

GRAPHITE INTERNATIONAL B.V.

at Rotterdam

Annual report over the period

1 April 2020 till 31 March 2021

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To the Shareholders and Board of Directors of
Graphite International B.V.
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4818 CL Breda The Netherlands

RSM Netherlands Accountants N.V.

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Utrecht, 28 June 2021
Ref.: 19765/2021

Dear Sirs,

Following your request we have audited the financial statement of Graphite International B.V., Rotterdam, over the period 1 April 2020 as at 31 March 2021, included in this report, on 28 June 2021 we have issued our audit opinion on these financial statement. Our audit opinion is included under paragraph Other Information.

General

Appropriation of the result for the period 1 April 2019 till 31 March 2020

The net profit of the period 1 April 2019 till 31 March 2020 has been added to the other reserves in accordance with the decision of the General Meeting of Shareholders, following the proposed result appropriation included in the annual accounts 2019/2020.

Proposed appropriation of the profit for the period 1 April 2020 till 31 March 2021

Due to legal and statutory obligations the loss is not at the free disposal of the General Meeting. Therefore the loss is deducted from the other reserves.

Fiscal position

Corporate income tax(current)

Graphite International B.V. is independently taxable for 2020/2021 corporation taxes. The company taxable amount (excluding deferred tax asset) has been calculated as follows:

	2020/2021
(in euros)	
Income before taxes	-3.433.408
Add:	
Depreciation not deductible for tax purposes	1.622.994
German withholding tax	40.190
Taxable amount	<u>-1.770.224</u>
Carry-back loss 2019-2020	<u>1.661.889</u>
Fiscal loss	<u>-108.335</u>

Calculation corporate tax

16,5% of € 49.810	8.218
19% of € 150.190	28.536
25% of € 1.461.80	365.473
Receivable corporate tax	<u>402.227</u>

The taxes on income in the consolidated profit and loss account for 2020/2021 can be specified as follows:

	2020/2021
Taxes on income entity in The Netherlands	-402.227
GAAP Difference	5.202
Taxes on income entities in Germany	140.569
Deferred tax asset Germany	42.610
	<u>-213.846</u>

Please do not hesitate to contact us if you require further details.

Yours sincerely,
RSM Netherlands Accountants N.V.,
for and on behalf of,

WAS SIGNED

drs. M. Hammer RA

Management Board Report

Management Report for 01-April-2020 to 31-March-2021

1. The Company is a wholly owned subsidiary of Graphite India Limited, India.
2. Graphite International B.V. is a holding company, managing and financing its subsidiaries and exploring its trademarks and patents. The Company trades in raw materials and goods, and provides (under lease agreements) machinery and equipment related to the graphite and carbon industry. The Company will persevere in its efforts to explore further opportunities in this line of business.

The Company is the owner of trademark 'COVA' and Graphite Electrodes manufactured by the German subsidiary are marketed under this brand.

Earnings by way of Trademarks was Euro 308,861.71 during the year.

The Company has not made any further investment in the shares of General Graphene Corporation (GGC) in which it owns 39,427% of stake as at reporting date. GGC is domiciled in USA and is not listed. GGC is involved in development of Graphene based applications for commercial purposes. It is yet to commence commercial production and is in development phase.

Hence, GGC still remains an associate of the Company.

3. Subsidiaries/Associates:

The following are the four subsidiaries of the Company, based in Germany, (hereinafter referred commonly as the Graphite Cova Group Companies):

- Graphite Cova GmbH
- Bavaria Electrodes GmbH
- Bavaria Carbon Specialities GmbH
- Bavaria Carbon Holdings GmbH

General Graphene Corporation, USA is an associate of the Company.

4.

Financial Performance:

The financial performance of the Company is given in the following Table -

Particulars	Graphite International B.V.		All figures in thousand Euro Graphite International B.V. Group	
	2020-21	2019-20	2020-21	2019-20
INCOME				
Revenue from operations	309	585	15,297	57,559
Other Income	47	0	842	939
Total Revenue	356	585	16,139	58,498
Less: Operating expenses	2,259	163	45,531	57,981
Profit/(Loss) before Finance Cost and depreciation	(1,903)	422	(29,392)	517
Less : Finance Cost /Finance Income	(92)	(1,182)	(81)	(1,315)
Profit/(Loss) before depreciation and tax	(1,811)	1,604	(29,311)	1,832
Less : Depreciation	1,623	1,104	2,220	2,004
Profit/(Loss) before taxation	(3,434)	500	(31,531)	172
Share of Profit/(Loss) in Associates/Subsidiaries	(29,478)	(1,627)	(1,163)	(880)
Less: Provision for taxation	(432)	406	(214)	481
Profit/(Loss) for the year	(32,480)	(1,533)	(32,480)	(1,533)

Out of available capacity of 17,500 MT of Electrodes, the Group produced 5,653 MT (p.y. 5,371 MT). FY 2020-21 continued to witness lower demand and depressed prices which started somewhere in mid-2019. Re-availability of low cost Chinese Electrodes was the primary reason behind such low demand for Electrodes in the European region.

The other income decreased mainly on account of lower insurance claim proceeds.

The operating expenses increased mainly due to consumption of old high cost inventory.

The consolidated net loss consists the loss of an associate of Euro 1,163 K.

5. Discussion on Operation of Subsidiaries:

The manufacturing facilities of Subsidiary Companies comprise two divisions namely Graphite Electrodes and Graphite Specialties, all located in Roethenbach, Germany. The Graphite Electrodes division manufactures Graphite electrodes for use in Electric Arc Furnace (EAF) based steel mills. The Specialties division manufactures graphite/carbon based machined components, crucibles, therapeutic carbon, carbon brushes, heating elements, pumps, bricks and a host of other products for a variety of applications in chemical, electrical, electronic and mechanical engineering industries.

