

GLOBAL STANDARD GEMEINNÜTZIGE GMBH

Stuttgart

Report on the audit of the
financial statements as of

31st December 2023

Note:

We would like to draw your attention to the fact that our report on the audit of the annual financial statements of Global Standard gemeinnützige GmbH as of December 31, 2023 is legally binding only as a signed original. This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

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Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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Handelsregister: Amtsgericht Stuttgart HRB-Nr. 3439

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Baden-Baden
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Leipzig
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A. AUDIT ENGAGEMENT

With the engagement letter dated June 17, 2024, the management of

Global Standard gemeinnützige GmbH, Stuttgart

- hereinafter referred to in short as "Global Standard" or "Company" –

engaged us to audit the annual financial statements of the Company as of December 31, 2023, together with the underlying accounting records, in accordance with Sections 316 et seq. HGB (HGB: German Commercial Code).

The company is a small corporation within the meaning of Section 267 HGB. Therefore, the company is not subject to mandatory auditing pursuant to Section 316 paragraph 1 HGB. The audit is carried out on a voluntary basis, taking in consideration all principles that apply to a statutory audit.

In addition, we have been engaged to prepare a business review of the Company's net assets, financial position and operating result and cash flow statement (see Exhibit 6).

We declare in accordance with Section 321 paragraph 4a HGB that we have complied with the applicable independence requirements in our audit.

We conducted our audit in accordance with the German Generally Accepted Standards for the preparation of audit reports (IDW PS 450 as amended (10.2021)) promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our conduct of the audit and our responsibilities (also with respect to third parties) are governed by the General Terms of Engagement for German Public Auditors and Auditing Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version of January 1, 2024 (see Exhibit 7).

B. SUBJECT, TYPE AND SCOPE OF AUDIT

I. Subject of audit

The subject matter of our audit covered the Company's accounting records and the annual financial statements as of December 31, 2023, which comprise the balance sheet, the income statement and the notes to the financial statements, prepared in accordance with the German Commercial Code (HGB).

The executive directors of the Company are responsible for the financial reporting, the internal controls established for this purpose and the disclosures made to us. Our objective was to assess the documents submitted, including the accounting records and the information provided, as part of a statutory audit.

The objective of our audit was to form an opinion about whether the legal requirements applicable to financial reporting, including generally accepted accounting principles, have been observed.

In accordance with Section 317 paragraph 4a HGB, our audit did not cover whether the continued existence of the audited company or the effectiveness and efficiency of its management can be assured.

The audit of compliance with other legal requirements is part of the audit duties only to the extent that these other requirements usually have repercussions on the annual financial statements. As customary in our profession, we point out that the detection and clarification of criminal acts, such as acts of embezzlement or misappropriation and regulatory offenses committed outside the scope of financial reporting were not the subject of our engagement.

II. Type and scope of audit

In conducting our audit, we complied with the provisions of Sections 316 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors (IDW).

These principles require us to plan and perform the audit in such way to identify, with reasonable assurance, any misstatements or violations of statutory requirements that materially affect the representation of a true and fair view of the net assets, financial positions and results of operation in accordance with accounting regulations.

Audit strategy

Our audit was based on a risk-oriented audit approach.

As part of our risk-oriented audit approach, we assessed the risk of material misstatements of the financial statements due to fraud or error. The assessment of these risks was initially based on our understanding of the business activities and the economic and legal environment of the Company, the information provided by the legal representatives on the main objectives, strategies and business risks, analytical procedures for the preliminary assessment of the Company's situation and a fundamental evaluation of the Company's accounting-related internal control system.

On the basis of this, we developed a risk-oriented audit strategy and derived audit priorities, as well as the system examinations and the substantive audit procedures to be carried out. On the basis of our assessment, the scope and timing of the audit procedures broken down into individual audit areas were then defined in an audit programme. In this process we observed the principles of materiality and cost-effectiveness.

