



Audit Report and Certification of the Software Outboard DataFridge

Release Version 2002

Datavard AG, Heidelberg

May 2020

1. Assignment and Execution

With the conclusion of the contract dated August 11th, 2019 we were requested by

Datavard AG,

– following in short „Datavard“ or „Client“ –

with the audit of the regulatory compliance of the software

Outboard DataFridge

Release Version 2002

– following in short „DataFridge“ or „DF“ –

developed by Datavard

The objective of the audit was to determine with sufficient certainty whether DataFridge, when used properly, enables data archiving in accordance with the German commercial and tax law compliance and security requirements listed in section 2.2.

The subject of the audit were the following functionalities of the DataFridge software:

- Data extraction from the SAP system to be shut down to the temporary storage
- Importing data from the temporary storage into the archive memory
- Access possibilities to archived data via the DataBrowser,
- Defining, managing and enforcing retention periods via Retention Management
- Preparation of a log to ensure the traceability of the archiving process
- Accompanying internal program controls (input, processing and output controls, access protection, validation functionalities)

Additional functionalities, especially the mass download functionality of the DataBrowser, were not subject of the audit.

The company's legal representatives are responsible for the DataFridge software in release version 2002 and for planning, implementing and monitoring the development of the software. This responsibility is not affected by our audit.

This audit report and the certificate (see section 5) present the results of our audit of the software.

The engagement is based on the General Conditions of Engagement (AAB) for auditors and audit firms in the version dated 1 January 2017, attached as Annex 1.

In addition to the maximum liability of EUR 4 million mentioned in No. 9 (2) of the AAB, KPMG is liable for negligently caused damages amounting to EUR 5 million.

The amount of EUR 5 million referred to in point 9(5) of the AAB remains unchanged.

Extensions of liability do not apply to damages for which a maximum liability amount is regulated by law.

The above limitation of liability applies to all addressees (addressees in the sense of this provision are the client and all third parties who have gained access to the work results under the above-mentioned conditions) who, as joint and several creditors in accordance with § 428 of the German Civil Code, can only claim this liability once. The distribution of the liability amount is to be determined exclusively by the addressees; there is no obligation to inform KPMG of the agreed overall creditor settlement. The validity and amount of the limitation of liability cannot be contested on the grounds that such an agreement among the addressees could not be reached.

2. Audit Scope

2.1. Audit Subject

The subject of the audit was the software described in detail in section 3.1 and developed by Datavard, the Outboard DataFridge. DataFridge is a software based on the ABAP programming language, with which tables can be extracted from an SAP system that is to be shut down and archived and viewed in a WORM storage via another SAP system, the so-called control system.

DataFridge is an end-to-end solution that automates ERP archiving and system shutdowns, helping to save storage space, maintenance costs and manual effort. The integrated approach to data management includes both the actual archiving and the data retention or deletion.

The archiving process can be divided into two sections. First, the data to be archived is extracted from the SAP system to be shut down. This is done using the FEX component of DataFridge, which is installed and executed on the system to be shut down. Data that is required for archiving (for example, table structures or table contents) is extracted from the source system in the form of CSV files to a temporary storage, the "landing zone", whose form can be freely selected by the customer. In the next section, the extracted files are imported into the archive storage. Another SAP system, called the control or monitoring system, is used to execute the other DataFridge archiving functions, which are used to import table structures first and then the actual table contents into the archive storage.

The second step includes functionalities of DataFridge with which archived data can be accessed and which ensure compliance with legal retention periods in the archive storage. The archived data can be accessed via the control system using the Data Browser functionality of DataFridge. Retention Management (RMX) functions can be used to define retention periods and to plan and execute jobs for identifying and deleting data whose retention period has expired. In addition, data whose retention period has expired can be excluded from deletion if it must remain accessible, e.g. for an ongoing legal case.

The following functions and aspects of DataFridge were subject of this audit:

- Software development and release procedures, including the quality assurance (QA) measures used
- Program functions, consisting of:
 - Processing functions:
 - Data extraction from the SAP system to be shut down to the temporary storage
 - Importing data from the temporary storage into the archive storage
 - Access options to archived data via the DataBrowser
 - Defining, managing and enforcing retention periods via Retention Management
 - Logging functions:
 - Preparation of a log to ensure the traceability of the archiving process
- The internal program controls, consisting of:
 - General controls:
 - Input controls
 - Processing controls
 - Output controls
 - Program-specific functionalities for testing the completeness and correctness of the archiving process
 - Settings and functionalities regarding software security
- The process documentation of DataFridge provided by Datavard

4. Management Summary

The objective of the audit was to determine whether data archiving performed with DataFridge, including the corresponding indexing, storage and retrievability of electronic documents, when used properly, meets the criteria of compliance (in particular completeness, correctness and traceability) in order to be able to meet the legal requirements for storage.

Our testing procedures related to the essential characteristics of the above-mentioned functions and to compliance with the criteria mentioned in section 2.2.

The audit comprised the following steps:

- Gaining an understanding of the subject of the audit, including the process documentation
- Assessment of the software development process and process documentation
- Audit of the appropriateness of the program functions
- Audit of the functionality of the program functions including software security

The program functions we have tested are appropriate and meet the legal requirements and other criteria defined in section 2.2. The process documentation is comprehensible to an independent third party within a reasonable time. In our opinion, sufficient controls are implemented in the software development process of Datavard AG to minimize the risks of improper implementation of software development requirements.

In summary, we can conclude:

In our opinion, based on the findings of our audit, the software product DataFridge, Release Version 2002, enables data archiving in accordance with generally accepted accounting principles, including appropriate indexing, storage and retrieval of electronic documents, and meets the criteria listed in section 2.2.

Information for Users:

Section 7 of this audit report contains instructions for the user that should be considered when ensuring the proper use of the software product. In particular, the following should be noted by the user:

- The user is responsible for the proper definition of the retention periods in DataFridge and thus for the compliance with the requirements of §257 para. 5 HGB and §147 para. 4 AO. Accordingly, the user has to take into account that the retention period in DataFridge starts from the creation/investment date of a document, but the start of the legal retention period starts with the end of the calendar year in which the last entry in the trading book was made, the inventory was prepared, the opening balance sheet or the annual financial statement was adopted, the individual financial statement according to § 325 para. 2a or the consolidated financial statement was prepared, the trading letter was received or sent, or the posting document was created.
- Proper use also means that the user does not make any manual changes to the CSV files on the temporary storage that contain the data extracted from the source system and are to be imported into the archive storage.
- Furthermore, proper use requires the user to exercise the optional hash value comparison to test the completeness and correctness of data archiving.