

CIRCUS Group

ANNUAL REPORT 2022

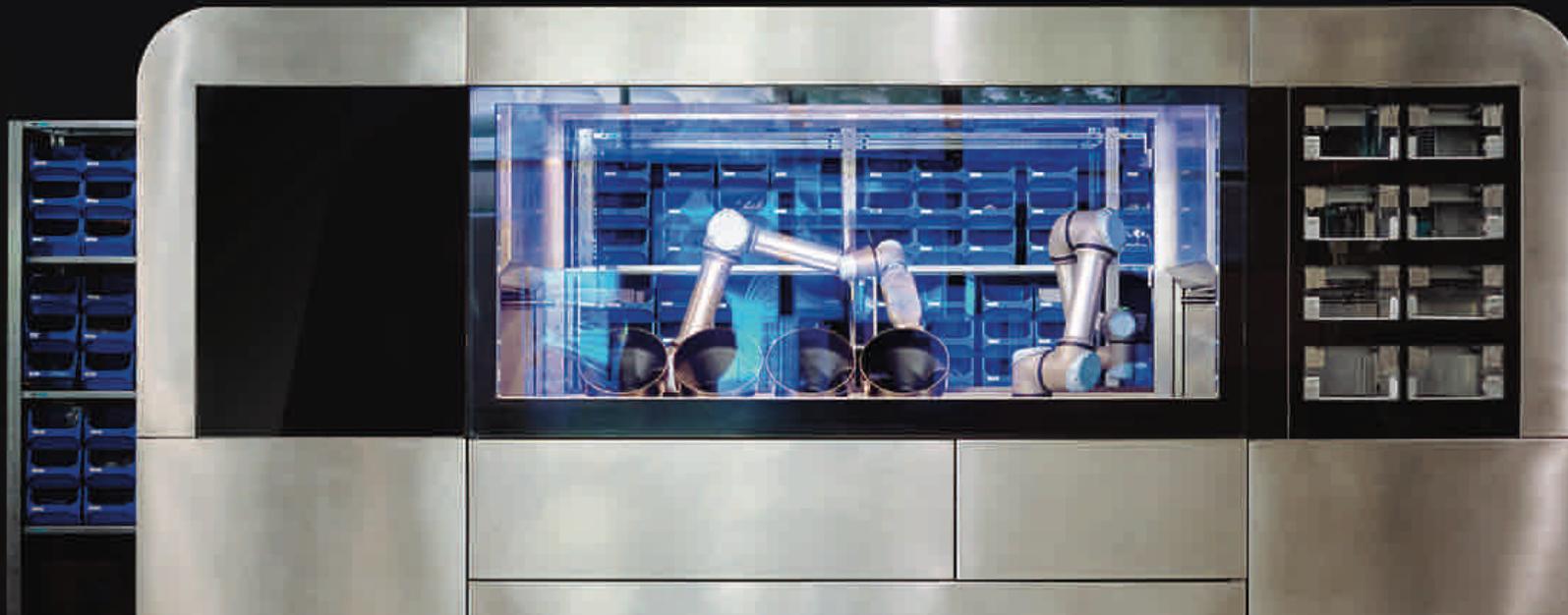


TABLE OF CONTENTS

1	Letter to the shareholders	4	3	Financial statements	13
2	Management report		4	Disclosures	18
	Background information	8			
	Objectives and strategy	8			
	Research & development	9			
	Employees	10			
	Business performance	10			
	Net assets	11	5	Further information	
	Liquidity	11		Independent auditor's report	23
	Prior-year comparison	11		Disclaimer	25
				Imprint	26

MEET OUR ROBOT

CA-1 IS THE WORLD'S FIRST AUTONOMOUS PRODUCTION ROBOT ENGINEERED TO ELEVATE THE CRAFT OF COOKING.



01

Circus induction-based cooking system

Streamlining the preparation of both hot and cold dishes within minutes while ensuring uniform quality and flawless cooking. Robotic arms coordinate a synchronised process, enabling multiple meals to be cooked simultaneously.

02

High-precision dispensing

The proprietary ingredient dispensing system accurately dispenses both liquid and solid ingredients to the gram. Its high precision offers unparalleled flexibility in meal creation and the customisation of nutritional offerings.