The Coating renders a high-tech and an inimitable anti-oxidation surface coating for graphite electrodes which significantly improves the performance of the electrodes while in use in the EAF steel mills.

According to first calculations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) was 5% lower in 2020 than in the previous year. The German economy has been hit by the Pandemic. Thus the longest period of growth in united Germany came to an end.

It is expected that several stimulus packages will support the recovery process in 2021 and 2022. In addition Climate Change packages are also aimed to stimulate the industrial growth.

Global crude steel production reached 1.864 million tonnes (Mt) for the year 2020, thus was about 0,9% lower compared to 2019.

The EU produced 138.8 Mt of crude steel in 2020, a decrease of 11.8% compared to 2019. Germany produced 35.7 Mt of crude steel in 2020, down 10.0% on 2019.

6. Borrowing facilities of Subsidiary companies from Banks:

The working capital limit from Citi bank was TEUR 10,000 as at 31st March, 2021. Total utilization of fund based limits from bank was TEUR Nil throughout the year.

The Group invests surplus USD cash in fixed term deposits as well as global funds to keep its risks hedged at the same time by optimizing returns. The risks arising due to foreign currency fluctuations are dealt by way of natural hedging.

7. Dividend:

No dividend is proposed for the year.

8. Outlook:

For the business year 2021/2022, the Subsidiary expects a prices to increase and expects sales around Euro 50 to 60 Million. However, a negative annual net result of approx. Euro 5 to 7 Million before tax is expected.

It cannot be excluded that the actual business may diverge from expectations, because of some unforeseeable developments in the economic and commercial environment of the market due to the corona virus pandemic.

Number of employees expected to be remain same during FY 2020-21 also.

Research and development activities are being carried out by the Parent Company on an ongoing basis. Major initiatives are in the area of raw materials, productivity, process development and in reduction of carbon emissions.

9. Covid-19

The Subsidiary has continued with its proactive approach to the COVID-19 crisis. The Company has always introduced protective measures at an early stage and always adopted to the changed situation.

Thus the impact of COVID 19 to our employees, customers and our operations as remained on a very limited and low level.

First signs of improvement in demand have been noticed already. The implemented Short Work Scheme has ended in January 2021 with preparations to restart production in Green-Shop.

10. Environment

The changes in environmental regulations driven by the climate change initiative will further drive and influence the Subsidiary's commercial success and investments in this area.

11. Employee Level Interest

The Subsidiary continuously engages itself in employee related interests. It ensures that the compensation packages for individuals are up to normal industry standards as well as ensures that these individuals are always up to date with respect to the skills required of them. Fire Training is constant at our facility as well as other workshops for skill upgradation. In FY 2020-21, the following trainings were held

- Training on Heat exchangers was provided to employees of Speciality division in co-ordination with Graphite India.
- Robot Programming training was done for some employees in Electrodes Machine Shop
- Course on CAD and CAM was done for employees in Specialities Machine Shop
- Seminar on Year end change was conducted for employees in HR through AOK
- Seminar on Energy for employees looking after Energy related matters

11. Human Resources:

The Management wishes to place on record its appreciation of the contribution made by employees at all levels. The total strength of employees was 179 Numbers during 2020-21. The personnel and social security for all employees of the company is organized on the basis of the requirements of the applicable German Law.

12. Composition Board of Managing Directors and Supervisory Board:

In 2020, the composition of the Board of Managing Directors did not change compared to 2019. As a consequence the gender diversity is unbalanced considering the new legislation pertaining the Act on Management and Supervision. This act provides guidelines for board positions held by women and men (at least 30%). The Company is willing to increase the number of female members if a qualified candidate shows up.

13. Risks and Concerns:

The Subsidiary sells products primarily to the EAF steel manufacturing industry. Steel industry historically has been highly cyclical and is affected significantly by general economic conditions. Significant customers for the steel industry include companies in the automotive, construction, appliance, machinery, equipment and transportation industries, which are industries that were negatively affected by the general economic downturn and deterioration in financial markets, including severely restricted liquidity and credit availability. The global market for graphite electrodes is in a consolidation phase.

The consolidation and restructuring of the Graphite Electrode market is continuing. China is increasing its production foot print within Europe, by the takeover of former SGL Plant Narni, in Italy, and building a new facility in Croatia. This will further increase the pressure on COVA to operate on a global scale.

In 2017, SGL decided to sell its electrode production. The plants in Europe and Malaysia were sold to SDK and the plants in the U.S. were sold to Tokai, Japan. This way a new giant emerged - SDK - with approx. 255,000 MT of electrode production.

Because of the reduced total demand for electrodes in Europe and the continuously growing import of Chinese electrodes in this market in the past, the Company has started extending the market outside Europe. The increased share of sales to customers outside of Europe has shown first positive results. The

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Company markets Graphite Electrodes under the brand name of 'COVA', which has good acceptance in the market and is considered amongst the established quality leaders.

Summarising the risk factors, the Company expects that the steel industry will improve further from the impact of Corona Pandemic and that countries around the globe will launch stimuli packages to support economic growth.

An additional impact might come from the Anti-Dumping case against Chinese imports in Europe.

Petroleum needle coke is the primary raw material used in the production of graphite electrodes.

The Subsidiary has ensured the supply of basic raw materials like calcined petroleum coke, binder pitch and impregnation pitch and contracts for regular supply of them are renewable before the end of the existing contracts. The subsidiary has also signed the contract for supply of utilities like gas and electricity.

The main raw materials are either petroleum based or coal based. The price of crude and coal and its direct impact on its derivative materials like needle coke, pitch, furnace oil, met coke, etc. will all tend to influence the input cost in a major way.

