

GRAPHITE INTERNATIONAL B.V.

at Rotterdam

Annual report over the period

1 April 2021 till 31 March 2022

Initialed for identification
purposes

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date: 23-05-2022

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date: 23-05-2022

To the Shareholders and Board of Directors of
Graphite International B.V.
attn. H. Jansen/S.W. Parnerkar
Verlengde Poolseweg 14
4818 CL Breda The Netherlands

Utrecht, 23 May 2022
Ref.: 19765/2022

Dear Sirs,

Following your request we have audited the financial statement of Graphite International B.V., Rotterdam, over the period 1 April 2021 as at 31 March 2022, included in this report, on 23 May 2022 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 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 was already deducted from the other reserves.

Proposed appropriation of the profit for the period 1 April 2021 till 31 March 2022

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.

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Fiscal position

Corporate income tax(current)

Graphite International B.V. is independently taxable for 2021/2022 corporation taxes. The company taxable amount (excluding deferred tax asset) has been calculated as follows:

	2021/2022
(in euros)	
Income before taxes	-10.891.604
Add:	
Depreciation not deductible for tax purposes	1.745.794
German withholding tax	65.500
Fiscal loss	<u>-9.080.310</u>

The taxes on income in the consolidated profit and loss account for 2021/2022 can be specified as follows:

	2021/2022
Taxes on income entity in The Netherlands	10.981
GAAP Difference	25.822
Taxes on income entities in Germany	226.844
Deferred tax asset Germany	189.184
	<u>452.831</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,

drs. M. Hammer RA

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Management Report for 01-April-2021 to 31-March-2022

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 468,632.41 during the year.

During the year, the Company gained control of General Graphene Corporation (GGC) in which it now owns 51,806% of stake as at reporting date as there was further investment of \$ 2,5 Mio in July 2021 as well as cancellation of a certain shares which increased the stake of other shareholders. As such, the status of GGC changed from an Associate to Partly Owned Subsidiary w.e.f 31st January 2022. 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.

3. **Subsidiaries:**

The following are the four 100% wholly owned 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 Partly Owned Subsidiary of the Company, based in USA.

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	
	2021-22	2020-21	2021-22	2020-21
INCOME				
Revenue from operations	469	309	45,819	15,294
Other Income	327	47	727	842
Total Revenue	795	356	45,546	16,136
Less: Operating expenses	312	2,259	55,592	40,586
Profit/(Loss) before Finance Cost and depreciation	484	(1,903)	(9,046)	(24,450)
Less : Finance Cost	910	(92)	(954)	(81)
Profit/(Loss) before depreciation and tax	1,393	(1,811)	(8,093)	(24,369)
Less : Depreciation	1,746	1,623	2,799	2,220
Profit/(Loss) before taxation	(352)	(3,434)	(10,891)	(26,589)
Share of Profit/(Loss) in Associates	(11,696)	(24,537)	(904)	(1,163)
Less: Provision for taxation	(200)	(432)	(453)	(214)
Profit/(Loss) for the year	(12,249)	(27,539)	(12,249)	(27,538)

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Graphite International B.V., Rotterdam

Out of available capacity of 17,500 MT of Electrodes, the Group produced 9,099 MT (p.y. 5,653 MT). FY 2021-22 saw the resurgence of demand after the continued lower demand and depressed prices which started somewhere in mid-2019. Recovery after Covid as well as crisis in Europe mainly due to input unavailability, Energy prices and Ukraine Russia crisis created a lot of uncertainty. 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:

German Subsidiaries

The manufacturing facilities of German 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 the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) was 2, 7% higher in 2021 than compared to 2020. The economic development was highly dependent on Covid-19 infection rates and the associated preventive measures also in 2021. Despite the continuing pandemic situation, more delivery bottlenecks and material shortages, the German economy managed to recover from the sharp fall last year although the economic performance has not yet reached its pre-crisis level again. GDP was still 2.0% lower in 2021 than in 2019, the year before the Covid-19 crisis began.

Global crude steel production reached 1.912 million tonnes (Mt) for the year 2021, thus was about 3,6% higher compared to 2020.

