



SYNLAB AG

Management report for the financial year 2020

1. Fundamental information about the Company

1.1. Business model

SYNLAB AG, until 18 March 2021 operating as ISARSMARAGD AG, was a non-operating shell company in the financial year 2020. The Company's principal activity is to act as holding company of the SYNLAB Group (hereinafter SYNLAB), therefore, its future economic development depends on the development of the Group.

As SYNLAB has the highest service standard in the industry, it is considered an experienced and strong partner for diagnostics in human and veterinary medicine. Continuous innovations in medical diagnostics services contribute to the well-being of patients and customers.

SYNLAB is active in 36 countries on four continents and has a leading position in most markets. More than 20,000 employees (FTE), including 1,200 medical experts and numerous other experts such as biologists, chemists, and laboratory technicians contribute every day to the group's global success. SYNLAB conducts approximately 500 million laboratory tests each year and generated revenue in the amount of 2.6 billion EUR in 2020.

1.2. Research and development

The company did not engage in any research or development activities.



2. Economic report

2.1. Macroeconomic and sector-specific environment

According to first calculations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in Germany decreased by 5.0 % in 2020 compared to the prior year. After a growth period of ten years, the German economy plunged into a deep recession due to the COVID-19 pandemic, similar to the one during the financial and economic crisis in 2008/2009. However, according to preliminary calculations, the economic decline in 2020 was less severe than in 2009 (-5.7 %).

In the last few years, only a very limited number of significant new market participant entered the market for clinical laboratory services, which was mainly due to factors such as economies of scale, regulatory requirements, required technical know-how, and reputation that are of advantage for established market participants.

Economies of scale exist in numerous market sections, e.g. for procurement, logistics, test procedures, professional training, as well as for building and maintaining relationships with customers, supervisory authorities, and payers. These economies of scale may be of advantage for larger market participants as they benefit to a greater extent from efficiency advantages for procurement by bundling volumes across different laboratories and regions, enabling them to better adjust to price reductions. In addition, larger market participants are in a better position to operate a laboratory model that uses central laboratories in combination with basic laboratories spread over different regions and collection centres.

The regulatory requirements and characteristics include a complex variety of pricing and refunding environments, strict quality standards, long-term contracts, and complex licensing and accreditation processes in some countries. Market participants, including the SYNLAB group, with enhanced experience in dealing with national refund conditions and relationships with important customers and suppliers in specific regions benefit from advantages over new market participants lacking this experience. Furthermore, some laboratory networks may face difficulties regarding the expansion of their business to new regions, unless by acquiring other companies, as they are required to adapt to the different and changing market and regulatory environments in different countries.

Usually, customer fluctuation in the outpatient segment is relatively low as the doctors are satisfied with their established laboratories and clinical diagnostics are integrated in the doctors' daily clinical practice. This frequently leads to a low customer churn which constitutes a competitive edge for us and other established market participants with existing customer relationships.



In addition, more established market participants benefit from advantages with regard to attracting and keeping leading scientists as employees due to their scientific reputation and technical abilities, in particular concerning specialised test services. Their size also allows for more flexibility in identifying and applying advanced technologies and best practices in determined specialised test segments.

Building a reputation as reliable, high-quality service provider takes time and may be a potential challenge for new market participants when establishing a strong recommendation network.

2.2. Course of business

The Company's net income for the financial year amounted to EUR 0.00 as in the prior year. No income from investments has been derived as yet.

2.3. Net assets, financial position and earnings performance

2.3.1. Earnings performance

The results of operations of SYNLAB AG are shown below in an abridged profit and loss statement:

In EUR	2020	2019
Other operating income	76.80	71.30
Other operating expenses	-76.80	-71.30
Net income for the financial year	0.00	0.00

No income from investments has been derived as yet. Due to the previous business activity as a non-operating shell, no further analysis of the company's earnings situation is required.

2.3.2. Financial position and liquidity

As at the balance sheet date, SYNLAB AG is equity financed only. Unpaid contributions not called exist in the amount of EUR 37,500.

The amount of liquidity decreased only insignificantly compared with the prior year by EUR 76.80 to EUR 12,361.90.

	1/1 - 31/12/2020 EUR	1/1 - 31/12/2019 EUR
Net income for the financial year	0.00	0.00
Increase in other assets	-76.80	-61.30
Cash flows from operating activities	-76.80	-61.30
Cash proceeds from the issue of capital	0.00	12,500.00
Cash flows from financing activities	0.00	12,500.00
Change in cash funds from cash relevant transactions	-76.80	12,438.70
Cash and cash equivalents at the beginning of period	12,438.70	0.00
Cash funds at the end of period	12,361.90	12,438.70

The company has been able to meet its payment obligations at any time.

No investments were made, neither in the fiscal year nor in the prior year.

At the moment credit lines or other financing commitments do not exist.

2.3.3. Net assets position and capital structure

The table below includes a summary of the SYNLAB AG balance sheet.

In EUR	2020	2019
Assets		
Receivables and other assets	138.10	61.30
Cash in banks	12,361.90	12,438.70
Total assets	12,500.00	12,500.00
Equity and liabilities		
Equity		
Subscribed capital	50,000.00	50,000.00
of which unpaid	37,500.00	37,500.00
Paid-up equity	12,500.00	12,500.00
Net income for the financial year	0.00	0.00
Total equity and liabilities	12,500.00	12,500.00



3. Report on post-balance sheet date events

Please refer to section 4.5 of the notes relating to significant events occurred after balance sheet date.

