Convenience translation
(only the original German version is authoritative)

BAVARIA ELECTRODES GMBH

RÖTHENBACH A.D. PEGNITZ

LONG-FORM AUDIT REPORT OF THE FINANCIAL STATEMENTS AS OF 31 MARCH 2019 AND OF THE MANGEMENT REPORT FOR THE FISCAL YEAR 2018/19

Preliminary Remarks

This translation report is based on our report “Bericht über die Prüfung des Jahresabschlusses zum 31. März 2019 und des Lageberichts für das Geschäftsjahr 2018/19” dated 6 May 2019 which has been prepared in German language.

Should there be any doubt concerning the interpretation or the understanding of individual passages of the translation of the report or the contents of the translated documents, solely the original text in German language is authoritative.

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General Conditions of Engagement dated 1 January 2017

LIST OF ABBREVIATIONS

AuS 450	Generally Accepted Standards for the Issuance of Audit Reports for the Audits of Financial Statements, dated 17 December 2017 (“IDW PS 450”)
BCH	Bavaria Carbon Holdings GmbH, Röthenbach a.d. Pegnitz
BCS	Bavaria Carbon Specialities GmbH, Roethenbach a.d. Pegnitz
Company	Bavaria Electrodes GmbH, Röthenbach a.d. Pegnitz
Et seq.	Et sequens
GC	Graphite COVA GmbH, Röthenbach a.d. Pegnitz
GmbHG	Limited Liability Companies Act („Gesetz betreffend die Gesellschaften mit beschränkter Haftung“)
GIBV	Graphite International B.V., Rotterdam, Netherlands
GIL	Graphite India Ltd., Kolkata, India
HGB	German Commercial Code (Handelsgesetzbuch)
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V., Dusseldorf
IDW-AAB	General engagement terms for Wirtschaftspürfer und Wirtschaftsprüfungsgesellschaften (German Public Auditors and German Public Audit Firms)
kEUR	Thousand Euro
Para.	Section
p.y.	Previous year

A. AUDIT ENGAGEMENT

The Management of

<u>Bavaria Electrodes GmbH,</u>

<u>Röthenbach a.d. Pegnitz</u>

(referred to as “BE” or simply “the Company”)

engaged us to perform an audit of the annual financial statements as of 31 March 2019 including the underlying books and records, and the management report for the financial year 2018/19 using generally accepted auditing standards, as well as to provide a written report of our findings.

The audit engagement letter as of 15 March 2019 is based on the resolution of the shareholders' meeting as of 15 March 2019 at which we have been appointed as auditors (§ 318 para. 1 sentence 1 of the German Commercial Code).

The Company ranks as a medium-sized corporation as defined by the terms of § 267 para. 2 of the German Commercial Code and is therefore subject to mandatory auditing in accordance with § 316 et seq. of the German Commercial Code.

We confirm that, during the course of our audit, we have observed the independence rules according to § 321 para. 4a HGB.

In the following, we would like to report on the nature and scope of the audit as well as on its results according to the German Audit Standards for the issuance of long-form audit reports for the audits of financial statements (IDW AuS 450) issued by the Institute of Public Auditors in Germany (IDW).

The performance of our engagement and our liability - also in relation to third parties - are subject to the general engagement terms for auditors and accountancy firms in the version dated 1. January 2017.

B. GENERAL STATEMENTS

I. Comment on the Company's situation

Management has commented on the Company's economic situation in the management report (exhibit 4), based on the financial statements as of 31 March 2019 (exhibit 1 to 3) and other documents, especially the budget for financial year 2019/20.

1. Situation of the Company

In our opinion, the management report contains the following core statements:

- The main business of the Company is the production of graphite electrodes, speciality products and electrode coating services. The selling of these goods is only done by fellow group company Graphite COVA GmbH.
- The year was impacted by material changes in the production landscape of steel and graphite products in China and the global production of electrodes. Despite a lower utilization of the worldwide steel capacities, an increase of the production occurred in 2018 compared to 2017
- The Company produced 13,319 MT in comparison to 10,669 MT in prior year. This derives also in higher revenues of 32 % in comparison to prior year (from EUR 15,129k up to EUR 20,011k).
- Operating expenses increased in proportion to revenues in current period compared to 2017/18 from kEUR 14,845 up to kEUR 19,660 and equals approximately 98 % from income (incl. other income) as in prior year.
- The Company generated a profit of EUR 275k compared to EUR 216k in 2017/18.
- Due to increased electrode production as compared to last year both receivables from and payables to affiliated company have increased.

2. Future development with its key opportunities and risks

In our opinion, the management report contains the following core statements:

- The Company is integrated into the risk management system of the parent company.
- The consolidation of the global market for graphite electrodes and the consequent reduction of production capacities are highly impacting the price level for electrodes. Key factors are the development of the steel industry, the development of the commodity and energy markets and the price policy of the market leaders.
- The selling of the production is done by the sister company GC; hence there is a merchandis e risk through that. GC counters the general market risks by entering markets beyond Europe in order to reduce the dependence of the European Market.

- In general, supply contracts for raw materials, gas and electricity are renewed on a timely basis. There is a risk for the Company due to a price increase in the most important raw materials and their derivatives.
- Due to the market development in FY 2018/19 and the covering of many customers with Chinese products, the Company expects a lower production in 2019/20 than in 2018/19. On the other hand, a change in the steel production route - from BOF (Basic Oxygen Furnace) to EAF (Electric Arc Furnace) will have a positive effect. Given that, both sales and annual result are expected to fall around 25%-30%from the level of 2018/19.

3. Concluding assessment

According to the result of our audit and the knowledge gained, the assessment of the company's situation including the risks and opportunities of future development is plausible and derived logically. Management's assessment of the company's situation is adequate and correct. Our audit did not provide any indications that the going concern of the Company is endangered.

