
Audit Report
of the annual financial statements
as of March 31, 2024
and the management report for the
Financial year 2023/2024

Graphite COVA GmbH
Grünthal 1 – 6
90552 Röthenbach a. d. Pegnitz

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Audit report

A. Audit assignment

The management of

Graphite COVA GmbH
90552 Röthenbach

– referred to as "GC" or simply "the Company" –

has engaged us to audit the annual financial statements for the year ended March 31, 2023, including the underlying accounting records and the management report, based on the resolution of the shareholders' meeting on August 2, 2023.

We conducted our audit in accordance with the applicable independence requirements (Section 321 (4a) HGB).

Our General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften dated January 1, 2024, which are attached as an annex, apply to this engagement, also in relation to third parties. We also refer to the liability provisions contained in Section 9 and to the exclusion of liability towards third parties. This audit report is addressed to the Company. It was prepared in accordance with IDW PS 450 n.F. (10.2021).

B. Reproduction of the audit opinion

We have issued the following audit opinion on the annual financial statements and the management report:

"Independent Auditor's Report of the Independent Auditor

To Graphite COVA GmbH, Röthenbach

Audit assessments

We have audited the annual financial statements of Graphite COVA GmbH, which comprise of the balance sheet as of March 31, 2024, the income statement for the financial year from April 1, 2023, to March 31, 2024, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Graphite COVA GmbH for the financial year from April 1, 2023, to March 31, 2024.

In our opinion, based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of the 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 of March 31, 2024, and of its financial performance for the financial year from April 1, 2023, to March 31, 2024, in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides a suitable 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 Abs. 3 S. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements 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 the management report.

Management's responsibility for the annual financial statements and the management report

Management is 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, management is 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 (i.e. accounting fraud or fraudulent misrepresentation) or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. Furthermore, they are responsible 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 unless factual or legal circumstances dictate otherwise.

Furthermore, management is 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, management is 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 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 German generally accepted standards for the audit of financial statements 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 management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we

- 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 accounting estimates and related disclosures made by the executive directors.
- Conclude 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 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 and in the management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of 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 legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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."

C. Fundamental findings

Statement on the assessment of the situation by the legal representatives

In our opinion, based on the findings of our audit, the presentation and assessment of the position of the Company and its expected development by the legal representatives in the annual financial statements and the management report are appropriate.

1. Business performance and position of the Company

The management has assessed the economic situation of the Company in the management report (**Annex 1.4**).

The following aspects of the situation assessment should be emphasized:

- The business purpose of the Company is the production and sale of graphite electrodes, special graphite products and coatings for graphite electrodes. The production of graphite electrodes was discontinued in fiscal year 2022/23, stocks of electrodes will continue to be sold. Due to the discontinuation of the business of manufacturing and marketing graphite electrodes in the last financial year, the Company's focus has changed in such a way that the Company is currently mainly involved in the manufacture and marketing of various carbon and graphite products.
- Global crude steel production amounted to about 1.89 billion tons in 2023, a similar level to the previous year.
- However, the European Union once again recorded a decline of 7.4% to 126.3 million tons (previous year: 136.7 million tons). Germany, the seventh largest producer in the world, produced 35.4 million tons, a decrease of 3.9% compared to 2022.
- The 2023/24 financial year was characterised by the winding up of electrode production, ongoing geopolitical risks and unfavourable financing conditions due to high interest rates.
- The cost of materials fell from EUR 33,846 thousand to EUR 11,244 thousand as a result of lower electrode production. As a result of the continued sale of electrodes in stock, the Company recognised inventory reductions of EUR 4,224 thousand compared to EUR 7,093 thousand in the previous year.
- Personnel costs fell considerably compared to the previous year. On the one hand, there were fewer employees in the Company. Secondly, compared to the previous year, no more provisions were recognised for severance payments due to the liquidation of the electrodes division.
- As a result, the Company recorded a net loss of EUR -5,406 thousand in the 2023/24 financial year (previous year: EUR -11,421 thousand). Even though the result was not unexpected for the Company's management, it is still not satisfactory. However, now that the final after-effects of the electrode closure have been dealt with, the management expects a better result in the new financial year, assuming the environment remains the same.