The Subsidiary does not see any problem in getting raw materials.

14. Acknowledgement:

The Management takes this opportunity to place on record its appreciation of the assistance and support extended by all government authorities, bankers, consultants, solicitors and others.

The Management also expresses their appreciation for the dedicated and sincere services rendered by the employees of the German Subsidiaries.

Graphite International B.V. put on record the support and assistance provided by the Management team of Graphite India Limited to the German Subsidiaries.

Date: 28 June 2021

FINANCIAL STATEMENTS

CONSOLIDATION AND ACCOUNTING PRINCIPLES

REGISTERED ADDRESS AND REGISTRATION NUMBER TRADE REGISTER

The registered city is Rotterdam The Netherlands and actual address of Graphite International B.V. is Verlengde Poolseweg 14 4818 CL Breda The Netherlands.

INCORPORATION

The Company was incorporated on 27 November 2003.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on accrual basis, based on Dutch GAAP.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current/non - current classification of assets and liabilities.

LINE OF BUSINESS

Graphite International B.V. is primary a holding company managing and financing subsidiaries and exploiting trademarks and patents. Secondary, the company trades raw materials and trading goods and provides (under lease agreements) machinery and equipment related to the graphite and carbon industry. The subsidiaries' main objective is to manufacture and market graphite electrodes, special products and other carbon and graphite products.

PARENT COMPANY

Graphite International B.V. forms part of a group with Graphite India Ltd. as parent company. The financial statements of Graphite International B.V. are fully consolidated in the consolidated statements of Graphite India Ltd, which are filed at the Register of Companies at West Bengal, India.

PRINCIPLES OF CONSOLIDATION

The consolidated accounts comprise the fully consolidated financial statements of Graphite International B.V. and its group companies in which Graphite International B.V. has majority control. The financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses.

Unrealised intercompany results included in inventories at balance sheet date, resulting from intercompany transactions and intercompany balances, have been eliminated.

The consolidated accounts comprise the financial statements of:

- Graphite International B.V, Rotterdam;
- Bavaria Carbon Specialties GmbH, Germany (100%);
- Bavaria Electrodes GmbH, Germany (100%);
- Bavaria Carbon Holdings GmbH, Germany (100%);
- Graphite Cova GmbH, Germany (100%).
- The share of loss associate General Graphene Corporation, USA Knoxville (39,427%)

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The resultant exchange differences (other than relating to long-term foreign currency monetary items) arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Profit and Loss Statement.

Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long-term monetary asset/ liability).

Premium or discount arising at the inception of a forward exchange contract entered into to hedge an existing asset / liability is amortised as expense or income over the life of the contract.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that effect the reported amount of assets and liabilities as of the balance sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

FINANCIAL INSTRUMENTS

Under the financial instruments are both primary financial instruments, such as receivables and payables, and derivatives meant. For the accounting principles of the primary financial instruments, we refer to the notes of the specific balance sheet item.

Financial instruments (assets and liabilities) held for trading are carried at fair value and changes in the fair value are directly recognised in the profit and loss account. In the first period of recognition, attributable transaction costs are charged directly to the profit and loss account. Purchases and sales of financial assets that belong to the category held for trading are accounted for at the transaction date.

DERIVATIVE CONTRACTS

In respect of derivative contracts (other than forward exchange contracts entered into hedge an existing assets/liability), gains/losses on settlement and mark-to-market loss, if any, on outstanding contracts as at balance sheet date are recognised in the profit and loss statement and mark-to-market gain, if any, on outstanding contracts as at balance sheet date is ignored. Refer note above for forward exchange contracts entered into to hedge an existing asset/liability.

GOING CONCERN

The company reported a net loss of € 32.479.603 for 2020/2021 and a positive shareholder's equity of € 57.660.984 as per 31 March 2021.

The going concern assumption has been adopted as any risks, that may have been assumed have been mitigated because of the following reasons:

- The company has sufficient assets in securities and cash in hand and at bank;
- The company has a not used credit facility of € 10.000.000, which is available the upcoming years;
- The limited impact of Covid-19;
- The forecasted results.

INTANGIBLE AND TANGIBLE FIXED ASSETS

Tangible assets are stated at cost of acquisition net of accumulated depreciation and accumulated impairment losses, if any intangible assets are stated at cost of acquisition net of accumulated amortization and accumulated impairment losses, if any. Cost comprises cost of acquisition including non-refundable taxes/duties, freight and other incidental expenses related to acquisition and installation. Cost of software includes licence fee and cost of implementation/ system integration services, where applicable.

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Subsequent expenditures related to an item of fixed asset (tangible or intangible) are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Machinery spares which are irregular in use and associated with particular asset, are treated as fixed assets.

DEPRECIATION AND AMORTISATION

Depreciation on tangible fixed assets is provided on straight line basis over the estimated useful lives of the assets and intangible assets are amortised on a straight-line basis over a period not exceeding ten years in accordance with local fiscal regulation.

IMPAIRMENT LOSS

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use. After impairment, depreciation is provided on the revised carrying amount of the fixed asset over its remaining useful life.

INVESTMENTS

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at net-asset value write down for any diminution, other than temporary, in carrying value. Current investments are carried at lower of cost and fair value.

FINANCIAL FIXED ASSETS

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

SUBSIDIARIES/ASSOCIATE

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as Graphite International B.V. can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement

INVENTORIES

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under weighted average formula. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

ACCOUNT RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation as at the balance sheet date and are not discounted to its present value.

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

CURRENT LIABILITIES

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

REVENUE

Revenue from sale of goods are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract. It excludes value added tax, trade discounts, returns, as applicable.