03

Automated hygiene system

Closed food production robot features an intelligent AC and airflow system that cools ingredients in designated zones while heating nearby components, ensuring compliance with hygiene regulations and eliminating any odors or steam emissions.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

We founded Circus two years ago, fueled by the unique opportunity of technological disruption in the food service industry. I believe that the sector is on the verge of the most profound transformation in its history driven by the integration of robotics and AI. This will result in an era of unparalleled efficiency, creating radically new operational structures and consumer demand.

Despite its status as one of the world's oldest and largest industries, the food service sector has significantly lagged behind technological innovation and adoption for decades. However, the key parameters are evolving more quickly: Food service operators are facing dramatically rising production and infrastructure costs, while at the same time factors such as urbanisation and the ever-evolving rise of high convenience, services are changing consumer expectations and demand rapidly.

These challenges are compounded by an unprecedented global labour shortage. The lack of skilled and experienced workers perpetuates operational chaos and results in poor quality food, leaving end consumers dissatisfied. Without a radical rethink, today's foodservice industry will prove ineffective for future generations.



Translating the art of cooking to full autonomy

At Circus, we are translating the fine art of cooking to full autonomy following the general purpose to fuel humanity. We are building a holistic solution, aiming to create a global network of autonomous food production robots to shape a future where food service is not only efficient, but delightful and accessible to every human.

I believe that cooking can be a beloved hobby but shouldn't be a daily necessity. Billions of people spend hours each week thinking, planning, preparing, and organising their sustenance needs. With Circus, we liberate their time, optimise resources, open up spaces, and provide the highest-quality, affordable meals to empower people to live more fully.

We have a unique opportunity and momentum to not only introduce advancements but also to entirely redefine humanity's needs for quality-driven and affordable meals through technology. To achieve this, we have developed the Circus Autonomy One (CA-1), the world's first commercially-viable food production robot.

Our foundation is based on extensive developments of robotics, driven by artificial intelligence, which has been the missing link in achieving truly autonomous food production on a global network scale. In the same way that autonomous driving vehicles are and will disrupt the way we build cities and organise our days, we will shift our reality and daily habits around daily nutrition.

CA-1 is revolutionising the culinary industry by providing a system capable of performing the full spectrum of operational tasks from precise ingredient dispensing to cooking, cleaning and packaging fresh meals. All without human intervention.

We've designed CA-1 and its proprietary operating System (Circus OS) to radically reduce production costs, food waste and human interaction without compromising on culinary excellence, food quality and hygiene standards. Through the interplay of AI robotics and Circus OS we are following a rigorous philosophy of a holistic product engineering to scale a centrally managed and locally operated ecosystem of autonomous kitchens at a fraction of cost and urban footprint of comparable brick and mortar restaurants.

Laying the foundation for volume manufacturing of CA-1

Over the past two years we have devoted significant resources to research and development, forming a dedicated team of over 70 industry experts in robotics and engineering across four offices. Our combined efforts have resulted in the successful creation and testing of several generations of our food production robot, Circus Autonomy One.

We have validated our technology through rigorous testing of CA-1 under real market conditions with multiple market leading partners. With over 2000 hours of aggregated testing data, we have fine-tuned our systems, progressing from cooking our first meals two years ago to achieving full autonomy today.

As we transition towards global serial production, our focus lies in building the necessary infrastructure and partnerships to support rapid scalability while ensuring we deliver a high quality product in terms of system reliability, safety and hygiene. Central to our development journey has been the creation of not only a patented but a CE-certified and approved technology, ensuring compliance with stringent industry standards globally.

Underlining our commitment to research and development (R&D), we are continually optimising CA-1 as we move towards volume manufacturing, focussing on core scalability including unit weight, hardware production costs, dish throughput, and maintenance

complexity. All efforts are aimed at bringing together the art of cooking and the science of technology to create a world that thinks about food differently than it has for thousands of years – a world where food means something new.

March 2024



Nikolas Bullwinkel
Founder and CEO



MANAGEMENT REPORT

MANAGEMENT REPORT 2022

BACKGROUND INFORMATION

The Circus Group is the first-of-its-kind AI robotics company translating the fine art of cooking to full autonomy creating global access to a balanced nutrition for everyone at any time. Circus will roll out and scale a global network of autonomous kitchens with partners under license agreements.