Audit emphases and conduct of the audit

On the basis of the risk-based audit approach, we derived the following audit emphases:

- Completeness of trade receivables
- Completeness of trade account payables
- Completeness and deferral of sales revenues

Our audit procedures for obtaining audit evidence comprised examinations of the structure of the internal control system as well as functional testings.

They were performed on the basis of random samples by deliberate selection of audit items.

As part of the case-by-case tests, we inspected commercial register extracts, delivery and service agreements and incoming and outgoing invoices, among other documents.

In order to verify the existence of trade receivables and completeness of trade account payables, we requested balance confirmations as of December 31, 2023. The selection, dispatch and return of the balance confirmations were under our control. We deliberately selected the balance confirmations to be requested on a risk-oriented basis.

In order to verify the complete recording of the business relationship with banks, we obtained bank confirmations as of December 31, 2023. Dispatch and return were under our control.

For the assessment of the impact of litigations and the audit of other accruals, the Company has obtained attorneys' confirmations. We critically assessed the attorneys' confirmations as part of the audit.

The starting point for our audit was the annual financial statements of the Company for the financial year from January 1, 2022 to December 31, 2022, which were audited by us and issued with an unqualified audit opinion.

The subject, type and scope of our audit procedures are documented in our working papers.

The explanations and evidence required by us for the performance of the audit were provided to us by the management and by the persons appointed by it to provide information. The management has confirmed to us in writing the completeness of these explanations and evidence as well as the accounting records and the annual financial statements.

Our audit was performed - with intermissions - from June to August 2024 at our office and at the office of KRF-Steuerberater - Rau Fischer Alber PartG mbB in Stuttgart and was completed it on August 23, 2024.

C. FINDINGS AND EXPLANATIONS ON THE ACCOUNTING

I. Compliance of accounting

1. Accounting records and other audited documents

According to our assessments the accounting records and document system comply in all material respects with the legal requirements, including the German Legally Required Accounting Principles.

The information we obtained from additional audited documents (e.g. from cost accounting, planning calculations or contracts) was found to be properly reflected in the accounts and annual financial statements in all material respects.

Our audit did not disclose any findings that indicates that the organizational and technical measures taken by the Company are not suitable for ensuring security of the accounting-related data and IT-systems.

According to our findings, the accounting-related internal control system is fundamentally suitable for ensuring the complete and correct recording, processing, documentation and safeguarding of accounting data.

2. Annual financial statements

The Company meets the requirements defining it as a small corporation.

The annual financial statements as of December 31, 2023, comprising the balance sheet, income statement and the notes, comply with statutory accounting requirements in all material respects, including accepted German accounting principles and the regulations specific to the Company's legal form.

The balance sheet and income statement have been prepared properly on the basis of the Company's accounting records and other audited documents. The recognition, presentation and measurement requirements under German Commercial law were observed in all material respects.

The notes to the financial statements are arranged in a clear and understandable way. The disclosures in the notes to the annual financial statements are complete and accurate in all material respects.

II. Overall presentation of the annual financial statements

Section 321 paragraph 2 sentence 4 HGB specifies that the auditors must comment on the material valuation bases, the overall effects of changes in the valuation bases, including the exercise of balancing and valuation rights and the application of scopes of discretion and grooming transactions. These comments are presented in the following.

1. Key valuation basics

The principles of consistency in accounting and measurement policies have been observed. We also refer to the statements within the notes to the financial statements.

2. Summary of the overall presentation

In our opinion the annual financial statements to December 31, 2023 give an overall true and fair view of the net assets, the financial and earning position of the Company in accordance with the German Legally Required Accounting Principles.