Income from services rendered is recognised as the service is performed on proportionate completion method and is booked based on agreements / arrangements with the concerned parties.

OTHER INCOME

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. All other items are recognised on accrual basis.

BORROWING COSTS

Borrowing costs, if any, attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.

TAXATION

Current tax is measured at the amount expected to be paid to tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a virtual/reasonable certainty as applicable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. At each balance sheet date, the company reassesses unrecognized deferred tax assets, if any.

EMPLOYEE BENEFITS

Short-term employee benefit

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

Post-employment benefit plan

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the year, in which the employee has rendered the service.

For foreign defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss statement for the period in which they occur, in accordance with DAS 271.321a. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

LEASES

The standard IFRS 16 is voluntary applied on the tangible fixed assets, which is in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code .

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability.

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company.

These assets are recognised on the balance sheet upon commencement of the lease contract at the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method. The liabilities under the lease, excluding the interest payments, are included under long-term debts.

The interest component is included in the consolidated profit and loss account for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

CASH FLOW STATEMENT

The compilation of the cash flow statement is based on the indirect method. The cash funds as used in the cash flow statement concludes the cash as stated on the assets side of the consolidated balance. Cash flows in foreign currencies are translated at the applicable exchange rate on the date of transaction. Interest income, interest expenses and income taxes are separately shown under the cash flow from operating activities.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

ASSETS (in euros)	31 March 2021		31 March 2020	
Fixed assets				
Intangible fixed assets				
Goodwill	4.687.370		6.310.364	
Computer software	21.673		26.922	
		4.709.043		6.337.286
Tangible fixed assets				
Land and buildings	1.812.808		1.523.947	
Plant and equipment	4.191.220		3.210.801	
Other Equipment	810.590		781.471	
Prepayments	70.253		910.388	
		6.884.871		6.426.607
Financial fixed assets				
Associate	1.380.315		2.684.354	
Deferred tax asset	155.203		96.726	
		1.535.518		2.781.080
Current assets				
Inventories				
Unfinished goods	9.242.315		19.567.810	
Raw materials	9.795.161		16.339.744	
Finished goods	3.735.149		8.009.478	
Other	756.513		904.119	
		23.529.138		44.821.151
Receivables				
Trades receivable	5.569.985		7.265.565	
Current tax assets	668.227		150.987	
Other receivables	351.451		945.521	
		6.589.663		8.362.073
Securities		23.646.062		-
Cash at bank and in hand		22.446.751		52.774.268
Total		89.341.046		121.502.465

EQUITY AND LIABILITIES

31 March 2020

90.281.252

465.726

283.194

Trade payables

1.744.354

Group companies

8.022.360

7.399.796

Current tax liability

20.230.903

20.260.803

Other liabilities and

20.250.703

20.200.003

Other liabilities & deferred income

1.175.371

1.067.340

30.984.109

30.472.293

89.341.046

121.502.465

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2020 TILL 31 MARCH 2021

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
(in euros)		
Net turnover	29.846.052	51.064.592
Movement in WIP& Finished Stock	-14.548.485	6.494.495
Other income	<u>841.804</u>	<u>938.952</u>
Operating income	16.139.398	58.498.039
Raw and ancillary materials	26.133.337	33.800.112
Contracted work and external expenses	<u>6.423.991</u>	<u>10.941.840</u>
	32.557.328	44.741.952
Gross Margin	-16.417.930	13.756.087
Wages and salaries	7.009.729	7.982.302
Social security premiums	1.282.717	1.746.575
Depreciation fixed assets	2.220.052	2.003.635
Other operating expenses	<u>4.680.394</u>	<u>3.510.256</u>
Total operating expenses	15.192.892	15.242.768
Operating result	-31.610.822	-1.486.680
Financial Income	<u>80.746</u>	<u>1.314.650</u>
Income before taxes	31.530.076	-172.030
Taxes on income	213.846	-481.259
Share in result from associate	<u>-1.163.373</u>	<u>-879.518</u>
Result after taxes	-32.479.603	-1.532.807

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 1 APRIL 2020 TILL 31 MARCH 2021

The movements of funds can be specified as follows:

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
(in euros)		
Cash flow from operating activities		
Operating result	-31.610.822	-1.486.679
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	2.448.129	2.003.636
Loss / (profit) on disposal of tangible fixed assets	-228.077	-22.950
Liabilities no longer required written back	-60.108	-114.719
Bad debts written off	1.813	382.709
Interest expenses	-104.465	
	2.057.292	2.248.677
<i>Movement in working capital:</i>		
Inventories	21.292.011	764.736
Receivables	2.908.972	16.426.367
Provisions	-7.300	44.481
Short-term liabilities	698.145	-5.838.228
	24.891.829	11.397.355
Cash flow from operating activities	-4.661.700	12.159.353
Taxes paid on income	-297.442	-3.125.437
	-297.442	-3.125.437
Cash provided by operating activities	-4.959.143	9.033.916
Cash flow from investment activities		
Investments intangible fixed assets	-	-2.061.121
Sale of tangible fixed assets	-	-
Investments securities	-23.549.424	-
Investments financial fixed assets	-	-3.404.650
Investments tangible fixed assets	-1.890.207	-956.777
Interest received	39.406	626.303
Total cash used in investing activities	-30.359.368	-5.796.219
Cash flow from financing activities		
Interest paid	-15.892	-82.264
Short term borrowings receipts/(payments)	-	-
Issued lease	26.405	346.482
Repayment lease	-74.114	-62.528
Currency exchange differences	95.453	768.909
Total cash provided by financing activities	31.852	970.599
Movements in cash funds	-30.327.517	4.208.297

Graphite International B.V., Rotterdam

The movement of funds is as follows:

	<i>1-4-2020 till 31-3-2021</i>	<i>1-4-2019 till 31-3-2020</i>
Balance as at 1 April	52.774.268	48.565.971
Movement for the year	<u>-30.327.517</u>	<u>4.208.297</u>
Balance as at 31 March	<u>22.446.751</u>	<u>52.774.268</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 APRIL 2020 TILL 31
MARCH 2021**

	<i>1-4-2020 till 31-3-2021</i>	<i>1-4-2019 till 31-3-2020</i>
(in euros)		
Net result	-32.479.603	-1.532.807
Revaluation of tangible fixed assets	-	-
Impairment/revaluation financial fixed assets	-	-
Translation differences on foreign operations	-	-
Operating income	-32.479.603	-1.532.807
Realised revaluation gain charged directly to shareholders' equity	-	-
Total of items recognised directly in shareholders' equity	-	-
Total result of the legal entity	<u>-32.479.603</u>	<u>-1.532.807</u>

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

	<i>Goodwill</i>	<i>Computer Software</i>	<i>Total</i>
(in euros)			
<u>Balance as at 1 April 2020</u>			
Costs	8.122.970	295.764	8.418.734
Accumulated depreciation	<u>-1.812.606</u>	<u>-268.842</u>	<u>-2.081.448</u>
Book value	<u>6.310.364</u>	<u>26.922</u>	<u>6.337.286</u>
<u>Movements in book value</u>			
Acquisition	-	10.933	10.933
Depreciation	<u>-1.622.994</u>	<u>-16.182</u>	<u>-1.639.176</u>
	<u>-1.622.994</u>	<u>-5.249</u>	<u>-1.628.243</u>
<u>Balance as at 31 March 2021</u>			
Costs	8.122.970	306.697	8.429.667
Accumulated depreciation	<u>-3.435.600</u>	<u>-285.024</u>	<u>-3.720.624</u>
Book value	<u>4.687.370</u>	<u>21.673</u>	<u>4.709.043</u>
Depreciation rates	<u>0% - 20%</u>	<u>20%</u>	<u>0% - 20%</u>

Tangible fixed assets

Movements in tangible fixed assets are analysed as follows:

	<i>Land, similar rights and buildings including buildings on third party land</i>	<i>Plant, technical machinery and equipment</i>	<i>Other equipment, factory and office equipment</i>	<i>Prepay- ments, equipment under construction</i>	<i>Total</i>
(in euros)					
<u>Balance as at 1 April 2020</u>					
Costs	2.018.562	17.134.403	2.321.094	1.998.389	23.408.247
Accumulated depreciation	-494.615	-13.923.602	-1.539.624	-1.088.000	-17.045.841
Book value	<u>1.523.947</u>	<u>3.210.801</u>	<u>781.470</u>	<u>910.389</u>	<u>6.426.607</u>
<u>Movements in book value:</u>					
Actual cost investments	368.433	1.599.626	178.770	70.253	2.217.082
Acquisition value of disposal	-39.478	-	-	-1.998.389	-2.037.867
Depreciation for the year	-40.095	-619.207	-149.650	-	-808.953
Depreciation of disposal	-	-	-	1.088.000	1.088.000
Prepayment during the year	-	-	-	-	-
	<u>288.860</u>	<u>980.419</u>	<u>29.119</u>	<u>-840.136</u>	<u>458.262</u>
<u>Balance as at 31 March 2021</u>					
Costs	2.347.517	18.734.029	2.499.864	70.253	23.651.663
Accumulated depreciation	-534.710	-14.542.809	-1.689.275	-	-16.766.794
Book value	<u>1.812.807</u>	<u>4.191.220</u>	<u>810.590</u>	<u>70.253</u>	<u>6.884.871</u>
Depreciation	<u>0% - 10%</u>	<u>10% - 20%</u>	<u>10% - 20%</u>	<u>0%</u>	

Financial fixed assets

	31-3-2021	31-3-2020
(in euros)		
Subsidiaries/ Associate	1.380.315	2.684.354
Deferred tax asset	155.203	96.726
	-----	-----
	1.535.518	2.781.080
	=====	=====

Subsidiaries/Associate (in euro's)	<i>General Graphene Corporation</i>
---------------------------------------	---

Balance as at 1 April 2020	2.684.354
Investment	-
Result for the year	-1.163.373
Currency exchange difference	-140.666
Balance as at 31 March 2021	<u>1.380.315</u>

List of subsidiaries / associates

General Graphene Corporation, Knoxville 39,427%

All of the German and Dutch (fiscal) losses are accrued for as a deferred tax asset against the German CIT rate of 12.23% and the German Trade tax rate of 15.85% and the Dutch CIT rate of 16,5%.

Current assets

Inventories

	31-3-2021	31-3-2020
(in euros)		
Unfinished goods	9.242.315	19.567.810
Raw materials	9.795.161	16.339.744
Finished goods	3.735.149	8.009.478
Other	756.514	904.119
	-----	-----
	23.529.139	44.821.151
	=====	=====

The raw materials and finished goods includes inventories in transit for an amount of € 1.897.374 (PY: € 3.250.210). The total write downs on inventory to net realizable value amount too € 8.149.873 (PY: € 8.563.226).

Graphite International B.V., Rotterdam**Receivables**

	31-3-2021	31-3-2020
(in euros)		
Trade receivables	5.569.985	7.265.565
Current tax assets	668.227	150.987
Other receivables	351.451	945.521
	-----	-----
	6.589.663	8.362.073
	=====	=====

The current tax asset in The Netherlands amounts to € 668.227(Previous Year : € 150.987).

Cash at bank and in hand	31-3-2021	31-3-2020
Banks	22.440.195	52.760.411
Cash in hand	6.556	13.857
	-----	-----
	22.446.751	52.774.268
	=====	=====

The cash at bank and in hand is at free disposal of the group.