Circus provides high-quality meals with efficiency and precision that only cutting-edge technology can provide. Circus commitment is to ensure humanity enjoys a seamless, hassle-free dining experience that caters to the pace of modern life without compromising taste or quality.

In 2022 the Group secured initial funding of 12.4 million Euros with contributions from BlackMars Capital, 2Bx, and several leading business angels. To date, more than 40 million euros in growth capital have been channelled into the company to develop the patented Circus technology including the autonomous food production robot CA-1 and its proprietary operating system Circus OS.

Circus Kitchens GmbH was incorporated in 2021 and commenced its business activities in the same year. In November 2023 the Circus Kitchens GmbH was contributed to Circus SE as part of a capital increase in kind. Circus SE henceforth acts as the parent company with Circus Kitchens GmbH as subsidiary.

This annual report reflects the development of the financial year of 2022 whereas the Circus Kitchens GmbH was the only entity being active. Circus Kitchens GmbH is headquartered in Hamburg.

OBJECTIVES AND STRATEGY

The Circus Group follows a clear mission to translate the fine art of cooking to full autonomy creating global access to a balanced nutrition for every human. This mission underpins all of Circus objectives and strategies, focussing on the broader impact of transitioning the global food service industry towards autonomous operations aiming to solve the sector's crisis around increasing costs and a persistent labour shortage. The company's long-term objectives are defined as follows:

- **Accomplish Full Autonomy (L5):** Addressing growing workforce shortage and steering the sector towards long-term sustainability by leveraging AI robotics.
- **Serve Affordability:** Making high-quality meals affordable for every human by drastically reducing the cost of food production and labour.
- **Enable Global Access:** Growing a global network of autonomous food production robots that serve a fundamental service directly integrated into local communities.

- **Innovate Urban Space:** Operating on minimal urban space, solely catering to the growing consumer demand for takeaway meals to enhance urban life quality.

The company's long term objectives are further refined in a product-centred strategy tailored towards R&D in AI robotics and supplemented by the design of a reliable end-to-end value chain. The strategy can be summarised as follows:

- **Proprietary Operating System:** Building a centralised management system comprising a handful of microservices handling all kitchen processes alongside robotic food production. Powering AI-driven automation for tasks such as demand forecasting, while also serving as the maintenance and control interface for CA-1.
- **Minimal Unit Costs:** Scaling on minimal hardware costs of CA-1 through modular manufacturing in collaboration with global production partners.
- **Decentral Supply-Chain:** Establishing global partnerships with market-leading suppliers, fully outsourcing food logistics and pre-production. Through a decentralised network of supply partners, the company reduces supplier dependency while creating its own ingredient compositions tailored to match robotic operations.

- **Distribution Partnerships:** Adopting a last mile distribution partnership model, outsourcing the crucial last-mile food delivery to specialised partners to strengthen efficiency, scalability, and adaptability.

- **Vertical Integration:** Designing and testing the majority of hardware components in-house. This control reduces costs, improves the reliability of their technology and allows for rapid iteration cycles.

- **Mass Market Offering:** Replicating popular culinary concepts from the mass market, Circus mimics renowned global food brands at a significantly lower price point while maintaining high quality due to robotic cooking accuracy.

RESEARCH & DEVELOPMENT

As a technology company, Circus places a special focus on research and development, particularly in the areas of software, artificial intelligence, and robotics.

The financial year of 2022 was focused on the development of the Circus Operating System (CircusOS). This system was built and continuously tested in Circus lab kitchens. Circus OS is the backbone of Circus operations with control over all facets of kitchen operations. State-of-the-art kitchen management control unit allows for real-time monitoring of performance metrics, alongside a digital kitchen display system. This system empowers operating kit-

chens with functionalities ranging from order and recipe management to dish preparation, enhanced by the capabilities of artificial intelligence. Circus dedication to sustainability and efficiency is exemplified by our initiatives to minimise food waste and optimise delivery processes, through the integration of advanced scanner systems and technical interfaces with delivery services.

EMPLOYEES

At the end of the reporting year, Circus Kitchens GmbH had 74 employees compared to one (1) employee as of 31 December 2021.