D. Reproduction of the Auditor's report and final comments

Based on the results of our audit, we granted the following unqualified audit opinion (dated August 23, 2024) to the attached annual financial statements (Exhibits 1 through 3) of Global Standard gemeinnützige GmbH, Stuttgart, for the business year from January 1, 2023 to December 31, 2023:

"Independent Auditor's Report

To Global Standard gemeinnützige GmbH, Stuttgart

Audit opinion

We have audited the annual financial statements of Global Standard gemeinnützige GmbH, Stuttgart, which comprise the balance sheet as of December 31, 2023, the statement of profit and loss for the business year from January 1, 2023 to December 31, 2023, and the 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, 2023 and of its earnings position for the financial year from January 1, 2023 to December 31, 2023 in compliance with German Legally Required Accounting Principles.

Pursuant to Section 322 paragraph 3 sentence 1 HGB, 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 Section 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 audit opinion. 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 legal representatives for the annual financial statements

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

In preparing the annual financial statements, the legal representatives 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 actuar 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 annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 cumulative, they could reasonably be expected to influence the economic decisions of stakeholders taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatements 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 controls relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate controls, 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 and related disclosures made by the executive directors.
- Conclude on the appropriateness of the legal representatives' 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 opinion. 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.

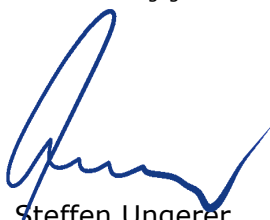
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."

We issue this report on our audit of the annual financial statements of Global Standard gemeinnützige GmbH, Stuttgart, Germany, for the business year from January 1, 2023 to December 31, 2023 in compliance with legal requirements and the German generally accepted standards for the preparation of audit reports (IDW PS 450 (10.2021)).

Stuttgart, August 23, 2024

BANSBACH GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



Steffen Ungerer
Wirtschaftsprüfer



Peter Haller
Wirtschaftsprüfer

Publication or dissemination of the annual financial statements in a form deviating from the certified version (including translation into other languages) requires our prior renewed opinion, provided that our audit opinion is quoted or reference is made to our audit; we refer in particular to Section 328 HGB.

BALANCE SHEET AS OF DECEMBER 31, 2023
OF GLOBAL STANDARD GEMEINNÜTZIGE GMBH, STUTTGART

ASSETS

EQUITY AND LIABILITIES

	EUR	Prior year kEUR		EUR	Prior year kEUR
A. FIXED ASSETS			A. EQUITY		
I. Tangible assets			I. Share capital	25,000.00	25
Other equipment, fixtures and fittings	749.00	1	II. Revenue Reserves	3,355,230.88	4,329
			III. Retained profit	<u>3,163,465.00</u>	2,222
II. Financial assets				6,543,695.88	6,576
Cooperative shares	<u>5,000.00</u>	5	B. SPECIAL ITEMS FOR GRANTS	0.00	128
	5,749.00	6			
B. CURRENT ASSETS			C. ACCURALS		
I. Receivables and other assets			Other accruals	37,675.00	30
1. Trade receivables	1,300,953.73	1,564			
2. Other assets	<u>98,471.44</u>	77	D. LIABILITIES		
	1,399,425.17	1,641	1. Trade accounts payable	143,120.18	152
II. Cash balances, balances at the Central Bank, balances at financial institutions and cheques			2. Other liabilities	55,636.95	15
	<u>5,354,854.98</u>	5,195		<u>198,757.13</u>	167
	6,754,280.15	6,836			
C. PREPAYMENTS	<u>20,098.86</u>	59			
	<u>6,780,128.01</u>	<u>6,901</u>		<u>6,780,128.01</u>	<u>6,901</u>

INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2023 TO DECEMBER 31, 2023
OF GLOBAL STANDARD GEMEINNÜTZIGE GMBH, STUTTGART

