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Only the German Joint Statement is valid and legally binding.

Mandatory Publication pursuant to Sec. 27 para. 3 sentence 1 and Sec. 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act
(Wertpapiererwerbs- und Übernahmegesetz)



Joint Statement of the Management Board and the Supervisory Board

of

STS Group AG

Zeppelinstraße 4, 85399 Hallbergmoos
Germany

to the

Voluntary Public Takeover Offer and Delisting Tender Offer

of

Adler Pelzer Holding GmbH

Kabeler Straße 4, 58099 Hagen
Germany

to the shareholders of STS Group AG

Shares of STS Group AG: ISIN DE000A1TNU68

Tendered Shares of STS Group AG: ISIN DE000A3E5CU0

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1. Information on the Offer

Adler Pelzer Holding GmbH, a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) with its registered office in Hagen and business address at Kabeler Straße 4, 58099 Hagen, Germany, registered with the Commercial Register of the Local Court (*Amtsgericht*) of Hagen under HRB 11137 (the "**Bidder**" and together with its consolidated subsidiaries the "**Adler Pelzer Group**"), has published on 09 August 2021 pursuant to Sec. 34, Sec. 29, Sec. 14 para. 2 sentence 1 and para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**") the offer document within the meaning of Sec. 11 WpÜG (the "**Offer Document**") for the voluntary public Takeover Offer (hereinafter defined below) (cash offer) to the shareholders of STS Group AG, a stock corporation under German law (*Aktiengesellschaft*) with its registered office in Hallbergmoos and business address at Zeppelinstraße 4, 85399 Hallbergmoos, Germany, registered with the Commercial Register of the Local Court (*Amtsgericht*) of Munich under HRB 231926 (hereinafter referred to as "**STS**" or the "**Target**" and together with its consolidated subsidiaries the "**STS Group**") for the acquisition of all ordinary bearer shares of the Target (the "**Takeover Offer**"). The Takeover Offer relates to all ordinary bearer shares of STS traded under International Securities Identification Number ("**ISIN**") DE000A1TNU68 with a pro rata amount of EUR 1.00 per ordinary share of the share capital that are not directly held by the Bidder (the ordinary shares of STS covered by the Takeover Offer, including all ancillary rights existing at the time of completion of the Takeover Offer in particular dividend entitlement rights for undistributed profits of previous fiscal years and of the current fiscal year), are hereinafter individually referred to as "**STS-Share**" and collectively as "**STS-Shares**"; Shareholders in possession of STS shares are hereinafter individually referred to as "**STS-Shareholder**" and collectively as "**STS-Shareholders**").

The Takeover Offer is at the same time a compensation offer required for a delisting of all shares of STS from trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) pursuant to Sec. 39 para. 2 and para. 3 of the German Stock Exchange Act (*Börsengesetz*, "**BörsG**") (the "**Delisting**

Tender Offer" and, together with the Takeover Offer, the "**Takeover Offer and Delisting Tender Offer**" or simply the "**Offer**").

The Offer Document was submitted to the Management Board of STS (the "**Management Board**") on 09 August 2021 by a legal advisor of the Bidder pursuant to Sec. 14 para. 4 sentence 1 WpÜG. The Management Board duly forwarded the Offer Document to the Supervisory Board of STS (the "**Supervisory Board**").

The Offer Document was published on 09 August 2021 on the internet at www.adler-pelzer-offer.com. In addition, the Offer Document will be available for distribution free of charge at BNP Paribas Securities Services S.C.A., Frankfurt Branch, Europa-Allee 12, 60327 Frankfurt am Main, Germany (requests by fax to +49 69 1520 5277 or by email to frankfurt.get.operations@bnpparibas.com) (the "**Settlement Agent**"). The Bidder published the related announcement on the availability of the Offer Document at the Settlement Agent for distribution free of charge and the internet address at which the Offer Document is published in the German Federal Gazette (*Bundesanzeiger*) on 09 August 2021.

2. Information on the Bidder

The Bidder is a limited liability company incorporated under German law with its registered office in Hagen and business address at Kabeler Straße 4, 58099 Hagen, Germany, registered with the Commercial Register of the Local Court (*Amtsgericht*) of Hagen under HRB 11137.

The statutory corporate object of the Bidder is the manufacture of accessories for the automotive industry, in particular sound-absorbing insulation, as well as the acquisition and management of participations in domestic and foreign companies with the same or similar activities, as well as the acquisition, sale and holding of loan receivables, securities and other financial assets. Activities requiring authorisation under the German Banking Act (KWG) are expressly excluded.

The sole managing director with the authority to conclude legal transactions in the name of the company with himself in his own name or as the representative of a third party is Mr Pietro Lardini.

According to the Offer Document, the share capital of the Bidder amounts to EUR 25,000.00 at the time this Offer Document was published.

The shareholder structure of the Bidder at the time of the publication of the Offer Document is set out in Annex 1 to the Offer Document. The Bidder is directly and indirectly controlled by (i) Adlergroup S. p. A., a stock corporation under Italian law with its registered office in Milan, Italy, registered with the Commercial Register of Milano Monza Brianza Lodi (*Registro delle imprese di Milano Monza Brianza Lodi*) under No. 07080271211, No. REA MI-2525892 ("**Adlergroup**"), (ii) Adler Plastic S. p. A., a stock corporation under Italian law with its registered office in Ottaviano (NA), Italy, registered with the Commercial Register of Naples (*Registro delle imprese di Napoli*) under No. 03192860637, No. REA NA-325379 as majority shareholder with a 71.93% interest in the share capital of Adlergroup ("**Adler Plastic**"), (iii) Global Automotive Interior Alliance Holding S. r. l., a limited liability company under Italian law with its registered office in Desio, Italy, registered with the Commercial Register of Milano Monza Brianza Lodi (*Registro delle imprese di Milano Monza Brianza Lodi*) under No. 11495580968 No. REA MB-2607342 as majority shareholder of Adler Plastic with an interest of 65% of the share capital ("**GAIA Holding**") and (iv) Mr Paolo Scudieri, resident in Rome, Italy as shareholder of Adler Plastic with an interest of 26.9998% of the share capital, as majority shareholder of GAIA Holding with an interest of 61,58% of the share capital and therefore indirect majority shareholder of Adler Plastic (Adlergroup, Adler Plastic, GAIA Holding and Mr Scudieri the "**Bidder Parent Shareholders**").

At the time of the publication of the Offer Document, the companies and natural persons listed in Annex 2 of the Offer Document are persons acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 3 WpÜG. The companies contained in Annex 2 Part 1 of the Offer Document are the subsidiaries of the Bidder (including STS but excluding its subsidiaries) who are deemed to be acting jointly with the Bidder and each other pursuant

to Sec. 2 para. 5 sentence 3 WpÜG. The Bidder Parent Shareholders outlined in Annex 2 Part 2 of the Offer Document are deemed to be acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 3 WpÜG, as they directly or indirectly control the Bidder. The companies listed in Annex 2 Part 3 of the Offer Document are subsidiaries of the Bidder Parent Shareholders (with the exception of the Bidder and its subsidiaries) which are deemed to be acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 3 WpÜG. The companies outlined in Annex 3 of the Offer Document are subsidiaries of STS which are deemed to be acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 3 WpÜG.

As a result of a consensus on the exercise of voting rights with respect of the discharge of STS' former CEO, Mr Mathieu Purrey (cf. agenda item 2 of STS' Annual General Meeting dated 23 July 2021), Mutares SE & Co. KGaA with registered office in Munich, Germany, ("**Mutares**") was also deemed to be a person acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 1 WpÜG until the aforementioned exercise of voting rights on 23 July 2021. According to Section 5.6 of the Offer Document, the underlying agreement became invalid with the Annual General Meeting which is why since then Mutares no longer qualifies as person acting jointly with the Bidder pursuant to Sec. 2 para. 5 sentence 1 WpÜG.

No further companies or persons act jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG besides the ones mentioned before and listed in Annex 2 and Annex 3 of the Offer Document.

The Adler Pelzer Group believes that it can be counted among the companies leading worldwide in the development, design and manufacture of acoustic and thermal components and systems for the automotive sector. With key value creation activities in-house, the Adler Pelzer Group supplies components that optimise acoustic performance and increase the thermal efficiency of vehicles. The Adler Pelzer Group develops products for each specific vehicle need of its customers. Headquartered in Hagen, Germany, the Adler Pelzer Group has established a network of manufacturing, research and development facilities close to major automotive centres in key geographic regions, at

more than 80 locations with over 10,775 employees worldwide and sales of EUR 1.2 billion in 2020.

3. Information on the Target

3.1 Legal Basis on the STS

The Target is a leading global system supplier for the automotive industry with its registered office in Hallbergmoos and business address at Zeppelinstraße 4, 85399 Hallbergmoos, Germany, registered with the Commercial Register of the Local Court (*Amtsgericht*) of Munich under HRB 231926.

The corporate purpose of the Target as set out in its statutes is (i) the acquisition, holding and administration of participations in companies in the automotive and automotive supply industry in the broadest sense, including the provision of management services for its group companies and (ii) the acquisition, administration, holding and realisation of real property.

The Target may engage in any business which is connected with or favours or directly or indirectly promotes the object of the company. The Target may participate in or invest in other enterprises or companies with the same or similar corporate object. The Target may also limit its object to a part of the activities mentioned in (i) and (ii) above. The Target may establish branches in Germany and abroad.

STS-Shares (ISIN DE000A1TNU68) are admitted to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange. They are also traded via the electronic trading system XETRA as well as in over-the-counter trading at the Stock Exchange in Düsseldorf, Berlin, Stuttgart, Munich and the Tradegate Exchange. STS-Shares are currently included in the Stock Exchange Index CDAX and General Standard Index.

The STS Group employs more than 1,600 people worldwide and generated sales of EUR 235.0 million in the fiscal year 2020. The STS Group was already able to achieve sales of EUR 134.8 million in the 1st half of 2021. In comparison, sales in the 1st half of 2020 were EUR 98.5 million as a result of the Covid-19-related plant closures. The

STS Group thus forecasts general sales growth for the fiscal year 2021. The STS Group produces and develops plastic injection moulding and components made of composite materials (Sheet Molding Compound - SMC), such as fixed and flexible vehicle and aerodynamic trims, holistic interior systems, as well as lightweight construction and battery components for electric vehicles, in its total of twelve plants and development centres in France, Germany, Mexico, China and, in future, also in the USA. STS has a large global footprint with plants on three continents. The customer portfolio includes leading international manufacturers of commercial vehicles, passenger cars and electric vehicles.

For further information on STS and the business development of the STS Group as well as for details regarding key figures and their development, please refer to the annual and interim reports published on the internet at www.STS.group in the Investor Relations section under "Publications".

The fiscal year corresponds to the calendar year.

3.2 Members of the Management Board and Supervisory Board

The Management Board consists of the sole member of the Management Board Mr Andreas Becker.

The Supervisory Board includes the following three members since the election within the framework of the STS Annual General Meeting of 23 July 2021: Mr Paolo Scudieri as Chairman of the Supervisory Board, Mr Pietro Lardini as Deputy Chairman and Mr Pietro Gaeta.

3.3 Shareholder Structure of the STS

Based on the voting rights notifications published in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") up to the date of publication of the Offer Document and published on the STS website www.STS.group in the Investor Relations section, the following shareholders directly or indirectly hold more than 3% of the ordinary shares of STS (including the Bidder's shareholding, see Section 4 of this Statement). The percentages stated below correspond to the number

of voting rights last reported by the respective shareholder with respect to the stated reference date pursuant to Sec. 33 *et seqq.* WpHG in relation to the share capital of STS issued as of the day of the publication of the Statement:

- Bidder, Adler Pelzer Holding GmbH: 73.25% (according to Section 5.7 of the Offer Document);
- Main First SICAV, Luxemburg: 4.94% (according to the last voting rights notification of 07 July 2020);
- Free Float: 21.81%.

Free float bundles the shareholders who hold ordinary bearer shares, each of which is below the threshold required to be reported in accordance with Sec. 33 *et seqq.* WpHG.

It should be noted that the last reported number of voting rights and instruments may have changed since these voting rights notifications were made without the shareholder in question being obliged to submit a voting rights notification if no reportable thresholds were reached or exceeded or fallen below.

3.4 Capital Structure of the STS

In Section 6.1 and 6.2, the Offer Document describes in summary and accurately the legal basis and the share capital of the Company, the existing authorised and conditional capital, the authorisation of the Management Board to acquire treasury shares including the utilisation thereof as well as the treasury shares held by the company.

a. Share Capital

The share capital of STS entered in the Commercial Register of STS as of 19 September 2020 amounts to EUR 6,500,000.00 and is divided into 6,500,000 ordinary bearer shares with a pro rata amount of EUR 1.00 per share of the share capital.

b. Authorised Capital

By resolution of the Annual General Meeting of 03 May 2018, the Management Board was authorised, with the consent of the Supervisory Board, to increase the share capital of STS by a total of up to EUR 2,500,000.00 by issuing a total of 2,500,000 new ordinary bearer shares against cash and/or non-cash contributions on one or more occasions until 02 May 2023 (inclusive), whereby the subscription rights of shareholders may be excluded (Authorised Capital 2018/I). The Management Board was authorised, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue. In this context, the dividend entitlement of the new shares may be structured in deviation from Sec. 60 para. 2 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**").

Making partial use of the Authorised Capital 2018/I, STS resolved on 11 September 2020 to increase its capital by EUR 500,000.00 to EUR 6,500,000.00 against cash contributions, excluding shareholders' subscription rights. The capital increase was carried out and announced on 19 September 2020.

The Authorised Capital of 03 May 2018 (Authorised Capital 2018/I) still exists in the amount of EUR 2,000,000.00 after partial utilisation at the time of publication of this Statement.