The EU produced 152.5 Mt of crude steel in 2021, an increase of 15.4% compared to 2020. Germany produced 40.1 Mt of crude steel in 2021, up 12.3% on 2020.

USA Subsidiary

The Partly Owned Subsidiary in USA is still in research mode and commercial production is yet to start.

6. Borrowing facilities of German Subsidiary companies from Banks:

The working capital limit from bank was kEUR 20,000 as at 31 March 2022 (p.y. kEUR 10,000). Total utilization of fund-based limits from the bank was kEUR 10,000 during the year 2021-22. The interest rate is floating for each drawdown. The credit line does not have maturity date and is granted until further notice from the Bank.

Present credit of kEUR 25,264 (incl interests) and support from the parent company is sufficient to meet the requirement of liquidity business operations. In addition, the parent company has issued a comfort letter in favor of the Company.

Even with negative equity, the Management expects the Company to operate as a going concern because of improving market conditions. The Company is re-negotiating several lower rate orders from its customers in the wake of high costs post the Ukraine - Russia Crisis. Further, with the support of the parent company and available credit limit from banks, the liquidity is not in danger. Even with negative equity, it is pertinent to note that the Company has not defaulted on any of its payables.

The Company invests surplus USD cash in fixed term deposits.

The risks arising due to foreign currency fluctuations are dealt by way of natural hedging.

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7. Dividend:

No dividend is proposed for the year.

8. Outlook:

For the business year 2022/2023, the German Subsidiary expects price 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. The loss will be funded by unutilized credit limit available with Citibank. In addition, the parent company has issued a comfort letter in favor of the Company.

The budget of GGC is dependent on development of suitable applications which are being explored by the local team and hence revenues and costs associated with it cannot be estimated at this stage.

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 for all subsidiaries are expected to be remain same as that of FY 2021-22.

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. In addition to this, the entire business of GGC is in R&D stage as they are developing applications for Graphene based applications.

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.

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 as and when required.

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 2021-22, the following trainings were held

- Gut, dass es Euch gibt for select people in Specialities Team
- Seminar on Energy for employees looking after Energy related matters
- Crane Operator Training for employees in Green Shop, Baking, Impregnation and Graphitization.

12. 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 at German entities was 183 Numbers during 2021-22 and 23 Numbers at General Graphene. The personnel and social security for all employees of the company is organized on the basis of the requirements of the applicable Laws.

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13. Composition Board of Managing Directors and Supervisory Board:

In 2021, the composition of the Board of Managing Directors did not change compared to 2020. 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.

14. 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 footprint within Europe, by the takeover of former SGL Plant Narni, in Italy, and building a new facility in Croatia. Gazprom (Russia) is planning to invest in a new facility in Russia. This will further increase the pressure on COVA to operate on a global scale.

The increased share of sales to customers outside of Europe has shown positive results. The 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 positive impact might come from the Definitive Anti-Dumping Duties imposed against Chinese imports in Europe.

Summarising the risk factors, the Company expects that the steel industry will improve further from the impact of Corona Pandemic and the crisis in Europe.

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

Company 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 Company 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 German Subsidiaries do not see any problem in getting raw materials.

15. 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 & USA Subsidiaries.

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

Date: 23rd May 2022

Directors:

Liberation Management (Nederland) N.V.

for this:

L.F.S. Bagchus

S.W. Parnerkar

J.W.P. Jansen

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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%).
- General Graphene Corporation, USA Knoxville (52,08%)

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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 € 12.248.746 for 2021/2022 and a positive shareholder's equity of € 45.602.917 as per 31 March 2022.

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 an unutilized credit facility of € 10.000.000 from the € 20.000.000 loan, 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 on the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

MINORITY INTEREST

Minority interests in group equity are stated at the amount of the net interest in the net assets of group companies concerned.

Where the group company in question has an equity deficit, the negative value and any other losses are not allocated to the minority interest, unless the minority interest holders have a constructive obligation, and are able, to clear the losses. As soon as the group company manages to post an equity surplus, profits are allocated to the minority interest.