II. Findings according § 321 para. 1 sentence 3 HGB

According to § 321 para. 1 sentence 3 HGB, we have to report about non-compliance by managing directors with regard to legal requirements or requirements by the articles of association which we identify in course of our audit.

Despite § 42a para 2 GmbHG neither the financial statements as of 31 March 2018 have been approved nor the resolution about profit allocation have been resolved within eight months after balance sheet date. We emphasized the deadlines to management.

C. SUBJECT, NATURE AND SCOPE OF THE AUDIT

During our audit, we examined whether the books and records, the annual financial statements as of 31 March 2019 (exhibits 1 to 3) including the management report for the fiscal year 2018/19 (exhibit 4) comply with the relevant regulations concerning financial accounting.

Assessment criteria for our audit of the financial statements were the accounting provisions of Secs. 242 to 256a and Secs. 264 to 288 HGB and the special provisions of the GmbHG. No additional accounting requirements result from the articles of association and bylaws. Assessment criteria for the management report were the provisions of § 289 HGB.

Our audit procedures pertaining to the management report were aimed at determining whether it is consistent with the annual financial statements, gives a true and fair view of the Company’s situation, and whether it suitably presents the opportunities and risks relating to its future development. In addition, we audited whether the relevant accounting provisions for the compilation of the management report were considered.

The maintenance of the books and records and the preparation of the annual financial statements and management report are the responsibility of the Company’s management. Our task is to provide an opinion on the documents and information within the official framework of our audit.

We carried out the audit of the annual financial statements – with interruptions - from 18 March 2019 to 6 May 2019 on the Company’s premises in Röthenbach a.d. Pegnitz and in our office in Munich. Subsequently, this audit report was prepared.

To prepare our audit, we have performed an interim audit in March 2019 on the Company’s premises in Röthenbach a.d. Pegnitz, during which we have mainly assessed the Company´s internal control over financial reporting.

Our audit was based on the annual financial statements as of 31 March 2018 audited by us which had been rendered an unqualified audit opinion on 11 May 2018 and were approved unchanged by the shareholders’ resolution as of 15 March 2019.

The documents provided for the purpose of the audit included accounting documents, receipts and confirmation documents from banks as well as the Company's files and records.

The management and other responsible staff members readily provided us with all requested explanations and proofs.

Furthermore, management has provided written confirmation using the standard general representation letter that all declarable assets, liabilities, risks and deferrals as well as all expenses and revenues, required statements and contingent liabilities were included in the accounting and in the financial statements under review. According to the representation letter, post-balance sheet events of particular importance have not occurred and have also not become known to us during our audit.

The representation letter also states that the management report contains all material aspects, including their anticipated development, that are significant for an assessment of the position of the Company as well as all disclosures required by § 289 HGB.

Our audit was carried out in accordance with § 316 et seq. of the German Commercial Code and in compliance with the generally accepted German standards for the audit of financial Statements established by the IDW. Accordingly, we performed our audit with a risk-oriented strategy - however without any specific focus on risk for embezzlement in such a manner that inaccuracies or infringements materially affecting the presentation of the Company's true and fair view of the net assets, financial position, and results of operation are detected with reasonable assurance, if such inaccuracies or infringements had existed.

The audit plan for the key auditing areas was based on our initial estimates of the Company's situation and the efficiency of the internal control system over accounting (risk-oriented audit approach). Our estimates were particularly based on an appreciation of the basic legal and economic conditions. Through meetings with the managing directors and Company employees we were made aware of market risks, the Company's strategy and the particular risks resulting.

As part of our risk oriented auditing approach our audit focused on the following areas:

- Audit of the internal control over financial statement closing process
- Existence and valuation of inventories
- Existence of trade receivables and cut-off of revenues
- Completeness and valuation of accruals
- Other items with a material impact on the presentation of the financial statements

Our audit does not extend whether the going concern assumption nor if the effectiveness and efficiency of its business management can be assured (hence, this is not an examination in accordance with sec. 317 para. 4a HGB).

Basis for our audit procedures was a preliminary assessment of the internal control system. Considering the materiality and efficiency, this implies that timing and extent of analytical procedures, as well as test of details, were limited to selective spot checks depending on the particular auditing areas and organization of the accounting information system. The spot checks were selected in a way that the economic significance of the individual entries in the financial statements were taken into account and gave the opportunity to sufficiently determine whether the statutory regulations had been adhered to.

The audit regarding the existence of assets and liabilities was carried out by attending the physical inventory count and requesting confirmations of banks, lawyers as well as creditors on random sample basis.

Nature, timing and findings of our detailed audit procedures are included in our working papers.

D. FINDINGS ON ACCOUNTING RECORDS AND FINANCIAL STATEMENTS

I. Compliance of Accounting Records and Financial Statements

1. Accounting records and other audited documentation

The Company's accounting is carried out by their own IT system using the standard-software SAP ECC 6.0 of the supplier SAP SE, Walldorf. Payroll accounting is also done in-house within this program together with support by the software excel.

The internal control system over financial accounting, as set up by the Company, provides an adequate instrument of regulation for the organization and the control of operational processes for business purposes and can sufficiently handle current business volumes. There were no significant organizational changes in the accounting procedures during the reporting period.

The organization of the accounting department and the internal control over financial reporting is sufficient and appropriate to assure a complete, correct, timely, and proper recording of the business transactions. The chart of accounts is sufficiently structured and the records are clear and well ordered. The accounts were correctly carried forward from the previous year's financial statement and were determined as having been kept in order throughout the entire financial year.

The information gathered from other audited documents also presents an orderly picture concerning the books and records, the annual financial statements and the management report.

Overall we can determine that the accounting practices in place and the other audited documents (including receipts, internal control and budgeting) all adhere to the applicable, statutory regulations including the Generally Accepted Accounting Principles. The audit has not led to any reservations.

2. Annual financial statements

As of the balance sheet date, the Company was classified as being a medium-sized company as defined by § 267 para. 2 of the German Commercial Code. The annual financial statements as of 31 March 2019 were prepared in accordance with the requirements of German Commercial Code regarding medium-sized companies. The Company has partly made use of the size-related simplified system available for medium-sized corporations.