Within the framework of the Authorised Capital 2018/I, the shareholders are in principle to be granted a subscription right. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights for one or more capital increases under the Authorised Capital 2018/I,

- to exclude fractional amounts from the subscription right;
- to the extent necessary to grant bearers or creditors of bonds carrying conversion or option rights or conversion or option obligations, which have been or will be issued by the company or a direct or indirect affiliated

company, a subscription right to new ordinary bearer shares of the company to the extent to which they would be entitled as shareholders after exercising the option or conversion rights or after fulfilment of conversion or option obligations;

- to issue shares against cash contributions, if the issue price of the new shares is not significantly lower than the stock exchange price of the shares already listed within the meaning of Sec. 203 para. 1 and para. 2, Sec. 186 para. 3 sentence 4 AktG and the proportionate amount of the share capital attributable to the new shares issued under exclusion of the subscription right pursuant to Sec. 186 para. 3 sentence 4 AktG does not exceed 10% of the share capital in total;
- for the issue of shares against contributions in kind, in particular - but without limitation thereto - for the purpose of (also indirect) acquiring parts of companies, participations in companies or other assets or for servicing bonds issued against contributions in kind.

The further details result from the authorising resolution as well as from Sec. 4 para. 5 of the statutes of the STS.

c. Conditional Capital

The Annual General Meeting of STS of 03 May 2018 conditionally increased the share capital pursuant to Sec. 4 para. 3 of the statutes of the Target by EUR 2,000,000.00 by issuing up to 2,000,000 new ordinary bearer shares with a pro rata amount of EUR 1.00 per ordinary share of the share capital with dividend entitlement (Conditional Capital 2018/I).

The Conditional Capital 2018/I serves the purpose of granting shares upon the exercise of option or conversion rights or the fulfilment of option or conversion obligations to the bearers or creditors of convertible bonds, bonds with warrants, profit participation rights and / or participating bonds (or combinations of these

instruments) (hereinafter collectively "**Bonds**") issued on the basis of the authorisation resolution of the STS Annual General Meeting of 03 May 2018.

In addition, the new shares shall be issued in accordance with the authorisation resolution of the Target's Annual General Meeting of 03 May 2018 at a conversion or option price to be determined in each case. The Conditional Capital 2018/I will only be implemented to the extent that the bearers or creditors of Bonds issued or guaranteed by the Target or a company dependent on it or in which it directly or indirectly holds a majority interest on the basis of the authorisation resolution of the Annual General Meeting of the Target of 3 May 2018 exercise their conversion or option rights or fulfil conversion or option obligations arising from the Bonds. The new shares shall take effect from the beginning of the Annual General Meeting of the Target on 3 May 2018 if the Target exercises its conversion or option rights or fulfils its conversion or option obligations under such Bonds or if the Target grants shares in the Target instead of payment of the amount of money due and if the conversion or option rights or conversion or option obligations are not serviced by treasury shares, shares from authorised capital or other benefits. The new shares shall participate in the profits from the beginning of the fiscal year in which they are created and for all subsequent fiscal years; in derogation thereof, the Management Board of the Target may, to the extent legally permissible and with the consent of the Supervisory Board of the Target, determine that the new shares shall participate in the profits from the beginning of the fiscal year for which, at the time of the exercise of conversion or option rights, the fulfilment of conversion or option obligations or the granting in lieu of the cash amount due, no resolution of the Annual General Meeting of the Target on the appropriation of the balance sheet profit has yet been adopted.

The Management Board of STS is authorised to determine the further details of the implementation of the Conditional Capital 2018/I. The Supervisory Board of STS is authorised to amend Sec. 4 para. 3 of the statutes of the STS in accordance with the respective utilisation of the Conditional Capital 2018/I and after the expiry of all option and conversion periods.

STS has not issued any shares and/or Bonds from the Conditional Capital 2018/I.

The Annual General Meeting of STS of 03 May 2018 conditionally increased the share capital pursuant to Sec. 4 para. 4 of the statutes of STS by EUR 500,000.00 by issuing up to 500,000 new ordinary bearer shares with a pro rata amount of the share capital of the company of EUR 1.00 per ordinary share with dividend entitlement (Conditional Capital 2018/II).

The Conditional Capital 2018/II will only be implemented to the extent that subscription rights have been issued in accordance with the Stock Option Programme 2018 pursuant to the resolution of the Annual General Meeting of 03 May 2018, the holders of the subscription rights exercise their subscription rights and the company does not grant treasury shares to fulfil the subscription rights. The total volume of subscription rights is distributed among the entitled groups of persons as follows:

- Members of the Management Board receive a maximum total of up to 200,000 subscription rights;
- Members of the management of affiliated companies shall receive a maximum total of up to 100,000 subscription rights;
- Employees of the Company shall receive a maximum of up to a total of 50,000 subscription rights;
- Employees of affiliated companies receive a maximum of up to 50,000 subscription rights.

STS has not issued any shares from the Conditional Capital 2018/II. Furthermore, at the time of the publication of the Statement, there are no subscription rights from the Stock Option Program 2018 that can be exercised.

Further details result from the authorisation resolution as well as from Sec 4 para. 4 of the statutes of STS.

d. Treasury Shares

The Management Board of STS is authorised to repurchase own shares and to sell repurchased shares in the cases regulated by law in Sec. 71 AktG. By resolution of 03 May 2018, the Annual General Meeting authorised the Management Board, with the consent of the Supervisory Board, to acquire treasury shares of the company up to a total of 10% of the share capital of the company existing at the time of the resolution or - if this value is lower - at the time of the exercise of the authorisation until the end of 02 May 2023. The shares acquired on the basis of this authorisation, together with other treasury shares of the company which the company has acquired and still holds or which are to be attributed to it in accordance with the provisions of Sec. 71 *et seqq.* AktG, may at no time exceed 10% of the respective share capital of STS. The acquisition of own shares shall, at the discretion of the Management Board, be effected on the stock exchange or by means of a public purchase offer addressed to all shareholders or by means of a public invitation to the shareholders to submit offers for sale.

By resolution of the Annual General Meeting of 03 May 2018, the Management Board was authorised to use the treasury shares, in addition to a sale via the stock exchange or by means of an offer to all shareholders, for any permissible purpose, in particular also as follows:

- They may be cancelled and the share capital of STS reduced by the portion of the share capital attributable to the cancelled shares;
- They may be offered to and transferred to third parties against contributions in kind;
- They may be sold to third parties against cash contribution if the price at which the STS-Shares are sold is not significantly lower than the stock exchange price of a STS share at the time of sale (Sec. 186 para. 3 sentence 4 AktG). The proportionate amount of the share capital

attributable to the number of shares sold on the basis of this authorisation may not exceed 10%;

- They may be used to service purchase obligations or purchase rights to STS-Shares arising from and in connection with convertible Bonds or Bonds with warrants or profit participation rights with conversion or option rights issued by STS or one of its group companies.

The total number of shares acquired so far in the share buyback under the authorisation described above amounts to 50,000 ordinary shares.

Further details can be found in the authorisation resolution.

By resolution of the Annual General Meeting of 03 May 2018, the Management Board was also authorised, with the consent of the Supervisory Board, to acquire own shares up to a total of 5% of the share capital existing at the time of the resolution by using derivatives (put or call options or a combination of both). The term of the options must be chosen in such a way that the acquisition of shares by exercising the options takes place no later than 02 May 2023. The shareholders - in corresponding application of Sec. 186 para. 3 sentence 4 AktG - are not entitled to conclude such option transactions with the company.

3.5 Persons acting jointly with STS

A list of all subsidiaries of STS is attached to this Statement as Annex 1. Pursuant to Sec. 2 para. 5 sentence 3 WpÜG, these subsidiaries are deemed to be acting jointly with STS and among each other. Furthermore, the Bidder, the Bidder's subsidiaries contained in Annex 2 Part 1 of the Offer Document (with the exception of STS), the Bidder Parent Shareholders outlined in Annex 2 Part 2 of the Offer Document and the subsidiaries of the Bidder Parent Shareholders listed in Annex 2 Part 3 of the Offer Document are deemed to be persons acting jointly with STS and among each other pursuant to Sec. 2 para. 5 sentence 3 WpÜG.

No further companies or persons act jointly with STS within the meaning of Sec. 2 para. 5 WpÜG besides the ones mentioned before.

4. Acquisition of Shares of STS, at the same time Acquisition of the Majority Stake

The Bidder has entered into a private share purchase agreement with the former majority shareholder Mutares, which held the majority stake of a total of 4,761,327 shares in STS (which corresponded to 73.25% of the outstanding share capital and voting rights at the time of signing of the share purchase agreement dated 11 March 2021), agreed to purchase all 4,761,327 shares in full. The share purchase agreement resp. the acquisition of the 4,761,327 shares became effective on 30 June 2021. The price per share was EUR 7.00.

Under the share purchase agreement, the Bidder has undertaken (i) to indemnify Mutares against any obligation or liability arising from a payment under a loan granted by Mutares to STS being challenged in insolvency or similar proceedings relating to STS after successful completion of the share purchase agreement (the "**Mutares Indemnities I**") and (ii) to indemnify Mutares and all other affiliates within the meaning of Sec. 15 *et seqq.* AktG or a comparable provision of a jurisdiction other than of the Federal Republic of Germany (for the purpose of this Section 4 "**Affiliated Companies**") of Mutares from any claims asserted by the Bidder, an Affiliated Company of the Bidder, the STS Group or any other third party against Mutares or the Affiliated Companies of Mutares due to or in connection with the participation of Mutares prior to the successful completion of the share purchase agreement (the "**Mutares Indemnities II**").

Further details on the share purchase agreement can be found in Section 5.8 of the Offer Document.

Furthermore, during the period beginning six months prior to the publication of the decision to launch the Offer on 29 June 2021 and ending with the publication of the Offer Document on 09 August 2021, neither the Bidder nor any persons acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG or their subsidiaries have acquired STS-

Shares or entered into any agreements on the basis of which the transfer of STS-Shares may be demanded.

5. Information and Statement on the Bidder's Offer

5.1 Relevance of the Offer Document

As the Offer is subject to the provisions WpÜG, the Management Board and the Supervisory Board are obliged to issue a Statement pursuant to Sec. 27 para. 1 sentence 2 no. 1 WpÜG on the nature and amount and thus, as a result, on the adequacy of the Offer Consideration (hereinafter defined in Section 5.3 of the Statement). A Statement on the assessment of the adequacy of the Offer Consideration from a financial point of view by an independent, neutral third party with expertise, was obtained by the Management Board and the Supervisory Board, as the Management Board considers the involvement of an external audit by experts with the due diligence of a prudent and conscientious executive manager to be necessary.

The following is a summary of the information required by law for the Statement pursuant to Sec. 27 para. 1 sentence 2 WpÜG as well as selected information about the Offer taken exclusively from the Offer Document or from publications of the Bidder. As explained in more detail in Section 12.4 of this Statement, STS-Shareholders should carefully review the Offer Document themselves for their decision to accept or reject the Offer and not rely on the following summary of the Offer Conditions.

5.2 Completion of the Offer

The Offer is made by the Bidder in the form of a voluntary public Takeover Offer to acquire all STS-Shares in combination with a Delisting Tender Offer (cash offer pursuant to Sec. 29 para. 1 WpÜG and Sec. 39 para. 2 and para. 3 BörsG). The Offer is being made as a Takeover Offer and Delisting Tender Offer in accordance with German law, in particular the WpÜG and the German Regulation on the Content of the Offer Document, the Consideration for Takeover Offers and Mandatory Offers and the Release from the Obligation to Publish and Launch an Offer (*Verordnung über den*

Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots, “WpÜG-AV”) and the BörsG.

The Management Board and the Supervisory Board have not conducted their own review of the Offer with regard to compliance with the relevant statutory provisions.

German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, “BaFin”*) has reviewed the Offer Document in accordance with German law and in the German language and, according to the Bidder, permitted its publication on 06 August 2021.

The Bidder published the Offer Document on 09 August 2021 pursuant to Sec. 34, Sec. 14 para. 2 and para. 3 WpÜG in connection with Sec. 39 para. 2 sentence 3 no. 1 of the BörsG.

The Bidder states in the Offer Document that no registrations, admissions or approvals of the Offer Document and/or the Offer under any law other than the law of the Federal Republic of Germany have been made or are intended. In addition, the Bidder has stated in Section 1.3 of the Offer Document that there are no documents other than the Offer Document that form part of the Offer.

5.3 Subject Matter of the Offer and Offer Consideration

Subject to the provisions in the Offer Document, the Bidder offers to acquire all STS-Shares (ISIN DE000A1TNU68) not directly held by the Bidder, each with a pro rata amount of EUR 1.00 per ordinary share of the share capital, including all rights attached at the time of the settlement of the Offer (in particular the respective dividend entitlement and voting rights) associated with the Takeover Offer and the Delisting Tender Offer at the time of their completion, for a cash consideration in the amount of

EUR 7.31 per STS-Share

(**“Offer Consideration”**).

5.4 Possible Increase of the Offer Consideration

The Bidder undertakes in Section 4.2 of the Offer Document, to increase the Offer Consideration to be paid or paid under the Offer per STS Share for which STS-Shareholders wish to accept the Offer for the STS-Shares in their securities account within the acceptance period or additional acceptance period (the "**Tendered Shares**") accordingly and to the extent that (Clause 5.8) as a result of

(1) a payment under the Mutares Indemnities I falling due and/or

(2) a payment under the Mutares Indemnities II falling due

the total purchase price paid to Mutares under the share purchase agreement per STS Share acquired is increased in such a way that it exceeds the Offer Consideration payable or paid under the Offer Document. The Bidder will publish any increase in the Offer Consideration without undue delay by announcement on the internet at www.adler-pelzer-offer.com and in the German Federal Gazette (*Bundesanzeiger*) and notify BaFin thereof.

If the increase in the Offer Consideration has been announced prior to the settlement of the Offer, STS-Shareholders who have accepted the Offer will receive the increased Offer Consideration accordingly upon settlement. If the increase in the Offer Consideration is announced after settlement, STS-Shareholders who have accepted the Offer and received the Offer Consideration in settlement are expected to receive the respective increase amount per STS Share transferred to their respective bank account via Clearstream and the custodian bank system within seven (7) banking days after the aforementioned publication, provided that their account details correspond to those at the time of the settlement of the Offer. If the account details of STS-Shareholders who accepted the offer have changed, these shareholders should contact their former custodian bank with their new account details.