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.

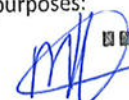
CASH FLOW STATEMENT

The cash flow statement is included in the consolidated financial statements of Graphite India Limited. The Group Cash Flow Statement will be available to be viewed on the website of Graphite India Limited, i.e. <https://www.graphiteindia.com/>.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

ASSETS (in euros)	31 March 2022	31 March 2021
Fixed assets		
Intangible fixed assets		
Goodwill	3.862.573	4.687.370
Other intangibles	517.563	21.673
	<u>4.380.136</u>	<u>4.709.043</u>
Tangible fixed assets		
Land and buildings	2.028.662	1.812.808
Plant and equipment	5.608.472	4.191.220
Other equipment	1.127.436	810.590
Prepayments	440.449	70.253
	<u>9.205.019</u>	<u>6.884.871</u>
Financial fixed assets		
Associate	-	1.380.315
Deferred tax asset	-	155.203
	<u>-</u>	<u>1.535.518</u>
Current assets		
Inventories		
Unfinished goods	11.652.918	9.242.315
Raw materials	13.235.343	9.795.161
Finished goods	3.910.608	3.735.149
Other	839.999	756.513
	<u>29.638.868</u>	<u>23.529.138</u>
Receivables		
Trades receivable	8.316.653	5.569.985
Current tax assets	268.345	668.227
Other receivables	534.248	351.451
	<u>9.119.246</u>	<u>6.589.663</u>
Securities	16.330.068	23.646.062
Cash at bank and in hand	4.705.645	22.446.751
Total	<u><u>73.378.982</u></u>	<u><u>89.341.046</u></u>

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date: 23-05-2022

EQUITY AND LIABILITIES	31 March 2022	31 March 2021
Group equity	45.602.917	57.660.984
Non-controlling interest	505.505	-
Provisions	1.271.610	535.440
Long-term liabilities	728.629	160.513
Short-term liabilities		
Credit institutions	10.000.000	-
Trade payables	3.617.309	1.555.475
Group companies	8.211.168	8.022.360
Current tax liability	1.313.175	20.230.903
Other liabilities and deferred income	2.128.669	1.175.371
	<u>25.270.321</u>	<u>30.984.109</u>
Total	<u>73.378.982</u>	<u>89.341.046</u>

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2021 TILL 31 MARCH 2022

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
(in euros)		
Net turnover	43.284.184	29.846.052
Movement in WIP & Finished Stock	2.534.697	-14.548.485
Other income	<u>726.656</u>	<u>841.831</u>
Operating income	46.545.537	16.139.398
Raw and ancillary materials	25.960.386	26.133.337
Contracted work and external expenses	<u>15.349.324</u>	<u>6.423.991</u>
	<u>41.309.710</u>	<u>32.557.328</u>
Gross Margin	5.235.827	-16.417.930
Wages and salaries	8.303.450	7.009.729
Social security premiums	1.764.900	1.282.717
Depreciation fixed assets	2.798.937	2.220.052
Other operating expenses	<u>4.213.661</u>	<u>4.680.394</u>
Total operating expenses	<u>17.080.947</u>	<u>15.192.892</u>
Operating result	-11.845.120	-31.610.822
Financial income	<u>953.517</u>	<u>80.746</u>
Income before taxes	-10.891.603	31.530.076
Taxes on income	-452.831	213.846
Share in result from associate	-1.542.903	-1.163.373
Non-controlling interest	<u>638.591</u>	<u>-</u>
Result after taxes	<u>-12.248.746</u>	<u>-32.479.603</u>

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 APRIL
2021 TILL 31 MARCH 2022**

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
(in euros)		
Net result	-12.248.746	-32.479.603
Revaluation of tangible fixed assets	-	-
Impairment/revaluation financial fixed assets	-	-
Translation differences on foreign operations <u>190.682</u>	<u>-</u>	<u>-</u>
Operating income	-12.058.064	-32.479.603
Realised revaluation gain charged directly to shareholders' equity	-	-
Total of items recognised directly in shareholders' equity	-	-
Total result of the legal entity	<u>-12.058.064</u>	<u>-32.479.603</u>