3.1. Performance indicators

3.1.1. Financial performance indicators

The Company developed an internal Performance Management System and defined adequate performance indicators. Detailed weekly and monthly reports are an important element of the internal management and control system. The financial key ratios used are governed by the interests and expectations of the investors. The Company uses financial performance indicators in order to evaluate their success in the implementation of its strategy.

The income from investments recognised in the financial statements is the central financial performance indicator of the Company.

SYNLAB uses the adjusted operating result from continuing operations and the adjusted EBTIDA from continuing operations for the management of the group. The segment reporting is based on these key figures as well.

3.1.2. Non-financial performance indicators

SYNLAB AG measures the success of its economic activity using also non-financial influencing factors. These key ratios serve as control of the SYNLAB Group. For the Company itself they were not yet applicable in the closed financial year due to the lack of operating activities. The central non-financial performance indicators for control are characterised as such here below.

SYNLAB Vision: Leadership through excellence in service to all countries we operate in with reliable and high-quality diagnostics.

This vision is reflected in "FOR YOU", which was initiated in the process of a strategy review in 2017/2018. "FOR YOU" places the stakeholders in the centre of the business. With a strategic orientation, giving priority to the customers as primary stakeholders, the goal is to better understand their needs and requirements to deliver excellent diagnostic services. This will contribute to the good health of customers, patients and society as a whole.



The Group intends to reach this goal by concentrating on four strategic pillars:

- 1 Offering superior patient and clinician experience
- 2 Ensuring operational excellence in our laboratories;
- 3 Promotion of our employees; and
- 4 Efficient use of capital to support our vision.

This was combined in the following areas.

SYNLAB "Green":

Minimising the environmental impact of each test carried out by the Group supports the global goal of carbon neutrality and environmental protection.

CLIMATE CHANGE (Central performance indicator): The management of our direct and indirect greenhouse gas (GHG) emissions. This includes energy consumption and other GHG reduction initiatives.

WASTE The appropriate disposal of operational and treated waste, fulfilling the Company's 'duty of care' obligations, as well as waste reduction initiatives.

SYNLAB "Care":

Creating the best positive results in the communities in which the SYNLAB Group is active by innovative high-quality diagnostics and the promotion of our many employees.

OCCUPATIONAL HEALTH & SAFETY (Central performance indicator): The management of workplace hazards affecting our employees' and on-site contractors' physical and mental health and well-being.

DIVERSITY & EQUALITY Equal treatment of all employees, regardless of age, gender, sexual identity, culture, race and ethnicity, or religion. This includes the creation of professional opportunities for vulnerable/under-represented groups.

ACCESS TO HIGH QUALITY HEALTHCARE (Central performance indicator): Provision of high-quality services while ensuring accessibility, fair pricing and ethically appropriate marketing. Our definition of high quality also includes client data security.

EMPLOYEE EMPOWERMENT & WELL-BEING Providing growth opportunities for a meaningful career while supporting a work-life balance.

TALENT ATTRACTION Retaining and winning talented new employees to support the innovation ambitions of the Company.

RESEARCH & INNOVATION Funding and advancing our research & innovation capabilities, as well as product quality management/certification.

COMMUNITY IMPACT Providing charitable contributions to tackle societal challenges.



SYNLAB "CITIZENSHIP"

Working with the highest governance and compliance standards; and compliance to be a responsible corporate citizen.

BUSINESS ETHICS Governance based on the highest professional standards, including board diversity, competence and independence and sector-specific standards.

REGULATORY COMPLIANCE: Compliance with applicable corporate law, sector specific regulations, and environmental and health & safety regulation.

TAX TRANSPARENCY Compliance with applicable tax law and transparent disclosure.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT: Integration of environmental, occupational health & safety and human rights matters in sourcing practices.

4. Forecast, opportunities and risk report

4.1. Forecast report

Due to the nature of the Company's business activity, its future development is closely intertwined with the development of the Group. Therefore, the Company reports on the future development of the SYNLAB Group in this connection.

Significant portions of the European clinical laboratory and medical diagnostics services market remain fragmented, and SYNLAB has been at the forefront of consolidation in Europe. The Group intends to expand its business activity by extending the range of services it offers. Furthermore, it will concentrate on the use of economies of scale, competences and relations to suppliers in order to increase the operating efficiency, by streamlining laboratory operations and administrative functions. The Group assumes that it will take opportunities for growth by selective acquisitions in the markets in which it is already active. Given the opportunity, the Group could also penetrate new markets.

Macroeconomic environment

In 2021, the global economy is expected to recover slowly from the severe recession of 2020. Global economic output is expected to increase significantly. Although the COVID-19 pandemic is still likely to hold back growth since restrictive protection and contact restriction measures will continue to be required in many countries and government aid could be reduced.

However, at the same time vaccines are expected to become widely available around the world during the year 2021 and the pandemic is expected to be contained slowly. This should lead to a recovery in private consumption in the second half of the year and a continued normalisation of economic activity. The recovery is likely to be particularly strong in the USA and in the emerging economies - in particular China and India. In contrast to this, a slower recovery



is expected in the European Union, mainly due to a potential further increase in unemployment.

Sector development

The laboratory services market is expected to grow from a market value of approximately Euro 32 billion in 2019 to approximately Euro 41 billion in 2025 (excluding the expected impact of COVID 19).

The European market in our core market countries of France, Germany and Italy (plus Switzerland, which is not one of our core market countries but was included in the underlying market research) is expected to show an overall annual growth by approximately 3%, while addressable emerging and other markets are expected to grow by approximately 5% annually.