The corresponding amount of the claim for subsequent payment will be kept ready at the Bidder and paid out accordingly upon request of the shareholders via the custodian bank system.

5.5 Acceptance Period and Additional Acceptance Period

The acceptance period for the Offer commenced with the publication of the Offer Document on 09 August 2021 and ends on 06 September 2021, 24:00 hours (Central European Summertime, CEST). In each of the circumstances set out below, the Acceptance Period for the Offer pursuant to Section 4.4 of the Offer Document will be automatically extended as follows ("**Acceptance Period**"):

- Pursuant to Sec. 21 para. 1 WpÜG, the Bidder may amend the Offer up to one working day (*Werktag*) prior to the expiry of the Acceptance Period, *i.e.* in case of an expiry of the Acceptance Period on 06 September 2021, 24:00 hours (CEST), until - pursuant to Section 4.4 of the Offer Document - the expiry of 04 September 2021, 24:00 hours (CEST).
- In the event of an amendment to the Offer pursuant to Sec. 21 WpÜG within the last two weeks prior to the expiry of the Acceptance Period, the Acceptance Period shall be extended by two weeks (Sec. 21 para. 5 WpÜG) and would consequently end on 20 September 2021, 24:00 hours (CEST). This also applies if the amended Offer violates any legal provisions.
- If a third party makes a competing offer for the shares of STS during the Acceptance Period of the Offer (the "**Competing Offer**") and if the Acceptance Period for this Offer expires before the expiry of the Acceptance Period for the Competing Offer, the expiry of the Acceptance Period for the Offer shall be determined according to the expiry of the acceptance period for the Competing Offer (Sec. 22 para. 2 WpÜG). This also applies if the Competing Offer is amended or prohibited or violates legal provisions.
- If STS convenes an Annual General Meeting in connection with the Offer after the Offer Document has been published, the Acceptance Period will end ten weeks after the publication of the Offer Document (Sec. 16 para. 3 WpÜG), notwithstanding the above statements regarding the extension of

the Acceptance Period. The Acceptance Period would then expire on 18 October 2021, 24:00 hours (CEST).

With regard to the right of withdrawal in the event of an amendment of the Offer or the launch of a Competing Offer, reference is made to the statements in Section 16 of the Offer Document.

The Bidder will publish any extension of the Acceptance Period in accordance with the statements in Section 18 of the Offer Document.

STS-Shareholders who have not accepted the Offer within the aforementioned Acceptance Period may, as set out in Section 4.5 of the Offer Document, still accept the Offer at the same Offer Conditions within two weeks after publication of the results of the Offer (Section 18 of the Offer Document) by the Bidder pursuant to Sec. 23 para. 1 sentence 1 no. 2 WpÜG (the "**Additional Acceptance Period**").

Subject to an extension of the Acceptance Period pursuant to Section 4.5 of the Offer Document, the Additional Acceptance Period is expected to commence in the event of an expected publication of the result of this Offer pursuant to Sec. 23 para. 1 sentence 1 no. 2 WpÜG on 09 September 2021, starting on 10 September 2021, and end on 23 September 2021, 24:00 hours (CEST).

5.6 No Completion Conditions; Settlement and Acceptance

Pursuant to Section 11 of the Offer Document, the Offer and the Additional Acceptance Period are not subject to any closing conditions. Since this Takeover Offer is at the same time a public Delisting Tender Offer within the meaning of Sec. 39 para. 2 sentence 3 no. 1 BörsG, such a Delisting Tender Offer may not be subject to any closing conditions. The agreements concluded between the Bidder and the accepting STS-Shareholders are therefore not subject to any completion conditions.

Section 12 *et seqq.* of the Offer Document describes the acceptance and settlement of the Offer, including the legal consequences of an acceptance (Section 12.5 of the Offer Document).

According to Section 12.2 of the Offer Document, STS-Shareholders may only accept the Offer by declaring acceptance of the Offer to their respective custodian bank in the form required for instructions to the respective custodian bank (the "**Declaration of Acceptance**"). Secondly, STS-Shareholders may only accept the Offer by instructing their respective custodian bank to transfer the Tendered Shares held in their securities account to ISIN DE000A3E5CU0 at Clearstream.

In Section 12.7 of the Offer Document, the Bidder points out that the tendered STS shares will no longer be traded on the stock exchange as of the time of the transfer of the STS-Shares into ISIN DE000A3E5CU0.

STS-Shares that are not tendered for purchase may, however, continue to be traded under ISIN DE 000A1TNU68 on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and in over-the-counter trading until the delisting becomes effective. Even after the delisting has become effective, it may still be possible to trade STS shares in the over-the-counter market.

The settlement of the Offer will be effected by payment of the Offer Consideration as consideration for the tendered STS-Shares. In this regard, the Bidder states in Section 12.4 of the Offer Document that the settlement agent (Section 12.1 of the Offer Document) will have the Offer Consideration paid out by Clearstream to the custodian banks and the custodian banks will credit the Offer Consideration per tendered STS Share to the account of the former STS-Shareholders at the custodian banks. At the same time, Clearstream will transfer the Tendered Shares in favour of the Bidder to its participating securities account of the settlement agent at Clearstream. The Offer Consideration for the Tendered Shares will be credited to the custodian banks by Clearstream without undue delay, but no later than seven (7) banking days after the publication of the results announcement (Section 18 of the Offer Document) following the end of the Additional Acceptance Period.

The Bidder assumes that the publication of the results announcement will take place on 28 September 2021 and that the Offer Consideration for the Tendered Shares would then be credited by 7 October 2021. For the avoidance of doubt, there will only be one settlement of the Offer for all Tendered Shares following the expiry of the Additional Acceptance Period.

Pursuant to Section 12.5 of the Offer Document, upon acceptance of the Offer, a contract under the law of obligations for the acquisition of Tendered Shares will be concluded between each of the accepting STS-Shareholders and the Bidder in accordance with the Offer Document. The completion of the Offer shall only take place after the expiry of the Additional Acceptance Period through the provision of the Offer Consideration for all Tendered Shares against transfer of all ownership rights, claims associated with the Tendered Shares and related rights, in particular the profit and voting rights, to the Bidder.

After the expiry of the Additional Acceptance Period, the Offer may no longer be accepted, unless a right to submit pursuant to Sec. 39c WpÜG exists (see Section 15.4 of the Offer Document).

Finally, in Section 12.2 of the Offer Document, the Bidder points out that STS-Shareholders who wish to accept the Offer should contact their custodian bank with any questions regarding technical aspects of the acceptance and completion of the Offer. According to the Bidder, the custodian banks have been informed separately about the handling of the acceptance and completion of the Offer.

5.7 Financing of the Offer

Pursuant to Sec. 13 para. 1 sentence 1 WpÜG, the Bidder must take the necessary measures prior to the publication of the Offer Document to ensure that the funds required for the full settlement of the Offer are available at the time the consideration becomes due. Based on the information provided by the Bidder in the Offer Document, the Management Board and the Supervisory Board assume that the Bidder has complied with this obligation.

a. Maximum Consideration

At the time of the publication of the Statement, 6,500,000 STS shares have been issued, of which the Bidder directly holds 4,761,327 STS shares (corresponding to approximately 73.25% of the current share capital and voting rights of the Target). According to Section 13.1 of the Offer Document and the calculations of the Bidder set out therein, the total amount which the Bidder would need to complete the Offer, should the Offer be accepted by all STS-Shareholders, amounts to EUR 12,709,699.63 (the "**Maximum Consideration**") (corresponding to the Offer Consideration of EUR 7.31 per STS Share multiplied by the 1,738,673 STS-Shares not directly held by the Bidder).

In addition and according to Section 13.1 of the Offer Document, the Bidder assumes that it will incur transaction costs of up to EUR 496,000.00 (the "**Transaction Costs**") in connection with the preparation and implementation of the Offer.

The Maximum Consideration and the Transaction Costs thus result in a maximum financing requirement in the amount of EUR 13,205,699.63 (the "**Maximum Financing Requirement**").

b. Financing Measures

According to the Offer Document, the Bidder has taken the necessary measures to ensure that it has the necessary financial resources to fully meet its payment obligations in connection with the Offer.

In Section 13.2 of the Offer Document, the Bidder sets out how it plans to finance the Maximum Financing Requirement. In particular, the Bidder has undertaken the following financing measures:

The Bidder has secured debt financing commitments from Banca Nazionale del Lavoro S.p.A., Rome, Italy and Cassa di Risparmio di Roma S.p.A., Rome, Italy pursuant to a Senior Facilities Agreement dated 25 June 2021 in the amount of EUR 40,000,000.00 and with a maturity of up to two years from 25 June 2021

(the "**Debt Financing Commitment**"). The Bidder has exercised the Debt Financing Commitment on 30 June 2021 in the amount of EUR 40,000,000.00 and has already used EUR 31,303,685.18 from a resulting loan in the amount of EUR 40,000,000.00 and a term of two years from 25 June 2021 and - according to Section 13.2 of the Offer Document - an interest rate, "equal to the higher of (i) EURIBOR 3 months plus 2.75% or (ii) 0%" (the "**Financing Loan**") to finance the share purchase agreement with Mutares. The amount of EUR 8,696,314.82 not yet utilised under the Financing Loan may be used to settle a corresponding part of the Maximum Financing Requirement.

Furthermore, as of the date of publication of the Offer Document (in addition to the aforementioned EUR 8,696,314.82), the Bidder has cash funds of at least EUR 53.8 million available to the Bidder to settle the Maximum Financing Requirement, which significantly exceeds the Maximum Financing Requirement.

In particular, for the purposes of financing this Offer, the Bidder has established an account with the settlement agent into which the Bidder – according to its own statement in Section 13.2 of the Offer Document - has deposited an amount of EUR 13,205,699.63 in cash, which corresponds to the Maximum Financing Requirement. The Bidder has pledged all its present and future claims in connection with this account to BNP Paribas S.A. Branch Office Germany. The purpose of this pledge is to ensure, pursuant to Sec. 13 para. 1 WpÜG, that the funds necessary to fully satisfy the Bidder's payment obligations under this Offer and to pay the transaction costs are available to the Bidder at the time of completion of this Offer.

The Bidder has thus ensured that a cash amount at least equal to the Maximum Financing Requirement will be available at the time of the settlement of the Offer.

c. Confirmation of Financing

BNP Paribas S.A. Branch Office Germany, Europa-Allee 12, 60327, Frankfurt am Main, a securities services company independent of the Bidder, has issued the

required financing confirmation pursuant to Sec. 13 para. 1 sentence 2 WpÜG, which is attached to the Offer Document as Annex 4.

d. Assessment of the Financing Measures taken by the Bidder

In the opinion of the Management Board and the Supervisory Board, the liquidity available to the Bidder as set out in Section 13.2 of the Offer Document in the form of the external Debt Financing Commitment in the amount of EUR 40,000,000.00 and the resulting Financing Loan in the remaining amount of EUR 8,696,314.82 as well as additional cash in the amount of EUR 53.8 million in total, represents a stable financing of the Offer. The Management Board and the Supervisory Board have no reason to doubt the accuracy of the information provided by the Bidder in the Offer Document, the propriety of the financing confirmation of BNP Paribas S.A. Branch Office Germany and the availability of the liquidity.

Against this background, the Management Board and the Supervisory Board consider the financing of the Takeover Offer and the Delisting Tender Offer to be secured. This is all the more true as the Bidder has established an account with the settlement agent and pledged it to BNP Paribas S.A., Branch Office Germany, into which the Bidder has deposited an amount of EUR 13,205,699.63 in cash, which corresponds to the Maximum Financing Requirement.

As a result, in the opinion of the Management Board and the Supervisory Board of STS, the Bidder has taken all necessary measures to ensure that funds will be available to it at least in the amount of the Maximum Financing Requirement at the time of the settlement of the Offer.

5.8 Assessment of the Adequacy of the Offer Consideration in terms of its nature and amount

The Bidder offers EUR 7.31 in cash per STS Share as consideration within the meaning of Sec. 27 para. 1 sentence 2 no. 1 WpÜG. The details are set out in Section 4.1 and 4.2 of the Offer Document.

After thorough examination, the Management Board and the Supervisory Board consider the Offer Consideration to be fair and reasonable both in terms of its nature and amount. In its independent evaluation, the Management Board and the Supervisory Board were advised by Flick Gocke Schaumburg Lawyers, Auditors, Tax Consultants Partnership, Bonn, Germany ("**Flick Gocke Schaumburg**").

a. Statutory Minimum Consideration; Prior Acquisitions; Stock Exchange Price

According to the assessment of the Management Board and the Supervisory Board based on the information contained in the Offer Document, the Offer Consideration complies with the provisions for minimum considerations within the meaning of Sec. 31 para. 1 and para. 7 WpÜG and Sec. 4 and Sec. 5 para. 1 WpÜG-AV (in conjunction with Sec. 39 para. 3 sentence 2 BörsG).

The Offer Consideration must first be measured against the requirements which the law imposes on voluntary Takeover Offers with regard to the minimum amount of the consideration:

- Pursuant to Sec. 5 WpÜG-AV (in conjunction with Sec. 31 para. 1 and para. 7 WpÜG), the consideration within the meaning of Sec. 27 para. 1 sentence 2 no. 1 WpÜG in the case of a Takeover Offer within the meaning of Sec. 29 *et seqq.* WpÜG, the consideration must at least correspond to the weighted average stock exchange price of the STS shares during the three-month period prior to the publication of the Bidder's decision to launch the Offer (the "**Three-Month Average Price**"). The decision to launch the Offer was published on 29 June 2021. Therefore, the three-month period for determining the Minimum Consideration started on 29 March 2021 and ended on 28 June 2021. According to Section 9.1.1 of the Offer Document, the Bidder was notified by BaFin, that the three-month weighted average domestic stock exchange price prior to the publication of the decision to launch the Takeover Offer, amounts to EUR 7.31.

