CMC Markets Securities GmbH, Frankfurt am Main

Certified copy

Annual financial statements for the shortened financial year from 26 February to 31 December 2025, together with the auditor's report from the independent auditor

Table of Contents

CMC Markets Securities GmbH,
Frankfurt am Main

Annual financial statements for the period from 26 February 2025 to 31 December 2025

Table of Contents

CMC Markets Securities GmbH
Balance Sheet as at 31 December 2025

A S S E T S	31 December 2025 TEUR	26 February 2025 TEUR
A. Fixed assets		
I. Intangible assets		
- self-generated industrial property rights and similar rights and assets	474	0
B. Current assets		
- Balances with banks and cheques	25	13
C. Prepayments and accrued income	139	0
D. Loss not covered by equity	1,993	0
	2,631	**13**

L I A B I L I T I E S	31 December 2025 TEUR	31 December 2025 TEUR	26 February 2025 TEUR
A. Equity			
I. Subscribed capital		25	25
./. outstanding, uncalled capital contributions			12
II. Net loss for the year	2,018		
III Of which not covered	1,993	./. 25	
		0	13
B. Provisions			
- other provisions		154	0
C. Liabilities			
- other liabilities		2,477	0
of which from tax: TEUR 258 (previous year: TEUR 0)			
		2,631	**13**

CMC Markets Securities GmbH
Profit and Loss Account
for the period from 26 February 2025 to 31 December 2025

		26 February 2025 – 31 December 2025 TEUR
1.	Other operating income	4
2.	Other operating expenses	2,022
3.	Profit after tax	-2,018
4.	**Net loss for the year**	**-2,018**

CMC Markets Securities GmbH
Notes to the financial statements for the financial year

Accounting policies

CMC Markets Securities GmbH, **Frankfurt am Main, (CMCSEC)** has its registered office in Frankfurt am Main and is entered in the Commercial Register of the Frankfurt am Main Local Court under number HRB 137993.

The financial statements for the short financial year from 26 February to 31 December 2025 were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Companies Act (GmbHG), as well as in accordance with Section 244 HGB, in the German language and in euros.

As at 31 December 2025, CMCSEC is a micro-capital company within the meaning of Section 267a(1) of the German Commercial Code (HGB).

At the time of preparing the annual financial statements, the management had a reasonable expectation that the company would have sufficient resources to continue its business for the foreseeable future and for a period of at least 12 months. This assessment is based on the company’s liquidity position, its future profitability and the payment made in June 2026 into the company’s capital reserve. On 30 June 2026, the parent company (CMC Markets Holdings Ltd.) made a contribution to the capital reserve amounting to 4,200 TEUR (see further details in Notes 12 and 18). In the event of a liquidity crisis, the company has access to liquidity from other companies within the group.

Consequently, when preparing the annual report, the management continues to apply a going concern basis and does not take into account any adjustments that would be necessary if the company were no longer able to continue as a going concern.

Accounting and Valuation Principles

(1) General Valuation Principles

In valuing the assets and liabilities reported in the financial statements as at 31 December 2025, the general valuation principles set out in Section 252(1) of the German Commercial Code (HGB) were observed.

(2) Intangible assets

The **internally generated intangible assets** relate to an IT infrastructure designed to issue securitised derivative products for distribution, initially in Germany and Austria,

. Following the end of the financial year, the test phases were completed in April 2026. By letter dated 19 December 2025, the Federal Financial Supervisory Authority (BaFin) approved the securities prospectus bearing the reference number ID 69200498. The first issue took place in early May 2026.

The self-generated intangible assets were valued at the development costs of the IT platform incurred up to the end of the past financial year.

(3) Cash at banks and cheques

Cash at banks and cheques are recognised at their nominal value.

(4) Prepayments and deferred charges

In accordance with Section 250(1) and (2) of the German Commercial Code (HGB), **prepaid expenses and deferred income** on the assets side comprise payments that are to be allocated to future financial years on an accrual basis.

(5) Provisions

In determining the **amount** of **provisions**, all identifiable risks and uncertain liabilities have been taken into account on the basis of prudent commercial judgement. The provisions have been measured at the amount necessary to settle the obligation in accordance with sound commercial judgement.

