

Englisch translation to

Wolftank-Adisa Holding AG

Report on the audit of the

consolidated financial statements as of 31 December 2018

To the members of the Management and Supervisory Boards of
Wolftank-Adisa Holding AG
Innsbruck

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To the members of the Management and Supervisory Boards of
Wolftank-Adisa Holding AG
Innsbruck

We have completed the audit of the consolidated financial statements as of 31 December 2018 of

Wolftank-Adisa Holding AG
Innsbruck
(hereinafter, the "Company")

and hereby provide the following report on the findings of this audit:

1. Audit engagement and performance

The Company, represented by the Management Board, entered into an **audit agreement** with us to audit the consolidated financial statements as of 31 December 2018 and the consolidated management report pursuant to Sections 269 ff. of the Austrian Commercial Code (UGB).

The present audit is **voluntary**.

The audit conducted was an **initial audit**.

This **audit covered** whether the statutory provisions and the supplementary provisions of the articles of incorporation were observed in the preparation of the consolidated financial statements and the accounting records. The consolidated management report must be audited to determine whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

We conducted our audit in accordance with **provisions of law** applicable in Austria and **generally accepted standards** for the audit of financial statements. These principles require the application of International Standards on Auditing. We note that the audit of the financial statements is intended to provide reasonable assurance that the consolidated financial statements are accurate. Absolute certainty cannot be achieved because every internal controlling system is subject to the possibility of errors

and there is an unavoidable risk that material misstatements in the consolidated financial statements may go undetected due to random sampling. The audit did not cover areas which are normally the subject of special audits.

As part of the audit, the annual financial statements summarised in the consolidated financial statements were examined to determine whether they comply with principles of orderly accounting (GoB) and whether the provisions applicable to their inclusion in the consolidated financial statements have been observed.

Some of the companies included in the consolidated financial statements were audited by other auditors. We have monitored their activities in an appropriate fashion.

We conducted the audit with interruptions in the **period** from June to August 2019 mainly at the Company's premises in Innsbruck. The audit was substantively concluded on the date of this report.

Dr. Christoph Lauscher, Auditor, is **responsible** for the proper execution of the engagement.

The basis for our audit is the audit agreement concluded with the Company, in which the "General **Terms and Conditions of Engagement** for Independent Auditors" (Annex VII) issued by the Chamber of Public Accountants and Independent Auditors form an integral part. These terms and conditions apply not only between the Company and the Group auditor, but also vis-à-vis third parties.

2. Summary of audit findings

2.1. Findings on the legality of the consolidated financial statements and consolidated management report

The audit of the consolidation and the integrated annual financial statements revealed compliance with the provisions of law, the supplementary provisions of the articles of incorporation and the principles of orderly **accounting**. The financial statements included in the consolidated financial statements essentially take into account the uniform accounting and valuation guidelines prescribed by the parent company for the consolidated financial statements and constitute a suitable basis for inclusion in the consolidated financial statements. The applicable provisions for inclusion in the consolidated financial statements were observed.

As part of our risk and control-oriented audit approach, to the extent that we deemed this necessary for our audit opinion, we have included internal controls in sub-areas of the accounting process in the audit.

With regard to the legality of the **consolidated financial statements** and the consolidated management report, we refer to our statements in the auditor's opinion.

2.2. Information provided

The legal representatives provided the explanations and documentation we requested. We have included in our files a declaration of general representativeness signed by the legal representatives.

2.3. Statement on facts in accordance with § 273 (2) of the Austrian Commercial Code (fulfillment of reporting requirements)

In performing our duties as auditors of the consolidated financial statements, we have not identified any facts that could jeopardise the continued existence of the audited group or materially impair its development or that indicate serious violations by its legal representatives or employees of the law or the articles of incorporation. We are not aware of any significant vulnerabilities in the internal controls of the accounting process.

3. Auditor's opinion

Report on the consolidated financial statements

Auditor's opinion

We have audited the consolidated financial statements of

**Wolftank-Adisa Holding AG
Innsbruck**

and its subsidiaries (the Group), consisting of the consolidated balance sheet as of 31 December 2018 with shareholders' equity of EUR 3,087,867.76, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended on 31 December 2018 and the notes to the consolidated financial statement.

In our opinion, the accompanying consolidated financial statements comply with provisions of law and provide a true and fair view of the liquidity position of the Group as of 31 December 2018 and of its earnings position for the year ended on 31 December 2018 in accordance with Austrian commercial law.

Basis for the auditor's opinion

We conducted our audit in accordance with Austrian generally accepted standards for the audit of financial statements. These principles require the application of the International Standards on Auditing (ISA). Our responsibility in accordance with these provisions and standards is further described in the section, "Responsibility of the auditor for the audit of the annual financial statements" in our auditor's opinion. We are independent of the Group in accordance with Austrian commercial and professional regulations and have fulfilled our other professional duties in conformance with these requirements. We are of the opinion that the documentation we have obtained is sufficient and appropriate to provide a basis for our auditor's opinion.

Our responsibility and liability for documented pecuniary losses due to a grossly negligent breach of duty in the performance of our work is limited to EUR 726,730.00 in accordance with the General Terms and Conditions of Engagement for Independent Auditors (AAB) in the version dated 18 April 2018, on which this engagement is based. Our liability for slight negligence is excluded in accordance with the General Terms and Conditions of Engagement. The report has been prepared exclusively on behalf of and in the interest of the client. It does not form the basis for any trust that third parties may have in its content; claims can therefore not be derived from it.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements and that they convey a true and fair view of the financial, liquidity and earnings position of the Group in conformance with Austrian commercial law. Moreover, the legal representatives are also responsible for the internal controlling procedures considered necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether intended or unintended.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue

as a going concern, for disclosing states of affairs relating to the going concern assumption, if applicable, and for applying the accounting principle of the going concern, unless the legal representatives intend to either liquidate the Group or discontinue the operations, or have no realistic alternative.

The Supervisory Board is responsible for monitoring the Group's accounting process.

Responsibility of the auditor for the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether intentional or not, and to express an auditor's opinion that includes our opinion on the audit. Reasonable assurance, if any, is a high degree of assurance, but not a guarantee that an audit conducted in accordance with Austrian generally accepted standards for the audit of financial statements, which require the application of ISAs, will always reveal any material misstatement. Misstatements may result from fraudulent actions or errors and are considered material if, individually or in the aggregate, they can be reasonably expected to affect the financial decisions of users made on the basis of these consolidated financial statements.

As part of an audit of financial statements conducted in accordance with Austrian generally accepted standards for the audit of financial statements, which require the application of ISAs, we exercise discretion throughout the audit and maintain a critical view of the financial statements.

In addition:

- We identify and assess the risks of material misstatements in the consolidated financial statements, whether intended or unintended, plan audit procedures in response to those risks, carry them out and obtain documentation that is sufficient and appropriate to provide a basis for our auditor's opinion. The risk that material misrepresentations resulting from fraudulent actions will not be detected is greater than the risk resulting from errors, as fraudulent actions may result in fraudulent collusion, forgery, intentional incompleteness, misrepresentation or the overriding of internal controls.
- We gain an understanding of the internal controlling system relevant to the audit of the financial statements in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of expressing an opinion on the effectiveness of the internal controlling system of the Group.
- We assess the appropriateness of the accounting methods applied by the legal representatives and the acceptability of the estimated values and related disclosures presented by the legal representatives.
- We draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, based on the evidence obtained in the audit, whether there is any material uncertainty in connection with events or circumstances that could raise significant doubts about the Group's ability to continue the going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention in our auditor's opinion to the relevant information in the consolidated financial statements or, if this information is inappropriate, to modify our auditor's opinion. We draw our conclusions based on evidence obtained up to the date of our auditor's opinion. Future events or circumstances may, however, result in the Group departing from the continuation of the going concern.
- We have assessed the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements reflect the underlying transactions and events in a manner that is as true as possible.
- We obtain sufficient suitable audit documentation of the financial information of the units or business activities within the Group in order to issue an opinion on the consolidated financial statements. We are responsible for the direction, monitoring and performance of the audit of the consolidated financial statements. We bear sole responsibility for our auditor's opinion.

Among other things, we discuss with the Supervisory Board the planned scope and timing of the audit and significant findings of the audit, including any significant deficiencies in the internal controlling system that we identify during our audit.

Report on the consolidated management report

The consolidated management report must be audited in accordance with Austrian commercial law to determine whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

The legal representatives are responsible for the preparation of the consolidated management report in accordance with Austrian commercial law.