- The Offer Consideration in the amount of EUR 7.31 thus corresponds to the minimum consideration to be offered in the amount of EUR 7.31 and thus fulfils the statutory requirements pursuant to Sec. 31 para. 1, para. 2 and para. 7 WpÜG-AV in conjunction with Sec. 5 para. 1 and para. 3 WpÜG-AV.

In addition, the Offer Consideration must be measured against the requirements that the law imposes on prior acquisitions with regard to the minimum amount of the consideration:

- Pursuant to Sec. 4 WpÜG-AV (in conjunction with Sec. 39 para. 3 sentence 2 BörsG and Sec. 31 para. 1 and para. 7 WpÜG), in the case of a Takeover Offer pursuant to Sec. 29 *et seqq.* WpÜG, the consideration for the STS shares must at least correspond to the value of the highest consideration granted or agreed by the Bidder, a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG or its subsidiaries within the last six months prior to the publication of the Offer Document for the acquisition of STS shares (the "**Pre-Acquisition Price**"). Based on the acquisition of shares in STS through the share purchase agreement with Mutares as set out in Section 5.8 of the Offer Document and in Section 4 of this Statement, the Bidder has not acquired any shares in STS for a price higher than EUR 7.00 per share during the last six months prior to the publication of the Offer Document. The same shall apply to acquisitions of shares in STS by persons acting jointly with the Bidder or its subsidiaries.
- The Offer Consideration in the amount of EUR 7.31 per share therefore exceeds the minimum consideration in the amount of EUR 7.00 per share to be offered due to pre-acquisitions pursuant to Sec. 4 WpÜG-AV and thus complies with the statutory requirements pursuant to Sec. 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Sec. 5 para. 1 and para. 3 WpÜG-AV.

Furthermore, the Offer Consideration must also be measured against the requirements that the law imposes on Delisting Tender Offers with regard to the minimum amount of the consideration:

- Pursuant to Sec. 5 para. 1 sentence 1 WpÜG-AV in conjunction with Sec. 39 para. 3 sentence 2 BörsG and Sec. 31 para. 1 and para. 7 WpÜG, the consideration must at least correspond to the weighted average domestic stock exchange price of STS shares during the six-month period prior to the publication of the Bidder's decision to launch the Offer (the "**Weighted Six-Month Average Price**"). The decision to launch the Offer was published on 29 June 2021. Therefore, the period for determining the minimum consideration started on 29 December 2020 and ended on 28 June 2021. According to Section 9.1.2 of the Offer Document, the six-month weighted average domestic stock exchange price prior to the publication of the decision to launch the Delisting Tender Offer as notified by BaFin amounts to EUR 7.26.
- The Offer Consideration in the amount of EUR 7.31 exceeds the minimum consideration pursuant to Sec. 39 para. 3 sentence 2 BörsG in conjunction with Sec. 31 para. 1, para. 2 and para. 7 WpÜG and Sec. 5 WpÜG-AV, amounts to EUR 7.26 and thus complies with the statutory requirements pursuant to Sec. 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Sec. 39 para. 3 sentence 2 BörsG.

In its entirety, the Offer Consideration therefore corresponds to the minimum consideration to be offered pursuant to Sec. 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Sec. 4, Sec. 5 para. 1 and para. 3 WpÜG-AV in conjunction with Sec. 39 para. 3 sentence 2 BörsG and thus fulfils the statutory requirements for Takeover Offers and Delisting Tender Offers.

Please refer to Section 9.1.1 and 9.1.2 of the Offer Document for the determination of the three- and six-month average share price.

b. Historical Stock Exchange Prices

In order to assess the adequacy of the consideration on the basis of the Offer Consideration, the Management Board and the Supervisory Board have therefore used, inter alia, the historical stock exchange prices of the STS Share.

The Management Board and the Supervisory Board are of the opinion that the stock exchange prices of the STS Share represent a relevant criterion for the examination of the adequacy of the Offer Consideration. STS shares (ISIN: DE000A1TNU68) are currently still admitted to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). They are also traded via the electronic trading system XETRA as well as in the over-the-counter market of the Stock Exchange in Düsseldorf, Berlin, Stuttgart, Munich and the Tradegate Exchange. STS shares are currently included in the stock exchange Index CDAX and General Standard Index.

In order to assess the adequacy of the Offer Consideration, the Management Board and the Supervisory Board have therefore used, among other things, the historical stock exchange prices of the STS Share. In relation to the stock exchange price of the STS share prior to the publication of the decision to launch the Offer on 29 June 2021, the Offer Consideration of EUR 7.31 contains the following premiums resp. discounts:

- The stock exchange price (XETRA closing price) on 28 June 2021, the last trading day prior to the publication of the decision to launch the Offer, amounted to EUR 6.98 per STS share (source: Frankfurt Stock Exchange, (*Frankfurter Wertpapierbörse*), <https://www.boerse-frankfurt.de/aktie/sts-group-ag/kurshistorie/historische-kurse-und-umsaetze>, last accessed on 20 August 2021). In relation to this stock exchange price, the Offer Consideration of EUR 7.31 includes a premium of EUR 0.33 or approx. 4.51%.

- The weighted three-month domestic average stock exchange price of the three months prior to, including 28 June 2021, the day prior to the publication of the decision to launch the Offer, amounted to EUR 7.31 per STS share according to Section 9.1.1 of the Offer Document. Based on this average price, the Offer Consideration in the amount of EUR 7.31 corresponds with the weighted three-month average stock exchange price.
- As notified to the Bidder by BaFin and stated in Section 9.1.2 of the Offer Document, the weighted six-month domestic average stock exchange price of the six months prior to, including 28 June 2021, the day prior to the publication of the decision to launch the Offer, amounted to EUR 7.26 per STS share. Based on this average price, the Offer Consideration of EUR 7.31 includes a premium of EUR 0.05 or approx. 0.68%.
- The stock exchange price (XETRA closing price) on 10 March 2021, the last trading day prior to the publication of the sale of the majority stake in STS by Mutares to the Bidder, was EUR 8.16 per STS share (source: Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), <https://www.boerse-frankfurt.de/aktie/sts-group-ag/kurshistorie/historische-kurse-und-umsaetze>, last accessed on 20 August 2021). In relation to this stock exchange price, the Offer Consideration of EUR 7.31 includes a discount of EUR 1.30 or approx. 10.42%.

The Offer Consideration in the amount of EUR 7.31 per STS-Share is thus not only above the stock exchange price on 28 June 2021, the last stock exchange trading day prior to publication of the decision to launch the Offer, but also above the weighted six-month average stock exchange price and corresponds with the weighted three-month average stock exchange price, in each case before and including 28 June 2021. However, the Offer Consideration is below the stock exchange price on 10 March 2021, the last stock exchange trading day prior to the publication of the sale of the majority stake in STS by Mutares to the Bidder.

c. Price Targets of Analysts

The Management Board and the Supervisory Board have analysed the available price targets published by financial analysts within the scope of a so-called "Sponsored Research" for the STS share prior to 28 June 2021, the last stock exchange trading day prior to the publication of the decision to launch the Offer. "Sponsored Research" refers to analysts commissioned by a company. For the first quarter of the fiscal year 2021, there are so far two of these analyst reports commissioned by STS from SMC-Research, which have updated their estimates for the STS shares.

The target price is EUR 11.60 per share (as of 20 April 2021). Compared to the last analyst report of March 2021 of EUR 10.60 per no-par share, the price target has become higher (as of 17 March 2021).

SMC-Research upgrades the share from "Speculative Buy" to "Buy" in view of a price potential of more than 50% and a meanwhile reduced forecast risk.

According to SMC-Research's comments, STS has presented good figures for the fourth quarter of 2020 and is now getting a new major shareholder, the Bidder.

In SMC-Research's view, STS had a strong closing spurt in the last three months of 2020 and had a good start to the fiscal year 2021, achieving its own targets for sales and adjusted operating profit.

STS now has a good basis for expansion again, which was apparently also the view of the bidder. After taking into account the figures and the new developments, SMC-Research now sees a new fair value of EUR 11.60 per ordinary share for the STS share, which is thus significantly above the Offer Consideration in the amount of EUR 7.31 per ordinary share and the agreed transaction price of EUR 7.00 per ordinary share with Mutares.

The offer consideration is thus below the price targets of the sole STS analyst.

The Management Board and the Supervisory Board point out once again that the price target analyses of SMC-Research are not independent analyst reports, but SMC-Research was commissioned by STS within the scope of a "Sponsored Research" for the price target analysis. Against this background, the Management Board and the Supervisory Board point out that the rating of STS shares and the positive assessment of the price target potential must not be overestimated.

d. Company Valuation

The Management Board and the Supervisory Board point out that they did not carry out a company valuation of STS prior to the submission of this Statement, in particular not on the basis of the principles and methods set forth in the standard "Principles for the Performance of Company Valuations (IDW Standard S1)" of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V., IDW*). The Management Board and the Supervisory Board have not carried out the valuation prior to the submission of this Statement. Prior to issuing this Statement, the Management Board and the Supervisory Board commissioned Flick Gocke Schaumburg to prepare an opinion on the valuation of the adequacy of the consideration (so-called "**Fairness Opinion**"). The Management Board and the Supervisory Board have been guided by the following considerations in deciding on the adequacy of the consideration and in their overall assessment:

- As a consideration for the determination of an adequate Offer Consideration, the Management Board and the Supervisory Board have used the pre-acquisition price under the share purchase agreement between the Bidder and Mutares (Section 4 of the Statement) in the amount of EUR 7.00 per ordinary share.
- In the Fairness Opinion requested by the Management Board and the Supervisory Board in connection with the Bidder's Takeover Offer, Flick Gocke Schaumburg came to the conclusion with assessment date of 23 August 2021 that the Offer Consideration of EUR 7.31 per STS share is adequate from a

financial point of view. Reference is made particularly to the statements in Section 5.8 lit. e of this Statement.

e. Fairness Opinion

The Management Board has commissioned Flick Gocke Schaumburg to prepare a Fairness Opinion on the valuation of the adequacy of the consideration offered from a financial point of view for STS-Shareholders.

In the Opinion, Flick Gocke Schaumburg arrives at the assessment, with assessment date of 23 August 2021 and subject to the assumptions and limitations contained therein to which this Fairness Opinion is subject at the time of its preparation, that the Offer Consideration per STS-Share offered to STS-Shareholders is fair from a financial point of view for STS-Shareholders. The Fairness Opinion follows the Standard of the Institute of Public Auditors in Germany S 8 (*Standard des Instituts der Wirtschaftsprüfer S 8*) (as of 17 January 2011) "Principles for the Preparation of Fairness Opinions" as an impartial and independent third party. Accordingly, it is the task of the impartial and independent third party to assess whether the offer consideration is financially adequate in the sense of IDW S 8, taking into account the procedures set out in IDW S 8.

The Fairness Opinion within the meaning of IDW S 8 differs in material respects, in particular in its scope and objectives, from an audit of annual financial statements, a due diligence, a business valuation within the meaning of IDW S 1 "Principles for the Performance of Business Valuations" or similar activities.

Flick Gocke Schaumburg has assumed and relied without independent verification that the publicly available information as well as the information provided by STS, which form the material basis of this Fairness Opinion, are accurate and complete.

The Fairness Opinion dated 23 August 2021 is attached to this Statement as Annex 2. The Management Board and the Supervisory Board have independently

and intensively dealt with the Fairness Opinion commissioned by them and subjected it to an independent critical assessment.

The Management Board and the Supervisory Board expressly point out that the Fairness Opinion was issued solely for the information and support of the Management Board and the Supervisory Board respectively in connection with the assessment of the financial adequacy of the Offer Consideration and that other persons should not rely on it. The Fairness Opinion is not addressed to any third party (including STS-Shareholders) nor are they intended to protect any third party. No contractual or other legal relationship is established between Flick Gocke Schaumburg and third parties reading this Fairness Opinion in this context. Neither the Fairness Opinion nor the underlying mandate agreement between Flick Gocke Schaumburg and STS have any protective effect on third parties (including STS-Shareholders) or result in the inclusion of third parties (including STS-Shareholders) in their respective scope of protection, and Flick Gocke Schaumburg does not assume any liability towards third parties (including STS-Shareholders) in relation to the Fairness Opinion. In particular, the Fairness Opinion is not a recommendation to STS-Shareholders to accept or not to accept the Offer.

The consent of Flick Gocke Schaumburg to attach the Fairness Opinion as an Annex to this Statement does not constitute an extension or addition to the circle of persons to whom the Fairness Opinion is addressed or who may rely on the Fairness Opinion, nor does it result in the inclusion of third parties in the scope of protection of the Fairness Opinion or the engagement agreement on which it is based. The Fairness Opinion does not take a position, either expressly or implicitly, on any relative advantages of the Offer compared to strategic alternatives which would also have been possible with regard to STS. The decision to reject or accept the Offer must be made by STS-Shareholders according to their individual circumstances.

Furthermore, the Management Board and the Supervisory Board refer to the General Engagement Terms for Auditors and Auditing Firms, as amended on

01 January 2017, attached to the Fairness Opinion as an Annex, regarding the performance of the engagement and the responsibility of Flick Gocke Schaumburg, in particular in relation to third parties.

As part of its assessment of the Fairness of the Offer Consideration by the Bidder from a financial point of view, Flick Gocke Schaumburg has performed a number of investigations in order to provide the Management Board and the Supervisory Board with a sound basis for their own assessment of the Fairness of the offered Offer Consideration from a financial point of view. Flick Gocke Schaumburg's assessment is based on publicly available information, including from the financial information service providers Bloomberg and Thomson Reuters, various discussions with representatives of STS and, in particular, the following information:

- Budget statement of STS Group AG for the period 2021 to 2025;
- Investment plans for the financial years 2021 to 2025;
- Annual reports for the financial years 2018 to 2020;
- IHS market data;
- Documents outlining the planning assumptions.