(6) Liabilities

Liabilities are recognised at their settlement amount.

(7) Currency translation

Currency receivables and liabilities are measured in accordance with Section 256a of the German Commercial Code (HGB) at the spot exchange rate prevailing on the balance sheet date.

Notes to the Profit and Loss Account

(8) Other operating income

This item (TEUR 3) comprises income arising from foreign currency translation.

(9) Other operating expenses

Other operating expenses (TEUR 2,022) comprise the following:

	26 February 2025 – 31 December 2025
	TEUR
Legal consultancy fees	614
General IT and software consultancy costs	526
Staff and other costs recharged by companies in the CMC Group	365
Non-deductible input VAT	269
Expenses for IT and software services	164
Audit costs	62
Costs for the preparation of annual accounts and tax advice	22
Total	**2,022**

Notes to the balance sheet

(10) Movements in fixed assets

Fixed assets relate exclusively to the development costs incurred up to the balance sheet date for an IT platform (see also the notes in section (1) of these notes to the financial statements) and developed as follows during the financial year:

Original Acquisition cost				Depreciation				Carrying amounts	
	26 February 2025	Additions	31 December 2025	26 February 2025	Depreciation	Additions	31 December 2025	31 December 31 December	26 February 2025
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Intangible assets - under construction -	-	474	474	-	-	-	-	474	-
Total	**-**	**474**	**474**	**-**	**-**	**-**	**-**	**474**	**-**

(11) Prepayments and deferred income

Prepaid expenses (TEUR 139) relate primarily to payments made in advance for IT, software, certification and other services, which have been deferred on an accrual basis.

(12) Loss not covered by equity

In the past short financial year, as a result of the establishment of CMC SEC's business operations and the associated start-up losses, a loss of TEUR 2,018 was incurred; given a share capital of TEUR 25, an amount of TEUR 1,993 of this loss is not covered by equity.

In accordance with the resolution passed by the CMC SEC shareholders' meeting on 30 June 2026, CMC Markets Holdings Ltd., London, United Kingdom (CMC UK), is to make a contribution to equity within the meaning of Section 272(2)(4) of the German Commercial Code (HGB) amounting to TEUR 4,200, which took place on 30 June 2026 (see 'Events after the balance sheet date (Supplementary Report)').

(13) Other provisions

Other provisions (TEUR 154) relate to the costs of legal and other consultancy services in connection with software development (TEUR 95) as well as the costs associated with the preparation and audit of the annual financial statements and tax consultancy (TEUR 59).

(14) Other liabilities

Other liabilities (EUR 2,477 thousand) consist primarily of amounts owed to CMC Markets UK plc, London, United Kingdom (TEUR 1,918) and CMC Markets GmbH, Frankfurt am Main (TEUR 164), and arise from the costs incurred in setting up a platform for the issue of structured securities planned by CMC SEC.

In addition, liabilities arising from VAT still to be paid, amounting to TEUR 258, are recognised in the balance sheet.

These liabilities have a remaining term of less than one year.

(15) Equity

As at 31 December 2025, a portion of the loss incurred in the past financial year, amounting to the same figure as the subscribed capital of TEUR 25, was deducted from the subscribed capital. CMC UK is the sole shareholder of CMC SEC as at the balance sheet date.

Other disclosures

(16) Other financial obligations

There are no other financial obligations for subsequent years.

(17) Distribution restriction

In connection with the capitalised internally generated intangible assets in accordance with section 248(2), first sentence, of the German Commercial Code (HGB), the total distribution restriction as at the balance sheet date amounts to TEUR 474.

(18) Cash flow statement

CMC SEC obtains its funding within the CMC Group. For further details, please refer to the cash flow statement below.