Historically, both the HIV epidemic and the 2009 H1N1 pandemic increased testing volumes in the long-term. The current increased focus on diagnostics and disease prevention in connection with the COVID 19 pandemic is also expected to lead to an increase in testing volumes in the longer term. It is expected that COVID 19 will additionally increase the market value of our addressable diagnostic testing market in 2021 by up to EUR 13 billion before it slightly decreases in a year-on-year comparison in order to add additional EUR 3 billion to the expected market of EUR 41 billion in 2025.

For the first year of operation, SYNLAB AG does not expect any income from investments. The first dividends and income from investments are expected as from the financial year 2022.

The Company issued 22,222,222 new no par value bearer shares (no par value shares) against cash contribution. The shares were placed on the regulated market (Frankfurt Stock Exchange, Prime Standard). The Group intends to refinance the Company with the cash inflow of approx. EUR 400 billion from the issue of these shares.

The following goals are pursued for the non-financial performance indicators:

CLIMATE CHANGE: The goal is to become a carbon-neutral company and therefore to reduce our operational emissions year on year. Scope 1 and 2 CO₂e emissions intensity (tonnes CO₂e per million tests delivered) shall be reduced year on year.

OCCUPATIONAL HEALTH & SAFETY: Here the goal is to reduce the Lost Time Accident Frequency Rate (LTA-FR) year-on-year to 2025.

ACCESS TO HIGH QUALITY HEALTHCARE: This will be achieved by ensuring that over 80% of our laboratories are certified to the appropriate local quality standards by 2025.



4.2. Risk report

4.2.1. Risk management system

The management board is generally required to ensure that the risks are managed effectively for the entire SYNLAB Group.

The audit committee reviews the effectiveness of the Group's risk management process. SYNLAB developed its worldwide framework concept for risk management in order to increase risk awareness and provide a better structure and support of the risk management tasks within the Company and the group.

The Group is not only exposed to the risks listed below. However, the listed risks are those which in our opinion will have the most significant impact on our Company or rather group at the time when the discussions were held in the management board.

Other risks, of which the executive directors are currently not aware or which it considers to be less important, may also affect the Company or rather the group.

The following risks that the Group is facing now and in the future were taken into account.

- Risks concerning our day-to-day business
- Risks in connection with changes to our business activity and the business environment
- Risks which are likely to occur in the future

The following risk report describes our main risks in relation to these categories.

4.2.2. Risks

With the contribution of all shares in SYNLAB Limited to SYNLAB AG with effect from 27 April 2021, the future business activity of is exposed to the same opportunities and risks as the SYNLAB Group in all material respects. As a holding entity for the group entities is shares the risks incurred in relation with the business activity of these entities. Accordingly, in general the following general risk assessment of the group by the management is also applicable to the financial statements.

The table below shows the major risks of the SYNLAB group which were identified by applying our risk evaluation method (observation period: 36 months).



The following stages were used for the weighted risk assessment ("WRA"):

	Probability ("PR")	Effect ("EF")
1	Negligible	Insignificant
2	Very insignificant	Low
3	Improbable	Medium
4	Possible	Significant
5	Probable	High
6	Nearly certain	Very high

Significant risks	Description	PR	EF	WRA
Risk of business interruption	Risk of business interruption in some of our labs, if temporarily suppliers cannot supply the required reagents in time and in the required quality.	5	3	15
Market development risk	Risk that new cheaper tests are developed which can be carried out directly by our customers or patients, or changes on the part of the hospitals or doctors to carry out the tests themselves.	3	4	12
Regulatory risks	Risk of price drops, especially in markets where healthcare spending is publicly funded and under constant cost pressure.	6	2	12
Data security risk	Risk of losing control over sensitive (patient) data.	6	2	12
Risk in relation to information technology	Risk of system failures, processing errors or inefficiencies due to a complex group structure with partially not yet integrated system environments.	6	2	12
Risk due to regulatory changes	Risk that local or regional governments in one or several countries in which the Company operates enact regulatory changes (except reductions in customers) which adversely affect the Company's ability to do business.	6	2	12
Risk of capital availability	The risk not to be able to raise sufficient funds for the repurchase of the existing outstanding debt certificates by external funding.	4	3	12

Market risk - negative exchange rate development	The currency risk (or exchange rate risk) relates to the Company's exposure, to unpredictable gains or losses due to changes in the value of a foreign currency relative to the euro in connection with operations in non-eurozone countries.	5	2	10
Market risk - increasing interest rates	The interest risk is a risk incurred by a Company which is financed, in part, by bonds with variable interest rates. It is attributable to increasing interest rates which adversely affect the Company's debt service.	5	2	10
Risk of know-how management	Risk of not retaining or recruiting experienced laboratory doctors needed by the Company to provide high-quality services within the required time in accordance with certification requirements and as required by other regulatory requirements.	5	2	10

4.3. Opportunity report

SYNLAB is active in the large and growing European market for clinical lab testing services which is characterised by strong, non-cyclical growth trends and holds further growth potential, as well as significant opportunities in emerging economies in Latin America, Asia and Africa.

With SYNLAB's broad range of routine and speciality testing services offered, SYNLAB is a global stakeholder in the field of medical diagnostics and European market leader by sales.

The customer-oriented strategy of SYNLAB aims at growth rates above market level and is based on medical and operating excellence, highly qualified staff and a disciplined approach to capital allocation.

SYNLAB is a major market consolidator in a highly fragmented market with a proven international track record of disciplined business acquisitions, successful integration and synergies, and benefits from significant further consolidation opportunities.

SYNLAB has a good financial profile, and the profitability of SYNLAB continues to increase with SARS-CoV2 testing, solid organic growth, operational efficiency and strong liquidity through growth by strategic acquisitions.



