events or circumstances that could cast significant doubt on the company's continued ability to operate as a going concern. If we conclude that such material uncertainty exists, we are obliged to refer to the relevant information in the annual financial statements and the management report in our audit opinion, or, if this information is not appropriate, to modify our respective audit conclusion. We draw our conclusions on the basis of the audit evidence that is obtained until the date of our audit opinion. However, future events or circumstances may lead to a situation in which the company is no longer able to operate as a going concern.

- we assess the overall presentation, the structure and the contents of the annual financial statements including the information provided, and whether the annual financial statements describe the underlying business transactions and events in such a way that the annual financial statements, in compliance with the German generally accepted accounting principles, correctly describe the company's net assets, financial position and results of operations.
- we assess the consistency of the management report with the annual financial statements, the laws and the description of the company's position conveyed by the report.
- we conduct audit procedures concerning the future-oriented statements included in the management report by the statutory representatives. On the basis of sufficient and suitable audit evidence, we especially review the main assumptions on which the future-oriented statements provided by the statutory representatives are based, and we assess the proper deduction of the future-oriented statements from these assumptions. We do not provide an independent opinion on the future-oriented statements and the underlying assumptions. There is a considerable and unavoidable risk that future events will deviate significantly from the future-oriented statements.

We also discuss, among other things, the planned scope and schedule for the audit, as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit, with the individual in charge of monitoring.

Düsseldorf, 18 September 2019

Pricewaterhouse Coopers GmbH
Wirtschaftsprüfungsgesellschaft

Uwe Rittmann
Auditor

ppa. Reza Bigdeli
Auditor