In T€	**31 Dec 2025**
Cash flows from operating activities	
Profit before tax	-2,018
Adjustments for non-cash transactions:	
Increase in provisions	+154
Changes in net working capital:	
Change in trade receivables and other receivables	-139
Change in trade payables and other liabilities	+2,003
Net cash flow from operating activities	**-**
Net cash flow from investing activities	**-**
Cash flows from financing activities	
Proceeds from the issue of new shares	+12
Net cash flow from financing activities	**+12**
Change in cash and cash equivalents	**+12**
Cash and cash equivalents at the start of the financial year	+13
Cash and cash equivalents at the end of the financial year	**+25**

(19) Auditor's fee

The total fee recognised in the financial statements for the auditor's audit services amounts to TEUR 62.

(20) Proposed appropriation of profits

The management proposes that the loss for the past financial year 2025, amounting to TEUR 2,018, be carried forward to the new financial year.

(21) Events after the balance sheet date (supplementary report)

By a notarised agreement dated 30 June 2026, the previous sole shareholder, CMC Markets Holdings Limited, London, United Kingdom, sold its shares in CMC SEC to its subsidiary, CMC Markets Securities UK Limited, London, United Kingdom.

At the CMCSEC shareholders' meeting on 30 June 2026, a resolution was passed to make an additional payment to the capital reserve in accordance with Section 272(2)(4) of the German Commercial Code (HGB) in the amount of TEUR 4,200, which was made on the same day (see also the comments in paragraph (12) of these notes).

(22) Management of CMCSEC

Mr Richard Freeman, London, United Kingdom.

(23) Information on management remuneration

The management remuneration included in the profit and loss account is set out in Note 9 to these financial statements. This was paid by CMC Markets UK plc.

At the end of the year, there were no loans to members of the management of CMC SEC.

(24) Staff

CMCSEC did not employ any staff during the financial year.

(25) Group affiliation

CMC SEC forms part of the scope of consolidation of CMC Markets plc, London, UK, whose financial statements are included in the consolidated financial statements available at the UK Companies House and on the website www.cmcmarketsgroup.com.

Frankfurt am Main, 3 September 2026

CMC Markets Securities GmbH, Frankfurt am Main The Management

Richard Freeman

Deloitte.

Deloitte GmbH
Audit firm

INDEPENDENT AUDITOR'S REPORT

To CMC Markets Securities GmbH, Frankfurt am Main

Auditor's Report

We have audited the financial statements for the short financial year of CMC Markets Securities GmbH, Frankfurt am Main – comprising the balance sheet as at 31 December 2025, the profit and loss account and the cash flow statement for the financial year from 26 February to
31 December 2025, and the notes to the financial statements, including a description of the accounting policies – have been audited.

In our opinion, based on the findings of our audit, the accompanying financial statements for the short financial year comply in all material respects with the German commercial law provisions applicable to limited companies and, in accordance with German principles of proper accounting, give a true and fair view of the Company's assets and financial position as at 31 December 2025, as well as its profit or loss for the short financial year from 26 February to 31 December 2025.

In accordance with section 322(3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not given rise to any objections as to the regularity of the annual financial statements for the shortened financial year.

Basis for the audit opinion

We conducted our audit of the interim financial statements in accordance with Section 317 of the German Commercial Code (HGB), having regard to the German standards on the due conduct of audits established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in further detail in the section 'The auditor's responsibility for the audit of the annual financial statements for the shortened financial year' of our auditor's report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We consider that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion on the annual financial statements for the short financial year.

Responsibility of the statutory representatives for the annual financial statements

The statutory representatives are responsible for preparing the annual financial statements in a manner that complies in all material respects with German commercial law, and for ensuring that the annual financial statements for the shortened financial year present a true and fair view of the company's assets, financial position and results of operations in accordance with German principles of proper accounting. Furthermore, the statutory representatives are responsible for the internal controls which they have determined to be necessary in accordance with German generally accepted accounting principles, to enable the preparation of financial statements for the short financial year that are free from material misstatements arising from fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

When preparing the annual financial statements for the shortened financial year, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing, where relevant, matters relating to the company's ability to continue as a going concern. In addition, they are responsible for preparing the financial statements on a going concern basis, provided that no factual or legal circumstances preclude this.

The auditor's responsibility for the audit of the annual financial statements

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but no guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions taken by users on the basis of these financial statements for the shortened financial year.