SYNLAB benefits from a highly experienced international management team at Group level and in each of the locations, with comprehensive market knowledge and experience in addressing local regulatory requirements and achieving growth, as well as a strong track record in executing and integrating acquisitions.

SYNLAB intends to provide superior patient and clinical experience by expanding its range of services offered, by strengthening its network and creating a distinguished brand identity, both in Europe and globally.

SYNLAB will concentrate on operational excellence by using the size of the Company, its competences and supplier relations to increase operational efficiency and yield higher cash flows.

SYNLAB will benefit from growth opportunities in its existing and new markets through effective use of capital, investment in current operations and selected acquisitions.

SYNLAB will develop potential talents by delegating responsibility to its employees and engaging with them intensively.

5. Internal controls and risk management system in relation to the accounting process

As part of its internal controls, SYNLAB implemented a system of accounting-related internal controls. Its purpose is to identify, assess and control risks that could influence the proper preparation of the separate and consolidated financial statements pursuant to German commercial law. The accounting-related internal controls are a central component of the accounting and reporting system. It comprises preventive, detective, monitoring and corrective control measures in the areas of accounting, controlling and operational functions that ensure a methodical and uniform approach to the preparation of the company financial statements. The controls are based on the various corporate processes that are essential for accounting.

These processes of the accounting-related controls, the relevant risks and the assessment of the control mechanisms are analysed and documented. The control mechanisms include the identification and definition of processes, the introduction of approval levels and the application of the principle of separation of duties, as well as the identification of best practices. Implemented control mechanisms have an impact on many processes and therefore frequently overlap. Mechanisms include, without limitation, decisions on policies and procedures, the definition of processes and controls such as month-end closing check-lists and variance analyses, and the introduction of approval levels and guidelines. The internal controls are reviewed at regular intervals by the Group's management and Group Accounting. At the end of the 2020 financial year, a new Internal Audit department was also implemented, which will also be responsible for monitoring the internal controls in the future.



6. Remuneration report

Remuneration of the management board

The members of the management board were appointed with effect from 26 January 2021. Therefore, the current members of the management board did not receive any remuneration from the Company as of 31 December 2020. Neither did the management board appointed before receive any remuneration for the past financial year.

Basic characteristics of the remuneration system for members of the management board

The remuneration system for the management board supports the achievement of SYNLAB's strategic goals and sets incentives for sustainable growth while avoiding excessive risks.

The proposed target remuneration structure for members of the management board includes fixed compensation (base compensation, pensions contribution, health insurance contribution, etc.) as well as performance-based compensation (short-term incentives (STI) and long-term incentives (LTI)).

Fixed compensation

The members of the management board receive a fixed annual compensation in cash which is paid in twelve equal instalments as monthly salary.

Mr Floreani receives a fixed annual compensation in the amount of 1,000,000 EUR (gross), Me Badarani receives a fixed annual compensation in the amount of 700,000 EUR.

The members of the management board receive additional benefits, e.g. company cars, reimbursement of expenses, D&O insurance, life and accident insurance, private health insurance allowance, surviving dependants' pensions in case of death, expenses for tax advisor and payments instead of contributions to the pension scheme.



Performance-based compensation

In addition to the fixed annual compensation, members of the management board are entitled to variable short-term incentives (STI) and a variable long-term incentive (LTI) based on the Company's long-term incentive scheme for members of the management board.

Short Term Incentives („STI“)

The short-term incentives are determined based on the determined evaluation of the achievement of goals as well as on individual goals determined by the supervisory board for each financial year.

The goals include financial goals (adjusted EBITDA, sales, free cash flow) as well as non-financial goals (including one or more defined in relation to ESG criteria).

The annual STI target amounts to 1,100,000 EUR for Mr Floreani and 650,000 EUR for Mr Badarani. The STI is paid after approval of the financial statements of the prior year and limited to a maximum of 180 % of the target amount (gross).

Long Term Incentives („LTI“)

The LTI consist of performance share units (PSU) granted as annual instalments according to a LTI target amount, divided into 40 % of PSU with a performance calculated based on the total shareholder return calculations (absolute PSU), and 60 % of PSU with a performance calculated in relation to the MSCI Europe Health Care Equipment & Services Index (relative PSU). The annual LTI target amounts to 1,300,000 EUR for Mr Floreani and 750,000 EUR for Mr Badarani. The LTI is limited to 300 % of the target amount (gross).

The first PSU are granted on 01 May 2021, the following PSU are on 01 May 2022 and 01 May 2023. The PSU granted in relation with the LTI are paid 48 months after the date on which they were granted. The LTI amount paid after the end of the performance period is calculated by multiplication of the total of the final number of absolute PSU and relative PSU with the volume-weighted average Xetra closing price of the share over the last 90 days before the closing date.

Total remuneration

The total remuneration (monthly salary, variable compensation, contribution to the company pension scheme and other compensation) is limited to an annual amount of 7.28 million EUR (gross) for Mr Floreani and 4.31 million EUR (gross) for Mr Badarani.

Other disclosures

In the case of early termination during the first two years of employment, the members of the management board are entitled to a compensation in the amount of two fixed annual salaries and the STI target amount. In case of early termination after the first two years of employment, the members of the management board are entitled to a compensation in the amount of one fixed



annual salary and the STI based on the average achievement of target for the last two years, however, not more than the remuneration to which the members of the management board would have been entitled for the remaining term of the employment contract. Member of the management board are not entitled to any compensation in case of termination of the employment for a compelling reason by the company or if the employment is terminated by the member of the management board without compelling reason. Any claims for LTI are subject to the good/bad leaver clause.