The balance sheet and the income statement were compiled coherently from the accounting documents and other documents included in the audit. The structure of the balance sheet (exhibit 1) adheres to the scheme provided by § 266 para. 2 and 3 of the German Commercial Code. The income statement (exhibit 2) was compiled applying the cost-summary method according to § 275 para. 2 of the German Commercial Code.

As far as there are options regarding disclosure with regard to balance sheet and income statement items, disclosures were mostly made in the notes.

In the notes compiled by the Company (exhibit 3), the accounting and valuation methods used for the balance sheet and income statements are sufficiently explained. All legally required data as well as the optional entries for the balance sheet and income statements contained in the notes are fully complete and accurately represented.

The annual financial statements therefore conform to statutory requirements including the German Accepted Accounting Principles. The audit has not led to any reservations.

3. Management report

Audit of the management report has concluded that the management report is consistent with the financial statements and our audit findings and as a whole gives a true and fair view of the Company's situation.

The disclosures pursuant to § 289 para 2 of the German Commercial Code and other legal requirements are complete and accurate.

Concluding one can say that the management report contains all required disclosures and therefore is in compliance with the legal requirements.

II. Overall Picture of the Annual Financial Statements

1. Conclusion on the annual financial statements

Our audit has concluded that the annual financial statements as a whole - comprising the balance sheet, income statement and notes - give a true and fair view of the net assets, financial position and results of operations in accordance with Generally Accepted Accounting Principles (§ 264 para. 2 of the German Commercial Code).

2. Accounting and valuation Methods and constitutive measures as well as associated changes

The following accounting and valuation methods appear material to us:

- The valuation of raw materials is done according to the moving average of purchasing prices, taking into account the strict principle of the lower of cost or market.

- The pension accrual is accounted for using the settlement value. Valuation was done under observation of actuarial principles under application of the projected unit credit method. The average interest rate for a duration of 10 years according to § 253 para. 2 sentence 1 and 2 German Commercial Code amounts to 3.07 %. When calculating the settlement value, the tables by "Dr. Klaus Heubeck "Richttafeln 2018 G" and a fluctuation of 1.5% was used. As of balance sheet date, the provision amounts to EUR 51k (p.y. EUR 53k). Due to bankruptcy of the predecessor company in 2004, the pension safety net ("Pensionssicherungsverein") has taken over part of the pension liability.

- Deferred tax assets result from the differences between commercial and tax accounts of German and international have not been set up within financial statements.

The accounting and valuation methods are unchanged compared to prior year.

In addition, please see the comments made in the Notes (exhibit 3).

III. Assessment of the Risk Management System

The Company does not belong to the group of organizations that are legally obliged to implement a Risk Management System (cf. § 317 para. 4 German Commercial Code).

When assessing the economic situation of the Company, management evaluates the risk on basis of the annual report as well as financial forecasts. In doing so, management also made use of a system of financial indicators which takes risk factors into account.

E. AUDIT OPINION AND CONCLUDING STATEMENTS

Based on the results of our audit of the annual financial statements as of 31 March 2019 enclosed as Exhibits 1 to 3 and of the management report for the financial year 2018/19 enclosed as Exhibit 4 of Bavaria Electrodes GmbH, Röthenbach a.d. Pegnitz, we have issued the following unqualified audit opinion, dated 6 May 2019:

"**Independent Auditor's Report**

To Bavaria Electrodes GmbH, Röthenbach a.d. Pegnitz

Audit Opinion

We have audited the annual financial statements of Bavaria Electrodes GmbH, Röthenbach a.d. Pegnitz, which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss for the financial year from 1 April 2018 to 31 March 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Bavaria Electrodes GmbH, Röthenbach a.d. Pegnitz, for the financial year from 1 April 2018 to 31 March 2019.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2019 and of its financial performance for the financial year from 1 April 2018 to 31 March 2019 in compliance with German legally required accounting principles and the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the annual financial statements and for the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

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

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We provide the above report on the audit in accordance with the legal requirements and the Generally Accepted Standards for the Issuance of Audit Reports for the Audits of Financial Statements (IDW PS 450).

Use of the audit opinion presented outside of this audit report requires our prior consent. If the annual financial statements and/or the management report are made public or passed on to a third party in any form other than the official, authenticated form (including translation into any other language), then we will be required to provide a new audit opinion, so long as our audit opinion is to be quoted or the audit itself is referred to (see § 328 of the German Commercial Code).

Munich, 6 May 2019

Altavis GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

(signed)	(signed)
Roller	Rettenmayr
Wirtschaftsprüfer	Wirtschaftsprüfer
(Certified Public Auditor)	(Certified Public Auditor)

BAVARIA ELECTRODES GMBH
RÖTHENBACH A.D. PEGNITZ
BALANCE SHEET
AS OF 31 MARCH 2019

ASSETS

	31 March 2019 EUR	31 March 2018 EUR
A. FIXED ASSETS		
I. Intangible assets		
Concessions. Industrial property rights acquired for a consideration as well as licences to such rights and values	1,188.00	0.00
II. Tangible assets		
1. Technical equipment and machines	14,127.00	7,904.00
2. Other Plants, office fixtures and fittings	46,489.00	34,442.00
	60,616.00	42,346.00
	61,804.00	42,346.00
B. CURRENT ASSETS		
I. Inventories		
Raw materials, supplies and operating materials	539,087.88	448,482.78
II. Receivables and other assets		
1. Trade receivables	1,881.85	2,376.80
2. Receivables from affiliated undertakings	7,002,602.25	6,296,344.01
3. Other assets	108,920.62	108,644.59
	7,113,404.72	6,407,365.40
III. Cash, bank deposits and cheques	390,457.06	35,583.30
C. PREPAID EXPENSES	14,732.55	5,249.92
	8,119,486.21	6,939,027.40