EQUITY AND LIABILITIES**Group equity**

See the notes to the company balance sheet for the movements during the year in the group equity.

Provisions

The provision included in the balance sheet mainly relates to pension liabilities and deferred tax liabilities which is accounted for because of the difference in valuation of the securities. Both can be broken down as follows:

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
(in euros)		
Present value of defined benefit obligations	434.353	465.726
Provision for deferred tax liabilities	101.087	-
	535.440	465.726
	=====	=====

Graphite International B.V., Rotterdam*Material actuarial principles*

The material actuarial principles are the following:

	31-03-2021	31-03-2020
- applied discount rate	0,74%	0,60%
- price inflation	1,50%	1,50%
- salary / pension increase	1,50%	1,50%
- expected return on plan assets		
a) real assets	N/A	N/A
b) fixed-income securities	N/A	N/A
- expected increase in salaries		
a) general growth in salaries	N/A	N/A
b) individual salary rise	N/A	N/A

Expense recognized in the Profit and Loss account

Current Service Cost	7.412	5.973
Interest Cost	2.773	5.986
Actuarial (gains) / losses	-24.073	65.022
	-----	-----
Total expense recognized	-13.888	76.981
Benefits paid	-17.485	-14.245
	-----	-----
Total movement in provision	31.373	62.736
	=====	=====

Long-term liabilities*Financial lease*

Balance as at 31 March 2020	283.955	-
Lease issued	26.405	346.483
Repayment	-74.114	-62.528
	-----	-----
	236.246	283.955
Current portion	-75.733	-
	-----	-----
Balance as at 31 March 2021	160.513	283.955
	=====	=====

The monthly repayment obligation for 2021/2022 amounts to € 6.311 this amount is including 1,35% interest. The agreements have a term of maximum 72 months. € 864 is payable after 5 years.

Short-term liabilities

The working capital limit from bank was € 10.000.000 as at 31st March, 2021. Total utilisation of fund based limits from bank was € nil at the end of the year.

The total funding is provided by Citibank against collateral in the form of Corporate Guarantee of € 10.000.000 from Graphite India Limited.

Graphite International B.V., Rotterdam

<u>Group companies</u>	31-3-2021	31-3-2020
(in euros)		
Graphite India Ltd.	8.022.360 =====	7.399.796 =====

No interest is charged on the current accounts of group companies. No security has been given.

<u>Current tax liabilities</u>	31-3-2021	31-3-2020
(in euros)		
Current tax liability	20.230.903 =====	20.260.803 =====

The current tax is payable in Germany for an amount of € 20.230.903.

<u>Other liabilities and deferred income</u>	31-3-2021	31-3-2020
(in euros)		
Withholding tax	483.681	360.107
Employee related accruals	548.570	657.963
Other accrued liabilities (including VAT and social security charges)	143.120	48.510
	-----	-----
	1.175.371 =====	1.067.340 =====

Contingent liabilities

The German subsidiaries of Graphite International B.V. have signed agreements with the State of Bavaria (Germany) for an amount not exceeding € 2.209.313 (PY: € 2.187.161) towards potential obligation in respect of environmental issues. No provision has been recorded in the balance sheet due to the uncertainty of the actual size and timing of the (remaining) obligation, taken into account the investments done and possible future investments.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2020 TILL 31 MARCH 2021

Financial information by segment

	<i>1-4-2020 till 31-3-2021</i>	<i>1-4-2019 till 31-3-2020</i>
<u>Revenue by segment</u>		
Sales Graphite Electrodes, special products and other Carbon and Graphite products	29.846.052 =====	51.064.592 =====

The revenue by segment is shown after elimination of intercompany sales.

Germany	7.189.462	10.804.790
Italy	10.147.763	10.784.388
Spain	3.039.935	6.143.950
Other	9.468.892	23.331.465
	-----	-----
	29.846.052 =====	51.064.592 =====

Average number of employees

The average number of employees over the period 1 April 2020 till 31 March 2021 was 179 FTE (PY: 198 FTE). All employees are employed in Germany.

Directors remuneration

In accordance with the exemption within 2:383 paragraph 1 of the Dutch Civil Code, no disclosure regarding payments to directors has been made, because these payments are traceable to one person.

	<i>1-4-2020 till 31-3-2021</i>	<i>1-4-2019 till 31-3-2020</i>
<u>Depreciation</u> <i>(in euros)</i>		
Depreciation of intangible fixed assets	1.622.994	1.103.686
Depreciation of tangible fixed assets	808.953	885.623
Gain disposal tangible fixed assets	-228.077	-
	-----	-----
	2.203.870 =====	1.989.309 =====
 <i>Depreciation of intangible fixed assets</i>		
Depreciation of software	16.182 =====	14.325 =====

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
<i>Depreciation of property, plant and equipment</i>		
Depreciation of land and buildings	40.095	104.012
Depreciation of plant and machinery	619.207	700.030
Depreciation of other equipment	149.651	145.762
	-----	-----
	808.953	885.623
	=====	=====

Auditor's remuneration

With reference to Section 382A, Part 9 of Book 2 of the Netherlands Civil Code, the RSM-network has charged a fee of € 30.000 relating to the audit of the financial statements.