We conducted our audit in accordance with the professional principles concerning the auditing consolidated management reports.

Opinion

In our opinion, the consolidated management report has been prepared in accordance with the applicable legal requirements and is consistent with the consolidated financial statements.

Statement

In view of the findings of our audit and our understanding of the Group and its environment, no material misstatements were detected in the consolidated management report.

Vienna, 23 August 2019

Auditor

The consolidated financial statements and the consolidated management report together with our auditor's opinion may only be published or distributed in the version confirmed by us. This auditor's opinion relates exclusively to the complete consolidated financial statements in German, including the consolidated management report. For deviating versions, the provisions of § 281(2) of the Austrian Commercial Code are to be considered.

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Consolidated financial statements and consolidated management report

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Consolidated balance sheet as of 31 December 2018

ASSETS	31 December 2018 in EUR	31 December 2017 in EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets and licenses derived therefrom	1,709,864.89	2,285,600.97
2. Goodwill (from individual financial statements)	0.01	6,000.00
3. Goodwill (from consolidation)	3,041,161.75	3,527,477.56
4. Advanced payments rendered	<u>92,225.79</u>	<u>76,886.04</u>
	4,843,252.44	5,895,964.57
II. Tangible assets		
1. Land, leasehold rights and buildings including buildings on non-owned land	3,807,641.56	3,715,472.26
2. Technical equipment, plant and machinery	1,672,145.28	847,526.00
3. Other equipment, fixtures, fittings and equipment	802,460.81	832,792.74
4. Advance payments rendered and machinery in process of construction	<u>40,057.50</u>	<u>0.00</u>
	6,322,305.15	5,395,791.00
III. Financial assets		
1. Securities investments	94,365.50	91,828.97
2. Other loans	<u>51,951.00</u>	<u>47,701.00</u>
	146,316.50	139,529.97
IV. Shares in associated companies	190,736.60	142,262.20
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	1,525,401.67	1,819,774.65
2. Unfinished goods	0.00	1,305,865.00
3. Finished goods and merchandise	1,008,456.57	99,183.41
4. Work in progress	2,686,941.17	1,930,569.33
5. Advanced payments rendered	<u>294,915.80</u>	<u>119,066.69</u>
	5,515,715.21	5,274,459.08
II. Accounts receivable and other assets		
1. Trade receivables <i>thereof, with a residual term of more than one year 377,521.78 (previous year: 330,878.80)</i>	17,848,706.09	16,371,575.52
2. Receivables from companies in which participations are held, <i>thereof, with a residual term of more than one year 0.00 (previous year: 0.00)</i>	128,216.27	0.00
3. Other accounts receivables and assets <i>thereof, with a residual term of more than one year 275,489.39 (previous year: 309,655.34)</i>	2,124,633.45	1,733,793.45
	20,101,555.81	18,105,368.97
III. Securities and shares	2,826.33	0.00
IV. Cash on hand, cheques, and cash in banks	3,391,815.67	4,533,549.17
C. ACCRUALS	263,084.29	305,507.84
D. DEFERRED TAXES (ASSETS)	310,123.28	85,840.65
TOTAL ASSETS	41,087,731.28	39,878,273.45

SHAREHOLDER'S EQUITY AND LIABILITIES

	31.12.2018 in EUR	31.12.2017 in EUR
A. SHAREHOLDERS' EQUITY		
1. Called-in nominal capital (Share capital) <i>Thereof paid in 1,034,421.00 (previous year: 503,468.00)</i>	1,034,421.00	503,468.00
II. Payment towards an adopted but not yet registered capital increase	0.00	40,022.00
III. Capital reserves		
1. appropriated	2,801,482.00	1,881,034.00
2. Unappropriated (free available)	<u>1,402,172.10</u>	<u>1,402,172.10</u>
IV. CURRENCY CONVERSION	-3,228.12	0.00
V. Non-controlling interests (minority interest)	-132,357.07	238,297.50
VI. Retained earnings <i>thereof Loss carried forward -2,664,929.80 (previous year: -2,295,140.40)</i>	-2,014,622.15	-2,876,438.12
B. PROVISIONS AND ACCRUED LIABILITIES		
1. Provisions for severance payments	519,299.60	614,849.00
2. Provisions for pensions	159,308.56	138,230.42
3. Accrued taxes	494,607.91	871.38
4. Deferred taxes (liabilities)	154,886.60	109,547.50
5. Other provisions and accrued liabilities	<u>417,619.66</u>	<u>270,679.03</u>
C. LIABILITIES		
1. Loans	5,516,308.93	6,766,309.00
<i>- thereof, with a residual term of up to one year 1,250,000.00 (previous year: 1,250,000.00)</i>		
<i>thereof, with a residual term of more than one year 4,266,308.93 (previous year: 5,516,309.00)</i>		
2. Liabilities due to banks	9,979,589.52	11,036,716.22
<i>- thereof, with a residual term of up to one year 6,292,535.86 (previous year: 6,760,030.09)</i>		
<i>- thereof, with a residual term of more than one year 3,687,053.66 (previous year: 4,276,686.13)</i>		
3. Advance payments received on orders	1,205,655.30	1,202,047.49
<i>- thereof, with a residual term of up to one year 1,205,655.30 (previous year: 1,202,047.49)</i>		
<i>thereof, with a residual term of more than one year 0.00 (previous year: 0.00)</i>		
4. Trade payables	15,483,294.87	13,725,600.64
<i>- thereof, with a residual term of up to one year 15,458,387.24 (previous year: 13,646,359.25)</i>		
<i>thereof, with a residual term of more than one year 24,907.63 (previous year: 79,241.39)</i>		
5. Other liabilities		
<i>thereof, for taxes 1,077,327.04 (previous year: 832,193.15)</i>	3,833,814.54	4,568,132.43
<i>thereof, for social security 237,096.13 (previous year: 281,725.29)</i>		
<i>- thereof, with a residual term of up to one year 2,234,771.75 (previous year: 2,718,546.95)</i>		
<i>- thereof, with a residual term of more than one year 1,599,042.79 (previous year: 1,849,585.48)</i>		
	36,018,663.17	37,298,805.78
<i>- thereof, with a residual term of up to one year 26,441,350.15 (previous year: 25,576,983.78)</i>		
<i>- thereof, with a residual term of more than one year 9,577,313.01 (previous year: 11,721,822.00)</i>		
D. ACCRUED INCOME	235,478.03	256,734.86
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	41,087,731.28	39,878,273.45

CONSOLIDATED INCOME STATEMENT
FROM 1 JANUARY TO 31 DECEMBER 2018

		2018
		EUR
1. Revenue		44,549,669.12
2. Changes in inventories of finished goods and work in progress and still unbilled services		-532,983.40
3. Other own work capitalised		361,850.79
4. Other operating income		
a) Income from the disposal of and write-up to fixed assets with the exception of financial assets	124.99	
b) Income from the reversal of provisions	408.52	
c) Other	<u>1,407,225.88</u>	1,407,759.39
5. Total performance		45,786,295.90
6. Cost of materials and other purchased manufacturing services		
a) Cost of materials	-17,347,406.78	
b) Cost of purchased services	<u>-18,342,838.41</u>	-35,690,245.19
7. Personnel expenses		
a) Wages	-854,873.19	
b) Salaries	-2,649,332.64	
c) Social security		
ca) Expenses for retirement pension	-22,398.17	
cb) Expenses for severance payments and contributions to supplementary employee pension funds	-175,713.84	
cc) Expenses for statutory social security contributions and payroll taxes and compulsory contributions	-867,906.67	
cd) Other social security expenses	<u>-153,046.83</u>	-4,723,271.34
8. Depreciation, amortisation and write-offs		
a) on fixed assets and property, plant and equipment		
aa) Scheduled depreciation	-1,498,991.05	
b) on current assets to the extent that these exceed the depreciation and amortisation customary in the enterprise	<u>-218,203.84</u>	-1,717,194.89
9. Other operating expenses		
a) Taxes not included under item 16	-82,039.21	
b) Other	<u>-1,917,738.85</u>	-1,999,778.05
10. Subtotal Lines 1 to 9 (Operating result)		1,655,806.43

