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Report on the audit of the
financial statements

for the financial year
from January 1st, 2020 to
December 31st, 2020
of
Transgender Europe e.V. (TGEU)
Berlin

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Please note that small deviations may occur due to the commercial rounding of figures and percentages.

LIST OF ABBREVIATIONS

<u>Abbreviations</u>	<u>English translation of German terms</u>
AAB	General Terms and Conditions for Auditors and Auditing Firms (Allgemeine Auftragsbedingungen)
BAB	Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft (Besondere Auftragsbedingungen)
GmbH	Limited liability company (Gesellschaft mit beschränkter Haftung)
HGB	German Commercial Code (Handelsgesetzbuch)
HRB	Commercial Register, Part B (Handelsregister)
IDW	Institute of Public Auditors in Germany, Incorporated Company (Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf)
PS	AuS (IDW audit standard) (Prüfungsstandard des Instituts der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf)

A. AUDIT ENGAGEMENT

The management of

Transgender Europe e.V. (TGEU), Berlin

(hereinafter also referred to as “TGEU” or “Association”)

engaged us to audit the annual financial statements including the accounting for the financial year from January 1st, 2020 to December 31st, 2020 in accordance with § 317 et seqq. HGB.

This report is solely intended for Transgender Europe e.V. (TGEU).

The performance of the engagement and our responsibilities – also towards third parties – are governed by the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft (STC) as well as the General Engagement Terms for Wirtschaftsprüfer (*German Public Auditors*) and Wirtschaftsprüfungsgesellschaften (*Public Audit Firms*) as amended on January 1st, 2017 (GET) accompanying this report as Appendix III.

B. REPLICATION OF THE INDEPENDENT AUDITOR'S REPORT

We have included the annual financial statements and the management report of Transgender Europe e.V. (TGEU), Berlin, for the financial year from January 1st, 2020 to December 31st, 2020 in this report as Appendix I (annual financial statements) and Appendix II (management report) in the versions for which the unqualified audit opinion was signed and issued in Berlin on 7th of July 2021. as follows:

“INDEPENDENT AUDITOR'S REPORT

To Transgender Europe e.V. (TGEU), Berlin

AUDIT OPINION

We have audited the annual financial statements, of Transgender Europe e.V. (TGEU), Berlin, which comprise the balance sheet as at December 31st, 2020, the statement of profit and loss for the financial year from January 1st, 2020 to December 31st, 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Transgender Europe e.V. (TGEU), Berlin, for the financial year from January 1st, 2020 to December 31st, 2020.

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 Association as at December 31st, 2020 and of its financial performance for the financial year from January 1st, 2020 to December 31st, 2020 in compliance with German Legally Required Accounting Principles, and

Pursuant to § 322 (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 and of the management report.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the annual financial statements and of the management report 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 Association 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.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The Executive director 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 Association in compliance with German Legally Required Accounting Principles. In addition, the Executive director 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 director are responsible for assessing the Association'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 annual 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 and this management report.

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, and 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 Association.
- Evaluate the appropriateness of accounting policies used by the Executive director and the reasonableness of estimates made by the Executive director and related disclosures.
- Conclude on the appropriateness of the Executive director' 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 Association'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 and in the management report, 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 Association 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 Association 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.”

C. FINDINGS ON THE ACCOUNTING

1. Accounting and other documents audited

We found that in all material respects the accounting complied with legal regulations including the German Legally Required Accounting Principles and, if applicable, with the supplementary provisions of the articles of Association. In all material respects, the information taken from the other documents audited was properly shown in the accounting, in the annual financial statements.

According to our findings, the accounting-related internal control system is, in principle, appropriate for ensuring the security of the accounting-related data processed.

2. Annual financial statements

The annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020 audited by us accompany this report in Appendix I. In our opinion based on the findings of our audit, they, in all material respects, comply with the legal requirements including the German Legally Required Accounting Principles and, if applicable, with the supplementary provisions of the articles of Association.

The balance sheet and statement of profit and loss were properly derived from the accounting and the other underlying documents audited. The opening balance sheet figures were properly carried over from the prior year's annual financial statements. Recognition, disclosure and measurement regulations applicable for all merchants were, in all material respects, adhered to. The notes to the annual financial statements include the required disclosures for the individual items of the balance sheet or the statement of profit and loss and accurately and completely reflected other mandatory disclosures.

Our audit has led to the conclusion that the annual financial statements give a true and fair view of the Association's assets, liabilities, financial position and financial performance in accordance with the German Legally Required Accounting Principles.

D. SUBJECT OF THE AUDIT

The subject of our financial statement audit was the accounting and the annual financial statements prepared in accordance with the requirements of German commercial law – comprising the balance sheet as at December 31st, 2020, the statement of profit and loss for the financial year from January 1st, 2020 to December 31st, 2020 and the notes to the annual financial statements including the presentation of the recognition and measurement policies.

In accordance with § 317 (4a) HGB, the audit did not cover whether the audited Association's ability to continue as a going concern or the effectiveness and efficiency of management can be ensured.

With regard to the responsibilities of the Executive director and the supervisory body for the annual financial statements and the management report, we refer to our reporting in "RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR FOR THE ANNUAL FINANCIAL STATEMENTS" in the auditor's report as replicated in section B. of this report.

E. NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

With regard to the nature and scope of the engagement performed, we refer to the general description of the responsibilities of the financial statement auditor for the audit of the annual financial statements *and the management report* in our reporting in the auditor's report in sections "BASIS FOR THE AUDIT OPINION" and "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS". The auditor's report is replicated in section B. of this report. In this regard we provide further explanations in the following.