Flick Gocke Schaumburg used the following valuation methods as a benchmark for the assessment of the financial adequacy:

- Application of the discounted-cash-flow method within the framework of the capital value-oriented method using the so-called gross or "WACC" approach; in this case, the total capital value ("Enterprise Value") is determined by discounting the so-called free cash-flow, i.e. that means, the cash flow to which the providers of equity and debt capital are jointly entitled;

- Application of the multiplier method on the basis of key figures of comparable listed companies (so-called trading multipliers) and the multiplier method on the basis of key figures of comparable company shares (so-called transaction multipliers) within the framework of the market price-oriented method; the decisive multipliers are the key performance indicators of the STS, such as EBITDA or EBIT;
- Analysis of further capital market-related information using the historical stock exchange prices of the STS Shares in compliance with the provisions of the WpÜG-AngebotsVO;
- Analysis of further capital market-related information using the price targets of financial analysts with regard to the stock exchange price of the STS Shares in the period from February to August 2021.

Furthermore, the Management Board and the Supervisory Board refer to the content of the Fairness Opinion attached as Annex 2.

f. Overall Assessment of the Adequacy of the Offer

The Management Board and the Supervisory Board have carefully and intensively analysed and evaluated the adequacy of the consideration offered in the amount of EUR 7.31. In their respective considerations, the Management Board and the Supervisory Board have taken into account in particular, but not exclusively, the following aspects:

- The Offer Consideration complies with the respective statutory minimum consideration pursuant to Sec. 31 para. 1 and para. 7 WpÜG and Sec. 4 and Sec. 5 para. 1 WpÜG-AV (in conjunction with Sec. 39 para. 3 sentence 2 BörsG).
- The Offer Consideration is above the stock exchange price on 28 June 2021, the last stock exchange trading day prior to the publication of the decision to launch the Bidder's Offer, but also above the weighted six-month

average stock exchange price and corresponds with the weighted three-month average stock exchange price , in each case before and including 28 June 2021.

- The Offer Consideration is below the price targets of the remaining STS analyst. The Management Board and the Supervisory Board point out once again that the price target analyses of SMC-Research are not independent analyst reports, but SMC-Research was commissioned by STS within the scope of a "Sponsored Research" for the price target analysis. Against this background, the Management Board and Supervisory Board point out that the rating of STS shares and the positive assessment of the price target potential must not be overestimated.
- The Management Board and the Supervisory Board have come to the conclusion that, on the basis of the current and historically observed capital market valuations of comparable companies, in particular system suppliers in the automotive industry, the Offer Consideration is fair and adequate.
- As a further reason for consideration, the Management Board and the Supervisory Board have taken into account the pre-acquisition price under the share purchase agreement between the Bidder and Mutares (Section 4 of the Statement) in the amount of EUR 7.00 per ordinary share. According to the understanding of the Management Board and the Supervisory Board the share purchase price is based on a due diligence review. The Offer Consideration thus exceeds the Pre-Acquisition Price, which is why the Management Board and the Supervisory Board consider the Offer Consideration to be fair and reasonable, also against the background of the due diligence conducted.
- In the Fairness Opinion requested by the Management Board and the Supervisory Board in connection with the Bidder's Offer, Flick Gocke Schaumburg came to the conclusion that the Offer Consideration is

adequate from a financial point of view with assessment date of 23 August 2021.

On the basis of an overall assessment of, inter alia, the above-mentioned aspects and the overall circumstances of the Offer, the Management Board and the Supervisory Board consider the Offer Consideration to be financially reasonable and come to the conclusion on the question of the reasonableness of the consideration offered by the Bidder for the STS-Shares covered by the Offer within the meaning of Sec. 3 *et seqq.* WpÜG-AV and Sec. 39 para. 3 sentence 2 BörsG in conjunction with Sec. 31 para. 1 and para. 7 WpÜG independently of each other come to the following assessment:

The Management Board and the Supervisory Board consider the amount of the Offer Consideration to be reasonable within the meaning of Sec. 3 *et seqq.* WpÜG-AV and Sec. 39 para. 3 sentence 2 BörsG in conjunction with Sec. 31 para. 1 and para. 7 WpÜG. The Offer Consideration meets the statutory requirements and, in the opinion of the Management Board and the Supervisory Board, adequately reflects the value of STS.

5.9 Disclosure of Conflicts of Interest of the Management Board and the Supervisory Board

The Bidder and the persons acting jointly with it pursuant to Sec. 2 para. 5 WpÜG have not exercised any influence on STS or its governing bodies in connection with the Offer and this Statement. The members of the Management Board and the Supervisory Board have not received any unjustified payments or other unjustified monetary benefits or corresponding commitments from the Bidder or persons acting jointly with the Bidder in connection with the Offer.

However, the Management Board and the Supervisory Board expressly point out a potential conflict of interest of the sole member of the Management Board, Andreas Becker. The sole member of the Management Board Andreas Becker had a consultancy mandate with the Bidder until 30 June 2021. Despite a potential conflict of interest, Andreas Becker participated in the internal decision-making process of the Management

Board in order to fulfil the duty incumbent upon him as sole member of the Management Board to ensure its functioning. In addition, advisory mandates generally only involve potential conflicts of interest that can be classified as minor. Moreover, this consultancy mandate - as mentioned above - has already been terminated as of 30 June 2021.

The Management Board and the Supervisory Board also point out a potential conflict of interest of the three members of the Supervisory Board. The three Supervisory Board members have the following relationships or non-relationships with the Bidder:

- Mr Paolo Scudieri, Chairman of the Management Board of (i) Adler Plastic, (ii) Adlergroup and (iii) GAIA Holding, residing in Rome, Italy,
- Mr Pietro Gaeta, founder and managing partner of the law firm AvvocatoGaeta S. t. a. p. a., residing in Naples, Italy,

and

- Mr Pietro Lardini, Managing Director of Adler Pelzer Holding GmbH, residing in Milan, Italy.

There are no material personal or business relationships between the members of the Supervisory Board and the Bidder, with the exception of the advisory board activities of the three Supervisory Board members with the new majority shareholder, *i.e.* the Bidder, and with the exception of the relationships / executive activities for the various companies of the Adler Pelzer Group listed below, in particular concerning the activities of (i) Mr Paolo Scudieri with regard to GAIA Holding, Adler Plastic and Adlergroup, which in turn directly or indirectly hold 100% of the shares in the majority shareholder, the Bidder, (ii) Mr Pietro Gaeta who – within his function as founder and managing partner of the law firm AvvocatoGaeta S. t. a. p. a. – gives legal advice to the aforementioned Adler Plastic, Adlergroup, GAIA Holding, the Bidder and Mr Scudieri himself, and (iii) Mr Pietro Lardini with regard to his position as managing director of the majority shareholder, the Bidder.

After a thorough examination, the Management Board and the Supervisory Board come to the conclusion that the potential conflicts of interest are at most minor and that the

Supervisory Board members are not excluded from the internal decision-making process in the Supervisory Board. The three Supervisory Board members have also not decided to abstain. Neither the sole member of the Management Board nor the three members of the Supervisory Board have been influenced by the alleged conflicts of interest in their assessment of the adequacy of the Offer Consideration.

6. Objectives and Intentions of the Bidder and the Bidder Parent Shareholders and expected Consequences of a successful Bid for STS

Furthermore, pursuant to Sec. 27 para. 1 sentence 2 no. 2 WpÜG, the Management Board and the Supervisory Board are obliged to address the objectives and intentions of the Bidder and the Bidder Parent Shareholders and the expected consequences of a successful Offer for STS, the employees and their representatives, the employment conditions and the locations of STS.

6.1 Objectives and Intentions in the Offer Document

The Bidder further elaborates on the strategic and economic background of the Offer in Section 7 of the Offer Document.

a. Economic and Strategic Background of the Offer

The Bidder describes the economic and strategic background of the Offer in Section 7.1 of the Offer Document. Upon completion of the share purchase agreement with Mutares (Section 4 of the Statement), the Bidder has acquired 4,761,327 STS shares (corresponding to approximately 73.25% of the current share capital and voting rights of the Target) from Mutares on 30 June 2021.

As a result, the Bidder has acquired control over the Target pursuant to Sec. 29 para. 2 WpÜG. Despite this acquisition of control, the Bidder is not obliged to make a mandatory offer to the STS-Shareholders, as the acquisition of control is directly related in time and fact to this Offer.

With the share purchase agreement and this Offer, the Bidder and the Bidder Parent Shareholders pursue the objective of creating a market leader for acoustic and thermal components and systems with a strong presence in the growing

market for plastic injection moulding fabrics and hard trim parts. In doing so, the Bidder and the Bidder Parent Shareholders intend to benefit from the growing markets for plastic injection moulding fabrics and hard trim parts.

The Bidder and the Bidder Parent Shareholders further intend (i) to support STS in its expansion into new geographic areas, (ii) to expand the STS' market offering from trucks to other areas and (iii) to combine the offering of soft and hard cladding parts.

The Bidder intends to propose, at the earliest at the end of the Additional Acceptance Period, to file an application for the revocation of the admission of all STS shares to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and to have the delisting application filed by STS.

The Bidder and the Bidder Parent Shareholders are convinced that STS, as an unlisted company, is best positioned for the future as part of the Adler Pelzer Group after completion of the Offer and that the delisting is in the interest of STS and the STS-Shareholders. The delisting will enable STS to make decisions independently of the special regulations to which listed companies are subject. Furthermore, the delisting enables the reduction of administrative costs associated with the maintenance of the stock exchange listing due to the additionally applicable legal provisions.

b. Intentions with regard to future Business Activity; Use of Assets; Financial Liabilities and Future Obligations; Governing Bodies of STS

The Bidder describes in Section 8.1 of the Offer Document that it and the Bidder Parent Shareholders do not intend to bring about any changes with respect to the Target's business, the use of its assets or its future obligations.

The Bidder and the Bidder Parent Shareholders have no intention regarding a dividend at STS for 2022.

Following the exercise of the Target's voting rights by the Bidder to discharge Mr Mathieu Purrey as former chairman of the Target's Management Board at the Target's Annual General Meeting on 23 July 2021 and the replacement of the Target's Management Board and Supervisory Board already having taken place, a successful completion of the Offer itself will not directly affect the composition of the Target's Management Board and Supervisory board. The Bidder and the Bidder Parent Shareholders do not intend to bring about any changes in the composition of the Management Board and the Supervisory Board after completion of the Offer.

c. Delisting

In Section 8.6.3 of the Offer Document, the Bidder states that it and the Bidder Parent Shareholders intend to propose an application for the revocation of the admission of all STS shares to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) at the earliest at the end of the Additional Acceptance Period and to have STS file the delisting application.

If STS files the delisting application and the Management of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) complies with the delisting application, the Management of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will revoke the admission of STS shares to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

In the event that the Management of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) agrees, STS shares not tendered during the Acceptance Period or the Additional Acceptance Period shall be traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the regulated market (*Regulierter Markt*) (General Standard) under ISIN DE000A1TNU68 until the revocation decision takes effect. Pursuant to Sec. 46 para. 3 of the Exchange Rules for the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the revocation of the

admission to trading pursuant to Sec. 39 para. 2 sentence 3 no. 1 BörsG shall regularly become effective three exchange days after its publication by the Management of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

The Bidder therefore combines the compensation offer to the STS-Shareholders required pursuant to Sec. 39 para. 2 sentence 3 no. 1 and para. 3 BörsG with this Offer directed at the acquisition of control in the Target in such a way that this Offer meets the requirements of the WpÜG for a Takeover Offer within the meaning of Sec. 29 para. 1 WpÜG and of the BörsG for a delisting-related compensation offer. In particular, the Offer is therefore not dependent on the occurrence of closing conditions and the Offer Consideration satisfies the minimum consideration requirements of Sec. 39 para. 3 sentence 2 BörsG.

The delisting of STS shares has the following consequences for STS-Shareholders:

- After the delisting, trading in STS shares on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will end. STS shares are not admitted to trading in a regulated market (*Regulierter Markt*) of another stock exchange in the Federal Republic of Germany or the European Economic Area. Therefore, STS-Shareholders will no longer be able to trade their STS-Shares on the regulated market (*Regulierter Markt*) of a stock exchange, which could affect the liquidity and price of the STS shares. Over-the-counter markets, if available at all, may also not have sufficient liquidity.
- With the delisting, a stock exchange price for STS shares will no longer be available on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
- The commencement or completion of the Offer, or the implementation of the delisting, could affect the liquidity and the stock exchange price of STS shares and/or lead to possible price losses.

- After the delisting, legal provisions, in particular transparency and reporting obligations, are no longer applicable to STS, the STS shares and STS-Shareholders. These regulations include, among others, Sec. 33 *et seqq.* and Sec. 48 *et seqq.* WpHG.
- After completion of the delisting, STS is no longer obliged to submit a declaration of compliance in accordance with the German Corporate Governance Code, as the German Corporate Governance Code is no longer applicable to STS.

d. Company Name; Registered Office

Pursuant to Section 8.5 of the Offer Document, the Bidder and the Bidder Parent Shareholders do not intend to effectuate a change regarding the registered office or a change or a closure regarding the location of significant parts of the business of the Target.

e. Employees, Employment Conditions and Employee Representations of STS and the Bidder

The Bidder states in Section 8.4 of the Offer Document that it and the Bidder Parent Shareholders do not intend to make any changes to the STS' employees and their currently non-existing representations, including their material terms and conditions of employment. However, after completion of this Offer, the Bidder and the Bidder Parent Shareholders will review any opportunities for the further development of the STS' business as well as any efficiency potential, including an analysis of the personnel situation.

f. Possible Conclusion of a Domination and/or Profit and Loss Transfer Agreement

In Section 8.6.1 of the Offer Document, the Bidder describes a possible structural measure in the form of the conclusion of a domination and/or profit and loss transfer agreement pursuant to Sec. 291 *et seqq.* AktG. It could enforce this at the Annual General Meeting of STS if, upon successful completion of the Offer, it held

a majority of 75% or more of the share capital of the Target represented at the Annual General Meeting of the Target and thus had the required voting and capital majority.