Remuneration of the supervisory board

Prof. David Ebsworth, Peter Catterall and Barbara Lambert were appointed members of the supervisory board with effect from 11 January 2021. Therefore, the current members of the supervisory board did not receive any remuneration from the Company as of 31 December 2020. Neither did the members of the supervisory board appointed before receiving any remuneration for the preceding financial year.

Remuneration system

The remuneration of the members of the supervisory board as of listing at the stock exchange was determined by decision of the general meeting. Each member of the supervisory board receives a fixed annual compensation in the amount of 80,000 EUR, except for the supervisory board chairman and the deputy supervisory board chairman who will receive a fixed annual compensation of 220,000 EUR or 110,000 EUR.

The members of the executive committee receive an additional annual compensation of 15,000 EUR, the chairman receives an additional annual compensation of 30,000 EUR. The members of the examination board receive an additional annual compensation in the amount of 20,000 EUR, the chairman receives an additional annual compensation in the amount of 80,000 EUR. The members of the ESG board receive an additional annual compensation in the amount of 15,000 EUR, the chairman receives an additional annual compensation in the amount of 30,000 EUR.

Furthermore, the members of the supervisory board receive an attendance fee of 2,000 EUR per meeting, the chairman receives an attendance fee of 4,000 4,000 per meeting. In addition, the members of the supervisory board committees receive an attendance fee of 1,000 EUR per meeting, the chairman of the supervisory board committee meeting receives an attendance fee of 2,000 EUR per meeting.

In addition to the remuneration paid, the company reimburses the members of the supervisory board appropriate expenses incurred in the course of performing their duties as members of the supervisory board as well as VAT and social security contributions payable on their remuneration and expenses.



7. Information relevant for the acquisition

On the balance sheet date, the Company's share capital amounted to EUR 50,000.00 and consisted of 50,000 par value bearer shares with a par value of EUR 1.00 each. At the time of preparing the management report, the Company's share capital amounted to EUR 222,222,222.00 and consisted of 222,222,222 no par value bearer shares (no par value shares).

On the balance sheet date, Dr. Elvira Eva Gertrud Ehle, resident in Germany, was the Company's sole shareholder.

The members of the management board are appointed or removed from office pursuant to Sec. 84 et seq. German Stock Corporation Act [*Aktiengesetz - AktG*]. Pursuant to Sec. 179 AktG, any amendment of the articles shall require a resolution of the general meeting. Unless mandatory statutory provisions provide otherwise, resolutions of the general meeting will be adopted by a simple majority of the votes cast and, where applicable, by a simple majority of the capital in accordance with Sec. 122 AktG, section 8 of the Company's Articles as at the balance sheet date.

The powers of the management board are governed by Sec. 76 et seq. AktG. In particular, the management board has the direct responsibility for the management and for the representation of the Company in court and out-of-court.

The management board is not authorised to redemption of shares.

On 27 April 2021, the general meeting furthermore authorised the executive board, with the approval of the supervisory board, to increase the Company's share capital one or several times until 26 April 2026 up to a maximum amount equal to 50 percent of the Company's share capital existing after the registration of the contributed capital increase and the IPO capital increase (i.e. up to EUR 111,111,111.00) by issuing the related number of shares against cash and/or non-cash capital contribution ("authorised capital 2021"). The registration of the authorised capital in the Commercial Register was also effective on 28 April 2021.

8. Corporate Governance Declaration

The necessary information is provided by the Company pursuant to section 289f HGB as follows:

1. Statement of Compliance pursuant to Sec. 161 of the AktG

To date, the Company was not required to comply with the recommendations of the Code. However, Sec. 161 AktG requires the management board and the supervisory board to disclose that the recommendations of the 'Government Commission on the Corporate Governance Code' have been and are complied with, or to state which recommendations were not and are not applied. The declaration shall be

made available to the shareholders, which will be done shortly after the IPO.

Currently, the Company plans to comply with the recommendations of the Code except for section B.1 of the Code (Diversity). Section B.1 of the Code recommends the supervisory board to take diversity into account when appointing members of the management board, which, according to the understanding of the Company, includes appropriate consideration of women. The current members of the management board are men and were appointed for the period of three years. The supervisory board plans to take diversity into account for the succession planning based on the number of management board members at that time.

2. Relevant disclosures on corporate governance practices applied in excess of the legal requirements

In the closed financial year, the Company had no operating activities. Therefore, the work of the management board was therefore limited to the necessary activities.

3. Description of the working practices of the executive board and the supervisory board as well as their composition and working practices of its committees

In the closed financial year, the Company had neither operating activities, nor was it publicly traded. The work of the management board and the supervisory board was therefore limited to the necessary activities.

4. Information pursuant to Sec. 76 (4) and Sec. 111 (5) AktG and information, whether the set targets have been attained during the reference period, and if not, providing reasons

In the two preceding financial years (short financial year 2018 and financial year 2019), the Company did not have any operating activities and did not, therefore, set any targets. The Company attempts to attain a proportion of 30 % of women in the supervisory board within a short time.

5. Information, whether the Company attained the target for the minimum proportion of women and men in the composition of the supervisory board in the reference period

Until now, the Company has not been a publicly traded entity and hence it was not bound by these obligations. The Company aims at attaining the targets within a short time.

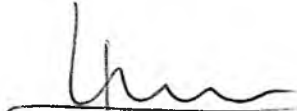
6. For stock corporations as defined in para. 1, which are large corporations pursuant to Sec. 267 (3) sentence 1 and (4) to (5) German Commercial Code, description of the diversity policy applied in relation to the composition of the body authorised to represent the Company and of the supervisory board with regard to aspects such as age, gender, educational or professional



background, as well as the objectives of this diversity concept, the manner in which it is implemented and the targets attained in the financial year

In the closed financial year, the Company had neither operating activities, nor was is publicly traded. Therefore, SYNLAB AG has not yet drafted a diversity policy, however, will do so in the financial year to come.