	EUR	Prior year TEUR
1. Sales revenues	3,622,075.84	3,401
2. Other operating income	<u>532,346.84</u>	168
	4,154,422.68	3,569
3. Personnel expenses		
a) Wages and salaries	939,967.23	642
b) Social security and old age pension cost	184,931.90	123
4. Depreciation	4,492.67	5
5. Other operating expenses	<u>3,076,581.65</u>	2,176
	4,205,973.45	2,946
6. Other interest and similar income	19,900.80	2
7. Interest and similar expenses	0.00	0
8. Taxes on income and earnings	<u>0.00</u>	0
9. Earnings after taxes	-31,649.97	625
10. Other taxes	<u>56.93</u>	0
11. Net loss for the year (net profit in prior year)	-31,706.90	625
12. Profit carried forward from the prior year	2,221,871.72	1,852
13. Withdrawals from revenue reserves	979,933.78	192
14. Allocations to revenue reserves	-26,633.60	-447
15. Release of revenue reserves	20,000.00	0
16. Retained profit	<u><u>3,163,465.00</u></u>	<u><u>2,222</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023
OF
GLOBAL STANDARD GEMEINNÜTZIGE GMBH, STUTTGART**

I. General information

The Global Standard gemeinnützige GmbH is based in Stuttgart and is registered in the Commercial Register of Stuttgart under HRB 726970.

II. Accounting and measurement principles

1. Disclosure of accounting and measurement principles applied to items in the balance sheet and income statement

The annual financial statement as of December 31, 2023 was prepared in accordance with the German Commercial Code (HGB). According to the size criteria of Section 267 paragraph 1 HGB, the Company is a small corporation with regard to accounting, auditing and disclosure requirements.

Tangible assets

Tangible assets are valued at acquisition cost, less scheduled depreciation. Reductions in acquisition costs are deducted.

Depreciation is calculated on a straight-line basis over the useful life of the asset.

Financial assets

Financial assets are valued at acquisition cost.

Receivables and other assets

Receivables are recognised at nominal value; specific valuation allowances to the lower fair value pursuant to Section 253 paragraph 4 HGB are recognized where necessary.

Other Accruals

Other accruals take into account the identifiable risks and uncertain liabilities in the amount of the expected settlement amount.

Liabilities

Liabilities are valued at the respective settlement amounts.

Income Statement

The income statement is prepared in accordance with the total cost method pursuant to Section 275 paragraph 2 HGB.

2. Disclosure of the basis for the conversion of currency items

The currency transactions are generally converted at the mean spot exchange rate on the date of the transaction.

III. Information and explanations on individual items of the balance sheet and income statement

1. Fixed assets

The development of fixed assets as of December 31, 2023 is shown on the following page.

DEVELOPMENT OF FIXED ASSETS

	Acquisition/production costs				Accumulated depreciation				Book values	
	1.1.2023 EUR	Additions EUR	Disposals EUR	31.12.2023 EUR	1.1.2023 EUR	Additions EUR	Disposals EUR	31.12.2023 EUR	31.12.2023 EUR	31.12.2022 EUR
I. Tangible Assets										
Other equipment, fixtures and fittings	16,411.47	3,845.67	1,247.06	19,010.08	15,013.47	4,492.67	1,245.06	18,261.08	749.00	1,398.00
II. Financial Assets										
Cooperative shares	5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
	<u>21,411.47</u>	<u>3,845.67</u>	<u>1,247.06</u>	<u>24,010.08</u>	<u>15,013.47</u>	<u>4,492.67</u>	<u>1,245.06</u>	<u>18,261.08</u>	<u>5,749.00</u>	<u>6,398.00</u>

2. Receivables and other assets

Receivables and other assets have remaining terms of less than one year.

3. Liabilities

All liabilities have remaining terms of less than one year.

Other liabilities include tax liabilities in the amount of EUR 19,748.70 (prior year: kEUR 14).

4. Appropriation of earnings

The net loss for the year of EUR 31,706.90 will be carried forward.

EUR 979,933.78 was withdrawn from the revenue reserves of the prior year and EUR 20,000.00 released.

EUR 26,633.60 will be transferred to revenue reserves: EUR 6,633.60 to the free reserve pursuant to Section 62 paragraph 1 No. 3 AO (AO: German Tax Code) and EUR 20,000.00 to the reserve pursuant to Section 62 paragraph 1 No. 1 AO.