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NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

	<i>Goodwill</i>	<i>Other intangibles</i>	<i>Total</i>
(in euros)			
<u>Balance as at 1 April 2021</u>			
Costs	8.122.970	306.697	8.429.667
Accumulated depreciation	-3.435.600	-285.024	-3.720.624
Book value	<u>4.687.370</u>	<u>21.673</u>	<u>4.709.043</u>
<u>Movements in book value</u>			
Acquisition	920.997	469.980	1.390.977
Depreciation	-1.745.794	-18.729	-1.764.523
Addition due to consolidation costs	-	166.189	166.189
Addition due to consolidation accumulated depreciation	-	-121.791	-121.791
Exchange differences		241	241
	<u>-824.797</u>	<u>495.890</u>	<u>-328.907</u>
<u>Balance as at 31 March 2022</u>			
Costs	9.043.967	942.866	9.986.833
Accumulated depreciation	-5.181.394	-425.544	-5.606.938
Exchange differences	-	241	241
Book value	<u>3.862.573</u>	<u>517.563</u>	<u>4.380.136</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 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>810.589</u>	<u>70.253</u>	<u>6.884.869</u>
<u>Movements in book value:</u>					
Actual cost investments	23.186	372.228	191.445	440.449	1.027.308
Acquisition value of disposal	-	-4.597	-	-70.253	-74.850
Depreciation for the year	-43404	-801.528	-203.223	-	-1.048.155
Depreciation of disposal	-	2.531	-	-	2.531
Addition due to consolidation costs	305.172	2.895.842	512.056	-	3.713.070
Addition due to consolidation accumulated depreciation	-70.496	-1.058.205	-182.455	-	-1.311.156
Exchange differences	1.397	10.981	-976	-	11.402
	<u>215.855</u>	<u>1.417.252</u>	<u>316.847</u>	<u>370.196</u>	<u>2.320.150</u>
<u>Balance as at 31 March 2022</u>					
Costs	2.675.875	21.997.502	3.203.365	440.449	28.317.191
Accumulated depreciation	-648.610	-16.400.011	-2.074.953	-	-19.123.574
Exchange differences	1.397	10.981	-976	-	11.402
Book value	<u>2.028.662</u>	<u>5.608.472</u>	<u>1.127.436</u>	<u>440.449</u>	<u>9.205.019</u>
Depreciation	<u>0% - 10%</u>	<u>10% - 20%</u>	<u>10% - 20%</u>	<u>0%</u>	

Within the tangible fixed assets an amount of € 476.716 regards right of use assets.

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Financial fixed assets

	31-3-2022	31-3-2021
(in euros)		
Subsidiaries/Associate	-	1.380.315
Deferred tax asset	-	155.203
	-----	-----
	-	1.535.518
	=====	=====

Subsidiaries/Associate (in euro's)	General Graphene Corporation
Balance as at 1 April 2021	1.380.315
Investment	1.201.748
Result for the year	-1.542.903
Currency exchange difference	104.936
Gained control	-1.144.096
Balance as at 31 March 2022	=====

List of subsidiaries / associates

General Graphene Corporation, Knoxville as at April 1st, 2022	39,427%
During the year the company gained control and has an controlling interest of	52,08%

Current assets

Inventories

	31-3-2022	31-3-2021
(in euros)		
Unfinished goods	11.652.918	9.242.315
Raw materials	13.235.343	9.795.161
Finished goods	3.910.608	3.735.149
Other	839.999	756.514
	-----	-----
	29.638.868	23.529.139
	=====	=====

The raw materials and finished goods includes inventories in transit for an amount of € 3.951.629 (PY: €1.897.374). The total write downs on inventory to net realizable value amount too € X (PY: €8.149.873).

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Receivables

	31-3-2022	31-3-2021
(in euros)		
Trade receivables	8.316.653	5.569.985
Current tax assets	268.345	668.227
Other receivables	534.248	351.451
	-----	-----
	9.119.246	6.589.663
	=====	=====

The current tax asset in the Netherlands amounts to € 163.759 (Previous Year : €668.227).