Financial result

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
Other interest and similar income	96.638	628.004
Currency exchange differences	-	768.910
Other interest and similar expenses	15.892	-82.264
	-----	-----
	80.746	1.314.650
	=====	=====

Taxes on income

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
Excepted income tax	266.360	533.273
Effect of change	-	-1.583.235
Other Expenses not deductible for tax purposes	3.007	31.334
Income exempt from income taxes	-	1.533.254
Adjustments for current tax of prior periods	-	-
Recognised / unrecognised tax losses used to reduce	-	-4.311
Adjustment for Current Tax of earlier years	-402.227	
increase deferred tax expense	-29.409	
Previously unrecognised tax losses now recouped to reduce		
current tax expense	-51.577	-29.056
	-----	-----
	-213.846	481.259
	=====	=====

FINANCIAL STATEMENT ACCOUNTING PRINCIPLES

GENERAL

The company financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.

The accounting policies for the company financial statements and the consolidated financial statements are the same.

For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement.

SUBSIDIARIES/ASSOCIATE

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as Graphite International B.V. can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement.

RESULT FROM SUBSIDIARIES

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Graphite International B.V.

COMPANY BALANCE SHEET AS AT 31 MARCH 2021
(before proposed appropriation of result)

ASSETS (in euros)	<i>31 March 2021</i>	<i>31 March 2020</i>
Fixed assets		
Intangible fixed assets	4.679.370	6.302.364
Financial fixed assets	5.073.601	34.564.311
Current assets		
Receivables and prepaid expenses	9.586.598	3.795.711
Securities	23.646.063	-
Cash at bank and in hand	15.212.006	46.009.573
 Assets	 <u><u>58.197.638</u></u>	 <u><u>90.671.959</u></u>

EQUITY AND LIABILITIES

31 March 2021

31 March 2020

Shareholders' equity

Share capital	17.300.000		17.300.000	
Other reserves	40.360.984		72.918.170	
Currency exchange difference reserve	-		63.082	
Unallocated result for the year	-		-	
		57.660.984		90.281.252
Deferred tax liability		101.087		-

Short-term liabilities

Trade creditors	47.282		30.600	
Other liabilities, accruals and deferred income	388.285		360.107	
		435.567		390.707

Equity and liabilities

58.197.638 90.671.959

COMPANY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2020 TILL 31 MARCH 2021

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
(in euros)		
Net turnover	308.862	584.910
Other income	<u>47.250</u>	<u>-</u>
Operating income	356.112	584.910
Employee benefits expense	-	-
Depreciation fixed assets	1.622.994	1.103.686
Other operating expenses	<u>2.258.741</u>	<u>163.062</u>
Total operating expenses	<u>3.881.735</u>	<u>1.266.748</u>
Operating result	-3.525.623	-681.838
Financial income	92.215	1.247.393
Financial expenses	<u>-</u>	<u>-65.842</u>
Income before taxes	-3.433.408	499.713
Taxes on income	431.636	-405.550
Share in result from subsidiaries	<u>-29.477.831</u>	<u>1.626.970</u>
Result after taxes	<u>-32.479.603</u>	<u>-1.532.807</u>

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 MARCH 2021

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

Goodwill

(in euros)

Balance as at 1 April 2020

Costs	8.114.970
Accumulated depreciation	<u>-1.812.606</u>
Book value	<u><u>6.302.364</u></u>

Movements in book value

Acquisition	-
Depreciation	<u>-1.622.994</u>
	<u><u>-1.622.994</u></u>

Balance as at 31 March 2021

Costs	8.114.970
Accumulated depreciation	<u>-3.435.600</u>
Book value	<u><u>4.679.370</u></u>

Depreciation rates	<u><u>20%</u></u>
--------------------	-------------------

Financial fixed assets

	31-3-2021	31-3-2020
(in euros)		
Subsidiaries/ Associate	4.943.105	34.564.311
Deferred tax asset	130.966	-
	-----	-----
	5.073.601	34.564.311
	=====	=====

The Dutch (fiscal) losses are accrued for as a deferred tax asset against the Dutch CIT rate of 16,5%.

Subsidiaries (in euro's)	Bavaria Carbon Holdings GmbH	Bavaria Electrodes GmbH	Bavaria Carbon Specialities GmbH	Graphite Cova GmbH	General Graphene Corporation
Balance as at 1 April 2020	668.685	371.904	314.127	30.525.241	2.684.354
Investment	-	-	-	-	-
Result for the year	381.017	166.606	196.060	-29.058.141	-1.163.373
Dividend	-	-	-	-	-
Currency exchange difference					-140.666
Other				-2.708	
Balance as at 31 March 2021	<u>1.049.702</u>	<u>538.510</u>	<u>510.187</u>	<u>1.464.392</u>	<u>1.380.315</u>

Subsidiaries (in euro's)	Total
Balance as at 1 April 2020	34.564.311
Investment	-
Result for the year	-29.477.831
Dividend	-
Currency exchange difference	-140.666
Other	-2.708
Balance as at 31 March 2021	<u>4.943.105</u>

List of subsidiaries/Associate

Bavaria Carbon Specialties GmbH, Röthenbach an der Pegnitz	100%
Bavaria Electrodes GmbH, Röthenbach an der Pegnitz	100%
Bavaria Carbon Holding GmbH, Röthenbach an der Pegnitz	100%
Graphite Cova GmbH, Röthenbach an der Pegnitz	100%
General Graphene Corporation, Knoxville, USA an Associate	39,427%

**Graphite International B.V.,
Rotterdam**

Current assets

Receivables and prepaid expenses

	31-3-2021	31-3-2020
Group companies	8.918.371	3.601.070
Taxes and social security contributions	668.227	150.987
Other current assets	-	43.654
	-----	-----
	9.586.598	3.795.711
	=====	=====
<u>Group companies</u>		
Graphite Cova GmbH (loan)	5.008.438	-
Graphite Cova GmbH (account receivables)	3.909.933	3.601.070
	=====	=====

Graphite international B.V. issued a EUR 5.000.000 loan to Grapite Cova GmbH. The loan is repayable on demand and the loan has to be repaid 8 February 2022. Interest amount to 1.35%.
No interest is charged on the current accounts of group companies. No security has been given.