EQUITY AND LIABILITIES

	31 March 2019 EUR	31 March 2018 EUR
A. EQUITY		
I. Capital subscribed	100,000.00	100,000.00
II. Profit carried forward	3,012,987.71	2,797,133.25
III. Profit of the year / net loss	275,042.39	215,854.46
	3,388,030.10	3,112,987.71
B. PROVISIONS AND ACCRUALS		
1. Provisions for pensions and similar obligations	51,387.00	53,175.00
2. Provisions for taxes	38,092.88	24,314.27
3. Other provisions	581,947.49	490,417.12
	671,427.37	567,906.39
C. LIABILITIES		
1. Trade payables	1,489,276.53	1,094,968.92
2. Liabilities due to affiliated undertakings	2,529,692.85	2,127,910.48
3. Other liabilities	41,059.36	35,253.90
- thereof for taxes: EUR 41,059.75 (p.y.: EUR 35,109.29)	4,060,028.74	3,258,133.30
	8,119,486.21	6,939,027.40

BAVARIA ELECTRODES GMBH
RÖTHENBACH A.D. PEGNITZ
INCOME STATEMENT
FOR THE PERIOD FROM 1 APRIL 2018 TO 31 MARCH 2019

	2018/19 EUR	2017/18 EUR
1. Sales	20,011,397.64	15,128,890.19
2. Other operating income	94,930.85	35,819.45
3. Cost of materials		
a) Cost of raw materials, supplies, operating materials and acquired goods	-2,340,333.05	-1,699,777.88
b) Cost of services acquired	-7,151,367.89	-4,621,133.03
4. Gross Profit	10,614,627.55	8,843,798.73
5. Personnel costs		
a) Wages and salaries	-4,401,190.10	-3,945,506.92
b) Social security and expenses for old age pensions and support	-913,266.72	-782,124.77
- thereof for pensions EUR 3,365.36 (p.y.: EUR 1,217.36)		
	-5,314,456.82	-4,727,631.69
6. Depreciation for intangible fixed assets and tangible assets	-22,949.37	-18,876.04
7. Other operating expenses	-4,853,147.64	-3,796,505.13
- thereof from currency translation EUR 2,217.57 (p.y.: EUR 0.00)		
8. Operating Income	424,073.72	300,785.87
9. Interest and similar expenses	-4,146.00	-1,990.69
- thererof from compounding: EUR 1,898.00 (p.y.: EUR 1,983.00)		
10. Taxes on income and profit from ordinary business operations	-144,885.33	-82,940.72
11. Profit after tax	275,042.39	215,854.46
12. Net Profit for the year	275,042.39	215,854.46

Bavaria Electrodes GmbH, Roethenbach a. d. Pegnitz

Notes to the Annual Financial Statements for the Financal Year from 1 April 2018 to 31 March 2019

A. General Information

Bavaria Electrodes GmbH ("the Company") is domiciled in Röthenbach a. d. Pegnitz and incorporated in the Register of Companies HRB 21198 maintained by the local civil Court Nuremberg.

The annual financial statements of Bavaria Electrodes GmbH were prepared in accordance with the regulations of the German Commercial Code (HGB) and the Limited Liability Company Act (GmbHG).

For the income statement the total cost method according to § 275 para. 2 HGB has been chosen. The company is a medium-sized company according to § 267 para. 2 HGB.

B. Accounting policies

The accounting and valuation policies applied in the previous year were retained. The accounting and valuation of items in the balance sheet and income statement are based on the going concern assumption according to § 252 sec. 1 Nr. 2 HGB.

The **fixed assets** acquired from the insolvency administrator of the Conradty Group, Dr. Pöhlmann, in August 2004 are valued at the acquisition costs, reduced by the regular straight-line depreciation assuming a remaining life of assets to be seven years for plant and machinery and ten years for building.

Newly acquired intangible assets and fixed assets are valued at the acquisition or production costs reduced by the straight-line depreciation. Assets manufactured in-house are valued according to the production costs considering adequate parts of the required general and administrative costs. Depreciation is done according to the current official tax depreciation tables. The useful economic life remain between 3 and 12 years.

Low-value assets with product related acquisition costs of up to EUR 150.00 are depreciated completely in the year of acquisition and shown in the asset table as disposal. Fixed assets with acquisition costs between EUR 150.00 (starting 2018: EUR 250) to EUR 1,000.00 are accumulated in a pool item. Depreciation is done in the year of purchase and the following four years. It is depreciated in the year it was recorded and the following four years and hence reducing profits.

Raw materials, supplies and operating materials are valued at their acquisition costs including the incidental acquisition expenses taking into account the lower of cost or market.

Accounts receivable and other assets are valued at their nominal value.

Cash on hand and **bank balances** are measured at nominal value.

The **prepaid expenses** relate to payments made before the reporting date, which represent expenses for a certain period after that date.

The **accruals for pensions and similar rights** are valued according to the projected-unit-credit method applying the tables 2018 G of Klaus Heubeck. An actuarial interest rate of 3.07 % and a pensions dynamic of 1.50 % are assumed. § 253 Sec. 2 sentence 1 and sec. 6 HGB were applied, using the average discount rate of the past 10 years. Consequently, the dividend payout restriction and active difference amount to kEUR 9.

Tax accruals and other accruals to cover any risk and expected/uncertain obligations are accounted in an amount required for the settlement on the basis of a reasonable commercial assessment and are recognized in consideration of the anticipated cost and price increase in the future. For short term accruals, the discounting option was not used.

Liabilities are accounted for in the balance sheet according to their settlement amount.

Deferred taxes
For discrepancies between the commercial valuation on the one hand and the tax base of assets, debts and accrued and deferred items which can expected to be settled in later financial years, according to § 274 HGB [German Commercial Code], an overall tax burden resulting from these differences shall be shown in the balance sheet as deferred tax liabilities. An overall tax relief resulting from these differences can be shown in the balance sheet as deferred tax assets. By exercising the option to capitalize deferred taxes no deferred tax assets are shown in the balance sheet.