BUSINESS PERFORMANCE

a) Results of operations, financial position and net asset

Reflecting on the journey through the 2022 financial year the first tangible expressions were the launch and operation of the Circus test labs in two German cities; Hamburg and Cologne. These facilities began serving as innovation hubs in April, November and December and generated revenue of EUR 161,144 in the fiscal year 2022. In total 25,286 dishes were sold. The primary objective of those test labs is to generate real purchase data and therefore, feed Circus data models as well as to provide a truthful environment for the testing of Circus Operating System.

The total revenue amounted to EUR 266,991.46. This includes capitalised software development costs of EUR 105,847.23. The cost of materials of EUR 180,069.09 mainly comprised of purchasing raw materials, packaging, food waste, and initially used

services of delivery providers as well as temporary employment agencies for the use of chefs, until full time chefs were hired. The personnel expenses of EUR 1,479,299.61 resulted from own full-time employees working in test labs as well as headquarters personnel. The headquarter personnel amounted to 40 FTE as of 31st December 2022, whereof in 2022 H1 the headquarter personnel amounted to 14 FTE hence the majority new employees joined the company in 2022 H2.

Other operating expenses mainly expenses for rent, advertising and external software development support amounted to EUR 2,327,764.00. The rent expenses of EUR 159,155.46 include the cost of headquarter rent but also rent for test labs. Expenses for advertising of EUR 600,049.22 were spent to acquire an initial customer base to feed data models with real-purchase and behaviour data. Other expenses of EUR 1,503,137.99 include the cost of legal expenses and the cost of external software support, which reinforced the internal backend software team.

The net loss for the fiscal year 2022 is EUR 4,031,358.56

b) Financial position

After the capital increase in November 2022, the company's capital structure improved further. The equity ratio is 63% while equity amounts to EUR 1,745,367.83. As of 31st December 2022 the company has no liabilities to banks. Other liabilities from daily operations amounted to EUR 697,610.61 arising from ordinary course of business operations.

NET ASSETS

The Circus Kitchens GmbH asset situation was characterised by an increase in non-current assets mainly due to setup of test labs and related purchases of hardware and equipment of EUR 414,115.28 and capitalised software development of EUR 613,449.71. A conservative measure of capitalised software development was applied and taking into consideration only expenses for the development of new features and software development. Maintenance work was not capitalised. Other assets of EUR 365,205.94 comprise of deposits and quarterly VAT refund.

LIQUIDITY

The cash and cash equivalents of Circus Kitchens GmbH amounted to EUR 1,304,722.43 as of 31 December 2022. With regard to the further financing of the company, existing shareholders pledged payments into the capital reserve within the meaning of Section 272 (2) No. 4 HGB totaling EUR 8,709,892.42 in the financial year. The outstanding amount of EUR 6,712,164.59 as of the balance sheet date has since been paid in full.

PRIOR-YEAR COMPARISON

As 2021 was not a full financial year, year on year comparisons are of insignificant value and accordingly not adhered to in this report.

FINANCIAL STATEMENTS



Balance sheet 2022 – Assets

in EUR	31 Dec 2022	31 Dec 2021
A. Noncurrent assets		
I. Intangible fixed assets		
1. Self-determined trademarks and similar rights and values	613,449.71	80,876.00
II. Tangible fixed assets		
1. Other equipment, operating and office equipment	414,115.28	0.00
2. Advance payments made and construction in progress	15,859.19	0.00
Total noncurrent assets	1,043,424.18	80,876.00
B. Current assets		
I. Inventories		
1. Finished goods and merchandise	22,811.13	0.00
2. Advance payments made	0.00	2,211.30
II. Receivables and other assets		
1. Trade receivables	11,733.81	0.00
2. Other assets	365,205.94	17,989.76
III. Cash on hand, central bank balances, bank balances, and checks	1,304,722.43	66,393.25
Total current assets	1,704,473.31	86,594.31
C. Prepaid expenses	17,400.10	167.28
D. Deficit not covered by equity	0.00	64,197.44
Total assets	2,765,297.59	231,835.03