Munich, 29 April 2021



Mathieu Floreani



Sami Badarani

Annual financial statements
 SYNLAB AG (before ISARSMARAGD AG)
 Munich HRB 246540
 Balance Sheet

ASSETS	31.12.2020 EUR	31.12.2019 EUR
Current assets		
I. Receivables and other assets		
Other assets		
Receivables from affiliated companies	138.10	61.30
	138.10	61.30
II. Cash at banks	12,361.90	12,438.70
	12,361.90	12,438.70
Total assets	12,500.00	12,500.00

EQUITY AND LIABILITIES	31.12.2020 EUR	31.12.2019 EUR
Equity		
I. Subscribed capital	50,000.00	50,000.00
Uncalled outstanding contributions	37,500.00	37,500.00
Called capital	12,500.00	12,500.00
II. Net retained profit/accumulated loss	0.00	0.00
	12,500.00	12,500.00
Total liabilities and equity	12,500.00	12,500.00

Annual financial statements
SYNLAB AG (before ISARSMARAGD AG)
Munich HRB 246540
Profit and loss statement

	1.1. - 31.12.2020	1.1. - 31.12.2019
	EUR	EUR
Other operating income	76.80	71.30
Other operating expenses	-76.80	-71.30
Net income	0.00	0.00
+/- Profit/loss carried forward from previous year	0.00	0.00
- Withdrawals from the capital reserve	0.00	0.00
+/- Transfers/withdrawals from retained earnings	0.00	0.00
Net retained profit/accumulated loss	0.00	0.00

Annual financial statements
 SYNLAB AG (before ISARSMARAGD AG)
 Munich HRB 246540
 Cash Flow Statement

	1.1. - 31.12.2020	1.1. - 31.12.2019
	EUR	EUR
Net income	0	0
Increase in other assets	-76.80	-61.30
Cash flow from operating activities	-76.80	-61.30
Proceeds from contributions to equity by shareholders	0.00	12,500.00
Cash flow from financing activities	0.00	12,500.00
Cash-effective changes in cash and cash equivalents	-76.80	12,438.70
Cash and cash equivalents at the beginning of the period	12,438.70	0.00
Cash and cash equivalents at the end of the period	12,361.90	12,438.70
	<u>31.12.2020</u>	<u>31.12.2019</u>
Composition of cash and cash equivalents		
Cash in Banks	12,361.90	12,438.70
	12,361.90	12,438.70

Annual financial statements
SYNLAB AG (before ISARSMARAGD AG)
Munich HRB 246540
Equity table

EUR	Subscribed capital	Uncalled outstanding contributions	Total equity
As of 01.01.2019	50,000	-37,500	12,500
Annual result	0	0	0
As of 31.12.2019	50,000	-37,500	12,500
As of 01.01.2020	50,000	-37,500	12,500
Annual result	0	0	0
As of 31.12.2020	50,000	-37,500	12,500



SYNLAB AG

Notes for the financial year 2020

1. General disclosures

SYNLAB AG (formerly ISARSMARAGD AG; hereinafter also referred to as the "Company") has its registered office in Munich and is recorded in the Commercial Register of the Munich Local Court under HRB 246540.

The financial statements of SYNLAB AG have been prepared on the basis of the generally accepted accounting principles of the German Commercial Code [*Handelsgesetzbuch – HGB*].

In addition to these provisions, the regulations of the German Stock Corporation Act [*Aktiengesetz - AktG*] apply.

Disclosures with an option to be reported in the balance sheet, in the income statement or in the notes are made in the notes.

The income statement was prepared according to the total cost (nature of expense) format.

According to the size classes defined in sec. 267 HGB the company falls into the category of a small corporation. However, the Company changed and voluntarily prepared the financial statements in accordance with the provisions applicable to large corporations, in order to meet the requirements of Section 114 of the German Securities Trading Act (WpHG) for a complete annual financial report. In this context, a management report for the 2020 financial year was also prepared.

2. Accounting policy

The financial statements include all assets, liabilities, prepaid expenses and deferred charges, special items, expenses and income as well as related disclosures, unless otherwise provided for by law. Assets and liabilities, expenses and income, have not been offset unless this is expressly required by HGB. The carrying amounts in the opening balance sheet of one financial year are identical to those of the closing balance sheet of the preceding financial year. Assets and liabilities were measured individually. Measurement was based on the assumption that the company was a going concern.

Valuation was prudent in consideration of all discernible risks and losses incurred or caused prior to the balance sheet date, even if they have become known only between the balance sheet date and the time of preparing the financial statements. Unless expressly required by law, profits have only been recognised if they have been realised by the balance sheet date. Expenses and income of the financial year have been taken into account independent of the time of payment.

Receivables and other assets have been recognized at nominal values or acquisition costs or lower daily values. Receivables and other assets were valued in consideration of all recognisable risks.

3. Disclosures on individual balance sheet and income statement items

3.1. Notes to the income statement

In the closed financial year, expenses amounting to € 76.80 (pr. yr. € 71.30) related to bank charges for account management. Other operating income amounted to € 76.80 (pr. yr. € 71.30) and include costs recovered from the shareholder.

3.2. Notes to the balance sheet

There are no receivables due after more than one year (as in the prior year) as at the balance sheet date.

Bank balances amount to € 12,361.90 (pr. yr. € 12,438.70).