Risk and system-based audit approach

Our risk and system-based audit approach complying with international audit standards is to work out an audit strategy. The required risk assessment is based on evaluating the Association's position, business risks, environment and the Association's accounting-related internal control system. For this assessment we furthermore consider our understanding of the process for preparing the annual financial statements.

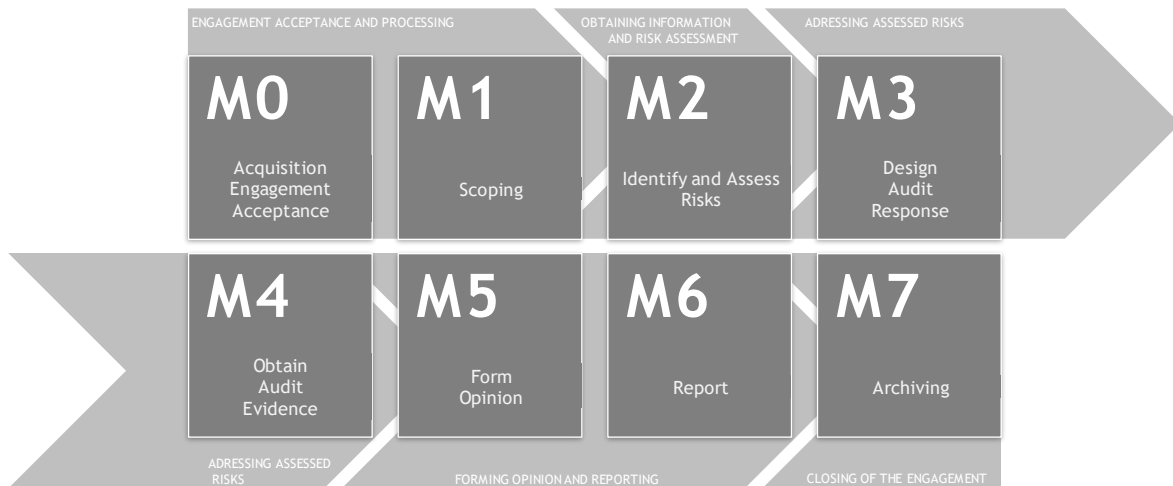
While assessing the risk of material misstatement, we also identified and assessed risks at both the financial statement level as well as at the assertion level. Moreover, we categorised these risks into different types of risks, highlighting two types of risk: significant risks requiring special consideration during the audit and risks for which substantive procedures alone do not provide sufficient audit evidence. By definition in the auditing standards, significant risks also include the risk of the Executive director overriding internal controls implemented as well as how revenue is recognised.

Based on our risk assessment, we determined the relevant audit areas and criteria (financial statement assertions) as well as the key audit areas to be focused on and developed an audit plan. The nature and scope of the respective audit procedures were detailed in the audit plan.

The audit procedures for obtaining audit evidence comprised tests of design and controls, substantive analytical procedures and tests of details (other substantive procedures) for the audit areas selected. Materiality aspects were thereby taken into consideration.

Description of the audit process

We subcategorised our audit process into milestones, which began with acquisition and engagement acceptance and spanned through to concluding the engagement and archiving. In this regard we refer to the graphic illustration of the milestones below.



The milestones depicted take the German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW into consideration. Accordingly, we initially performed an audit of the appropriateness of the accounting-related internal control system of the Association (design evaluation). On the basis of the knowledge we had obtained from examining the design and the implementation of the accounting-related internal controls for assessing the risk of material misstatement, we defined and specified the nature, scope, and timing of the tests of controls, the analytical audit procedures, and the tests of details to be performed for specific audit objectives.

All audit procedures were respectively conducted on a sample of specifically or representatively selected elements. The selection of each sample was based on the knowledge we had obtained from evaluating the accounting-related internal control system as well as on the nature and extent of the business transactions.

The key audit areas we focused on were:

- Completeness and valuation of provisions and accruals
- Delimitation in revenue realization

In the scope of the tests of details, we obtained confirmations or notifications and information from the following third parties providing services to the Association:

- banks,
- lawyers.

We performed our audit from June 2021 to July 7th, 2021.

At the conclusion of the audit, the Executive director provided us with a letter of representation dated July 7, 2021, in which they confirmed the completeness of all explanations and evidence made available to us as well as of the accounting, the annual financial statements. The Association's Executive director provided us with all explanations and evidence requested.

F. EXPLANATIONS ON THE ACCOUNTING

I. Accounting standards

The annual financial statements were to be prepared as specified in the applicable commercial law regulations for small business corporations.

II. Material measurement bases

The preparation of the annual financial statements requires that numerous decisions be made by the Association's Executive director on exercising legal options for particular recognition and measurement policies.

In compliance with § 284 HGB, the recognition and measurement policies are described in the notes to the annual financial statements (Appendix I).

G. CONCLUDING STATEMENT AND THE SIGNED AUDIT REPORT

In accordance with § 321 (4a) HGB, we confirm that we have performed our financial statement audit in compliance with the applicable regulations on independence.

We have compiled the report above on the audit of the annual financial statements for the financial year from January 1st, 2020 to December 31st, 2020 of Transgender Europe e.V. (TGEU), Berlin, in compliance with legal regulations and the German Generally Accepted Standards for Reporting on Audits of Financial Statements in the current version of Audit Standard 450 promulgated by the Institute of Public Auditors in Germany, Incorporated Company (IDW).

The auditor's report issued by us is replicated in section B of this audit report.

Berlin, 7th of July 2021

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed by Fassunke
Wirtschaftsprüfer
(German Public Auditor)

Signed by Lerchenmüller
Wirtschaftsprüferin
(German Public Auditor)