In the event of an effective domination agreement, the Bidder would be able to issue binding instructions to the Management Board of STS with regard to the management of STS and therefore exercise control over the management of STS. Conversely, the Bidder would be obliged to compensate for the annual net losses of STS under Commercial law to the extent that these cannot be compensated for by withdrawals from the other revenue reserves created during the term of the domination agreement.

As compensation for these comprehensive performance and instruction rights, the domination agreement would provide for a recurring compensation to be paid by the Bidder to the remaining STS-Shareholders by means of cash payments in a fixed or variable amount. In addition to the obligation to compensate, the domination agreement would have to obligate the Bidder to acquire the STS-Shares of the remaining STS-Shareholders at their request in return for compensation in the form of a cash payment.

For the determination of the amount of the cash payment to be granted as compensation for each STS Share as well as the amount of the recurring compensation payments, the circumstances at the time of the resolution by the Annual General Meeting of STS on the domination agreement would be decisive. The adequacy of the amount of the cash payment to be granted as compensation for each STS share or the amount of the recurring compensation payment can be reviewed in a judicial award procedure. The value of the compensation to be granted could be higher, but also lower than the Offer Consideration.

g. Possible Squeeze-Out

Another possible structural measure of the Bidder is the squeeze-out. If the Bidder reaches the respective thresholds after successful completion of the Offer, the

Bidder intends to consider effecting a transfer of the STS-Shares held by the remaining STS-Shareholders to the Bidder ("**Squeeze-Out**"). Further details on a possible squeeze-out in Section 15 of the Offer Document and Section 9.2 of the Statement.

h. No further Intentions and Objectives of the Bidder and the Bidder Parent Shareholders

The Bidder states in Section 8 of the Offer Document that it and the Bidder Parent Shareholders have no further intentions and measures other than those mentioned above with regard to the future business activity, the seat and location of material parts of the company, the use of the assets, future obligations, the employees and their representations, material changes to the terms and conditions of employment and the members of the governing bodies of the company. In addition, the Bidder Parent Shareholders have no intentions deviating from the Bidder's intentions.

6.2 Statement of the Management Board and the Supervisory Board on the probable Consequences of a successful Offer for STS and on the Objectives pursued by the Bidder

In the opinion of the Management Board and the Supervisory Board, the intentions of the Bidder set out in Section 7 and 8 of the Offer Document represent reasonable framework conditions for a successful implementation of the corporate transaction in the interest of the shareholders, employees and other stakeholders of STS.

a. Economic and Strategic Background

The Management Board and the Supervisory Board of STS have each come to the conclusion that the intended takeover is in the interest of STS, its shareholders, its employees and all stakeholders and at the same time creates economic stability as a basis for the operative business. Through the takeover, the Bidder and STS will be able to combine their forces in order to better and more efficiently counter, among others the rising raw material prices.

It should also be emphasised that STS will be able to reduce its dependence on existing customers as a result of the intended takeover and STS will thus have the opportunity to expand more strongly in the market.

The takeover of STS by the Bidder will create one of Europe's leading automotive suppliers with a business model which, in the opinion of the Management Board and the Supervisory Board of STS, is stable in the long term.

This is because the Management Board and the Supervisory Board are convinced of the industrial logic behind the Offer of a closer cooperation between the Adler Pelzer Group and STS. Due to its business positioning and orientation as well as its position as worldwide supplier of acoustic systems for the interior and exterior of vehicles, the Adler Pelzer Group is, in the opinion of the Management Board and the Supervisory Board, particularly suitable as a cooperation partner of STS, as the services and solution portfolios offered by the STS Group and the Adler Pelzer Group complement each other in a particularly valuable way. In the opinion of the Management Board and the Supervisory Board, the Adler Pelzer Group is the right strategic majority shareholder for the STS Group in order to further accompany the future growth and strategic orientation of the Company.

The Management Board and Supervisory Board of STS are also convinced that the innovations and developments in this field successfully initiated by STS so far can be even better implemented and further developed in the interests of the company with the Adler Pelzer Group as a strong partner. In the opinion of both governing bodies, a stronger cooperation by combining the solution portfolios and service competences will be a milestone for the reorientation of the entire industry.

b. Future Business Activity; Use of Assets; Financial Liabilities and Future Obligations; Governing Bodies of STS

The Management Board and the Supervisory Board welcome the fact that the Bidder and the Bidder Parent Shareholders do not intend to bring about any

changes with regard to the STS' business activities, the use of its assets or its future obligations.

The Management Board and the Supervisory Board note that the Bidder does not intend to bring about changes in the composition with regard to the Management Board and the Supervisory Board after successful completion of the Offer.

The Management Board and the Supervisory Board consider it positive that the Bidder recognises the successful strategy of STS and works within the scope of its legal possibilities to ensure that the business policy of the STS Group is maintained.

c. Delisting

The Management Board and the Supervisory Board consider the Bidder's intention to delist the shares of STS to be appropriate. With regard to the costs and effort associated with the listing on the regulated market, the Management Board and the Supervisory Board assume that a considerable amount can be saved in the event of a delisting, in particular through the elimination of listing fees, costs for being-public regulatory issues as well as costs for notifications and publications under capital market law in accordance with, *inter alia*, the Market Abuse Regulation. The regulatory burden of a listing leads to a limitation of management capacities. It is in the interest of STS to release the management capacities previously tied up for this purpose in favour of the operative business.

Also, in the light of alternative financing possibilities, namely the intra-group financing by the Bidder, the Management Board and the Supervisory Board are of the opinion that the independent financing of the Company via the capital market is not absolutely necessary. In addition, STS' access to the capital market has not been used by STS since the IPO, and it is not expected to be used in the future in view of the further reduction of the free float.

In case the Management Board files a delisting application with the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Management Board will also endeavour to terminate the inclusion of STS shares in all organised trading

platforms (among others the over-the-counter market). For STS-Shareholders who do not accept the Offer, the delisting of the shares may have a negative impact on acquisition and disposal opportunities or on the price to be achieved in the market for their STS-Shares. There is a high probability that, after successful completion of the Offer, the supply of and demand for STS shares will be lower than at present and that STS shares will at least partially lose their liquidity (see also section 9.2 of this Opinion on the possible consequences for STS-Shareholders who do not accept the Offer).

These disadvantages for STS-Shareholders who do not accept the Offer are not relevant insofar as the delisting does not deprive them of a legal position which is assigned to them by the legal system as being of private benefit and available to them - also according to relevant supreme court and Constitutional law jurisdiction. Rather, the delisting leaves the substance of the share ownership unimpaired in its element of Membership law and Property law. Accordingly, only the legal marketability is part of the substance protected by Art. 14 para. 1 of the German Basic Law (*Grundgesetz*), whereas the actual marketability is a simple income and trading opportunity.

These circumstances are also contrasted by aspects which mitigate these disadvantages:

For the benefit of STS-Shareholders, the reduction in liquidity of the STS shares held by them as a result of the delisting is offset by the possibility of immediate disinvestment offered by the Bidder through the Offer. The statutory provisions on the minimum consideration (Sec. 39 para. 3 sentence 2 BörsG in conjunction with Sec. 31 para. 1 and para. 7 WpÜG and Sec. 3 *et seqq.* WpÜG-AV; Section 5.7 of this Statement) ensure that the divestment leads to a compensation of withdrawing STS-Shareholders which is sufficient and accordingly appropriate from a legal point of view.

STS-Shareholders who do not accept the Offer will continue to enjoy the protection afforded to (minority) shareholders under the AktG even after a delisting. Corresponding protection mechanisms include general information and participation rights.

d. Company Name; Registered Office

The Management Board and the Supervisory Board acknowledge that the Bidder and the Bidder Parent Shareholders do not intend to effectuate a change regarding the registered office or a change or a closure regarding the location of significant parts of the business of the Target.

e. Employees, Employment Conditions and Employee Representation of STS and the Bidder

The Management Board and the Supervisory Board welcome the fact that the Bidder, for the time being, does not intend to make any changes to the employees of STS and their currently non-existing representations, including their material terms and conditions of employment. The Management Board and the Supervisory Board also welcome the Bidder's intention to review any opportunities for the further development of the STS' business as well as any efficiency potential after the successful completion of this Offer, including an analysis of the personnel situation.

f. Possible Conclusion of a Domination and/or Profit and Loss Transfer Agreement

The Management Board and the Supervisory Board agree that the Bidder in all likelihood will hold a majority of 75% or more of the STS' share capital represented at the STS' Annual General Meeting after successful completion of the Offer and will therefore have the required voting and capital majority. This is because the Bidder currently already holds approximately 73.25%.

The Management Board and the Supervisory Board note that, in the event of an effective domination agreement, the Bidder will issue binding instructions to the Management Board and the Supervisory Board with regard to the management of

STS and will therefore be able to exercise control over the management of STS. However, the Management Board and the Supervisory Board have each come to the conclusion that the exercise of the right to issue instructions will be in the interest of STS. The Management Board and the Supervisory Board agree that the Bidder will exercise its right to issue instructions in the interest of STS because the Bidder is regarded as a strong partner. The Bidder will bring STS economic stability, so that Bidder and STS can bundle their strengths.

The Management Board and Supervisory Board also point out the compensation for these comprehensive performance and instruction rights, will provide the remaining STS-Shareholders with a recurring compensation to be paid by the Bidder in a fixed or variable amount.

g. Possible Squeeze-Out

The Management Board and the Supervisory Board note that at the time of publication of the Offer Document, the Bidder intends to implement possible structural measures beyond the delisting, such as the conclusion of a domination agreement and/or profit and loss transfer agreement as well as a squeeze-out. Further information on the squeeze-out and on the possible effects in the event of non-acceptance of the Offer by STS-Shareholders in Section 15 of the Offer Document and in Section 9.2 of the Statement

h. Financial Effects on STS

The Management Board and the Supervisory Board point out that it cannot be ruled out that, as a result of a change of control, repayment liabilities of STS or termination rights of creditors of STS as well as certain further termination rights could be triggered after successful completion of the Offer. Such change of control clauses are contained, in particular, in STS' customer contracts. In order to minimise the risk of terminations, STS has already informed its customers with a termination right about the change of control as of the end of June 2021, as the change of control occurred at this point in time due to the *in rem* execution of the

share purchase agreement with Mutares. As of the date of the Statement, STS has received no notices of termination from customers due to the change of control.

i. No Other Intentions

The Management Board and the Supervisory Board welcome the fact that the Bidder currently has no further concrete intentions in connection with the successful completion of the Offer, in particular with regard to the effects on the business activity, the use of the assets or future obligations of STS, the size and composition of the Management Board of STS or on the employees of STS and their employment conditions.

The Management Board and the Supervisory Board note that the Bidder is of the opinion that a composition of the Management Board of STS in the minimum size required by law and the statutes, *i.e.* with one member, is sufficient to fulfil the tasks.

Against the background of the delisting, the Management Board and the Supervisory Board point out that, due to the elimination of internal expenses in connection with the stock exchange listing of STS, positions may have to be further reduced in some of the few remaining functional areas (in particular Investor Relations).

j. Statement of the Management Board and the Supervisory Board on the expected Consequences for Employees, Employment Conditions and Employee Representations of STS and the Bidder

The Management Board and the Supervisory Board also acknowledge with regard to Section 8.4 of the Offer Document and Section 6.2 lit. e of the Statement that, due to the structure of the Offer, (i) the successful completion of the Offer will not have any direct effects on the employment contracts and the employment conditions of the employees of the STS Group, (ii) the employment contractual relationships of the employees of the STS Group with the same employer will continue and (iii) there will be no transfer of parts of the business of STS. There can be no assurance that the aforementioned circumstances will continue in the medium and long term.

Likewise, the Management Board and the Supervisory Board assume that the completion of the Offer will also have no influence on employee representations, as there is currently neither an employee representation nor a works council at STS.

7. Intention of the Members of the Management Board and Supervisory, to the extent they are Holders of Securities of the Target, to accept the Offer

All members of the two governing bodies affirm that they neither hold STS shares at the time of this statement nor that they are entitled to receive them from existing share options. For the avoidance of doubt, it is pointed out that Mr Paolo Scudieri is the indirect majority shareholder of STS due to his shareholdings in GAIA Holding and Adler Plastic, which in turn holds a majority stake in Adlergroup (the sole shareholder of the Bidder).

In addition, the Management Board and the Supervisory Board point out that the notification of any intention to accept the Offer does not trigger any obligation under civil law to accept the Offer.

8. No Statement on the further Content of the Offer

With regard to further details, inter alia, on the content, the withdrawal options and the exercise of the right of withdrawal (Section 16 of the Offer Document), on the expected effects of a successful Offer on the net assets, financial position and results of operations of the Bidder (Section 14 of the Offer Document), on the announcement of results (Section 18 of the Offer Document) as well as on the technical acceptance and settlement modalities (Section 12 of the Offer Document) of the Offer, reference is made to the relevant statements in the Offer Document - without the submission of an own opinion in this regard.

The mandatory content of the Statement within the meaning of Sec. 27 para. 1 sentence 2 WpÜG is merely the assessment of the adequacy of the Offer, the expected consequences, the objectives pursued by the Bidder and the intention of the Management Board and/or the Supervisory Board to accept the Offer.

9. Effects on STS-Shareholders in the Event of Acceptance or Non-Acceptance

The following statements are intended to provide STS-Shareholders with information for evaluating the effects of accepting or not accepting the Offer. The following aspects do not claim to be exhaustive. Each STS-Shareholder is responsible for evaluating the effects of accepting or not accepting the Offer. The Management Board and Supervisory Board advise STS-Shareholders to seek expert advice in this regard, if necessary.