11. Other interest and similar income	3,604.68
12. Interest and similar expenses	-828,009.47
13. Subtotal of Lines 11 to 12 (financial result)	-824,404.79
14. Income from associated companies	48,474.40
15. Earnings before tax	879,876.04
Subtotal Lines 10, 13 and 14	
16. Taxes on income	-624,230.54
17. Deferred taxes	176,133.68
18. Earnings after tax	431,779.19
19. Net income/loss	431,779.19
20. +/- less/plus non-controlling interests in net profit/loss	218,528.46
21. Group parent company's share of net income	650,307.65
22. Profit/loss carried forward from previous year	-2,664,929.80
23. Retained earnings/accumulated deficit	-2,014,622.15

CONSOLIDATED CASH FLOW STATEMENT

2018

(for indirect calculation of net cash flow from operating activities)

(KFS BW 2)

1	Earnings before tax	879,876.04
2	+/- Write-down/write-up on investment assets	1,498,991.05
3	+/- Profit/loss from the disposal of investment assets	-124.99
4	+/- Income from investments, Income from other securities and long-term loans and other interest and similar income/interest and similar expenses	824,404.79
5	+/- other non-cash expenses/income, unless relating to items 7 to 9	-48,061.08
6	Cash flow from operating activities	3,155,085.81
7	+/- Increase/decrease in inventories, trade receivables and other assets	-2,422,128.38
8	+/- Increase/decrease in provisions and accrued liabilities	296,752.00
9	+/- Increase/decrease in trade payables and other liabilities	1,005,727.33
10	+/- Adjustment for effects of first-time consolidations 2018	68,377.83
11	+/- Net cash flow from operating activity before tax	2,103,814.58
12	- Income tax payments	-133,303.86
13	Net cash flow from operating activity	1,970,510.72
14	+ Payments received from disposal of fixed assets (not including financial assets)	349,053.42
15	+ Payments received from disposal of financial assets and other financial investments	
16	- Payments made for additions to fixed assets (not including financial assets)	-1,256,805.03
17	- Payments made for additions to financial assets and other financial investments	-4,487.15
18	+ Payments received from investments, interest and securities	3,604.68
19	+/- Payments for the acquisition of subsidiaries	10,177.48
20	Net cash flow from investing activity	-898,456.60
21	+ Payments received from shareholders' equity	1,411,379.00
22	- Repayments of shareholders' equity	0.00
23	- Payments made to service shareholders' equity	0.00
24	+ Payments received from the issue of bonds and the borrowing of financial loans	0.00
25	- Payments made for the redemption of bonds and repayment of financial loans	-2,307,126.77
26	+/- Adjustment for effects of first-time consolidations 2018	-486,802.26
27	- Payments made for interest and similar expenses	-828,009.47
28	Net cash from financing activity	-2,210,559.50
29	Net change in cash and cash equivalents (Lines 13+20+28)	-1,138,505.38
30	+/- changes in cash and cash equivalents due to exchange rates and other changes in value	-3,228.12
31	+ Cash and cash equivalents at start of period	4,533,549.17
32	Cash and cash equivalents at end of the period	3,391,815.67

Wolftank-Adisa Holding AG

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
Financial year 2018 in EUR	Called-in nominal capital (share capital)	Payment towards an adopted but not yet registered capital increase	Capital reserves	Earnings reserves	Currency Transfer	Non-controlling interests	Retained earnings	SHAREHOLDERS' EQUITY
As of 1/1/2018	503,468	40,022	3,283,206	0	0	238,298	-2,876,438	1,188,555
Transfer	40,022	-40,022						0
Capital increase	490,931		920,448					1,411,379
Dividends paid								0
Currency adjustments					-3,228			-3,228
Transfer to reserves								0
Reversal of reserves								0
Change in consolidated group						58,822	3,742	62,565
Change non-controlling interests						-210,948	207,766	-3,183
Net income/loss						-218,528	650,308	431,779
As of 12/31/2018	1,034,421	0	4,203,654	0	-3,228	-132,357	-2,014,622	3,087,868

Wolftank-Adisa Holding AG

NOTES

to the consolidated financial statements

31 December 2018

1. Accounting and valuation methods

The consolidated financial statements were prepared in accordance with principles of orderly accounting (GoB) with due regard to the general standard to provide a true and fair view of the financial, liquidity and earnings position of the Group (§ 222(2) of the Austrian Commercial Code).

The principles of completeness and orderly accounting were observed when preparing the consolidated financial statements. The valuation assumed the going concern.

The principle of individual valuation was applied to assets and liabilities. The principle of prudence was taken into account, in particular by only disclosing the profits realised on the balance sheet date. All discernible risks and contingent losses that arose in the 2018 financial year or in previous financial years were taken into account.

Due to the fact that consolidated financial statements were prepared for the first time in 2018, no prior-year amounts are shown in the income statement.

The calculation of the provisions for severance payments and pensions was made in relation to the Group companies:

- Woltank-Systems S.P.A.
- Maremmana Ecologia Srl
- Desmo-EPC Srl

in accordance with methods that differ from those used in the consolidated financial statements. Due to the insignificant effects on the financial, liquidity and earnings position of the Group, no adjustment was made (§ 189a Z 10 of the Austrian Commercial Code).

1.1. Fixed assets

1.1.1. Intangible fixed assets

Acquired intangible assets (including goodwill from capital consolidation) are valued at acquisition cost less scheduled depreciation over their useful lives. Scheduled depreciation is undertaken on a straight-line basis.

The useful life is based on a period of 10 years.

There were no unscheduled write-downs.

1.1.2. Property, plant and equipment

Property, plant and equipment is valued at acquisition or production cost, less previously accumulated depreciation and depreciation amortised on schedule in reporting year 2018. The straight-line depreciation method is generally used to determine the depreciation rates.

The useful life of the individual asset groups is as follows:

Buildings:	40 years
Machinery:	5 years
Other equipment, factory and office equipment:	from 3 to 10 years

Low-value items in the terms of § 13 of the 1988 Income Tax Act are fully written off in the year of acquisition and disclosed as additions and disposals in the statement of fixed assets.

There were no unscheduled write-downs.

Fixed values pursuant to § 209 (1) of the Austrian Commercial Code are not used.

1.1.3. Financial assets

Financial assets are recorded at the acquisition cost.

No unscheduled depreciation was carried out.

1.2. Current assets

1.2.1. Accounts receivable and other assets

When measuring receivables, identifiable risks were taken into account through individual write-downs.

If necessary, the later due date was taken into account by discounting.

1.3. Provisions and accrued liabilities

1.3.1. Other provisions and accrued liabilities

Provisions were valued at the best estimate of the settlement amount. Provisions from previous years are reversed via other operating income if they are not used and the reason for their creation has ceased to apply.

The provision for the audit of the financial statements amounted to EUR 4,200.00 in the reporting year (previous year: EUR 9,300.00). The provision for the audit of the voluntary consolidated financial statements amounted to EUR 14,700.00 in the reporting year (previous year: EUR 0.00).

1.4. Liabilities

Liabilities are valued at the settlement amount, taking into account the principle of prudence.

1.5. Foreign currency conversion

Receivables and liabilities are calculated using the exchange rate at the time they arise, taking into account exchange rate losses resulting from exchange rate changes as of the balance sheet date. In the case of cover by forward transactions, the valuation is carried out taking into account the forward rate.

The modified closing rate method is used for the currency translation of the local individual financial statements of the subsidiaries.

1.6. Changes in valuation methods

No changes were made to valuation methods.

2. Consolidated group

In addition to the parent company, Woltank-Adisa Holding AG, the consolidated group was as follows as of the balance sheet date:

Company	Registered office	Share	Shareholder	Consolidation
Woltank Adisa GmbH	Innsbruck	AUT 100.00%	Woltank-Adisa Holding AG	Full
Woltank Holding GmbH	Innsbruck	AUT 100.00%	Woltank-Adisa Holding AG	Full
OnO Water Protection GmbH	Innsbruck	AUT 100.00%	Woltank-Adisa Holding AG	Full
Woltank - France SAS	Marseille	FRA 100.00%	Woltank-Adisa Holding AG	Full
Woltank Systems S.P.A.	Bolzano	ITA 72.80%	Woltank Holding GmbH	Full
Maremmana Ecologia Srl	Grosseto	ITA 90.23%	Woltank-Adisa Holding AG	Full
Desmo-EPC Srl	Assago	ITA 70.00%	Woltank-Adisa Holding AG	Full
RusWEIC Ltd.	St. Petersburg	RUS 70.00%	Woltank-Adisa Holding AG	Full
DRK32 GmbH	Illertissen	DEU 95.00%	Woltank-Adisa Holding AG	Full
Woltank Adisa (Shanghai)	Shanghai	CHN 90.00%	Woltank-Adisa Holding AG	Full
Environmental Technology Co. Ltd.				
Alterriativas Ecologicas	Alcala de	ESP 60.00%	Woltank-Adisa Holding AG	Full
Ingenleria Energetica S.L	Henaes			
Penta Progetti Srl	Moncalieri	ITA 20.00%	Woltank Holding GmbH	at equity
Hitrac Fuel Systems Srl	Rome	ITA 40.00%	Woltank-Adisa Holding AG	at equity