During the audit, we exercise due professional judgement and maintain a critical mindset. Furthermore,

- We identify and assess the risks of material misstatement in the annual financial statements for the shortened financial year arising from fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls.
- We obtain an understanding of the internal controls relevant to the audit of the annual financial statements in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of the company's internal controls.
- We assess the appropriateness of the accounting policies applied by the statutory representatives, as well as the reasonableness of the estimated values and related disclosures presented by the statutory representatives.

- we draw conclusions on the appropriateness of the going concern accounting principle applied by the statutory representatives and, on the basis of the audit evidence obtained, as to whether there is any material uncertainty relating to events or circumstances that could cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the relevant disclosures in the annual financial statements or, if those disclosures are inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the business no longer being able to continue as a going concern.
- We assess the presentation, structure and content of the annual financial statements as a whole, including the disclosures, and whether the annual financial statements present the underlying business transactions and events in such a way that, in accordance with German generally accepted accounting principles, they give a true and fair view of the company's assets, financial position and results of operations.

We discuss with those responsible for oversight, amongst other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in the internal control system, which we identify during our audit.

Munich, 8 September 2026

Deloitte GmbH
Audit Firm

Signiert von:	DocuSigned by:
3B5B511D458E461...	2629A148A35E41A...
Rene Rumpelt	Jan Marmann
Auditor	Auditor

General Terms and Conditions of Engagement

for
auditors and audit firms
from 1 January 2024

1. Scope

(1) These Terms and Conditions apply to contracts between auditors or audit firms (hereinafter collectively referred to as 'auditors') and their clients concerning audits, tax advice, advice on business matters and other engagements, unless otherwise expressly agreed in writing or required by mandatory statutory provisions.

(2) Third parties may only derive claims from the contract between the auditor and the client if this has been agreed or arises from mandatory statutory provisions. With regard to such claims, these Terms and Conditions of Engagement shall also apply vis-à-vis such third parties. The auditor shall also be entitled to raise defences and objections arising from the contractual relationship with the client against third parties.

2 Scope and Performance of the Engagement

(1) The subject matter of the engagement is the agreed service, not a specific economic outcome. The engagement shall be carried out in accordance with the principles of proper professional practice. The auditor shall not assume any management responsibilities in connection with his services. The auditor shall not be responsible for the use or implementation of the results of his services. The auditor is entitled to engage experts to carry out the engagement.

(2) The application of foreign law requires – except in the case of business audits – an express agreement in writing.

(3) If the factual or legal situation changes after the final professional opinion has been issued, the auditor is not obliged to draw the client's attention to such changes or to any resulting consequences.

3 The client's duty to cooperate

(1) The client must ensure that the auditor is provided in good time with all documents and further information necessary for the performance of the engagement and is informed of all events and circumstances that may be relevant to the performance of the engagement. This also applies to documents and further information, events and circumstances that only come to light during the course of the auditor's work. The client shall designate suitable persons to provide information to the auditor.

(2) At the auditor's request, the client must confirm the completeness of the documents and further information provided, as well as the details and explanations given, in a statement drawn up by the auditor in the statutory written form or in any other form specified by the auditor.

4 Safeguarding independence

(1) The client must refrain from any action that jeopardises the independence of the auditor's staff. This applies for the duration of the engagement, in particular to offers of employment or the assumption of executive functions, and to offers to undertake engagements on the auditor's own account.

(2) Should the performance of the engagement compromise the independence of the auditor, or that of its affiliated firms, its network firms or any associated firms to which the independence rules apply in the same way as they do to the auditor, in other engagement relationships, the auditor shall be entitled to terminate the engagement without notice.

5 Reporting and oral information

Where the auditor is required to present findings in the course of carrying out the engagement in statutory written form or text form, only such presentation shall be authoritative. Drafts of such presentations are non-binding. Unless otherwise provided for by law or agreed contractually, oral statements and information provided by the auditor are only binding if they are confirmed in text form. Statements and information provided by the auditor outside the scope of the engagement are always non-binding.