- The credit line provided by the bank amounted to EUR 15,000 thousand as at March 31, 2024 (previous year: EUR 20,000 thousand); EUR 9,000 thousand (previous year: EUR 10,000 thousand) of this was utilised in the financial year. The interest rate is variable. Furthermore, the credit line has no maturity date and is granted by the bank until further notice.
- The parent Company also granted a loan. This credit line and the hard letter of comfort issued by the parent Company on March 31, 2024 are sufficient to cover the liquidity requirements of the business operations.
- Despite the negative equity, the management still assumes that the Company can continue as a going concern due to the improving market conditions. It should also be noted that the Company is not in arrears with any of its liabilities despite the negative equity.
- Due to the expected expansion of the special electrodes business, inventories were increased by EUR 168 thousand from EUR 15,994 thousand to EUR 16,162 thousand.
- Trade receivables fell from TEUR 4,584 to TEUR 1,907 due to the significant drop in sales. However, receivables also fell due to the shorter due dates in the specialty products segment.
- Cash and cash equivalents were lower as at March 31, 2024 than at March 31, 2023.
- The negative equity increased from TEUR -20,021 to TEUR -25,427 due to the repeated loss in the past financial year.

2. Anticipated development of the Company

The presentation of the company's expected development in the management report is based on assumptions that leave room for judgment. We consider this presentation to be plausible. In this context, the following key statements in particular should be noted:

- In view of the ongoing geopolitical (continuation of the Russia-Ukraine conflict) and macroeconomic risks (various customs and non-customs barriers as well as bottlenecks for ships and containers), the outlook for steel production in 2024 remains uncertain in the opinion of the management.
- As a large proportion of the electrodes still in stock were sold off in the past financial year, the company only expects to sell a small number of electrodes in the 2024/2025 financial year. Instead, Graphite COVA GmbH will increasingly focus on the production and sale of graphite specialties. The company expects to achieve a sales volume of around EUR 13 million. Furthermore, the management assumes that the costs incurred cannot be fully absorbed; therefore, a negative result of EUR 2.2 million before taxes is also expected in the financial year 2024/2025.

3. Facts impairing development / endangering the existence of the Company

Pursuant to Section 321 (1) sentence 3 HGB, as auditors, we are required to report on any facts identified during the audit that could have a material adverse effect on the development of the company or jeopardize its continued existence.

The company also posted a net loss for the year in 2023/24 (EUR 5,406 thousand; previous year: EUR 11,421 thousand). The cumulative losses therefore amount to EUR 41,747 thousand, which is offset by share capital of EUR 4,000 thousand and capital reserves of EUR 12,320 thousand. As at March 31, 2024, negative equity therefore amounted to EUR 25,427 thousand (previous year: EUR 20,021 thousand). This means that the balance sheet is overindebted as at March 31, 2024.

The parent company, Graphite International B. V., Netherlands, issued a hard letter of comfort in favor of the company on March 31, 2024.

According to the planning available to us, the company will also generate a loss in 2023/24. In the opinion of the management, the remaining liquidity reserves (cash and cash equivalents and unused credit lines from Citibank amounting to EUR 11,000 thousand) and the current liquidity planning mean that sufficient financial resources will be available to ensure the company's continued existence. In this respect, the company is not actually overindebted.

If, contrary to expectations, the 2024/25 business plan is missed by a substantial margin, meaning that the parent company's letter of comfort, which is limited in amount, would not be sufficient, the continued existence of the company would be jeopardized.

In the course of our audit, we did not identify any other facts that could impair the development or jeopardize the continued existence of the company within the meaning of Section 321 (1) sentence 3 HGB.

D. Conducting the audit

I. Subject of the audit

In accordance with § 317 HGB, we have audited the accounting records, the annual financial statements - comprising of the balance sheet, income statement and notes - and the management report for compliance with the relevant legal requirements and the supplementary provisions of the articles of incorporation.