All assets are evaluated carefully. Namely all risks and losses are included up to the accounting date, even those which are emerged between accounting date and compilation of the financial statement.

Income statement

Profits are only taken into the account, when they are realized up to the accounting date. Outgo / income are taken into the account independently from their payment date.

C. Comments on the balance sheet

Fixed assets
The development of the individual items of the fixed assets is stated in asset table attached to these notes.

Receivables and other assets
The receivables and other assets have a residual maturity of up to one year in fiscal year as well as in the previous year. The receivables against affiliated companies relate to receivables from supplies and services.

Deferred taxes
Deferred taxes on pension accruals are not capitalized, in accordance with § 274 sec. 1 Sentence 2 of the HGB [German Commercial Code].

Other reserves and accrued liabilities
The accrued liabilities mainly include accruals for personnel accruals in the amount of kEUR 410(p.y.: kEUR 371), as well as outstanding invoices in the amount of kEUR 132 (p.y.: kEUR 26).

Receivables and other assets
There are no security interest on the receivables and other interest.

Payables due to affiliated companies
All liabilities have residual maturity of up to one year. Payables to affiliated companies are payables from supplies and services.

D. Comments on the income statement

Taxes on income
Taxes on income are related to trade tax (kEUR 56; p.y.: kEUR 36) and corporation tax and solidarity surcharge in the amount of kEUR 68 (p.y.: kEUR 47). In addition, tax payments for previous years in the amount of kEUR 21 (p.y.: repayments: kEUR 1) are included.

E. Other disclosures

Contingencies, Guarantees
As at 31 March 2019 no contingencies or guarantees exist. There are off-balance sheet commitments with affiliates for rent of the building and tangible assets with a value of kEUR 748.

Number of employees:

Blue-collar workers	109
White-collar workers	12
Total	121

Comments on the consolidated accounts
The annual financial statements of the company will be included in the consolidated accounts of Graphite International B. V., Rotterdam, Netherlands, which is a subsidiary of Graphite India Ltd., Kolkata, India. The consolidated accounts of Graphite India Ltd., Kolkata, India, the ultimate parent company, are published in India at National Stock Exchange and Bombay Stock Exchange in Bombay.

Management
In the financial year 2018/2019, management was carried out by:

Adrian Nikolov Bojilov, Röthenbach / Pegnitz, Graduate Economist, managing director
Nitin Shridharrao Deshpande, Nasik, India, Graduate Mechanical Engineer, managing director
Sanjay Wamanrao Parnerkar, Kolkata, India (from 21 November 2018), managing director
Lallan Prashad, Röthenbach / Pegnitz (from 19 November 2018), managing director

The company did not pay any compensation to the management. The compensations were paid by Bavaria Carbon Specialities GmbH, Röthenbach a.d. Pegnitz, and/or Graphite India Ltd., Kolkata, India.

Proposed appropriation of results
The net profit of the financial year and the retained profit shall be carried forward onto new account.

Events after balance sheet date
There are no events after the balance sheet date with an effect on the financial statements which would require disclosure.

Röthenbach a. d. Pegnitz, 6 May 2019

A.N. Bojilov N.S. Deshpande S.W. Parnerkar L. Prashad

DEVELOPMENT OF FIXED ASSETS DURING THE FINANCIAL YEAR 2018/19

	AQUISITION COSTS				ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	1 Apr. 2018 EUR	Additions EUR	Disposals EUR	31 Mar. 19 EUR	1 Apr. 2018 EUR	Additions EUR	Disposals EUR	31 Mar. 19 EUR	31 Mar. 19 EUR	31 Mar. 18 EUR
I. INTANGIBLE ASSETS										
Concessions. Industrial property rights acquired for a consideration as well as licences to such rights and values	0.00	1,527.63	0.00	1,527.63	0.00	339.63	0.00	339.63	1,188.00	0.00
II. PROPERTY, PLANT AND EQUIPMENT										
Technical equipment and machines	217,624.30	9,207.10	0.00	226,831.40	209,720.30	2,984.10	0.00	212,704.40	14,127.00	8,805.00
Other equipment, factory and office equipment	348,697.82	31,672.64	0.00	380,370.46	314,255.82	19,625.64	0.00	333,881.46	46,489.00	29,431.00
	566,322.12	40,879.74	0.00	607,201.86	523,976.12	22,609.74	0.00	546,585.86	60,616.00	38,236.00
	566,322.12	42,407.37	0.00	608,729.49	523,976.12	22,949.37	0.00	546,925.49	61,804.00	38,236.00

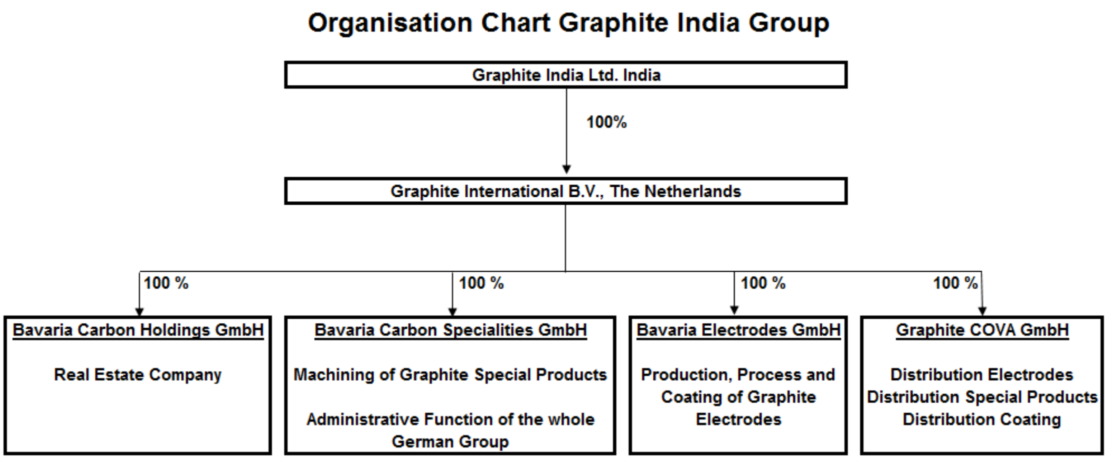
Bavaria Electrodes GmbH
Röthenbach an der Pegnitz
Management Report for the business year
from 1 April 2018 until 31 March 2019

1. Business Model of the Company

The main business of the Company is to manufacture Graphite Electrodes, Electrode Coating Services and other Miscellaneous Carbon and Graphite Products.