6 Disclosure of a professional statement by the auditor

(1) The disclosure of professional statements by the auditor (work results or extracts from work results – whether in draft
draft or final version) or the disclosure of information regarding the auditor's
the auditor on behalf of the client to a third party requires the auditor's consent given in writing, unless the client is obliged to disclose such information or provide such details pursuant to a law or an official order.

(2) The use by the client, for advertising purposes, of the auditor's professional statements and information regarding the auditor's work for the client is prohibited.

7. Rectification of defects

(1) In the event of any defects, the client is entitled to subsequent performance by the auditor. Only in the event of failure, omission or unjustified refusal, unreasonableness or impossibility of subsequent performance may the client reduce the remuneration or withdraw from the contract; if the engagement has not been placed by a consumer, the client may withdraw from the contract on the grounds of a defect only if the service provided is of no interest to them due to failure, omission, unreasonableness or impossibility of subsequent performance. Insofar as claims for damages exist in addition to this, clause 9 shall apply.

(2) A claim for subsequent performance under paragraph 1 must be asserted by the client without delay in writing. Claims for subsequent performance under paragraph 1 which are not based on an intentional act shall become time-barred one year after the statutory limitation period begins.

(3) Obvious inaccuracies, such as spelling mistakes, calculation errors and formal defects contained in a professional statement (report, opinion and the like) issued by the auditor, may be corrected by the auditor at any time, including vis-à-vis third parties. Inaccuracies which are likely to call into question the findings contained in the auditor's professional statement entitle the auditor to withdraw the statement, including from third parties. In the aforementioned cases, the client should, as far as possible, be consulted by the auditor beforehand.

8 Confidentiality towards third parties, data protection

(1) The auditor is obliged, in accordance with the law (Section 323(1) of the German Commercial Code (HGB), Section 43 of the German Public Accountants' Act (WPO), Section 203 of the German Criminal Code (StGB)), to maintain confidentiality regarding facts and circumstances entrusted to him or of which he becomes aware in the course of his professional activities, unless the client releases him from this duty of confidentiality.

(2) When processing personal data, the auditor shall comply with national and European data protection regulations.

9 Liability

(1) For services provided by the auditor as required by law, in particular audits, the applicable statutory limitations on liability shall apply, in particular the limitation on liability set out in
Section 323(2) of the German Commercial Code (HGB).

(2) Where neither a statutory limitation of liability applies nor a limitation of liability exists under an individual contract, the client's claim arising from the contractual relationship between the client and the auditor for compensation for damage caused by negligence, with the exception of damage resulting from injury to life, bodily injury and damage to health, as well as damage giving rise to a manufacturer's liability to pay compensation under Section 1 of the Product Liability Act (ProdHaftG), is limited to €4 million in accordance with Section 54a(1)(2) of the German Statute on the Public Accountancy Profession (WPO). The same applies to claims asserted by third parties against the auditor arising from or in connection with the contractual relationship.

(3) Where several claimants derive claims from the contractual relationship with the auditor arising from a negligent breach of duty by the auditor, the maximum amount specified in paragraph 2 shall apply to the relevant claims of all claimants taken together.

(4) The maximum amount under paragraph 2 relates to a single claim. A single claim also applies in respect of a single loss arising from several breaches of duty. A single claim encompasses all the consequences of a breach of duty, regardless of whether the losses arose in one or in several consecutive years. In this context, multiple acts or omissions arising from the same or a similar source of error shall be deemed a single breach of duty if the matters in question are legally or economically interrelated. In this case, the auditor may only be held liable up to a maximum of €5 million.

(5) A claim for damages lapses if legal proceedings are not brought within six months of the written refusal to pay compensation and the client has been made aware of this consequence. This does not apply to claims for damages arising from wilful misconduct, or in the event of a culpable injury to life, limb or health, or in the case of damage giving rise to a manufacturer's liability for compensation under Section 1 of the Product Liability Act (ProdHaftG). The right to raise the defence of the limitation period remains unaffected.

(6) Section 323 of the German Commercial Code (HGB) remains unaffected by the provisions in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the client subsequently amends the financial statements or management report that have been audited by the auditor and issued with an auditor's report, the client may not continue to use that auditor's report.