The Company's share capital amounts to € 50,000.00 and consists of 50,000 no par value bearer shares (no par value shares). Each share in the Company represents one arithmetical share of € 1.00 in the Company's share capital. The shares were issued accordance with German law and are denominated in euro. As at the balance sheet date, an amount of EUR 37,500 of the subscribed capital was not paid up so far.

Each share entitles its bearer to one vote in the Company's general meeting. There are no restrictions to voting and the shares are fully dividend-bearing.

4. Other required disclosures

4.1. Names of the executive board and supervisory board members

The following persons are members of the executive board:

- Friedhelm Ehle, Chief Executive Officer/Diplom-Ökonom [*graduate in economics*] (until 25 January 2021)
- Sami Badarani, Chief Financial Officer/Financial Director (as from 26 January 2021)
- Mathieu Floreani, Chief Executive Officer (as from 26 January 2021)

Members of the supervisory board are:

- Prof. David Ebsworth, supervisory board chairman, Independent Pharma/Health Care Consultant (as from 11 January 2021)
- Peter Catterall, deputy supervisory board chairman, Partner at Cinven (as from 11 January 2021)
- Barbara Lambert, supervisory board member, Independent Business Consultant (as from 11 January 2021)

In the closed financial year, the board members did not receive any remuneration.

4.2 Contingent liabilities

Contingencies pursuant to sec. 251, 268 (7) HGB do not exist.

4.3 Auditor's fee

No auditor's fee was calculated for the financial year. Any and all audit services were initiated and provided after 31 December 2020 and are attributable to the Company's IPO in 2021.

4.4 Announcement pursuant to Section 20 (6) of the German Stock Corporation Act (AktG)

We have been informed that Ephios Luxembourg S.à r.l., with its registered office in Luxembourg, registered in the companies register of Luxembourg under B198777, directly owns more than one quarter of the shares of the Company pursuant to sec. 20 (1), sentences 1 and 2 in conjunction with sec. 16 (2) sentence 1 AktG. In addition, it holds a direct majority interest (majority of shares and majority of voting rights) pursuant to sec. 20 (4) in conjunction with sec. 16 (1) AktG. Furthermore, we were informed that (i) Cinven (LuxCo 1) S.A., with registered office in Luxembourg, registered in the Company Register of Luxembourg under B163382, (ii) Cinven Capital Management (V) General Partner Limited, with registered office in Guernsey, registered in the Guernsey Registry under No. 54045, (iii) Cinven Capital Management (V) Limited Partnership Incorporated, with registered office in Guernsey, registered in the Guernsey Registry under No.1562, (iv) Fifth Cinven Fund (No. 1) Limited Partnership,

incorporated in Guernsey, registered in the Guernsey Registry under No.1568, (v) Fifth Cinven Fund (No. 2) Limited Partnership, incorporated in Guernsey, registered in the Guernsey Registry under No.1601, (vi) Fifth Cinven Fund (No. 3) Limited Partnership, incorporated in Guernsey, registered in the Guernsey Registry under No.1602, (vii) Fifth Cinven Fund (No. 4) Limited Partnership, incorporated in Guernsey, registered in the Guernsey Registry under No.1603, (viii) Fifth Cinven Fund (No. 5) Limited Partnership, incorporated in Guernsey, registered in the Guernsey Registry under No.1720, (ix) Fifth Cinven Fund (No. 6) Limited Partnership, incorporated in Guernsey, registered in the Guernsey Registry under No.1820 (together the "Notifying Companies"), each of which indirectly owns more than one fourth of the shares in the Company pursuant to secs. 20 (1), first and second sentences in conjunction with 16 (2), first sentence, and 16 (4) AktG, and indirectly owns a majority interest (majority of shares and majority of voting rights) in the Company pursuant to secs. 20 (4) in conjunction with 16 (2), second sentence, and 16 (4) AktG, since the Notifying Companies, the direct shareholding of the dependent Ephios Luxemburg S.à r.l., with its registered office in Luxembourg, registered in the companies register of Luxembourg under B198777, is attributed to the notifying companies.

4.5 Report on post-balance sheet date events

On 11 January 2021, the general meeting of the Company adopted a resolution regarding the economic re-formation of the Company and the alteration of its principal activity.

During the extraordinary general meeting on 27 April 2021, the Company's share capital of EUR 50,000.00, consisting of 50,000 no par value bearer shares, was increased by way of a non-cash capital increase by EUR 199,950,000.00 to EUR 200,000,000.00, issuing 199,950,000 new bearer shares with a share in the share capital of EUR 1.00 each. The new shares shall have a profit entitlement as from 1 January 2021. The registration of the non-cash capital increase in the Commercial Register was effective on 28 April 2021.

With a final issue price of EUR 18.00 per share, the company received a total of approximately EUR 400 million in liquid funds from this capital increase.

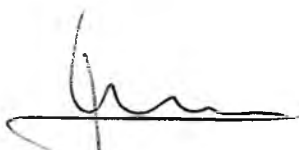
During the extraordinary general meeting on 27 April 2021, it was also resolved to increase the Company's share capital of EUR 200,000,000.00, consisting of 200,000,000 no par value bearer shares, by way of a cash capital increase by EUR 22,222,222.00 to EUR 222,222,222.00, issuing 22,222,222 new bearer shares with a share in the share capital of EUR 1.00 each. The new shares shall have a profit entitlement as from 1 January 2021. The registration of the cash capital increase in the Commercial Register was effective on 28 April 2021.