Graphite Electrode is used in electric arc furnace (EAF) based steel mills for conducting current and is a consumable item for the steel industry.

Group structure



Bavaria Electrodes GmbH is a wholly owned subsidiary of the Graphite International BV, the Netherlands, which is a wholly owned subsidiary of Graphite India Ltd. India. Bavaria Electrodes GmbH deals with only production of Graphite Electrodes, Electrodes Coating services and misc. Carbon and Graphite Products. The selling of these goods is only done by fellow group company Graphite Cova GmbH.

The company is located in Grünthal 1 - 6, D-90552 Röthenbach an der Pegnitz, Germany.

a) Business- and Market Conditions

Global Steel production was higher in CY 2018 compared to CY 2017. However, this was still lower compared to CY 2007 / period before the outbreak of economic crisis. The year was marked by strong changes in the steel and graphite production in China as well as further restructuring of the worldwide electrode production.

b) Research and Development

Graphite India Ltd. pursues research and development activities on an on-going basis at its in-house research and development centre engaged in the innovation of improved products and processes in the field of Graphite and Carbon. R & D initiatives are in areas of raw materials, productivity, process development, reduction in carbon emissions etc. Many of the cost savings achieved were significant and in compliance with the “pollution control and clean environment norms”.

2. Overall Economic Report

a) Business Overview/Total Statement

At Bavaria Electrodes GmbH, Graphite Electrode production at 13,319 MT was higher as compared to 10,669 MT in 2017-18.

The Company earned profit of TEUR 275 during the year as against TEUR 216 in the previous year.

b) Economic Overall Situation and Trade Based Market Conditions

i. Economic Overall Situation Frame Conditions*

According to initial calculations by the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in 2018 was 1.5 % higher than in the previous year. The German economy has thus grown for the ninth year in succession, but growth has lost momentum. In the previous two years, the price-adjusted GDP had risen by 2.2 % in each case. A longer-term view shows that German economic growth in 2018 is above the average of +1.2 % for the last ten years.

Positive growth impulses in 2018 came primarily from Germany: Both private consumer spending (+1.0%) and government spending (+1.1%) were higher than in the previous year. However, growth was significantly lower than in the last three years.

The price-adjusted gross investments increased overall by 4.8 % compared to the previous year. Investments in equipment were 4.5 % higher than in the previous year. Construction investments increased by 3.0%.

The price-adjusted exports of goods and services were 2.4 % higher than in 2017. Imports increased more strongly by +3.4 % in the same period.

On the production side, almost all sectors of the economy made a positive contribution to economic development in 2018.

* Source: DE Statis

i. Trade Based Frame Conditions*

Global crude steel production reached 1,808.6 million tonnes (Mt) for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the EU, which saw a 0.3% contraction.

Asia produced 1,271.1 Mt of crude steel in 2018, an increase of 5.6% compared to 2017. China's crude steel production in 2018 reached 928.3 Mt, up by 6.6% on 2017. China's share of global crude steel production increased from 50.3% in 2017 to 51.3% in 2018. India's crude steel production for 2018 was 106.5 Mt, up by 4.9% on 2017, meaning India has replaced Japan as the world's second largest steel producing country. Japan produced 104.3 Mt in 2018, down 0.3% compared to 2017. South Korea produced 72.5 Mt of crude steel in 2018, an increase of 2.0% compared to 2017.

The EU produced 168.1 Mt of crude steel in 2018, a decrease of 0.3% compared to 2017. Germany* produced 42.4 Mt of crude steel in 2018, a decrease of 2.0% on 2017. Italy produced 24.5 Mt in 2018, up by 1.7% on 2017. France produced 15.4 Mt of crude steel, a decrease of 0.7% on 2017. Spain produced 14.3 Mt of crude steel in 2018, a decrease of 0.1% on 2017.

Crude steel production in North America was 120.5 Mt in 2018, 4.1% higher than in 2017. The US produced 86.7 Mt of crude steel, up by 6.2% on 2017.

The CIS produced 101.3 Mt, an increase of 0.3%. Russia* produced 71.7 Mt of crude steel in 2018, up by 0.3% on 2017. Ukraine produced 21.1 Mt of crude steel in 2018, a decrease of -1.1% compared to 2017.

Annual crude steel production for South America was 44.3 Mt in 2018, an increase of 1.3% on 2017. Brazil produced 34.7 Mt in 2018, up by 1.1% compared to 2017.

The Middle East produced 38.5 Mt of crude steel in 2018, an increase of 11.7% on 2017. Iran* produced 25.0 Mt in 2018, up 17.7% on 2017.

Turkey's crude steel production for 2018 was 37.3 Mt, down by 0.6% on 2017.

* Source: World Steel Association

In 2019*:

The World Steel Association (**worldsteel**) released its April 2019 Short Range Outlook (SRO). **Worldsteel** forecasts global steel demand will reach 1,735 Mt in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1.0% to reach 1,752 Mt.

Commenting on the outlook, it was said, "In 2019 and 2020, global steel demand is expected to continue to grow, but growth rates will moderate in tandem with a slowing global economy. Uncertainty over the trade environment and volatility in the financial markets has not yet subsided and could pose downside risks to this forecast."