Taxes and social security contributions

	31-3-2021	31-3-2020
Value added tax	-	-
Income tax	668.227	150.987
	-----	-----
	668.227	150.987
	=====	=====

Securities

Term Liq fund Class	6.836.215	-
Bank Pictet & Cie (Asia) Ltd	16.809.848	-
	23.646.063	-
	=====	=====

Cash at bank and in hand

Barclays Bank, current account	4.344.620	14.582.500
Citibank N.A. Current Account DEPOSIT	-	31.215.722
Citibank N.A. Current Account USD	9.829.446	209.155
Citibank N.A. Current Account EUR	12.850	2.146
Bank Pictet & Cie (Asia) Ltd N.A. Current Account EUR	995.619	-
Bank Pictet & Cie (Asia) Ltd N.A. Current Account USD	29.471	-
	15.212.606	46.009.573
	=====	=====

The cash at bank and in hand is at free disposal of the group.

EQUITY AND LIABILITIES

	<i>Issued share capital</i>	<i>Other reserves</i>	<i>Unallocated result for the year</i>	<i>Currency exchange reserve</i>
Balance as at 1 April 2019	17.300.000	2.237.279	72.216.722	-
Allocation result previous year	-	72.216.722	-72.216.722	-
Unallocated result for the year	-	-1.532.807	1.532.807	-
Currency exchange difference	-	-	-	63.082
Other	-	-3.024	-	-
Unallocated result for the year	-	-	1.532.807	-
Balance as at 31 March 2020	<u>17.300.000</u>	<u>72.918.170</u>	<u>-</u>	<u>63.082</u>
Allocation result previous year	-	-	-	-
Result for the year	-	-	-32.479.603	-
Allocated result for the year	-	-32.479.603	32.479.603	-
Currency exchange difference	-	-	-	-140.666
Other	-	-77.584	-	77.584
Balance as at 31 March 2021	<u>17.300.000</u>	<u>40.360.984</u>	<u>-</u>	<u>-</u>

Total

Balance as at 1 April 2019	91.754.002
Allocation result previous year	-1.532.807
Issued share capital	-
Currency exchange difference	63.082
Other	-3.024
Balance as at 31 March 2020	<u>90.281.252</u>
Allocation result previous year	-
Result for the year	-32.479.603
Allocated result for the year	-
Currency exchange difference	-140.666
Other	-
Balance as at 31 March 2021	<u>57.660.984</u>

Share capital

The issued share capital contains a total of 17,300,000 ordinary shares of €1 each at balance date.

Provisions

The provision included in the balance sheet mainly relates to pension liabilities and can be broken down as follows:

	1-4-2020 till 31-3-2021	1-4-2019 till 31-3-2020
(in euros)		
Provision for deferred tax liabilities	101.087 =====	101.087 =====

	31-3-2021	31-3-2020
<u>Other liabilities, accruals and deferred income</u>		
Withholding taxes	388.285	360.107
Income tax	-	-
	-----	-----
	388.285	360.107

Appropriation of result

It is proposed that the 2020/2021 profit will be added to the other reserves. The full result is at the free disposal of the General meeting.

Average number of employees

In this financial year, as in the previous year, no employees were employed.

Subsequent events

Given the subsequent events caused by COVID-19 we believe that there is no significant doubt about our ability to continue as going concern.

We believe that above is also confirmed by the fact that the credit facility (working capital limit) of the German entities is available in full at balance sheet date. Furthermore we believe that the Dutch Holding has enough liquidity to assure and support the underlying activities for at least a year.

Related party transaction

Related parties are:

- Graphite India Ltd, parent company
- Carbon Finance Limited, fellow subsidiary
- Graphite Cova GmbH, subsidiary
- Bavaria Electrode GmbH, subsidiary
- Bavaria Carbon Holdings GmbH, subsidiary
- Bavaria Carbon Specialities GmbH, subsidiary
- General Graphene Corporation, USA, An Associate
- Emerald Company Private Limited, India-Ultimate Parent Company
- First Capital Consultants LLP, India- Relative of Director of Parent Company is a Partner

Other Information

Comfort letter

The company issued a letter of comfort to Graphite Cova GmbH. Graphite International B.V. will provide the necessary support with the German tax payment for 2019-2020.

Independent Auditor's report

As the audit work applicable to the financial statements has not been completed yet the auditors' report has not yet been provided. This draft financial statement report will only be used to review the contents of this financial draft and it is not meant to be distributed. The draft may also be subject to change and the final financial statements may differ from this draft.

Statutory rules concerning appropriation of result

According to article 23 of the statutes of the company the Annual General Meeting of Shareholders shall determine how much of the remaining profit will be added to reserves.

The number of non-voting shares and their powers

No special statutory controlling rights are held in the company.

Branch offices

The company has no branches.

Rotterdam, 28 June 2021
Graphite International B.V.

Directors:
Liberation Management (Nederland) N.V.
for this:
L.F.S. Bagchus

S.W.Parnerkar

J.W.P. Jansen

RSM Netherlands Accountants N.V.

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Graphite International B.V.

A. Report on the audit of the financial statements 2020/2021 included in the annual report

Our opinion

We have audited the financial statements 2020/2021 of Graphite International B.V., based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Graphite International B.V. as at 31 March 2021, and of its result for 2020/2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 March 2021;
- the consolidated and company income statement for the year then ended;
- the consolidated cash flow statement;
- the consolidated statement of comprehensive income;
- the notes, comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Graphite International B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Utrecht, 28 June 2021

RSM Netherlands Accountants N.V.

WAS SIGNED

drs. M. Hammer RA