Balance sheet 2022 – Total equity and liabilities

in EUR	31 Dec 2022	31 Dec 2021
A. Equity		
I. Subscribed capital	43,196.00	25,000.00
II. Capital reserves	5,822,727.83	0.00
III. Accumulated losses brought forward	-89,197.44	0.00
IV. Net loss for the financial year	-4,031,358.56	89,197.44
V. Deficit not covered	0.00	64,197.44
Total equity	1,745,367.83	0.00
B. Provisions		
I. Other provisions	124,297.58	1,000.00
C. Liabilities	697,610.61	230,835.03
I. Trade payables	524,688.66	67,822.02
II. Other liabilities	172,921.95	163,013.01
D. Deferred tax liabilities	198,021.57	0.00
Total equity and liabilities	2,765,297.59	231,835.03

Income statement 2022

in EUR	2022	2021
1. Revenue	161,144.23	0.00
2. Own work capitalised	105,847.23	0.00
3. Other operating income	19,483.61	0.00
4. Cost of materials		
a) Cost of raw materials, consumables and supplies, and of purchased merchandise	142,355.09	0.00
b) Expenses for purchased services	37,714.00	0.00
Total cost of materials	180,069.09	0.00
5. Personnel expenses		
a) Wages and salaries	1,241,235.74	13,752.00
b) Social security contributions and expenses for pensions and other benefits	238,063.87	3,066.00
Total personnel expenses	1,479,299.61	16,818.00
6. Depreciation and amortisation		
a) Of noncurrent assets	132,985.11	3,196.84
7. Other operating expenses	2,327,764.00	68,876.73
8. Other interest and similar income	305.75	0.00
9. Taxes on income and earnings	198,021.57	0.00
10. Net loss for the financial year	-4,031,358.56	-89,197.44

Noncurrent assets register as of 31 December 2022

	Acquisition, production costs	Additions	Disposals	Accumulated depreciation		Additions	Disposals	Book value		
	01.01.2022 EUR	EUR	EUR	31.12.2022 EUR	01.01.2022 EUR	EUR	EUR	01.01.2022 EUR	31.12.2022 EUR	31.12.2021 EUR
A. Noncurrent assets										
I. Intangible fixed assets										
1. Self-determined trademarks and similar rights and values	83,665.84	633,164.79	0.00	716,830.63	2,789.84	100,591.08	0.00	103,380.92	613,449.71	80,876.00
Total intangible fixed assets	83,665.84	633,164.79	0.00	716,830.63	2,789.84	100,591.08	0.00	103,380.92	613,449.71	80,876.00
II. Tangible fixed assets										
1. Other equipment, operating and office equipment	0.00	446,509.31	0.00	446,509.31	0.00	32,394.03	0.00	32,394.03	414,115.28	0.00
2. Advance payments made and construction in progress	0.00	15,859.19	0.00	15,859.19	0.00	0.00	0.00	0.00	15,859.19	0.00
Total tangible fixed assets	83,655.84	462,368.50	0.00	462,368.50	0.00	32,394.03	0.00	32,394.03	429,974.47	0.00
Total noncurrent assets	83,655.84	1,095,533.29	0.00	1,179,199.13	2,789.84	132,985.11	0.00	135,774.95	1,043,424.18	80,876.00



DISCLOSURES

DISCLOSURES

GENERAL INFORMATION ON FINANCIAL STATEMENTS

The annual financial statements were prepared in accordance with the provisions of the German Commercial Code as amended by the German Accounting Directive Implementation Act (BilRUG).

These annual financial statements for the financial year from January 01, 2022 to December 31, 2022 of Circus Kitchens GmbH were prepared in accordance with the provisions of Sections 242 et seq. HGB, taking into account the supplementary provisions for corporations (Sections 264, 264a et seq. HGB).

Circus Kitchens GmbH has its registered office in Hamburg and is entered in the commercial register at the district court of Hamburg under HRB 169910 (Section 264a (1a) sentence 1 HGB).

As at the reporting date, the company had the size characteristics of a small company within the meaning of §§ Sections 264 (1a), 267, 267a (1) HGB.

Notes were prepared for which the size-related exemptions for small companies within the meaning of Section 267 (1) HGB were utilised in accordance with Section 288 (1) HGB. The preparation of a management report was waived in accordance with Section 264 (1) sentence 4 HGB.

With regard to the further financing of the company, existing shareholders pledged payments into the capital reserve within the meaning of Section 272 (2) No. 4 HGB totaling EUR 8,709,892.42 in the financial year. The total amount of EUR 6,712,164.59 still outstanding on the balance sheet date has since been paid in full.