IV. Other mandatory data

1. Total remuneration of the corporate bodies

In accordance with Section 286 paragraph 4 HGB, the total compensation of the company's executive bodies is not disclosed.

2. Management bodies

The company's Managing Directors in the 2023 financial year were Claudia Kersten, Stuttgart and Vidyadhar Ashok Bhajekar, Thane/India.

3. Other financial obligations

There are no material financial obligations arising from rental, leasing or maintenance agreements.

4. Average number of employees

The average number of employees in 2023 was 16 (prior year: 14). In addition, the average number of freelancers amounts to 20 (prior year: 15).

Stuttgart, August 23, 2024

Global Standard gemeinnützige GmbH, Stuttgart
The Managing Directors

Claudia Kersten

Vidyadhar Ashok Bhajekar

Audit opinion of the independent auditor

To Global Standard gemeinnützige GmbH, Stuttgart

Audit opinion

We have audited the annual financial statements of Global Standard gemeinnützige GmbH, Stuttgart, which comprise the balance sheet as of December 31, 2023, the statement of profit and loss for the business year from January 1, 2023 to December 31, 2023, and the 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 the Company as at December 31, 2023 and of its earnings position for the financial year from January 1, 2023 to December 31, 2023 in compliance with German Legally Required Accounting Principles.

Pursuant to Section 322 paragraph 3 sentence 1 HGB, 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 Section 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 legal representatives for the annual financial statements

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

In preparing the annual financial statements, the legal representatives 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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 judgement 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 legal representatives' 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 opinion. 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, August 23, 2024

BANSBACH GmbH

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



Steffen Ungerer
Wirtschaftsprüfer



Peter Haller
Wirtschaftsprüfer

**LEGAL STATUS FOR THE FINANCIAL YEAR 2023
OF
GLOBAL STANDARD GEMEINNÜTZIGE GMBH, STUTTGART**

Legal form:	gemeinnützige Gesellschaft mit beschränkter Haftung (non-profit limited liability company)		
Articles of Association:	Version of April 11, 2008 Addendum of March 11, 2016		
Entry in the commercial register:	Stuttgart Local Court, No.: 726970 Last extract dated August 5, 2024		
Purpose of the Company:	Development and monitoring of global ecological and ethical production standards for the manufacture of textiles, mainly in countries with which there is a development cooperation.		
Registered offices:	Stuttgart		
Financial year:	Calendar year		
Share capital:	EUR 25.000,00 Fully paid up.		
Shareholders:		<u>EUR</u>	<u>%</u>
	Internationaler Verband der Naturtextilwirtschaft e.V. located in Stuttgart	6.250,00	25,00
	Soil Association located in Bristol, England	6.250,00	25,00
	Japan Organic Cotton Association, located in Tokyo, Japan	6.250,00	25,00
	Organic Trade Association located in Vermont, USA	<u>6.250,00</u>	<u>25,00</u>
		<u>25.000,00</u>	<u>100,00</u>

Managing Directors:

Frau Claudia Kersten, Stuttgart
Herr Vidyadhar Ashok Bhajekar, Thane/India

The Managing Directors represent the company jointly.

Shareholders' Meeting:

Held on November 17, 2023. The following resolutions were adopted:

Approval of the annual financial statements as of December 31, 2022

Discharge of the Management Directors

Appropriation of earnings: Of the net income for 2022, an amount of EUR 447,441.00 was transferred to retained earnings and an amount of 192,092.00 were withdrawn from retained earnings. The remaining amount of EUR 370,066.72 was carried forward.

Tax status:

Tax authority Stuttgart, Tax number: 99124/02563

In accordance with the Articles of Association, the Company exclusively and directly fulfills tax-privileged charitable purposes within the meaning of Section §§ 51 et seq. AO and is one of the entities defined in Section 5 paragraph 1 No. 9 KStG (KStG: German Corporation Tax Act).