In 2018, global steel demand increased by 2.1% (after adjusting for China induction furnace closures), growing slightly slower than in 2017. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

* Source: World Steel Association

c) Situation of the Company

i. Profitability Situation

	2018-19 kEUR	**% with sales**	**2017-18 kEUR**	**% with sales**
Net Sales	20,011		15,129	
Other Income	95		36	
Total Income	20,106		15,165	
Operating Expenses	19,660	**98.25**	14.845	**97.90**
PBIDT	446	**2.23**	320	**2.10**
Interest	4		2	
PBDT	442	**2.21**	318	**2.09**
Depreciation	23	**0.11**	19	**0.13**
PBT	419	**2.09**	299	**1.97**
Tax	144	**0.72**	83	**0.54**
PAT	275	**1.37**	216	**1.42**

The company produced electrodes 13,319 MT in the year 2018-19 as against 10.669 MT in previous year.

Revenues during the current period is increased by 32%, this is due to an increase in the quantity sold.

Operating expenses increased in proportion to revenues in current period compared to 2017/18.

ii. Financial Situation

	2018-19 TEUR	**%**	**2017-18 TEUR**	**%**
Equity	3.388		3,113	
Return on Equity		**8.12**		**6.94**
Accruals	671		568	
Liabilities	4.060		3,258	
Total Debts	4,731		3,826	
Debt Equity Ratio		**139.64**		**122.90**
FIXED ASSETS	62		42	
Inventories	539		448	
Trade Receivables	2		2	
Receivables from affiliated companies	7.003		6,296	
Other Receivables	109		109	
Liquid Assets	390		35	
Prepaid Expenses	15		5	
SHORT TERM ASSETS	8,011		6,895	
Accruals for Taxes	38		24	
Other Accruals and provisions	633		544	
Trade Payables	1,489		1,094	
Payables due to affiliated companies	2,530		2,128	
Other Payables	41		35	
Short & Medium Term Liabilities	4,731		**3,826**	
Current Ratio		**169.33**		**180.21**

Due to increased electrode production as compared to last year both receivables from and payables to affiliated company have increased.

Trade payables have increased in current period as compared to 2017-18. This increase is due to higher liabilities on account of Gas and Power.

Other accruals have increased in current period compared to 2017-18 due to increase in tax related provisions which will be paid in Dec 2020.

d) Financial and Non-financial Performance Factors

i. Financial Performance Factors

The company earned profit of kEUR 275 as against kEUR 216 in the previous year 2017-18.

The global market for graphite electrodes is dominated by a few producers. Higher demand in FY 2018-19 ensured that the Company could produce to the extent of around 76 % in 2018-19.

ii. Non-Financial Performance Factors

Product quality has been further stabilised on a level allowing comparison to that of the leading graphite producers. Customer acceptance is encouraging. Customer service has been strengthened. Confidence on the part of customers, suppliers and authorities keeps on growing. The technology of steel making has undergone significant advancements. Hence, in tune with the improved quality requirements of customers, it is imperative to scale up and modernize the production facility.

Due to the crisis in the European market, the company has already started entering new markets to increase the customer base.

We found new customers in South and North America as well as in Russia and North Africa.

The company has continued initiating rationalisation measures for controlling costs.

e) Comparison to Previous Year

In the management report for the previous year, the company expected a further positive development of economic growth in 2018/2019, a moderate growth of the entire steel industry and an improvement in sales as well as profit after tax. For the above mentioned reasons, sales & profits have increased.

3. Forecast, Chance and Risk Report

A) Forecast Report

In FY 2018/19 a spot market has developed as a result of the reduced availability of needle coke and graphite electrodes. This forced the customers to look for graphite electrodes in order to keep their production running. Chinese producers have reacted immediately and have started offering and supplying electrodes with domestic needle coke and of low quality. Customers have bought such electrodes in order to guarantee their production. As a consequence of this process, many customers are now covered with electrodes for the CY 2019. For this reason, the demand of graphite electrodes is limited. This could lead to a lower production in 2019-20 compared to the previous year.

A change in the steel production route - from BOF (Basic Oxygen Furnace) to EAF (Electric Arc Furnace) will have a positive effect, even if the total steel quantity produced is not increased significantly.

Given that, both sales and annual result are expected to fall around 25%-30%from the level of 2018-19.

B) Risk Report

i. Risk Management System

The company is integrated into the risk management system of the parent company. The implemented risk management system of the company uses appropriate management tools and indicators in the key areas like sales and earnings development, raw material management, sales and production control as well as financing and securing of liquidity.

The integrated early detection system based on rolling budgeting is aimed at the early identification of business risks, to analyse and classify them, to be able to handle issues which threaten the existence, in time. The management receives information on risk-relevant issues in regular reports. Depending on requirements, supplementary reports to individual circumstances can be created.

Based on the controlling reports and rolling expansions for the current business year all significant developments are presented and explained in detail by the department heads in regular meetings with the management, the current risk situation is discussed and appropriate measures to control the development of the company are defined.

The business development of the company is regularly discussed and coordinated with the parent company Graphite India.

ii. General Risks

It is undeniable that business projections have an inherent element of uncertainty of unknown elements like sudden reversal of positive trends leading to economic slowdown resulting in possible negative growth for steel, automotive and infrastructure industries slowing down which in turn may adversely impact the prospects for our industry.

It is not only the steel industry which plays a quite decisive role but also the development in raw material and energy prices as well as the market leaders' pricing policy, influence our performance.

iii. Specials Risks

a) Market Risks

The global market for graphite electrodes is in a consolidation phase. In business year 2014/2015 dominant competitors decided the reduction of production capacity in the amount of 120.000 tons. The reduction of this capacity to adapt to the reduced demand from the steel industry is essential for the consolidation of the industry. The timing and extent of the positive effects of these measures on the consolidation of the industry are fraught with uncertainties. In August 2015, one of the biggest electrode producers – GrafTech – was sold to Investment Group Brookfield. As a consequence, the electrode stocks which the new owner had taken over, were sold heavily, resulting in a strong decline in prices. The company expects a normalization of the markets in one to two years.