Cash at bank and in hand	31-3-2022	31-3-2021
Banks	4.701.095	22.440.195
Cash in hand	4.550	6.556
	-----	-----
	4.705.645	22.446.751
	=====	=====

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.

Non-controlling interest

General Graphene
Corporation

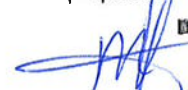
Balance as at 1 April 2021	-
Gained control 31 January 2022	1.144.096
Share in result non-controlling interest	-638.591
Balance as at 31 March 2022	<u>505.505</u>

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:

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
(in euros)		
Onerous contracts	761.931	-
Present value of defined benefit obligations	349.901	434.353
Provision for deferred tax liabilities	159.778	101.087
	1.271.610	535.440
	=====	=====

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Graphite International B.V., Rotterdam

Material actuarial principles

The material actuarial principles are the following:

	31-03-2022	31-03-2021
- applied discount rate	1,66%	0,74%
- price inflation	%	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	6.314	7.412
Interest Cost	1.608	2.773
Actuarial (gains)/losses	-73.930	-24.073
	-----	-----
Total expense recognized	-66.008	-13.888
Benefits paid	-18.444	-17.485
	-----	-----
Total movement in provision	-84.452	-31.373
	=====	=====

Long-term liabilities

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
(in euros)		
Financial lease	229.281	160.513
Convertible loan	499.349	-
	728.629	160.513
	=====	=====

Financial lease

Balance as at 31 March 2021	236.246	283.955
Lease issued	104.047	26.405
Repayment	-75.733	-74.114
	-----	-----
Current portion	416.026	236.246
	-186.745	-75.733
	-----	-----
Balance as at 31 March 2022	229.281	160.513
	=====	=====

The monthly repayment obligation for 2022/2023 amounts to € 7.554 this amount is including 1,35% interest. The agreements have a term of maximum 72 months. € 1.000 is payable after 5 years.

Short-term liabilities

The working capital limit from bank was € 20.000.000 as at 31st March, 2022. Total utilisation of fund based limits from bank was € 10.000.000 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. Interest rate amount too 1,95%.

<u>Group companies</u>	31-3-2022	31-3-2021
(in euros)		
Graphite India Ltd.	8.211.168 =====	8.022.360 =====

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

<u>Current tax liabilities</u>	31-3-2022	31-3-2021
(in euros)		
Current tax liability	1.313.175 =====	20.230.903 =====

The current tax is payable in Germany for an amount of 1.313.175 (PY: € 20.230.903).

<u>Other liabilities and deferred income</u>	31-3-2022	31-3-2021
(in euros)		
Withholding tax	537.997	483.681
Employee related accruals	560.346	548.570
Other accrued liabilities (including VAT and social security charges)	1.030.326 -----	143.120 -----
	2.128.669 =====	1.175.371 =====

Contingent liabilities

The German subsidiaries of Graphite International B.V. have signed agreements with the State of Bavaria (Germany) for an amount not exceeding € 1.737.673 (PY: €2.209.313) 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.

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**NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1
APRIL 2021 TILL 31 MARCH 2022**

Financial information by segment

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
<u>Revenue by segment</u>		
Sales Graphite Electrodes, special products and other Carbon and Graphite products	43.284.184 =====	29.846.052 =====

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

Germany	12.651.008	7.189.462
Italy	9.936.163	10.147.763
Spain	6.427.433	3.039.935
Other	14.269.580	9.468.892
	-----	-----
	43.284.184 =====	29.846.052 =====

Average number of employees

The average number of employees over the period 1 April 2021 till 31 March 2022 was 183 FTE (PY: 179 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.