The Management Board and the Supervisory Board further point out that they do not and cannot make any assessment as to whether STS-Shareholders may suffer tax disadvantages (in particular any tax liability on a capital gain) or miss out on tax advantages as a result of accepting or not accepting the Offer. The Management Board and the Supervisory Board recommend that STS-Shareholders seek tax advice before deciding whether or not to accept the Offer, taking into account the personal circumstances of the respective shareholder.

9.1 Possible Effects in the Event of Acceptance of the Offer

STS-Shareholders who accept or have accepted the Offer will no longer benefit in the future from a possible positive development of the stock exchange price of STS shares or a positive business development of the company and its subsidiaries. Among other things, it cannot be ruled out that STS, as in the past, will also create value potential in - possibly also the near - future through acquisitions of companies and that the stock exchange price or the value of the shares will develop positively accordingly.

STS-Shareholders who accept or have accepted the Offer would not participate in this. On the other hand, STS-Shareholders who accept or have accepted the Offer also no longer bear the risks that may result from negative developments of the company.

Pursuant to the WpÜG, the Bidder is entitled to amend the Offer Consideration until one working day (*Werktag*) before the end of the Acceptance Period.

With the transfer of the STS-Share upon successful completion of the Offer, all ancillary rights existing at the time of completion, in particular the dividend

entitlement or the compensation payment entitlement, shall also be transferred to the Bidder.

Withdrawal from the acceptance of the Offer is only possible under the narrow conditions set out in Section 16 of the Offer Document and only until the expiry of the Acceptance Period. The STS-Shareholders are restricted in their freedom of disposition for the STS-Shares for which they have accepted the Offer. STS-Shares tendered for sale may no longer be traded on the stock exchange in accordance with Section 12.7 of the Offer Document as of the date of the transfer of the STS-Shares to ISIN DE000A3E5CU0.

If the Bidder, persons acting jointly with it or their subsidiaries acquire STS shares outside the stock exchange within one year after publication of the number of STS-Shares to which it or they are entitled after expiry of the Acceptance Period and STS-Shares resulting from acceptance of the Offer (Sec. 23 para. 1 sentence 1 no. 2 WpÜG) and if, in terms of value, a consideration higher than that specified in the Offer is granted or agreed for this purpose, the Bidder shall be obliged to pay STS-Shareholders who have accepted the Offer a consideration in the amount of the respective difference.

For off-market acquisitions against the granting of a higher consideration after the expiry of this post-acquisition period of one year, on the other hand, there shall be no such claim to subsequent improvement of the consideration under the Offer. Such a claim to subsequent improvement also does not exist in the case of share acquisitions in connection with a statutory obligation to grant compensation to STS-Shareholders. Moreover, the Bidder may also acquire STS-Shares on the stock exchange at a higher price within the aforementioned one-year post-acquisition period without having to adjust the consideration in favour of those STS-Shareholders who have already accepted the Offer.

STS-Shareholders who accept the Offer will not participate in any cash compensation of any kind which is payable by operation of law in the event of certain structural

measures implemented after the successful completion of the Offer (Section 8 of the Offer Document and Section 6.1 lit. f of the Statement). Any severance payments will generally be assessed on the basis of the total value of a company and may be reviewed in court proceedings. Such severance payments could correspond to the amount of the consideration, but could also be higher or lower.

9.2 Possible Effects in the Event of Non-Acceptance of the Offer

STS-Shareholders who do not accept the Offer and do not otherwise sell their STS-Shares remain shareholders of STS. However, they should note, inter alia, the statements of the Bidder in Section 15 of the Offer Document as well as the following:

They bear the risks and opportunities of the future development of the STS-Shares for which they do not accept the Offer.

a. Possible Reduction of the Free Float and Liquidity of STS Shares

The Bidder intends, at the earliest at the end of the Additional Acceptance Period, to propose an application for the revocation of the admission of all STS shares to trading on the regulated market (*Regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and to have the delisting application filed by STS.

Even if the delisting is delayed or does not take place, already the completion of the offer may lead to a further reduction of the free float. Therefore, there is a possibility that the supply of and demand for STS shares after completion of the Offer will be lower than at present and that, as a result, the liquidity of STS shares will decrease. Lower liquidity could lead to greater price fluctuations of STS shares and it is possible that buy and sell orders with respect to STS shares cannot be executed at short notice or at all.

Even if the delisting is delayed or does not take place, the completion of the offer could result in STS no longer fulfilling the criteria for the retention of STS shares established by the respective index creator. This could lead to the exclusion of STS

shares from a stock Index, which would lead to the expectation that, in particular, Index funds and institutional investors that track the respective Index in their portfolio would not acquire any further STS shares and would sell their STS shares held, unless they have accepted the Offer.

An increased supply of STS shares in conjunction with a low demand for STS shares could have an adverse effect on the stock exchange price of STS shares.

b. Possible qualified Majority of the Bidder in the Annual General Meeting of STS

After successful completion of the Offer, the Bidder could, in the event of the acquisition of 75% or more of the outstanding STS-Shares, have the necessary voting and capital majority to be able to enforce important structural measures under Company Law with regard to STS at its Annual General Meeting, in particular amendments to the statutes; capital increases; the exclusion of subscription rights of the remaining STS-Shareholders in the event of capital measures; the approval of inter-company agreements; and the conversion, merger and dissolution, including the so-called transferring dissolution.

In the event that the Bidder enters into a domination and/or profit and loss transfer agreement with STS, STS-Shareholders remaining in STS would not be in a position to influence important business decisions of STS.

Only some of the aforementioned measures would be subject to an obligation under German law for the Bidder to make an offer to the remaining STS-Shareholders, in each case on the basis of a company valuation of STS, which is to be substantiated by a valuation report and, if necessary, subject to judicial review in appraisal proceedings or other proceedings, to acquire their STS-Shares in return for an adequate compensation or to grant a compensation. Since this company valuation would be based on the circumstances existing at the time of the resolution of the Annual General Meeting of STS on the respective measure, a compensation offer could be higher in value but also lower than the Offer Consideration.

The implementation of some such measures could also lead to a termination of the existing stock exchange listing of STS shares.

c. Squeeze-Out

After successful completion of the Offer and achievement of the necessary prerequisites, various procedures are available to the Bidder to demand a transfer of the STS-Shares held by the remaining STS-Shareholders to the Bidder. The implementation of such a demand would also simultaneously lead to a final termination of the existing stock exchange listing of the STS shares.

The Bidder has at its disposal the squeeze-out under Conversion law, the squeeze-out under Stock Corporation law and the squeeze-out under Takeover law.

- If, after the successful completion of the Offer, the Bidder holds at least 90% of the voting share capital in accordance with Sec. 62 para. 1 and para. 5 of the German Transformation Act (*Umwandlungsgesetz*), the Bidder may resolve at the Annual General Meeting of the Target to transfer the STS-Shares held by the remaining STS-Shareholders to the Bidder or another company in return for an adequate compensation in connection with a merger. The compensation may be higher in value but also lower than the Offer Consideration (the "**Conversion Squeeze-Out**").
- If the Bidder directly or indirectly holds at least 95% of the voting share capital in accordance with Sec. 327a AktG after successful completion of the Offer or later, the Bidder would have the option at the Annual General Meeting of the Target to resolve on the transfer of the STS-Shares held by the remaining STS-Shareholders to the Bidder in return for an adequate compensation. The compensation may be higher in value, but also lower than the Offer Consideration (the "**Squeeze-Out under Stock Corporation law**").
- If the Bidder directly or indirectly owns at least 95% of the voting share capital of the Target after the successful completion of the Offer, it may,

within three months after the expiry of the Acceptance Period, file an application with the competent court for the transfer of the STS-Shares held by the remaining STS-Shareholders to the Bidder against adequate compensation in accordance with Sec. 39a para. 1 and para. 2 WpÜG. In this context, the Offer Consideration shall be deemed to be an adequate compensation if the Bidder has acquired at least 90% of the share capital of the Target affected by the Offer as a result of the Offer (the "**Squeeze-Out under Takeover law**").

The Bidder is obliged to publish the fact of the possibility of an application pursuant to Sec. 23 para. 1 sentence 2 no. 4 WpÜG on the internet at www.adlerpelzer-offer.com and in the German Federal Gazette (*Bundesanzeiger*). In this case, STS-Shareholders have a so-called right to tender pursuant to Sec. 39c WpÜG within three months of publication, *i.e.* the possibility to accept the Offer. For details on the exercise of the tender right, please refer to Section 15.4 of the Offer Document.

10. Waiver by the Employees of STS of the Right to make their own Statement

Pursuant to Sec. 27 para. 2 WpÜG, the works council or - if there is no works council - the employees of the Target have the right to submit their own statement on the Offer independent of the governing bodies of the Target and to have this statement published.

The Offer Document was submitted to the employees of the and by STS. STS does not have a works council, so that the employees are entitled to make a statement on their own. The right to make a statement applies to all employees of STS, but not to the employees of the subsidiaries.

Since the employees' right to make a statement is a right and not an obligation, the requirements for the justification of the statement are much lower than those for the Statement of STS.

The employees of STS may submit a statement on the offer to the Management Board, which the Management Board must attach to its Statement without prejudice to its obligation under Sec. 27 para. 2 and para. 3 sentence 1 WpÜG.

A corresponding statement by the employees was not submitted to the Management Board. There is also currently no interest on the part of the employees in submitting a statement. Should this change, the Management Board undertakes to subsequently publish the late submission of the employees' statement pursuant to Sec. 14 para. 3 sentence 1 WpÜG.

11. Recommendation

Against the background of the above statements and taking into account all overall circumstances, the Management Board and the Supervisory Board welcome the Offer from an entrepreneurial point of view. In particular, the Management Board and the Supervisory Board are also of the opinion that the Offer Consideration is adequate and can therefore recommend the acceptance of the Offer.

The above recommendation was unanimously adopted by the Management Board and the Supervisory Board. Reference is made to the disclosure of the alleged conflicts of interest in Section 5.8 of this Statement.

The Management Board and the Supervisory Board point out that each STS-Shareholder must make his or her own decision as to whether or not to accept the Offer and for how many STS-Shares, taking into account the overall circumstances, his or her individual circumstances and his or her personal assessment of the future development of STS, the stock exchange price and the value of the STS shares.

12. Important supplementary Information on the Statement of the Management Board and the Supervisory Board on the Offer

12.1 Legal Basis of the Statement

As the STS shares are listed in the General Standard of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and therefore in the regulated market (*Regulierter Markt*), the Offer is subject to the WpÜG. This Statement was published on 23 August

2021, *i.e.* without undue delay within the meaning of Sec. 27 para. 3 sentence 1 WpÜG after the Bidder's publication of the Offer on 09 August 2021, was transmitted to the employees of STS and the publication was notified to BaFin on 23 August 2021. STS-Shareholders may rely on the protection afforded by the WpÜG within its scope and on compliance therewith and may derive or assert claims from or in connection with the WpÜG.

As the Offer and the settlement of the Offer are subject to the WpÜG, the Management Board and the Supervisory Board are obliged pursuant to Sec. 27 para. 1 and Sec. 14 para. 3 WpÜG to publish a reasoned Statement on the Offer and on each of its amendments. Therefore, the Management Board and the Supervisory Board are in particular obliged to address in such statement (i) the type and amount of the consideration offered, (ii) the expected consequences of a successful Offer for STS, the employees and their representative bodies, the employment conditions and the locations of STS, (iii) the objectives pursued by the Bidder with the Offer, and (iv) the intention of the members of the Management Board and the Supervisory Board, to the extent they are holders of securities of STS, to accept the Offer.

The Management Board and the Supervisory Board have decided on a joint statement with respect to the Offer.

12.2 Factual Basis of this Statement

Die STS-Shareholders are advised that all information, forecasts, assessments, evaluations, forward-looking statements and declarations of intent contained in this Statement are based on or derived from the information available to the Management Board and Supervisory Board on the date of publication of this Statement or reflect their assessments or intentions existing at that time. These information, estimates and intentions may change after the date of publication of this Statement.

The Management Board and the Supervisory Board are obliged to issue a further Statement if the Bidder makes changes to the Offer Document within the meaning of Sec. 21 para. 1 sentence 1 WpÜG and also to publish this further Statement without

undue delay pursuant to Sec. 27 para. 1 sentence 1 WpÜG. Furthermore, the Management Board and the Supervisory Board assume the obligation to update this Statement to the extent such updates are mandatory under German law.

Forward-looking statements express intentions, beliefs or expectations and involve known or unknown risks and uncertainties because such statements relate to events and depend on circumstances that will occur in the future. Words such as "may", "should", "aim", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "determine" or similar expressions indicate forward-looking statements. The Management Board and Supervisory Board assume that the expectations contained in such forward-looking statements are based on justified and comprehensible assumptions and, to the best of their knowledge and belief, are accurate and complete as of today's date. The actual development of STS and the STS Group may deviate significantly from the assumptions and expectations expressed herein due to various factors. For example, changes in the general or industry-specific economic situation, developments on the financial markets, changes in the competitive situation, changes in the law, shareholder behaviour and other factors may have an influence on the actual development of the STS Group.

Unless expressly stated otherwise, all statements made in the Statement on the Bidder and its Offer are based on publicly available information, in particular on the Offer Document, the accuracy of which is not guaranteed. Furthermore, the members of the Management Board and the Supervisory Board are not in a position (i) to assess the correctness of the opinions and intentions of the Bidder set out in the Offer Document, insofar as they do not relate to STS Group or (ii) to influence the implementation of these intentions of the Bidder and to ensure their implementation or (iii) to ensure that the intentions of the Bidder cannot change at a later point in time and that the intentions of the Bidder published in the Offer Document can be implemented.

To the extent that this Statement refers to or quotes or reproduces the Offer Document, such references are merely indications by which the Management Board

and the Supervisory Board neither adopt the Offer Document of the Bidder as their own nor assume any responsibility for the accuracy or completeness of the Offer Document.

Unless expressly stated otherwise, all time information in this Statement is given in Frankfurt am Main local time (CEST). The currency designation "EUR" or "Euro" refers to the currency of the European Union. Where terms such as "at this time", "on this date", "currently", "at present", "now", "presently" or "today" are used, they refer to the date of publication of this Statement, *i.e.* 23 August 2021, unless expressly stated otherwise.