3. Capital consolidation

3.1. Dates for equity offset

The dates for the equity offset relating to the initial consolidation are as follows:

Company	Date of equity offset	
Woltank Adisa GmbH	3/10/2008	Date of acquisition of subsidiary
Woltank Holding GmbH	11/8/2013	Date of acquisition of subsidiary
OnO Water Protection GmbH	1/1/2018	First-time consolidation upon first-time inclusion of the subsidiary
Woltank - France SAS	1/1/2018	First-time consolidation upon first-time inclusion of the subsidiary
Woltank Systems S.P.A.	1/8/2014	Date of acquisition of the subsidiary
Maremmana Ecologia Sri	1/1/2018	First-time consolidation upon first-time inclusion of the subsidiary
Desmo-EPC Sri	1/1/2018	First-time consolidation upon first-time inclusion of the subsidiary
RusWEIC Ltd.	1/1/2018	First-time consolidation upon first-time inclusion of the subsidiary
DRK32 GmbH	1/1/2018	Date of acquisition of the subsidiary

Wolftank Adisa (Shanghai) Environmental Technology Co. Ltd.	5/30/2018	Date of formation of the subsidiary
Alternativas Ecologicas Ingenieria Energetica S.L.	12/31/2018	First-time consolidation upon first-time inclusion of the subsidiary

3.2. Differences arising from equity offsets

Company	Difference (assets/liabilities)	Difference (amount)	Difference (explanation)	Change from previous year
OnO Water Protection GmbH	assets	679.50	Goodwill from consolidation	Increase Share % to 100.00%
Wolftank - France SAS	assets	943,368.59	Goodwill from consolidation	-
Wolftank Systems S.P A.	assets	3,339,201.68	Goodwill from consolidation	-
Desmo-EPC Sri	assets	579,516.34	Goodwill from consolidation	-
RusWEIC Ltd	assets	392.12	Goodwill from consolidation	-
DRK32 GmbH	liabilities	3,742.43	Reinvested profit	Acquisition 2018
Alternativas Ecologicas Ingenieria Energetica S.L.	liabilities	87,936.77	Formation of provisions	Acquisition 2018

4. Equity consolidation

4.1. Difference arising from first-time application

Company	Book value first-time application	Prorated shareholders' equity associated companies	Difference
Perita Progetti Srl	100,000.00	130,777.00	-30,777.00
Hitrac Fuel Systems Srl	11,000.00	11,485.20	-485.20

The date on which the difference was determined for the first time was 31 December 2017. Due to the insignificant effects, the valuation methods of the associated companies were not adjusted to the Group's valuation methods.

5. Notes to the balance sheet

5.1. Fixed assets

The development of the individual fixed asset items and the breakdown of annual depreciation by individual item are shown in the statement of fixed assets.

5.1.1. Intangible assets

Intangible assets include industrial property rights and similar rights and benefits as well as licenses derived therefrom, such as patents and goodwill from the capital consolidation.

Scheduled depreciation of EUR 937,049.95 was carried out on intangible assets.

5.1.2. Property, plant and equipment

Property, plant and equipment was depreciated by EUR 561,941.10 as a result of use.

The obligations arising from the use of property, plant and equipment not disclosed on the balance sheet are as follows:

Leasing obligations	next financial year	in the following 5 financial years
Total	164,634.70	181,715.53

5.1.3. Shares in associated companies

Shares in associated companies amount to EUR 190,736.60 (previous year: EUR 142,262.20) and break down as follows:

Associated company	Share	Book value	
		12/31/2018	12/31/2017
Hitrac Fuel System Srl	40.00%	11,292.00	11,485.20
Penta ProgettI Srl	20.00%	179,444.60	130,777.00

5.2. Deferred taxes (assets)

Deferred tax assets are disclosed at EUR 310,123.28 (previous year: EUR 85,840.65). These relate to the recording of results at different times or in different subjects according to the applicable company or tax law. The disclosure serves the principles of accrual accounting and fair presentation of financial statements.

The calculation of deferred tax assets is mainly based on the following income tax rates (corporate income tax):

- Austria 25.00%
- Italy 24.00% (IRES)
- China 25.00%

"Deferred taxes" are comprised as follows:

	2018	2017
Deferred tax assets from book value differences in the respective individual financial statements	256,914.52	47,813.00
Deferred tax assets from consolidation (elimination of interim results)	53,208.76	38,027.65

5.2.1. Capital reserves

5.2.1.1. Appropriated capital reserves

The appropriated capital reserves consist entirely of the amount paid in excess of the nominal amount when shares were issued (premium). For this reason, appropriated capital reserves increased by EUR 920,448.00 in the reporting year.

5.3. Provisions and accrued liabilities

5.3.1. Provisions for severance payments and pensions

The method used to determine the provisions by the Group companies

- Woltank Systems S.P.A.
- Maremmana Ecologia Srl
- Desmo-EPC Srl

differs insignificantly from the accounting principles in accordance with the Group guidelines.

5.3.2. Accrued taxes

Accrued taxes relate to anticipated subsequent payments of corporate income tax.

5.3.3. Deferred taxes (liabilities)

Deferred tax liabilities were disclosed at EUR 154,886.60 (previous year: EUR 109,547.50).

"Deferred taxes (liabilities)" are comprised as follows:

	2018	2017
Deferred tax liabilities from book value differences in the respective individual financial statements	93,189.90	46,013.74
Deferred tax liabilities from consolidation (capital consolidation)	61,696.70	63,533.76

5.4. Liabilities

The breakdown of liabilities pursuant to § 225 (6) and § 237 (1) Z 5 of the Austrian Commercial Code is as follows:

		Total EUR	Residual term		
			Up to 1 year EUR	1 to 5 years EUR	over 5 years EUR
Loans	2018	5,516,308.93	1.250,000.00	4,266,308.93	0.00
	2017	6,766,309.00	1,250,000.00	5,516,309.00	0.00
Liabilities due to banks	2018	9,979,589.52	6,292.535,86	2,489,761.34	1,197,292.32
	2017	11,036,716.22	6,760,030.09	2,765,469.82	1,511,216.31
Advance payments received on account of orders	2018	1,205,655.30	1,205,655.30	0.00	0.00
	2017	1,202,047.49	1.202.047.49	0.00	0.00
Trade payables	2018	15,483,294.87	15,458,387.24	24,907.63	0.00
	2017	13,725,600.64	13,646,359.25	79,241.39	0.00
Other liabilities	2018	3,833,814.54	2,234,771.75	1,599,042.79	0.00
	2017	4,568,132.43	2,718,546.95	1,849,585.48	0.00
Total	2018	36,018,663.17	26,441,350.16	8,380,020.69	1,197,292.32
Total	2017	37,298,805.78	25,576,983.78	10,210,605.69	1,511,216.31

Of the total amount of liabilities, EUR 969,259.23 (previous year: EUR 1,050,267.34) are secured *in rem*.

The property in Rovigo (Italy) is encumbered with a mortgage.

6. Notes to the income statement

6.1. Other own work capitalised

Other own work capitalised amounts to EUR 361,850.79 and mainly relates to the manufacture of new plant and machinery used in the Group's operating environment.

6.2. Depreciation, amortisation and write-offs on intangible fixed assets and property, plant and equipment

6.2.1. Scheduled depreciation

Scheduled depreciation amounted to EUR 1,498,991.05 in the financial year.

The breakdown of annual depreciation by individual item is shown in the statement of fixed assets.

Depreciation includes EUR 492,315.81 of goodwill write-offs.