On 27 April 2021, the general meeting furthermore authorised the executive board, with the approval of the supervisory board, to increase the Company's share capital one or several times until 26 April 2026 up to a maximum amount equal to 50 percent of the Company's share capital existing after the registration

of the contributed capital increase and the IPO capital increase (i.e. up to EUR 111,111,111.00) by issuing the related number of shares against cash and/or non-cash capital contribution ("authorised capital 2021"). The registration of the authorised capital in the Commercial Register was also effective on 28 April 2021.

The prospectus of SYNLAB AB was approved by the German Federal Financial Supervisory Authority [*BaFin*] on 19 April 2021. 30 April 2021 is scheduled to be the first day of trading the shares in the Prime Market.

Munich, 29 April 2021



Mathieu Floreani

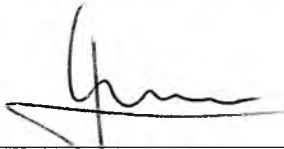


Sami Badarani

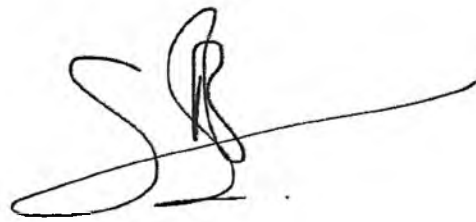
Responsibility of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group Company, and the management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Munich, 29 April 2021



Mathieu Floreani



Sami Badarani

The following independent auditor's report (Bestätigungsvermerk) has been issued in accordance with § 322 German Commercial Code (Handelsgesetzbuch) in German language on the German version of the unconsolidated financial statements of SYNLAB AG (formerly known as ISARSMARAGD AG) as of and for the year ended December 31, 2020.

AUDITORS' REPORT OF THE INDEPENDENT AUDITORS

To SYNLAB AG (formerly ISARSMARAGD AG), Munich, Germany

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of SYNLAB AG (formerly ISARSMARAGD AG), Munich, comprising the balance sheet as of December 31, 2020, and the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the fiscal year from January 1 to December 31, 2020. We have also audited the management report of SYNLAB AG (formerly ISARSMARAGD AG), Munich, for the financial year from January 1 to December 31, 2020. In accordance with German legal requirements, we have not audited the content of the corporate governance statement contained in section 9. of the management report.

In our opinion, based on the findings of our audit, the accompanying financial statements

- the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and of its financial performance for the fiscal year from January 1 to December 31, 2020 in accordance with German principles of proper accounting; and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the aforementioned corporate governance statement.

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements and management report.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises

- the corporate governance statement pursuant to § 289f HGB contained in section 9. of the management report,
- the declaration by the legal representatives pursuant to Section 264 (2) Sentence 3 HGB or pursuant to Section 289 (1) Sentence 5 HGB on the annual financial statements and the management report.

The legal representatives and the Supervisory Board are responsible for the declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement contained in the above-mentioned section of the management report. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the annual financial statements and management report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information is

- materially inconsistent with the financial statements, the content of the audited management report disclosures or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position, is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and management report.

Auditor's Responsibility for the Audit of the Financial Statements and Management Report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. In addition

- identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement is higher in the case of noncompliance than in the case of misstatement, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the financial statements and the arrangements and policies relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company not to be able to continue as a going concern.
- we evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.
- perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we verify the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the annual financial statements and management report prepared for the purpose of disclosure in accordance with Section 317 (3b) of the German Commercial Code (HGB)

Audit Opinion

In accordance with Section 317 (3b) of the German Commercial Code (HGB), we have performed a reasonable assurance engagement to determine whether the reproductions of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") contained in the attached file, which has the SHA-256 value 1713C97D3A4EA714DB0993B6C2F7925BEB8FBDC112CFC35DFAEEE79D3D17EF4D, and prepared for disclosure purposes, comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code. 1 HGB for the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit extends only to the conversion of the information in the annual financial statements and the management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the annual financial statements and management report contained in the attached file referred to above and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format. We do not express an opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying annual financial statements and management report for the financial year from January 1 to December 31, 2020 contained in the preceding "Report on the audit of the annual financial statements and management report".

Basis for the audit opinion

We conducted our audit of the reproductions of the annual financial statements and management report contained in the above-mentioned attached file in accordance with Section 317 (3b) of the German Commercial Code (HGB) and in compliance with the draft IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3b) of the HGB (IDW EPS 410). Our responsibility thereunder is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1) applied.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents including the electronic reproductions of the annual financial statements and the management report in accordance with section 328 (1) sentence 4 no. 1 HGB.

Furthermore, the Company's management is responsible for the internal controls that it determines are necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) HGB.

The legal representatives of the Company are also responsible for submitting the ESEF documents, together with the auditor's report and the accompanying audited annual financial statements and audited management report, as well as other documents required to be disclosed, to the operator of the German Federal Gazette (Bundesanzeiger).

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB. During the audit we exercise professional judgment and maintain a critical attitude. In addition, we

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- Evaluate the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documentation complies with the technical specification requirements for that file as set out in Delegated Regulation (EU) 2019/815, as applicable at the reporting date.
- we assess whether the ESEF documents allow for a content identical XHTML reproduction of the audited financial statements and the audited management report.

Note on the supplementary audit

We issue this opinion on the amended annual financial statements and amended management report based on our audit, which we completed in accordance with professional standards on April 12, 2021, and our supplementary audit, which we completed on April 30, 2021, and which related in particular to the addition of notes to the

annual financial statements and the newly prepared management report. Reference is made to the presentation of the amendments by the legal representatives in section 1. of the notes."

Munich, 30 April 2021

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
(Dirk Bäßler)
Wirtschaftsprüfer
(German Public Auditor)

Signed:
(Cornelia Tauber)
Wirtschaftsprüferin
(German Public Auditor)