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
<u>Depreciation</u> (in euros)		
Depreciation of intangible fixed assets	1.764.428	1.622.994
Depreciation of tangible fixed assets	1.048.155	808.953
Gain disposal tangible fixed assets	-13.646	-244.259
	-----	-----
	2.798.937 =====	2.220.052 =====

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

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
Other interest and similar income	-	96.638
Currency exchange differences	1.118.174	-
Other interest and similar expenses	-164.657	-15.892
	-----	-----
	953.517	80.746
	=====	=====

Taxes on income

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
Excepted income tax	539.808	266.360
Effect of change	-	-
Other expenses not deductible for tax purposes	65.501	3.007
Income exempt from income taxes	4.723	-
Adjustments for current tax of prior periods	-	-
Recognised/unrecognised tax losses used to reduce	-	-
Adjustment for current tax of earlier year	12.896	-402.227
Increase deferred tax expense	20.756	-29.409
Previously unrecognised tax losses now recouped to reduce	625	-
Current tax expense	-	-51.577
Deferred tax-Net	-191.478	-
	-----	-----
	452.831	-213.846
	=====	=====

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 2022
(before proposed appropriation of result)

ASSETS (in euros)	<i>31 March 2022</i>	<i>31 March 2021</i>
Fixed assets		
Intangible fixed assets	3.854.573	4.679.370
Financial fixed assets	3.598.241	5.073.601
Current assets		
Receivables and prepaid expenses	20.888.065	9.586.598
Securities	16.330.068	23.646.063
Cash at bank and in hand	1.576.355	15.212.006
Assets	<u><u>46.247.302</u></u>	<u><u>58.197.638</u></u>

EQUITY AND LIABILITIES

31 March 2022

31 March 2021

Shareholders' equity

Share capital	17.300.000		17.300.000	
Other reserves	28.112.235		40.360.984	
Currency exchange difference reserve	190.682		-	
Unallocated result for the year	-		-	
		45.602.917		57.660.984
Provisions		159.774		101.087

Short-term liabilities

Trade creditors	45.517		47.282	
Other liabilities, accruals and deferred income	439.094		388.285	
		484.611		435.567

Equity and liabilities

46.247.302

58.197.638

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COMPANY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2021 TILL 31 MARCH 2022

	1-4-2021 till 31-3-2022	1-4-2020 till 31-3-2021
(in euros)		
Net turnover	468.633	308.862
Other income	<u>326.751</u>	<u>47.250</u>
Operating income	795.384	356.112
Employee benefits expense	-	-
Depreciation fixed assets	1.745.794	1.622.994
Other operating expenses	<u>311.864</u>	<u>2.258.741</u>
Total operating expenses	<u>2.057.658</u>	<u>3.881.735</u>
Operating result	-1.262.274	-3.525.623
Financial income		92.215
Financial expenses	<u>909.783</u>	<u>-</u>
Income before taxes	-352.491	-3.433.408
Taxes on income	-200.164	431.636
Share in result from subsidiaries	<u>-11.696.092</u>	<u>-29.477.831</u>
Result after taxes	<u>-12.248.746</u>	<u>-32.479.603</u>

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 MARCH 2022

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

Goodwill

(in euros)

Balance as at 1 April 2021

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

Movements in book value

Acquisition	920.997
Depreciation	<u>-1.745.794</u>
	<u><u>-824.797</u></u>

Balance as at 31 March 2022

Costs	9.035.967
Accumulated depreciation	<u>-5.181.395</u>
Book value	<u><u>3.854.573</u></u>

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

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date: 23-05-2022

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

Financial fixed assets

	31-3-2022	31-3-2021
(in euros)		
Subsidiaries/Associate	3.598.241	4.943.105
Deferred tax asset	-	130.496
	-----	-----
	3.598.241	5.073.601
	=====	=====

The Dutch (fiscal) losses are accrued for as a deferred tax asset against the Dutch CIT rate of 25%.