The relevant accounting principles for our audit of the annual financial statements were the accounting provisions of Sections 242 to 256a and Sections 264 to 288 HGB, as well as the supplementary provisions of the articles of association.

There are no supplementary accounting provisions in the articles of association.

The audit criteria for the management report were the provisions of section 289 HGB.

II. Type and scope of the audit

We conducted our audit in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

The audit does not extend to whether the continued existence of the audited Company or the effectiveness and efficiency of the management can be assured.

The basis of our risk-oriented audit approach is the development of an audit strategy and an audit program tailored to it, with the aim of obtaining sufficient appropriate audit evidence to reduce the audit risk to an acceptably low level. The audit program contains the audit procedures to be performed by the members of the audit team in terms of type, timing, and scope.

In identifying and assessing the risks of material misstatement due to fraud or error at the financial statement and statement level, we gain an understanding of the Company and its environment, including the internal control system and, where applicable, the precautions and measures relevant to the audit of the management report. Based on this, we perform functional tests, if necessary, to assess the effectiveness of relevant controls. We have taken into account the findings from these audit procedures in determining the analytical audit procedures and the individual case audits, which are designed to detect material misstatements.

In planning and performing the audit and in assessing the impact of identified misstatements on the audit and of any uncorrected misstatements on the financial statements and, where applicable, the management report, we observed the concept of materiality.

Our audit program has the following focal points:

- Existence and valuation of inventories
- Existence of trade receivables and the accrual of sales revenues
- Completeness and valuation of provisions
- Review of the going concern assumption (this is not a review within the meaning of Section 317 (4a) HGB)
- Other individual matters with a material impact on the presentation of the net assets, financial position and results of operations

In order to audit the evidence supporting the Company's assets and liabilities, we, among other things, observed the physical inventory of inventories and obtained confirmations from banks, tax consultants and lawyers as well as balance confirmations for receivables and liabilities on a sample basis. An expert opinion was obtained on the pension obligations.

Our audit was performed - with interruptions - in the period from April 3, 2024, to May 29, 2024.

All explanations and evidence requested by us has been provided. The legal representatives have confirmed to us in writing the completeness of these disclosures and evidence as well as of the accounting, the annual financial statements, and the management report in the declaration of completeness customary in the profession.

E. Accounting findings

I. Regularity of the accounting

In our opinion, based on the findings of our audit, the accounting records comply with the legal requirements. The information obtained from other audited documents has led to a proper presentation in the accounting records, annual financial statements, and management report.

As a summarized result of our audit, which focused on

- the correctness of the components of the financial statements and their derivation from the accounting records,
- the correctness of the information provided in the notes,
- compliance with the recognition, disclosure, and measurement requirements,
- compliance with all statutory provisions applicable to accounting, including generally accepted accounting principles and all size-related, legal form-related or industry-specific regulations, and
- compliance with the provisions of the articles of association insofar as these relate to the content of the accounting,

we have issued the auditor's report reproduced in section B.

The protective clause of Section 286 (4) HGB regarding the disclosure of the total remuneration of the legal representatives in the notes in accordance with Section 285 No. 9 HGB was utilized in the preparation.

II. Overall statement of the annual financial statements

1. Valuation principles

We provide the following information on the accounting policies applied and the factors relevant to the measurement of assets and liabilities, including any effects of changes to these policies:

Presentation of the main valuation principles

The **accounting and valuation methods** are based on the going concern assumption (Section 252 (1) No. 2 HGB) and are aligned with the provisions of commercial law. They are applied consistently to the previous year.

The following significant accounting and valuation methods were used in the Company's annual financial statements:

- As of the balance sheet date, the Company had negative equity of kEUR 25,427 (previous year: negative equity of kEUR 20,021). Due to the current liquidity planning (current liquid funds and unused credit lines) and the letter of comfort of the parent Company Graphite International B. V., Netherlands, to keep on providing a loan, as well as the adherence to the business plan 2024/25, the financing of the Company is secured. The accounting and valuation methods are therefore based on the going concern assumption (Section 252 (1) No. 2 of the German Commercial Code (HGB)).