6.3. Other operating expenses

Other expenses include provisions for the following items, among others:

2018 audit of financial statements EUR 4,200.00

(Wolftank-Adisa Holding AG)

2018 (voluntary) audit of consolidated financial statements EUR 14,700.00

6.4. Result from associated companies

The result from associated companies amounted to EUR 48,474.40, resulting from the adjustments of the investment valuations of the associated companies as follows:

Hitrac Fuel Systems Srl	EUR	-193.20
Penta Progetti Srl	EUR	48,667.60

6.5. Taxes on income

Taxes on income break down as follows:

	2018 EUR
Taxes on income	624,230.54
Taxes on income (deferred)	-176,133.68
Total	448,096.86

7. Other expenses

7.1. Number of employees

The average number of employees in the financial year was as follows:

Total:	169.00	(Previous year: 119.00)
thereof, wage earners:	60.00	(Previous year: 29.00)
thereof, salaried employees:	109.00	(Previous year: 90.00)

7.2. Information on significant events after the balance sheet date that are not considered in the balance sheet or income statement

The number of shares was increased from 1,034,421 to 1,111,000 by entry in the commercial register on 27 February 2019.

A further increase to a total of 1,171,000 shares took place with the implementation resolution of the Management Board of 6 August 2019 and the implementation resolution of the Supervisory Board of 7 August 2019.

Furthermore, the conversion from registered to bearer shares was undertaken in 2019.

In January 2019, the Group went public on the Vienna Stock Exchange under AT0000A25NJ6 and on the Munich Stock Exchange under AT0000A25NJ6. All 1,034,421 shares were admitted to trading.

7.3. Members of the Management and Supervisory Boards

The Management Board is composed of the following persons:

Dipl.-Ing. Dr. Peter Werth, born 21 March 1973

The Supervisory Board is composed of the following persons:

Markus Wenner (Chairman), born 19 November 1967

Dr. Andreas Aufschnaiter (Vice Chairman), born 23 December 1962

Christian Amorin, born 6 January 1968

Mag. Nikolaus-Alexander von Franckenstein, born 24 May 1966

Dr. Herbert Hofer, born 28 September 1962

The total remuneration of the Supervisory Board amounted to EUR 2,000.00 (previous year: EUR 2,000.00). Please refer to § 242 (4) of the Austrian Commercial Code for information on the members of the Management Board.

7.4. Information on the total nominal amounts of the shares of each class pursuant to § 241 of the Austrian Commercial Code

§ 241 (1) of the Austrian Commercial Code: The share capital in the amount of EUR 1,034,421 consists of 1,034,421 no-par-value registered shares, each share with a notional amount of EUR 1.00 in the share capital.

§ 241 (3) of the Austrian Commercial Code: By resolution of 12 March 2018, 19,584 no-par-value registered shares were subscribed from authorised capital.

§ 241 (4) of the Austrian Commercial Code: The Management Board is currently authorised to increase the share capital by up to EUR 517,209.00 until 30 November 2023.

§ 241 (5) of the Austrian Commercial Code: The shareholder loan of EUR 1.0 million continues to be subordinated. With their claim to repayment and interest on the loans granted, the lenders have thus withdrawn behind all liabilities of Wolftank-Adisa Holding AG to banks.

7.5. Application of earnings

The Managing Board proposes to carry forward the retained earnings of EUR 514,969.01 from the individual financial statements of Wolftank-Adisa Holding AG in their entirety to the new account.

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS	Acquisition and production costs							Accumulated depreciation							Book value as of 1/1	Book value as of 12/31		
	Version of 1/1	New subsidiaries	Additions	Transfers	Disposals	Disposal of subsidiaries	Version of 12/31	Version of 1/1	New subsidiaries	Scheduled Write-off	Unscheduled Write-off	Transfers	Write-up	Disposals			Disposal of subsidiaries	Version of 12/31
A. FIXED ASSETS																		
I. Intangible assets																		
1. Franchises, trademarks, patents, Rights	4,739,156.88	89,256.55	61,569.36	0.00	-311,100.81	0.00	4,578,881.98	-2,453,555.91	-15,337.62	-400,607.33	0.00	0.00	0.00	483.77	0.00	-2,869,017.09	2,285,600.97	1,709,864.89
2. Goodwill (from individual financial statements)	60,000.00	0.00	0.00	0.00	0.00	0.00	60,000.00	-54,000.00	0.00	-5,999.99	0.00	0.00	0.00	0.00	0.00	-59,999.99	6,000.00	0.01
2. Goodwill (from consolidation)	3,527,477.56	0.00	0.01	0.00	0.00	0.00	3,527,477.57	0.00	0.00	-486,315.87	0.00	0.00	0.00	0.00	0.00	-486,315.82	3,527,477.56	3,041,161.75
3. Advanced payments rendered	179,679.03	17,011.56	42,455.00	0.00	0.00	0.00	239,145.59	-102,792.99	0.00	-44,126.81	0.00	0.00	0.00	0.00	0.00	-146,919.80	76,886.04	92,225.79
Total intangible assets	8,506,313.47	106,268.11	104,024.37	0.00	-311,100.81	0.00	8,405,505.14	-2,610,348.90	-15,337.62	-937,049.95	0.00	0.00	0.00	483.77	0.00	-3,562,252.70	5,895,964.57	4,843,252.44
II. Property, plant and equipment																		
1. Land, leasehold rights and	1,117,332.21	123,859.72	0.00	0.00	0.00	0.00	1,241,191.93	-38,181.00	0.00	-5,231.00	0.00	0.00	0.00	0.00	0.00	-43,412.00	1,079,151.21	1,197,779.93
1. buildings, buildings on third-party land	3,369,442.46	164,045.87	3,950.00	0.00	0.00	0.00	3,537,438.33	-733,121.42	-61,348.40	-133,106.89	0.00	0.00	0.00	0.00	0.00	-927,576.71	2,636,321.04	2,609,861.62
1. Investments in third-party buildings	3,624.44	0.00	0.00	0.00	0.00	0.00	3,624.44	-3,624.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3,624.43	0.01	0.01
2. Technical equipment, plant and machinery	2,105,027.25	57,229.26	1,052,680.46	0.00	-36,737.00	0.00	3,178,199.97	-1,257,501.25	-46,764.03	-233,293.36	0.00	0.00	0.00	31,503.95	0.00	-1,506,054.69	847,526.00	1,672,145.28
3. Other equipment, fixtures, fittings and equipment	2,558,565.78	192,697.24	95,732.20	0.00	-229,801.25	0.00	2,617,193.97	-1,725,773.04	-95,375.21	-190,309.85	0.00	0.00	0.00	196,724.93	0.00	-1,814,733.17	832,792.74	802,460.81
4. Advance payments rendered and machinery in process of construction	0.00	40,057.50	0.00	0.00	0.00	0.00	40,057.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,057.50
Total property, plant and equipment	9,153,992.14	577,889.59	1,152,362.66	0.00	-266,538.25	0.00	10,617,706.14	-3,758,201.14	-203,487.64	-561,941.10	0.00	0.00	0.00	228,228.88	0.00	-4,295,401.00	5,395,791.00	6,322,305.15
III. Financial assets																		
1. Securities investments	91,828.97	2,299.00	237.15	0.00	0.00	0.00	94,365.12	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.00	0.38	91,828.97	94,365.50
2. Other loans	47,701.00	0.00	4,250.00	0.00	0.00	0.00	51,951.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,701.00	51,951.00
Total financial assets	139,529.97	2,299.00	4,487.15	0.00	0.00	0.00	146,316.12	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.00	0.38	139,529.97	146,316.50
IV Shares in associated companies	142,262.20	0.00	48,474.40	0.00	0.00	0.00	190,736.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	142,262.20	190,736.60
TOTAL ASSETS	17,942,097.78	686,456.70	1,309,348.58	0.00	-577,639.06	0.00	19,360,264.00	-6,368,550.04	-218,825.26	-1,498,991.05	0.00	0.00	0.00	228,713.03	0.00	-7,857,653.32	11,573,547.74	11,502,610.69

Wolftank-Adisa Holding AG

M A N A G E M E N T R E P O R T

to the consolidated financial statements

31 December 2018

1. Course of business and economic situation

1.1. Course of business

The course of business of the Wolf tank-Adisa Group in 2018 was characterised above all by the consistent implementation of growth opportunities in other European and global countries, as well as internally implemented measures to simplify the Group structure and increase the efficiency of operational processes. After the profound changes in 2017, the "original market", Italy, was and is to be served differently in the future. The tank refurbishment business is growing and shifting from individual filling stations to large storage tanks in refineries and depots. Soil refurbishment is growing disproportionately and is successfully working on new unique technical features for the benefit of our customers. In order to adequately support this strategy, the participation in Maremmana Ecologia Sri was increased from 65 to 90.27%. The service station full-service segment is increasingly focusing on major investments in the infrastructure of LNG service stations for goods transport and truck freight traffic, where orders received are also expected to be above average thanks to Europe-wide investment programmes.