The company's financial statements provide a true and fair view of its financial position, financial performance, and earnings. Additional disclosures pursuant to Section 264 (2) sentence 2 HGB are not required.

PRESENTATION AND STRUCTURE

Consistency of presentation

The form of presentation, especially the structure of successive balance sheets and income statements, is largely maintained (Section 265 (1) sentence 1 HGB).

Notes on the previous year's amounts

The previous year's amounts in the balance sheet and income statement were taken from the annual financial statements as of December 31, 2021 and are stated in euros (Section 265 (2) HGB).

Relationships with shareholders

In accordance with Section 42 (3) GmbHG, receivables from or liabilities to shareholders are disclosed in the notes.

Subdivision and insertion of new items

In accordance with Section 265 (5) HGB, the items of the balance sheet and the income statement are not further subdivided.

Disclosures

For better clarity, the 'Disclosures' regarding receivables and liabilities pursuant to § 268 paragraphs 4 and 5 of the German Commercial Code (HGB) are shown in the notes along with the disclosures pursuant to § 285 no. 1 of the German Commercial Code (HGB).

ACCOUNTING AND VALUATION POLICIES

In accordance with Section 284 (2) No. 1 HGB, the accounting and valuation methods applied to the items of the balance sheet and the income statement are specified below.

Internally generated intangible fixed assets were recognized at production cost in accordance with section 255 (2) sentences 1 to 2 and (2a) HGB. A period of use of five years was used to determine amortization.

The **noncurrent assets** were recorded at acquisition cost and, if depreciable, reduced by scheduled depreciation. When determining the acquisition cost, ancillary acquisition costs, acquisition cost reductions, and subsequent acquisition costs were taken into account. Depreciation on depreciable assets of noncurrent assets is based on their expected useful life.

Low-value assets with acquisition costs of up to EUR 800.00 were recognized as an expense in the year of acquisition. Financial assets were recognized at acquisition cost.

Receivables and other assets were valued at nominal value. Among the accounts receivable, none have a remaining term of more than one year.

Deposits with credit institutions were recorded at nominal value.

Provisions were recognized at the settlement amount required according to prudent business judgment. No discounting was required for non-current provisions.

Liabilities were recognized at their settlement amount. Among the liabilities, none have a remaining term of more than one year. Liabilities secured by liens or similar rights (Section 285 No. 1b HGB): 0,00 euros.

Prepaid expenses and deferred charges show prepaid expenses or income for the following year.

Deferred taxes were calculated for temporary and quasi-permanent recognition and measurement differences between the carrying amounts of assets and liabilities for commercial law and tax purposes. An overall resulting tax burden was recognized as a deferred tax liability in the balance sheet. In the event of tax relief, the corresponding capitalization option would be exercised.

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Balance sheet

Note on the presentation of noncurrent assets (noncurrent assets schedule)

The previous option under Section 268 (2) HGB (old version) to show the development of individual noncurrent assets items in the balance sheet or in the notes has been removed. The development of noncurrent assets is shown in the notes (Section 284 (3) HGB). In the case of depreciation and amortisation, the depreciation and amortisation for the financial year was also shown in addition to the accumulated depreciation and amortisation.

Relationships with shareholders

Receivables include receivables from shareholders in the amount of EUR 0.00 (previous year: EUR 0.00). Liabilities include liabilities to shareholders in the amount of EUR 0.00 (previous year: EUR 150,305.75).

DISCLOSURE ON REMAINING TERMS OF RECEIVABLES

in Euro	31.12.2022	Residual term up to one year	Remaining term between one and five years	Residual term of more than five years
Trade receivables	11,733.81	11,733.81	0.00	0.00
Previous year	0.00	0.00	0.00	0.00
Other Assets	365,205.95	365,205.95	0.00	0.00
Previous year	17,989.76	17,989.76	0.00	0.00

DISCLOSURE ON RESIDUAL TERMS OF LIABILITIES, LIENS OR SIMILAR RIGHTS

in Euro	31.12.2022	Residual term up to one year	Remaining term between one and five years	Residual term of more than five years
Trade receivables	524,688.66	524,688.66	0.00	0.00
Previous year	67,822.02	67,822.02	0.00	0.00
Other liabilities	172,921.95	172,921.95	0.00	0.00
Previous year	163,013.01	17,989.76	0.00	0.00

Liabilities secured by liens or similar rights (Section 285 No. 1b HGB): EUR 0.00

Information on other liabilities

Other liabilities include tax liabilities amounting to EUR 44,872.53 (previous year: EUR 2,707.26) and social security liabilities amounting to EUR 32,367.73 (previous year: EUR 0.00).