- Raw materials and supplies are valued at the moving average of purchase prices, taking into account the strict principle of the lower of cost or market. Work in progress and finished goods are valued at production cost. These include direct production and material costs, appropriate allocations of material and production overheads, and the cost of consumption of fixed assets to the extent that this is attributable to production. In addition, general and administrative costs, which largely consist of costs passed on by sister companies, are included in the calculation. Risks arising from reduced usability, storage periods and lower selling prices are accounted for by write-downs.
- Trade receivables (kEUR 1,907, prior year: kEUR 4,584) are recognized at nominal value. Identifiable individual risks are accounted for by valuation allowances. Trade receivables are largely covered by credit insurance.
- No deferred tax assets were recognized on loss carryforwards.
- Pension accruals are stated at the settlement amount required in accordance with prudent business judgment as of the balance sheet date. The valuation was based on actuarial principles using the projected unit credit method. In accordance with § 253(2) sentences 1 and 2 of the German Commercial Code (HGB), an average market interest rate (of the last 10 years) of 1.83% was assumed for a remaining term of 15 years. In determining the settlement amount, the mortality and disability probabilities were taken from the "Richttafeln 2018 G" mortality tables by Dr. Klaus Heubeck and a pension dynamic of 2.5% was assumed. As of the balance sheet date, the required settlement amount was EUR 36 thousand (previous year: EUR 35 thousand). Due to the insolvency of the predecessor Company in 2004, a pension security association was called in to secure the Company pension.

For further information, please refer to the explanations in the Notes (Exhibit 1.3)

2. Summarized assessment

Based on our audit, which we conducted in accordance with professional standards, we have come to the conclusion in our auditor's report that the annual financial statements as a whole give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

F. Concluding remarks

We issue the above report on our audit of the annual financial statements and the management report of Graphite COVA GmbH, Röthenbach, for the financial year from April 1, 2023, to March 31, 2024, in accordance with Section 321 HGB and German generally accepted standards for the preparation of audit reports promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf (IDW PS 450 n. F. (10.2021)).

Munich, May 29, 2024

INTARIA AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Rechtsanwälte

Christian Roller
Auditor

Kristin Gura
Auditor

Publications or the dissemination of the annual financial statements and/or the management report with reference to our audit as well as the dissemination of our audit report and/or the auditor's report require our prior renewed opinion.

If the annual financial statements are published or forwarded in a form that differs from the audited version (including translation into other languages), our opinion must first be issued again if our audit opinion is quoted, or reference is made to our audit; reference is made to Section 328 HGB.