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 proven this decision right. The Company markets Graphite Electrodes under the brand name of ‘COVA’, which has good acceptance in the market.

Summarising the risk factors, the company expects that the steel industry will improve further but the quantities to be sold will be limited because of the fact that many customers are already covered with electrodes from other suppliers, mainly from China.

b) Sales Risks

The product Graphite Electrode involves various manufacturing processes and hence needs to be produced as per requirement of Graphite Cova. The production planning is based on expected market developments from the global steel industry and specific requirements of the major steel industry customers. Risks may happen when the actual demand for graphite electrodes deviate from the expectations of the production. The sale of goods is only done via the fellow group company Graphite Cova GmbH.

c) Risks from Energy- and Raw Material Prices

Company has ensured the supply of electricity and gas, contracts for regular supply of them are renewable before the end of the existing contracts. For the amendment of the Renewable Energies Act (EEG), no significant changes in subsidization of electricity consumption for the company are expected.

d) Risks resulting from the use of financial instruments

The company is not using any external financing, therefore there is no material interest rate risk. Furthermore, the only customers are other group companies, therefore the default risk is considered low. Revenues and expenses are only generated in EUR, hence there is no currency risk.

C) OPPORTUNITY REPORT

Through the involvement of society in the globally active group of Graphite India, additional market opportunities generated outside Europe and cost benefits from the globally organized production network. The Company expects significant benefits from the consolidation of the industry in the next one to two years.

The employees retention is very good and most of the employees have long served the Company.

Acknowledgement

The Management takes this opportunity to place on record its appreciation of the assistance and support extended by all government authorities, consultants, solicitors, customers, vendors and others. Special thanks to the banks for having shown their confidence in the company. The Management also expresses its appreciation for the dedicated and sincere services rendered by employees of the Company.

A special acknowledgement to the technical team and management of Graphite India for extending support from time to time during the year.

Röthenbach an der Pegnitz. 6 May 2019

A. N. Bojilov N. S. Deshpande Lallan Prashad S. W. Parnerkar

LEGAL BACKGROUND

- Company name	Bavaria Electrodes GmbH
- Registered seat	Röthenbach an der Pegnitz
- Commercial Register	Amtsgericht Nürnberg HRB 21198
- Articles of Association	Latest version dated 28 November 2006
- Financial year	1 April – 31 March
- Purpose of the company	Production and manufacturing of graphite and carbon products, graphite and carbon electrodes, anodes, cathodes and carbon paste for the usage in electric arc furnaces for the electric steel industry and the non-metall-manufacturing industry.
- Share capital	EUR 100,000.00 (fully paid in) – single shareholder is GIBV)
- Shareholder	Graphite International B.V., Rotterdam / The Netherlands (100 %)
- Management	- Bojilov, Adrian Nikolov - Deshpande, Nitin Shridharrao - Parnerkar, Sanjay Wamanrao (with resolution as of 21 November 2018) - Prashad, Lallan (with resolution as of 19 November 2018) - Only authorized to manage and represent jointly
- Proxies	- Atawane, Ishwar Tukaram (until 20 July 2018) - Renner, Helmut - Poddar, Rounak (since 20 June 2018) - Sasle, Suryakant Laxman (until 29 January 2019) - Shenoy, Vittaldas (until 29 January 2019)

- Advisory board — Shareholder resolutions as of 12 February 2018 an advisory board has been established with the following members:

    - Gadgil, Makarand Bhalchandra
    - Dixit, Ashutosh

- Shareholder resolutions — Shareholder resolutions on 15 March 2019

    - Approval of Financial statements as of 31 March 2018
    - Relief of management from their duties for financial year 2017/18
    - Carry on of profit 2017/18 to new account
    - Appointment of Altavis GmbH as auditors for year end 31 March 2019

  Shareholder resolutions on 29 January 2019

    - Revocation of proxy of Mr. Suryakant Laxman Sasle and of Mr. Vittaldas Shenoy

  Shareholder resolutions on 21 November 2018

    - Appointment as managing director with sole representation to Mr. Sanjay Wamanrao Parnerkar

  Shareholder resolutions on 19 November 2018

    - Appointment as managing director to Mr. Lallan Prashad

  Shareholder resolutions on 20 June 2018

    - Granted power of procuration to Mr. Rounak Poddar

EXHIBIT 6

ECONOMIC BACKGROUND

1. Inter Group Contracts

Lease agreement regarding immovables from BCH dated 9 September 2004 (start of lease period 13 August 2004). Automatic renewal when no termination is done. Maintenance and smaller repairs need to be covered by the lessee. Leasing costs amount to EUR 137.5k per year.

Lease agreement for equipment (mainly production machines and tools) with GC dated 9 September 2004. Automatic renewal when no termination is done. Lessee has to pay for all repairs, auxiliary costs and insurance. Rent is 15 % of acquisition costs per year.

Production agreement with GC dated 9 September 2004. Automatic renewal if no termination is done. Bavaria Electrodes is instructed to produce graphite electrodes. Fee is cost plus 4 %.

General services agreement with BCS dated 9 September 2004. Automatic renewal in case no termination is done. BCS is performing services such as accounting, IT, HR and administration of property. Fee is cost plus 7 %, excluding third party costs that are covered directly.

2. Public law contract

Contract with State of Bavaria dated 14 July 2004 regarding contamination on the property now belonging to BCH.

EXHIBIT 7

TAX BACKGROUND

- Tax authority	Nuremberg
- Tax ID	241/122/12120
- Tax group	Tax group for VAT purposes
- Head of tax group	GC
- Applicable taxes	Trade tax, corporate income tax.
- Tax returns and assessments	Tax returns for 2017 are filed and assessed.
- Tax field audits	Tax field audits regarding 2009 – 2013 were completed in the year 2017/18 and are fully incorporated in the year financial statements 2017/18.