Information on other provisions and tax provisions

Other provisions include, in particular, provisions for the costs of preparing and auditing the financial statements in the amount of EUR 5,000.00 as well as a provision for unused vacation days in the amount of EUR 115,788.15. No tax provisions have been formed as no taxes are due.

Deferred taxes

In the financial year, deferred tax liabilities in accordance with Section 274 HGB amounted to EUR 198,021.57 (previous year: kEUR 0). A tax rate of 32.28% was applied. The deferred tax liabilities result from internally generated intangible fixed assets

Distribution restriction

As at December 31, 2022, a total amount of EUR 415,428.14 is subject to a distribution restriction in accordance with Section 268 (8) HGB.

Other financial obligations

The other financial obligations consist of

In EUR '000'	2023	2024-2027	Total
Leasing	102	111	213
Rent	377	1.136	1.513
Services	873	3.290	4.163
Total	1.352	4.537	5.889

Contingent liabilities in accordance with Section 251 HGB, Section 268 (7) HGB and Section 285 No. 27 HGB

There are no contingent liabilities.

Income statement

The income statement was prepared using the nature of expense method. Revenue was recognized in accordance with the new definition of Section 277 (1) HGB as amended by the BilRUG.

Information on the number of employees

The company had an average of 50 employees in the reporting year.

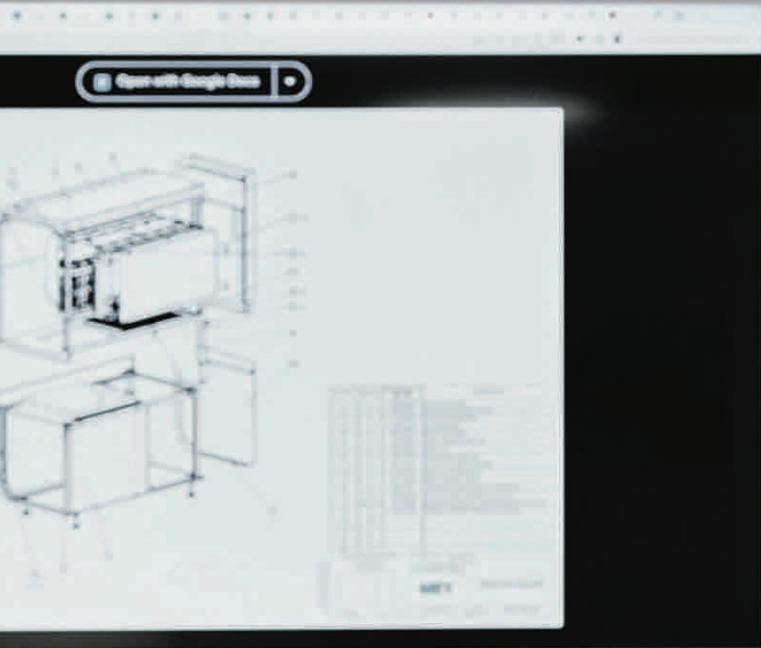
Information on the management

Sole Managing Director:
Nikolas Bullwinkel

Hamburg, 28th March 2024

Nikolas Bullwinkel, CEO

FURTHER INFORMATION



INDEPENDENT AUDITOR'S REPORT

Note: This is a convenient translation of the German original.
Solely the original text in the German language is authoritative.

To the Circus Kitchens GmbH, Hamburg

AUDIT OPINIONS

We have audited the annual financial statements of Circus Kitchens GmbH, Hamburg, which comprise the balance sheet as of December 31, 2022, and the statement of profit and loss for the financial year from January 1 to December 31, 2022, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities 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.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position

and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (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 annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting 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 the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, 28. March 2024

BANSBACH GmbH

Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft

Johannes Hauser
Wirtschaftsprüfer
(German Public Auditor)

Andreas K. Wiedmann
Wirtschaftsprüfer
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