Attachments

1.1. Balance sheet as of 31 March 2024

Graphite COVA GmbH
90552 Röthenbach

ASSETS	31.03.2024 EUR	31.03.2023 EUR	EQUITY AND LIABILITIES	31.03.2024 EUR	31.03.2023 EUR
A. FIXED ASSETS			A. EQUITY		
I. Intangible assets			I. Capital subscribed	4.000.000,00	4.000.000,00
Concessions, Industrial property rights acquired for a consideration as well as licences to such rights and values	3.513,00	5.622,00	II. Capital reserves	12.320.000,00	12.320.000,00
II. Tangible assets			III. Loss carried forward	-36.340.846,65	-24.919.358,89
1. Land, land rights and buildings, including buildings on third-party land	2.071,00	2.507,00	IV. Net loss of the year	-5.406.205,73	-11.421.487,76
2. Technical equipment and machines	627.214,00	899.031,00	V. Deficit not covered by equity	<u>25.427.052,38</u>	<u>20.020.846,65</u>
3. Other Plants, office fixtures and fittings	<u>163.642,00</u>	<u>185.145,00</u>		<u>0,00</u>	<u>0,00</u>
	<u>792.927,00</u>	<u>1.086.683,00</u>	B. PROVISIONS AND ACCURALS		
	<u>796.440,00</u>	<u>1.092.305,00</u>	1. Provisions for pensions and similar obligations	35.697,00	34.723,00
B. CURRENT ASSETS			2. Provisions for taxes	0,00	0,00
I. Inventories			3. Other provisions	<u>118.332,95</u>	<u>210.103,90</u>
1. Raw materials, supplies and operating materials	11.915.282,49	7.523.349,03		<u>154.029,95</u>	<u>244.826,90</u>
2. Unfinished products, unfinished services	3.465.186,98	5.337.585,65	C. LIABILITIES		
3. Finished goods and merchandise	<u>781.353,91</u>	<u>3.132.782,90</u>	1. Liabilities due to banks	9.000.000,00	10.000.058,03
	<u>16.161.823,38</u>	<u>15.993.717,58</u>	2. Trade payables	562.190,17	491.868,00
II. Receivables and other assets			3. Liabilities due to affiliated companies	6.096.673,13	3.876.305,36
1. Trade receivables	1.907.210,83	4.584.269,64	4. Liabilities due to shareholders	31.107.600,88	30.169.812,29
2. Receivables from affiliated companies	2.071.843,45	1.514.273,54	5. Other liabilities	73.116,46	155.894,50
3. Other assets	<u>203.395,92</u>	<u>35.742,91</u>	- therefor for taxes EUR 9.440,47 (Vj. EUR 13.305,83)		
	<u>4.182.450,20</u>	<u>6.134.286,09</u>		<u>46.839.580,64</u>	<u>44.693.938,18</u>
III. Cash, bank deposits and cheques					
	<u>404.576,46</u>	<u>1.681.045,34</u>			
	<u>20.748.850,04</u>	<u>23.809.049,01</u>			
C. PREPAID EXPENSES	21.268,17	16.564,42			
D. DEFICIT NOT COVERED BY EQUITY	<u>25.427.052,38</u>	<u>20.020.846,65</u>			
	<u>46.993.610,59</u>	<u>44.938.765,08</u>		<u>46.993.610,59</u>	<u>44.938.765,08</u>

1.2. Income statement for the period from 1 April 2022 to 31 March 2024

Graphite COVA GmbH
90552 Röthenbach

	2022/23 EUR	2021/22 EUR
1. Sales	15.090.284,10	38.739.391,38
2. Increase or decrease in the inventory of finished products and work in progress	-4.223.827,66	-7.093.158,49
3. Other operating income - therefor for exchange rate gains EUR 7959,71 (p.y. 176.518,10)	90.275,94	381.941,58
4. Cost of materials		
a) Cost of raw materials, supplies, operating materials and acquired goods	-5.917.279,49	-14.853.328,40
b) Cost of services acquired	-5.326.393,10	-18.993.119,24
	<u>-11.243.672,59</u>	<u>-33.846.447,64</u>
5. Gross Profit	<u>-286.940,21</u>	<u>-1.818.273,17</u>
6. Personnel expenses		
a) Wages and salaries	-669.798,08	-896.503,68
b) Social security and pension expense - therefor for pensions EUR 346,00 (p.y. EUR 4.898,00)	-135.779,23	-185.158,82
	<u>-805.577,31</u>	<u>-1.081.662,50</u>
7. Depreciation for intangible fixed assets and tangible fixed assets	-302.114,00	-3.176.739,15
8. Other operating expenses - therefor for exchange rate losses EUR 3.231,81 (p.y. EUR 48,50)	-2.209.512,43	-4.293.491,38
9. Operating Income	<u>-3.604.143,95</u>	<u>-10.370.166,20</u>
10. Other interest and similar income - therefor to affiliated companies EUR 60.307,00 (p.y. EUR 22.463,52)	71.010,61	29.171,54
11. Interest and similar expenses - therefor to affiliated companies EUR 1.375.224,99 (p.y. EUR 686.965,29) -therefor from compounding EUR 628,00 (p.y. EUR 530,00)	-1.872.360,39	-1.078.992,10
12. Financial Result	<u>-1.801.349,78</u>	<u>-1.049.820,56</u>
13. Taxes on income and profit from ordinary business operations	0,00	0,00
14. Profit after taxes	<u>-5.405.493,73</u>	<u>-11.419.986,76</u>
15. Other taxes	-712,00	-1.501,00
16. Net loss for the year	<u><u>-5.406.205,73</u></u>	<u><u>-11.421.487,76</u></u>