Subsidiaries (in euro's)	Total
-----------------------------	-------

Balance as at 1 April 2021	4.943.105
Investment	1.201.748
Result for the year	-11.696.092
Dividend	-
Currency exchange difference	190.682
Deduction from receivable amount negative equity	
Graphite Cova GmbH	8.957.562
Other	1.236
Balance as at 31 March 2022	<u>3.598.241</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	52,08%

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date: 23-05-2022

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

Current assets

Receivables and prepaid expenses

	31-3-2022	31-3-2021
Group companies	20.724.306	8.918.371
Taxes and social security contributions	163.759	668.227
	-----	-----
	20.888.065	9.586.598
	=====	=====
<u>Group companies</u>		
Graphite Cova GmbH (loan)	16.333.561	5.008.438
Graphite Cova GmbH (account receivables)	4.378.565	3.909.933
	=====	=====

Graphite international B.V. issued a € 25.000.000 loan to Graphite Cova GmbH. The loan is repayable on demand and the loan has to be repaid 25 October 2022. Interest amount to 1.95%(PY: 1.35%). The negative equity of Graphite Cova GmbH € 8.597.562 is de deducted from the loan issued to the company.

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

Taxes and social security contributions

	31-3-2022	31-3-2021
Income tax	163.759	668.227
	-----	-----
	163.759	668.227
	=====	=====

Securities

Term Liq fund Class	-	6.836.215
Bank Pictet & Cie (Asia) Ltd	16.330.068	16.809.848
	-----	-----
	16.330.068	23.646.063
	=====	=====

Cash at bank and in hand

Barclays Bank, Current account	589.169	4.344.620
Citibank N.A. Current Account DEPOSIT	-	-
Citibank N.A. Current Account USD	243.515	9.829.446
Citibank N.A. Current Account EUR	107.400	12.850
Bank Pictet & Cie (Asia) Ltd N.A. Current Account EUR	3.144	995.619
Bank Pictet & Cie (Asia) Ltd N.A. Current Account USD	633.125	29.471
	-----	-----
	1.576.354	15.212.006
	=====	=====

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

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date: 23-05-2022

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 2020	17.300.000	72.918.170	-	63.082
Allocation result previous year	-	-	-	-
Allocated result for the year	-	-	-32.479.603	-
Currency exchange difference	-	-32.479.603	32.479.603	-
Other	-	-	-	-140.666
Unallocated result for the year	-	-77.584	-	77.584
Balance as at 31 March 2021	17.300.000	40.360.984	-	-
Allocation result previous year	-	-	-	-
Result for the year	-	-12.248.746	-12.248.746	-
Allocated result for the year	-	-	12.248.746	-
Currency exchange difference	-	-	-	190.682
Other	-	-3	-	-
Balance as at 31 March 2022	17.300.000	28.112.235	-	190.682

Total

Balance as at 1 April 2020	90.281.252
Allocation result previous year	-32.479.603
Issued share capital	-
Currency exchange difference	-140.666
Other	-
Balance as at 31 March 2021	57.660.984
Allocation result previous year	-
Result for the year	-12.248.746
Allocated result for the year	-
Currency exchange difference	190.682
Other	-3
Balance as at 31 March 2022	45.602.917

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Share capital

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

Provisions

	31-3-2022	31-3-2021
Provision for deferred tax liabilities	159.774	101.087
	<u>159.774</u>	<u>101.087</u>
	=====	=====

	31-3-2022	31-3-2021
<u>Other liabilities, accruals and deferred income</u>		
Withholding taxes	437.856	388.285
Income tax	-	-
	<u>437.856</u>	<u>388.285</u>

Appropriation of result

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

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 a sure 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

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Other Information

Comfort letter

The company issued a letter of comfort to Graphite Cova GmbH. Graphite International B.V. will provide the necessary support.

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, 23 May 2022
Graphite International B.V.

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

S.W. Parnerkar

J.W.P. Jansen

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RSM Netherlands
date: 23-05-2022

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.

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. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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;

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date: 23-05-2022

- 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, 23 May 2022

RSM Netherlands Accountants N.V.

A blue ink signature, appearing to read 'M. Hammer', is written over a circular stamp. Below the signature, the text 'drs. M. Hammer RA' is printed.

drs. M. Hammer RA

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The logo for RSM (Royal Netherlands Institute of Social Science) features three colored squares (grey, green, blue) to the left of the letters 'RSM' in a bold, sans-serif font.

RSM Netherlands
date: 23-05-2022