12.3 Publication of this Statement

This Statement and any amendments thereto, as well as all opinions on any amendments to the Offer, will be published in German on the internet on the Company's website at www.STS.group in the Investor Relations section under Publications in accordance with Sec. 27 para. 3 and Sec. 14 para. 3 sentence 1 WpÜG. Copies of the Statement will also be made available free of charge at STS, Investor Relations, Zeppelinstraße 4, 85399 Hallbergmoos, Germany (requests by e-mail to ir@STS.group, stating a full postal address). Announcement was made to the publication and availability of the for free issue in the German Federal Gazette (*Bundesanzeiger*) on 23 August 2021.

The Statement and any additional comments on any amendments to the Offer will be published in German only in a binding form and in English in a non-binding form. No guarantee is given for the correctness and completeness of the English translation. Only the German version is binding.

12.4 Independent Examination by STS-Shareholders

The description of the Bidder's Offer contained in this Statement does not purport to be complete. Only the provisions of the Offer Document are authoritative for the content and completion of the Offer. The assessments made by the Management Board and the Supervisory Board in this Statement are in no way binding on STS-

Shareholders. It is the responsibility of each STS-Shareholder to take note of the Offer Document, to form his or her own opinion on the Offer, taking into account the overall circumstances, his or her individual circumstances (including his or her personal tax situation) and his or her personal assessment, taking into account the future development of the value and the stock exchange price of the STS shares, and to decide whether and, if so, for how many of his or her STS-Shares he or she will accept the Offer.

Irrespective of whether STS-Shareholders accept the Offer, each STS-Shareholder is responsible for complying with the terms and conditions described in the Offer Document.

In deciding whether to accept or not to accept the Offer, STS-Shareholders should make use of all sources of knowledge available to them and give sufficient consideration to their individual concerns. In particular, the individual circumstances (including the personal tax situation) of each STS-Shareholder have not been taken into account by the Management Board and the Supervisory Board when making the recommendation to accept the Offer. The Management Board and Supervisory Board do not assume any responsibility for the decision of STS-Shareholders. The respective individual, in particular tax, circumstances of the individual STS-Shareholders may in individual cases lead to valuations that deviate from those of the Management Board and Supervisory Board. The Management Board and Supervisory Board therefore recommend STS-Shareholders to obtain individual tax and legal advice, if necessary.

The Management Board and Supervisory Board point out that they are not in a position to verify whether STS-Shareholders, by accepting the Offer, are acting in accordance with all legal obligations that affect them personally.

In particular, the Management Board and Supervisory Board recommend that all persons who receive the Offer Document outside the Federal Republic of Germany or who wish to accept the Offer but are subject to the Securities laws of a jurisdiction

other than of the Federal Republic of Germany inform themselves about and comply with such laws.

The Bidder states in Section 1.1 of the Offer Document that the Offer will be made exclusively under German law. With the Offer Document, the Bidder is not making a public offer under any law, in particular the law of the United States of America, other than the law of the Federal Republic of Germany.

Hallbergmoos, 23 August 2021

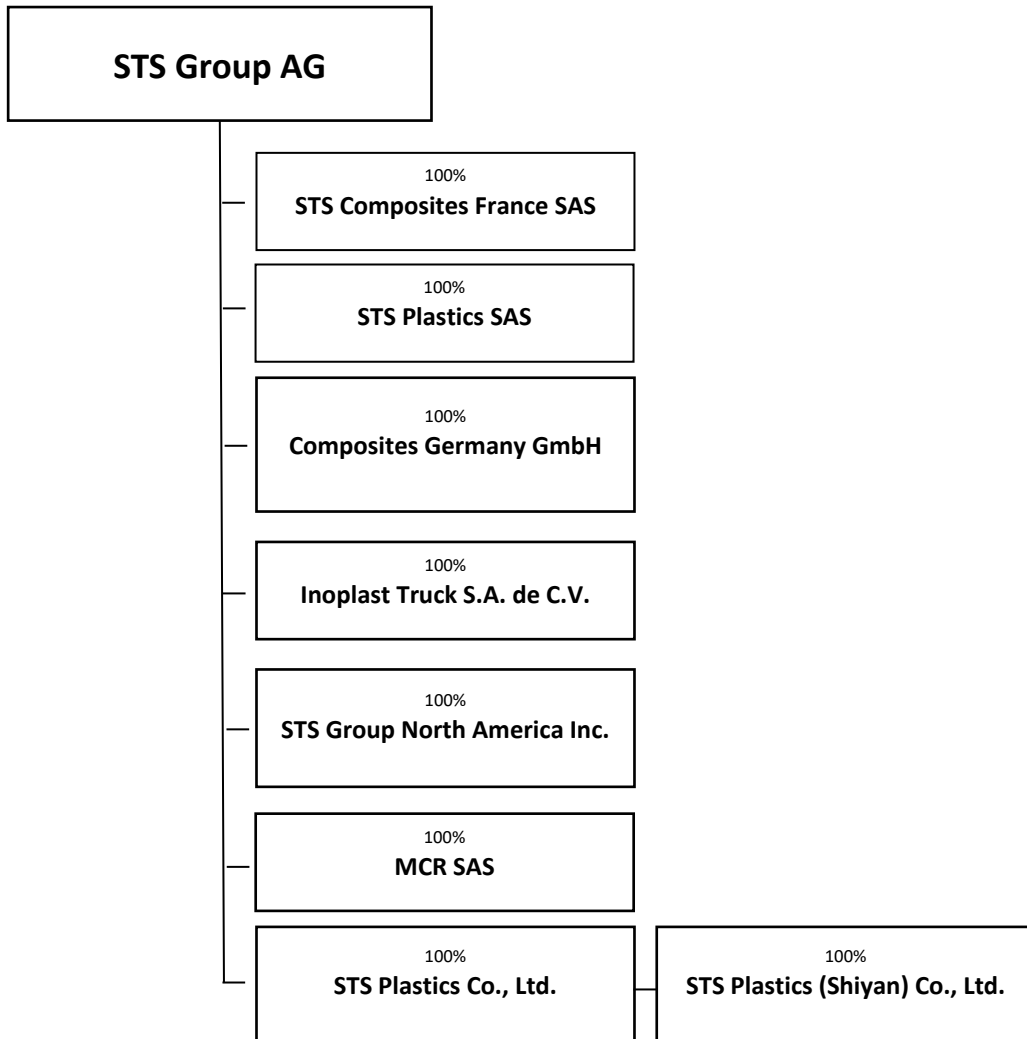
STS Group AG

Management Board

Supervisory Board

Annex 1

List of all subsidiaries of STS



Annex 2

Fairness Opinion

Confidential

Attn Management Board and Supervisory Board of
STS Group AG
Zeppelinstraße 4
85399 Hallbergmoos

23 August 2021

Please note that this translation of the German Opinion Letter is for convenience purposes only. This translation does not give rise to any claims or entitlements. We assume no responsibility for misunderstandings or misinterpretations that may arise from or in connection with this translation or any mistakes or inaccuracies contained herein. In cases of doubt, only the German original Opinion Letter shall form the basis for any interpretation. Only the German Opinion Letter is valid and legally binding.

**Opinion on the Financial Adequacy of the Voluntary Public Takeover Offer and Delisting Acquisition Offer of Adler Pelzer Holding GmbH to the Shareholders of STS Group AG -
Opinion Letter**

Dear Sirs,

we have been requested by the Management Board of STS Group AG to render an opinion with respect to the fairness, from a financial point of view, of the Consideration on the occasion of the voluntary public takeover offer and delisting acquisition offer pursuant to sections 10 et seqq. in conjunction with Sections 29 et seqq. of the German Securities Acquisition and Takeover Act – "Wertpapiererwerbs- und Übernahmegesetzes"-(hereinafter "WpÜG") and section 39 para 2 sentence 3 No 1 BörsG of Adler Pelzer Holding GmbH with registered office in Hagen to be received by the shareholders of STS Group AG. In this context the consideration offered corresponds to an amount of **EUR 7.31 per share**.

Our assessment serves the sole purpose of informing the management board and the supervisory board of the company in conjunction with the preparation of a statement pursuant to Section 27 WpÜG. It does not replace an independent assessment of the offer price by the company's corporate bodies. It does not contain a recommendation to accept or reject the offer. Furthermore, it does not include an assessment of whether the opinion pursuant to section 27 WpÜG is complete

and correct and whether the terms and conditions of the transaction comply with the legal requirements.

We issue our opinions in accordance with general professional duties and in compliance with the principles for the preparation of fairness opinions- „Grundsätze für die Erstellung von Fairness Opinions“ as an impartial and independent third party laid down in the standard of the institute of public auditors in Germany S 8 – “Standard des Instituts der Wirtschaftsprüfer S 8” (as of January 17, 2011). Accordingly, it is our task to assess whether the consideration offered is financially appropriate within the meaning of IDW S 8, taking into account the procedures set out in IDW S 8.

The scope of our examination and work does not include an audit or review of information provided to us by the company or third parties. The scope and objectives of this opinion and the examinations performed for it differ substantially from those of an audit of annual financial statements, due diligence, a business valuation within the meaning of IDW S1 "Grundsätze zur Durchführung von Unternehmensbewertungen" or similar activities. Accordingly, this fairness opinion does not constitute an audit opinion or any other form of attestation or assurance with respect to the financial statements or business planning. We therefore do not assume any responsibility for the occurrence of the planning or the assumptions and premises on which it is based.

For the performance of the engagement and our responsibility, also in relation to third parties, the General Engagement Terms for German Public Auditors and Public Audit Firms as amended on January 1, 2017, attached to this Fairness Opinion, are authoritative. We point out that our possible liability towards all recipients of the report is limited in total to the amount agreed on with our client.

1. Adequacy of the offer price within the meaning of this Fairness Opinion

The term “fairness” is not defined in the German Securities Acquisition and Takeover Act. – “Wertpapiererwerbs- und Übernahmegesetz“ According to IDW S 8, financial adequacy exists if the consideration offered per share is within a range of values determined on the basis of capital value methods and comparable transaction prices of the corresponding share.

2. Assessment Date

Assessment date is August 23rd, 2021.

3. Order Implementation and Information Basis

We performed our work in August 2021 in our office in Bonn. The central basis of our examination regarding the financial adequacy of the consideration was essentially the following information:

- Budget of STS Group AG for the period 2021 to 2025,
- Investment plan for the financial years 2021 to 2025,
- Annual reports for the financial years 2018 to 2020,
- IHS market data,
- Documents outlining the planning assumptions.

In addition, we have taken into account publicly available information in our work, e.g. from financial information service providers such as Bloomberg and Thomson Reuters.

In the process of performing the engagement, we also held various discussions with the executive board of STS Group AG and with persons appointed by it to provide information. The discussions focused on the company's assessments of the business performance to date as well as the future development and the company's planning based thereon. We point out that the preparation of the planning calculations used in the context of the fairness opinion as well as the underlying facts, assumptions and premises are the sole responsibility of STS Group AG.

4. Benchmarks for the Assessment of Financial Adequacy

We have applied the following procedures to determine the range of values based on capital value methods and comparable transaction prices, which form the basis for the assessment of appropriateness:

4.1. Capital Value Method

As part of our valuation considerations, we have applied the discounted cash flow method ("DCF method") within the meaning of IDW S 8, using the so-called gross or WACC approach. The total capital value ("Enterprise Value") is determined by discounting the so-called free cash flows. The latter conceptually represent the cash flow to which the providers of equity and debt capital are jointly entitled. The basis for our considerations was the budget of STS Group AG for the years 2021 to 2025. The cash flows derived on this basis were discounted using a capitalization interest rate equivalent to the term and risk. The reconciliation to the relevant equity value was carried out within the scope of these considerations with reference to corresponding financial figures of STS Group AG.

4.2. Market Price Method

As a market price-oriented method, we have applied the multiple valuation method based on key figures of comparable listed companies (so-called trading multiples) and the multiple valuation method based on key figures of comparable company transactions (so-called transaction multiples).

When applying valuation methods based on performance indicators (e.g. EBITDA or EBIT) of comparable listed companies, total capital values (or ranges for the total capital value) result as the product of a representative earnings figure of the company with corresponding earnings multiples of the comparable companies. The multiple is derived from the ratio of total capital values (derived from market capitalization) to (current or expected) earnings figures of the peer companies.

When applying the value determination methods based on key performance indicators of comparable companies or shares in companies traded at short notice, the total capital values result as the product of a representative earnings figure of the company with the multiple based on the ratio of the corresponding purchase prices to various key performance indicators.

4.3. Analysis of Other Capital and Transaction Market-related Information

In addition, we have analyzed the following capital and transaction market-related information:

4.3.1. Stock Market Price

As further capital market-related information, we have included the stock market price of the company's shares in our assessment. Due to the possible influence of the offer process on the stock market price, we analyzed the stock market price for various periods. The regulations of the "WpÜGAngebotsverordnung" were followed.

Special factors that may have an impact on the share price performance have been acknowledged in the analysis.

4.3.2. Target Share Price

As further information, we have analyzed the price targets published by financial analysts in relation to the stock market price of the company's shares in the period from February to August 2021.

5. Summarizing Statement

Based on the work performed by us in accordance with IDW S 8, we conclude that the consideration offered in the amount of EUR 7.31 per share of STS Group AG is financially appropriate within the meaning of IDW S 8.

Kind Regards



Dr. Torsten Kohl



Jan König

General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017

DokID:

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*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 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 expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these 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 written agreement.

(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 provided as well as the explanations and statements, in a written statement drafted 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 writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. 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 written consent, 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 the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims 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, the liability of the German Public Auditor for claims for damages of any other kind, 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*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) 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.

(5) An individual case of damages within the meaning of paragraph 2 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. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written 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.

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, 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 written consent 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 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, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, 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.

(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, valuation assessments for property units, wealth tax, 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, capital transactions 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.