According to the corporation tax notice of December 14, 2023 for the year 2021, the Company is exempt from corporation tax.

Net assets, financial and earnings position, cash flow statement

I. Earnings position

Based on the figures in the income statement, we have broken down the earnings position according to the sources of earnings: operating result, financial result and non-operation result and compared them with the corresponding figures for the prior year (differences may arise due to rounding).

	2023		Prior year		Changes	
	kEUR	%	kEUR	%	kEUR	%
Sales revenues	3.622	100,0	3.401	100,0	221	6,5
Personnel expenses	-1.125	-31,1	-764	-22,5	-361	-47,3
Depreciation	-4	-0,1	-6	-0,2	2	33,3
Other operating expenses	-3.077	-85,0	-2.176	-64,0	-901	-41,4
Other operating income	532	14,7	168	4,9	364	>100,0
Operating result	-52	-1,5	623	18,2	-675	<-100,0
Financial result	20	0,6	2	0,1	18	>100,0
Net income for the year	-32	-0,9	625	18,3	-657	<-100,0

II. Asset and capital structure

The following overview summarizes the asset and capital items of the balance sheet as of December 31, 2023 and compares them with the corresponding figures for the prior year. Receivables and liabilities (debt and accruals) with a remaining term of less than one year at the balance sheet date are shown as current (differences may arise due to rounding).

Assets

	31.12.2023		Prior year		Changes	
	kEUR	%	kEUR	%	kEUR	%
Fixed assets	6	0,1	6	0,1	0	0,0
Trade receivables	1.301	19,2	1.564	22,7	-263	-16,8
Other asset positions	118	1,7	136	2,0	-18	-13,2
Liquid funds	5.355	79,0	5.195	75,2	160	3,1
	<u>6.780</u>	<u>100,0</u>	<u>6.901</u>	<u>100,0</u>	<u>-121</u>	<u>-1,8</u>

Capital

	31.12.2023		Prior year		Changes	
	kEUR	%	kEUR	%	kEUR	%
Equity	6.543	96,5	6.575	95,3	-32	-0,5
Special items	0	0,0	128	1,9	-128	-100,0
Current liabilities	237	3,5	198	2,8	39	19,7
	<u>6.780</u>	<u>100,0</u>	<u>6.901</u>	<u>100,0</u>	<u>-121</u>	<u>-1,8</u>

III. Cash flow statement

The cash flows for the financial year are presented below in a cash flow statement, broken down into cash flows from operating, investing and financing activities, with the total of the cash flows from these three areas corresponding to the change in cash and cash equivalents, insofar as these are not based on exchange rate or other valuation-related changes. Cash and cash equivalents are defined as the difference between cash and cash equivalents and liabilities to banks due at any time (differences may arise due to rounding).

The cash flow statement is presented in accordance with the recommendations of the German Standardization Council under DRS 21 / Cash Flow Statement.

	2023 kEUR	Prior year kEUR
Result for the period	-32	625
+ Depreciation of tangible assets	4	6
+ Increase in accruals	8	8
+ Decrease in trade receivables and other assets (not attributable to investing or financing activities)	281	-242
+ Increase in trade accounts payable and other liabilities (not attributable to investing or financing activities)	31	52
- Interest income	-20	-2
- Decrease in special items for third-party grants	-128	128
= Cash flow from operating activities (1)	144	575
- Payments made for fixed assets	-4	-5
+ Interest received	20	2
= Cash flow from investing activities (2)	16	-3
Cash flow from financing activities (3)	0	0
Cash-effective change in cash and cash equivalents (1)+(2)+(3)	160	572
+ Cash and cash equivalents at the beginning of the period	5.195	4.623
= Cash and cash equivalents at the end of the period	5.355	5.195

Composition of cash and cash equivalents:

	31.12.2023 kEUR	Prior year kEUR
Cash and cash equivalents	5.355	5.195
Bank liabilities due at any time	0	0
Cash and cash equivalents at the end of the period	5.355	5.195

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungsvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.