In the immediate future, as mentioned above, the heavy bureaucratic burden of an Italian corporation will require a logical minimum size, which will necessitate measures at the Hitrac Fuel Systems Sri and Gastech Service Sri shareholdings. Furthermore, Maremmana Ecologia Sri is in a position to serve a much larger customer base with structural investments; this also applies to Desmo-EPC srl as described above. After thorough consideration of synergy effects and simulations by internal and external analysts, the Management Board was commissioned on 5 June 2019 to implement a structure for the Italian shareholdings in line with the changed market situation in Italy. The simulations alone result in cost advantages of more than EUR 0.5 million per year while at the same time greatly reducing the complexity of the Group's internal (also annually audited) structure, allocations and cash management. All affected managing directors of the individual companies have accepted the results of the sample calculations with great approval and expect that this will also strengthen and accelerate internal Group services.

In Germany, the double-wall pipe business is well above estimates, and new, lightweight, self-supporting inner tank linings were successfully launched on the market. In Spain, the first fruits from the idea to build a bridge to South America are becoming evident. At the same time, expertise in the analysis service for SIR software customers has been expanded to meet the market demand after the new legislation. The key to this was the acquisition of 60% of the capital of ALTERNATIVAS ECOLOGICAS INGENIERIA ENERGETICA, S.L, or Altereco for short, in 2018. France is and remains increasingly the gateway to African customers and markets. Though differing in detail according to the local contacts, they are united by the French standards.

In Russia, the first concrete inquiries in the water and wastewater sector are also being accompanied into the pilot phase. The establishment of the Group's first company in China, Woltank Adisa (Shanghai) Environmental Technology Co., Ltd., represents a true milestone. In 2018, the Chinese market processed about as much raw material (epoxy resins) as the core markets in Europe. Disproportionate growth is expected for 2019.

In order to strengthen the equity of Woltank-Adisa Holding AG and to finance future growth and planned innovations, the shareholders in annual general meeting on 20 August 2018 resolved to increase the share capital from EUR 563,074 to 1,034,421. A further increase to a total of 1,111,000 shares took place by way of the resolution of 16 January 2019, while a capital increase to a total of 1,171,000 shares took place by way of an implementation resolution of 6 August 2019 and an implementation resolution of 7 August 2019 of the Supervisory Board.

All in all, research and development work was carried out at all Group locations with the aim of investing around 10% of expenses in the provision of future unique selling propositions for the benefit of our customers. In addition, the portfolio of patents and brands was regularly evaluated and maintained. Not least in this context, the stake in OnO Water Protection GmbH was increased from 75.5 to 100% in 2018.

In order to accommodate the increased number of shareholders, the Supervisory Board was expanded from three to five members in 2018. The newly created website www.woltank-adisa.com was continuously expanded and furnished with new information.

1.2. Subordinated shareholder loan

The shareholder loan of EUR 1.0 million continues to be subordinated. With their claim to repayment and interest on the loans granted, the lenders have thus withdrawn behind all liabilities of Woltank-Adisa Holding AG to banks.

1.3. Branch offices

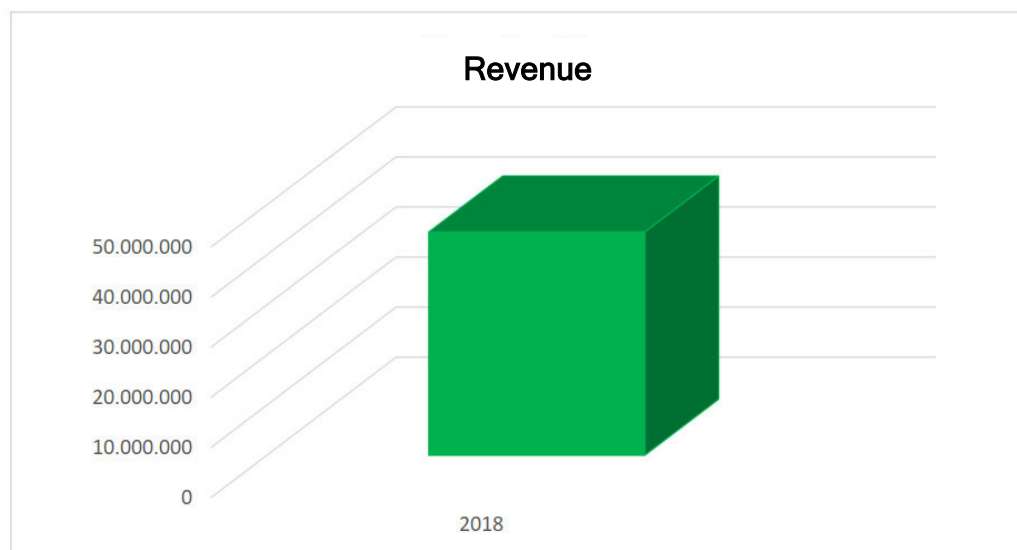
The company Woltank-Adisa Holding AG currently has no branch offices.

1.4 Key figures on the earning situation

1.4.1. Revenue

Revenue breaks down as follows:

	2018 EUR
Revenue	44,549,669



1.4.2. Investment and financing

The investments in financial year 2018 are evident from the statement of fixed assets.

1.4.3. Human resources and social services

In financial year 2018, 169 employees were employed (thereof 60 wage earners, 109 salaried employees).

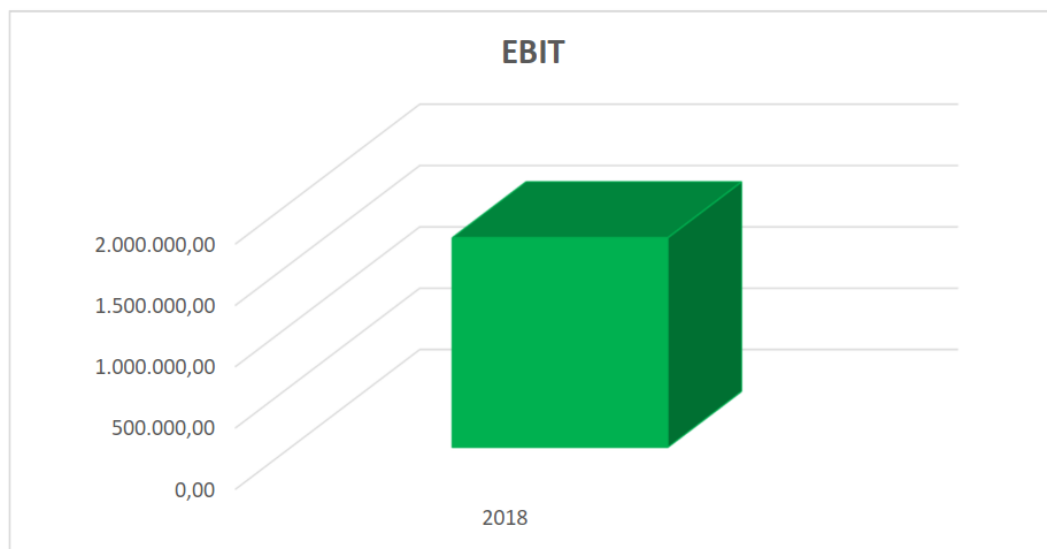
1.4.4. Earnings before interest and taxes (EBIT)

Earnings before interest and taxes correspond to the result from ordinary operations adjusted for interest expenses (new: earnings before tax).