If the auditor has not issued an audit opinion, any reference to the audit carried out by the auditor in the management report or in any other place intended for public disclosure is only permitted with the auditor's consent, given in the statutory written form, and using the wording approved by the auditor.

(2) If the auditor revokes the audit opinion, the audit opinion may not be reused. If the client has already used the audit opinion, the client must, at the auditor's request, publicise the revocation.

(3) The client is entitled to five copies of the report. Any further copies will be invoiced separately.

11. Supplementary provisions for assistance in tax matters

(1) The auditor is entitled, both when advising on specific tax matters and in the case of ongoing advisory services, to treat the facts provided by the client – in particular figures – as correct and complete; this also applies to bookkeeping engagements. However, the auditor must draw the client's attention to any material inaccuracies he has identified.

(2) The tax consultancy engagement does not include the actions necessary to meet deadlines, unless the auditor has expressly undertaken such a mandate. In this case, the client must provide the auditor with all documents essential for meeting deadlines, in particular tax assessment notices, in good time so that the auditor has a reasonable period in which to process them.

(3) Unless otherwise agreed in writing, ongoing tax consultancy comprises the following activities falling within the term of the contract:

a) Preparation and electronic submission of annual tax returns, including e-balance sheets, for income tax, corporation tax and trade tax, based on the annual accounts to be provided by the client and other statements and supporting documents required for tax purposes
b) Review of tax assessment notices relating to the taxes mentioned under (a)
c) Negotiations with the tax authorities in connection with the returns and assessment notices referred to in (a) and (b)
d) Assistance with tax audits and analysis of the results of such audits in respect of the taxes referred to in (a)
e) Assistance in objection and appeal proceedings relating to the taxes referred to in (a).

In carrying out the aforementioned tasks, the auditor shall take into account the relevant published case law and administrative interpretations.

(4) If the auditor receives a flat-rate fee for ongoing tax consultancy, the activities referred to in paragraph 3(d) and (e) shall be remunerated separately in the absence of any other written agreement.

(5) Where the auditor is also a tax adviser and the Tax Advisers' Remuneration Regulations apply to the calculation of remuneration, a rate higher or lower than the statutory remuneration may be agreed in writing.

(6) The handling of specific individual matters relating to income tax, corporation tax, trade tax and standardised valuation, as well as all matters relating to value added tax, payroll tax, other taxes and duties, shall be carried out on the basis of a specific engagement. This also applies to

a) the handling of one-off tax matters, e.g. in the field of inheritance tax and land transfer tax,
b) representation and assistance in proceedings before the tax and administrative courts, as well as in criminal tax matters,
c) advisory and expert services in connection with company reorganisations, capital increases and reductions, restructuring, the entry and withdrawal of shareholders, and the disposal of business operations,
Liquidation and similar matters, and
d) assistance with the fulfilment of reporting and documentation obligations.

(7) Insofar as the preparation of the annual VAT return is also undertaken as an additional service, this does not include the verification of any specific accounting requirements or the question of whether all applicable VAT reliefs have been claimed. No guarantee is given as to the completeness of the documentation required to claim input tax deduction.

1 2. Electronic communication

Communication between the auditor and the client may also take place by email. Where the client does not wish to communicate by email or imposes specific security requirements, such as the encryption of emails, the client shall inform the auditor accordingly in writing.

1 3. Remuneration

(1) In addition to his claim for fees or remuneration, the auditor is entitled to reimbursement of his out-of-pocket expenses; VAT shall be charged in addition. He may demand reasonable advances towards remuneration and reimbursement of out-of-pocket expenses and may make the provision of his services contingent upon the full satisfaction of his claims. Where there are several clients, they shall be jointly and severally liable.

(2) If the client is not a consumer, set-off against the auditor's claims for remuneration and reimbursement of expenses is only permitted in respect of claims that are undisputed or have been established by a final and binding judgement.

1 4. Dispute resolution

The auditor is not prepared to participate in dispute resolution proceedings before a consumer arbitration board within the meaning of Section 2 of the Consumer Dispute Resolution Act.

1 5. Governing Law

German law shall apply exclusively to the engagement, its performance and any claims arising therefrom.