The calculation is carried out as follows:

Result from ordinary operations (new: earnings before tax)
+ Interest and similar expenses pursuant to § 231(2)15 and/or (3)14 of the Austrian Commercial Code
= Earnings before interest and taxes (EBIT)

	2018 EUR
EBIT	1,707,885.51



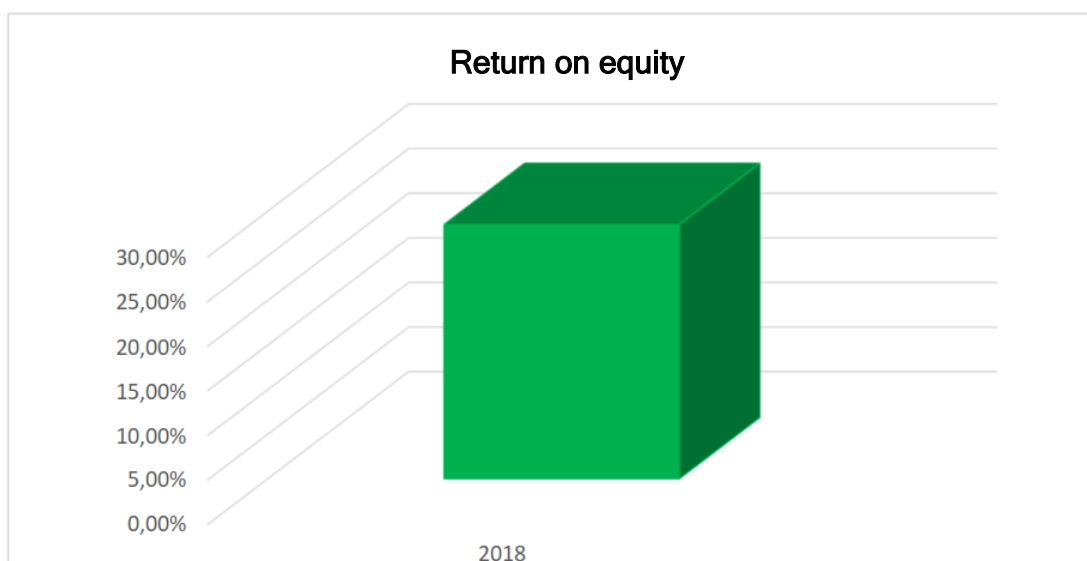
1.4.5. Return on capital

1.4.5.1. Return on equity (ROE)

The return on equity is calculated as the ratio of the result from ordinary operations to equity and is calculated as follows:

$$\text{Return on equity} = \frac{\text{Result from ordinary operations}}{\text{Shareholders' equity}} \times 100$$

	2018 %
Return on equity	28.49%

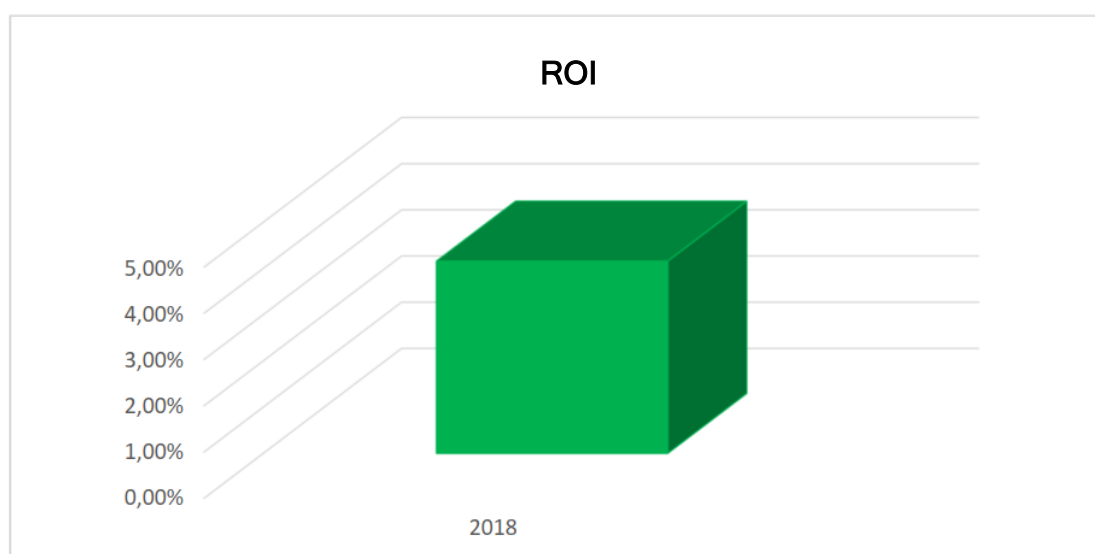


1.4.5.2. Return on investment (ROI)

The return on investment is calculated as the ratio of earnings before interest and taxes to total assets.

$$\text{Return on investment} = \frac{\text{Result before interest and taxes}}{\text{Total capital}} \times 100$$

	2018 %
Return on investment	4.16%



1.5. Key figures on financial and liquidity position

1.5.1. Net debt

Net debt is the balance of interest-bearing liabilities and liquid assets.

Interest-bearing debt
- Liquid assets
<hr/>
= Net debt

The following items were recognised as interest-bearing liabilities:

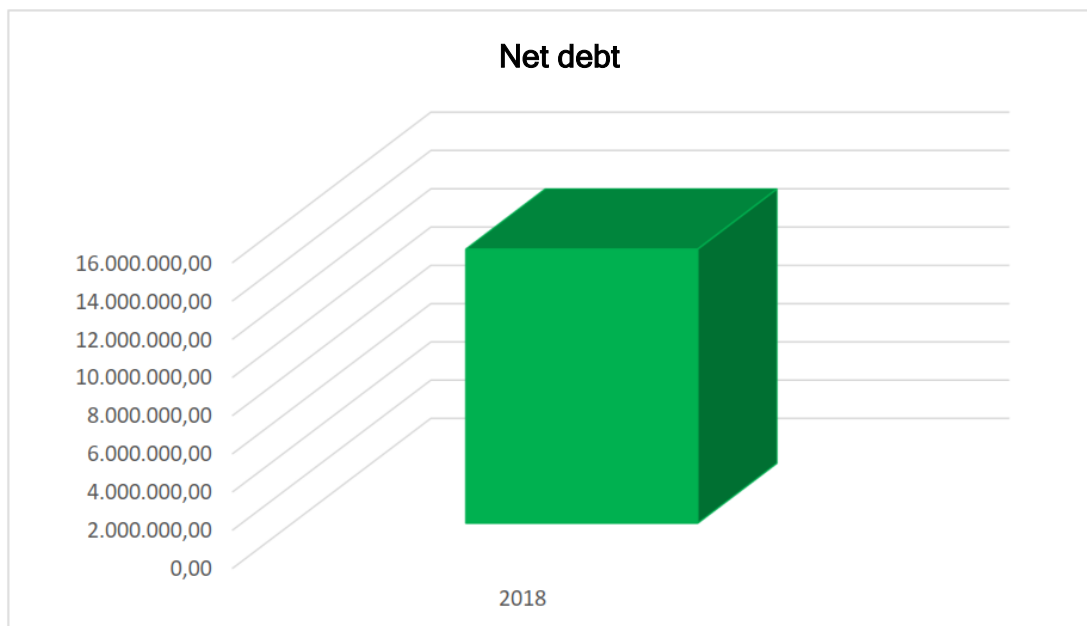
- Loans
- Liabilities due to banks
- Liabilities from loans
- Provisions for severance payments

- Provisions for pensions
- Provisions for anniversary bonuses

Other provisions and accrued liabilities are comprised as follows:

- Cash on hand, cheques and cash in banks
- Marketable securities

	2018 EUR
Net debt	14,334,860.70

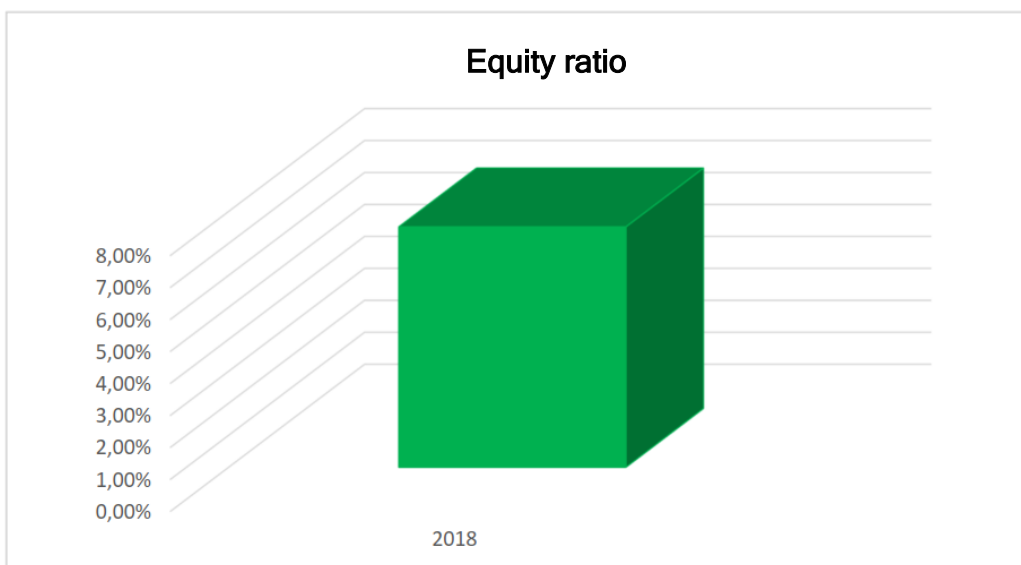


1.5.2. Equity ratio

The equity ratio represents the ratio of shareholders' equity to total capital.

$$\text{Equity ratio} = \frac{\text{Equity}}{\text{Total capital}} \times 100$$

	2018 %
Equity ratio	7.52%

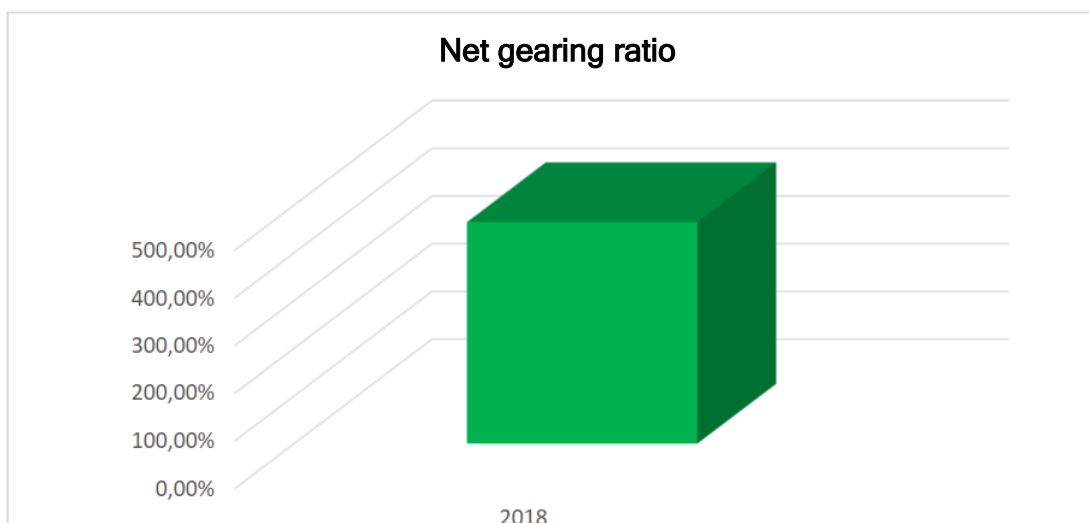


1.5.3. Net gearing ratio

The net gearing ratio corresponds to the ratio of net debt to equity.

$$\text{Net gearing ratio} = \frac{\text{Net debt}}{\text{Equity}} \times 100$$

	2018
	%
Net gearing ratio	464.23%



1.5.4. Cash flow indicators

The cash flow was prepared in accordance with the calculation principles of KFS/BW 2 using the indirect method. The partial results of the cash flow statement are as follows:

	2018
Cash flow from operating activity	1,970,510.71
Cash flow from investing activity	-898,456.60
Cash flow from financing activity	-2,210,559.50

2. Anticipated development and risks of the enterprise

2.1. Anticipated development of the company

Activities in the area of flat-bottom tanks will be continued to be strengthened. It is thus the first of the three strategic units in good waters, with good prospects for expansion into the petrochemical industry. The related business in the strict sale of specialty resins is still growing disproportionately, although the trend towards liquefied natural gas (LNG) that has been expected for several years is now clearly materialising. In 2019, we expect disproportionately high growth in turnkey LNG tank farms, especially for commercial vehicle refuelling. European Union financing has been announced and China has also announced the construction of 20,000 LNG filling stations by 2025.

As the third strategic branch of the enterprise, soil and groundwater remediation is being consolidated and prepared for export. The interest in in-situ remediation technology is particularly pronounced in former developing countries. The latest developments of Maremmana Ecologia Sri will be a clear unique selling point in this respect.

Work is continuing on establishing sales channels into Russia and South America. India and North America are being prepared. Corresponding business plans will be evaluated in the second half of the year and/or in the first half of 2020. Consolidated sales of EUR 45 million are expected in 2019.

2.2. Material risks and uncertainties

The most significant risk remains the financial development of the Group companies. Strict planning and comparisons are therefore carried out and documented both quantitatively and qualitatively in quarterly reports. If it appears necessary, the company will, in its capacity as shareholder, provide appropriate support as permitted by law.

The long payment periods in Italy in particular indicate that the shareholdings may lose value due to tight liquidity situations. These cannot be ruled out in the current situation on the main Italian market, even though the assessment mechanisms for assessing the creditworthiness of potential customers function very reliably. In order to improve the data situation in Italy, more joint work is being done on business planning (sales plan), and a central sales service in Italy is also being sought, which will no longer be organised territorially but according to business areas. The Group company Maremmana Ecologia Sri is exposed to a risk of more than 75% due to its (indirect) dependence on ENI. This will be relativised in the course of the year by increased export measures.

In the first half of 2019, the subsidiary Wolf tank Systems SpA carried out extraordinary repair work on storage tanks in the amount of EUR 162,000, above all as an investment in strengthening the business relationship with the key account for storage tank coatings.

Furthermore, local market saturation can lead to a partial decline in revenue in some national markets. As a countermeasure to this, the three strategic divisions have an compensatory anti-cyclical effect.

A general risk generally results from the manual work of the installation method in the first area of the tank coatings. Processing errors there can lead to warranty claims. These vary in importance with the size of the individual tank.

Legal regulations are in continuous development worldwide. A prominent example of this is the well-known European directive REACH. Within the framework of the now obligatory registration of individual products, there may be slight adjustments of products and formulas from case to case. In particular, this may affect hardeners for resins where a pre-reaction reducing the known allergen status of an amine hardener is no longer permitted. In such cases, further development of the formula and adapted protective measures will provide effective and complete assistance.

The age structure of the employees of the operative Group companies is evenly distributed. Nevertheless, the loss of good employees due to retirement or job changes is a risk that is reduced by constant further training and education of new employees with ever better basic technical knowledge.

With respect to the bonds issued by the Group company Wolf tank Systems SpA, the position of the bondholders will be greatly improved by the merger of the Italian holdings described above. In this spirit, talks have already been held by the local management and interest in an extension of the bond is very high.

3. Research and development

Research and development for the strategic development of the individual divisions is carried out by the Group companies themselves. The developments arise mainly from the question of which technical means could be used to minimise or exclude the risks based on the occupational safety of workers, or to increase efficiency and create unique selling points as future competitive advantages. The system for the internal coating of pipes after the tank to be rehabilitated is loaded with usually old pipes represents a pioneering project that will significantly increase the customer benefits associated with tank renovation. The interior tank inspection without entry into the tank also needs to be mentioned.

Furthermore the projects for the unmanned transformation of single- into double-walled tanks as well as for the avoidance of sandblasting before resin coatings will be very advantageous. One of the largest projects consists in adapting double-walled tank coating processes and the necessary equipment for use in vertical storage tanks, which will accompany the ongoing expansion of business areas. The further development of leak detectors and their adaptation to new technical standards (Industry 4.0) also needs to be mentioned. A further example is the efficiency-enhanced in-situ remediation of contaminated soil and groundwater, on which the Group company Maremmana Ecologia Sri is successfully working. In 2018, significant investments were also made in R&D activities in the field of soil remediation. The core topic here was and is the "ME-SER" project, a device for accelerating the decontamination of soils and groundwater primarily polluted with hydrocarbons. Another project concerns a device for using the kinetic energy of water quantities to be purified in order to significantly improve the energy balance during in-situ remediations and to generate competitive advantages as a result. General reference is made at this juncture to the intellectual property rights requirements of the Group companies.

4. Key features of the internal controlling and risk management system with regard to the accounting process

The Management Board has established an internal controlling system to ensure that individual areas and individuals perform their assigned duties effectively and efficiently. Decisions are generally made after consultation with the Management Board or the relevant supervisor in accordance with the dual responsibility principle.

The major Group companies report monthly to the Management Board based on the accounting system. On a quarterly basis, the Group companies report the key figures to the Management Board using standardised reporting packages. As of 2019, internal consolidation will be carried out as of 30 June of each year.

With regard to the Austrian Group companies, since 2018 the accounting has been prepared by the Group companies themselves, resulting in figures updated daily, which has a positive effect on the internal controlling system. The clear separation between document administration and document processing is ensured by various responsibilities.

Before establishing a business relationship in areas with critical situations, enquiries are consistently made and documented at the respective chambers of commerce and subsequently at the foreign ministries.

At the Group level, the limits on the powers of attorney of the Management Board of Woltank-Adisa Holding AG were also applied individually to each company, which will allow further controlling possibilities, risk minimization and early warnings.

General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this

respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSchG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSchG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSchG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSchG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSchG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.