Development of fixed assets 2023/24

	ACQUISITION COSTS				ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	01.04.2023 EUR	Zugänge EUR	Abgänge EUR	31.03.2024 EUR	01.04.2023 EUR	Zugänge EUR	Abgänge EUR	31.03.2024 EUR	31.03.2024 EUR	31.03.2023 EUR
I. INTANGIBLE ASSETS										
Concessions, Industrial property rights acquired for a consideration as well as licences to such rights and values	42.923,73	0,00	0,00	42.923,73	37.301,73	2.109,00	0,00	39.410,73	3.513,00	5.622,00
II. PROPERTY, PLANT AND EQUIPMENT										
1. Land, land rights and buildings, including buildings on third-party land	4.361,34	0,00	0,00	4.361,34	1.854,34	436,00	0,00	2.290,34	2.071,00	2.507,00
2. Technical equipment and machines	14.854.706,14	0,00	0,00	14.854.706,14	13.998.324,14	271.817,00	0,00	14.270.141,14	584.565,00	856.382,00
3. Other Plants, office fixtures and fittings	1.090.526,52	6.440,00	2.301,68	1.094.664,84	862.732,52	27.752,00	2.110,68	888.373,84	206.291,00	227.794,00
	15.949.594,00	6.440,00	2.301,68	15.953.732,32	14.862.911,00	300.005,00	2.110,68	15.160.805,32	792.927,00	1.086.683,00
	15.992.517,73	6.440,00	2.301,68	15.996.656,05	14.900.212,73	302.114,00	2.110,68	15.200.216,05	796.440,00	1.092.305,00

GRAPHITE COVA GMBH, ROETHENBACH A.D. PEGNITZ

NOTES TO ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 1 APRIL 2023 TO 31 MARCH 2024

A. General Information

Graphite Cova GmbH (“the Company”) is domicile in Röthenbach a. d. Pegnitz and incorporated in the Register of Companies HRB 21271 maintained by the local civil Court Nuremberg.

The annual financial statements of Graphite Cova 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 in accordance with § 275 para. 2 HGB was applied. The company is a medium-sized company according to Sec. 267 para 3 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 Sec. 252 para 1 Nr. 2 HGB.

Newly acquired intangible assets and fixed assets are valued at the acquisition 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 lives remain between 3 and 12 years.

Low-value assets with product related acquisition costs up to EUR 250.00 are depreciated completely in the year of acquisition and shown in the asset table as disposal. Capital assets with acquisition costs from EUR 250.00 to EUR 1,000.00 are accumulated in a pool item. Depreciation is done in the year of purchase and the following for years.

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

Work-in-process and finished products are valued at lower of production cost and net realisable value. The production costs contain, apart from the product related costs, parts of the required material and production related general and administrative costs.

Accounts receivable and other assets are accounted with nominal values. Individual risks are considered by valuation allowances. Receivables from deliveries and services are for the most part covered by a credit insurance.

Cash on hand and bank balances were 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 obligations are valued using the projected-unit-credit method applying the tables of Klaus Heubeck. An interest rate of 1.83%, a pensions dynamic of 2.50% are assumed. Sec. 53 para. 2 sentence 1 and para. 6 HGB were applied, using the average discount rate of the past 10 years and a remaining term of 15 years. Consequently, the total dividend pay-out restriction amounts to kEUR 2 and active difference amounts to kEUR 3. This difference arises from regard of the averages interest rate of the last 10 years respectively of the last 7 years (1.80%).

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

The liabilities enter the balance sheet according to their settlement amount. All liabilities are short-term.

Foreign currency translation

The conversion of receivables and liabilities in foreign currencies is based on the principles of Sec. 256a HGB. Receivables and liabilities denominated in foreign currency are translated at the average spot exchange rate at the date of initial account entry and are later converted at the average spot exchange rate on balance sheet date. For maturities longer than 1 year, the principles of lower acquisition costs and realization are adhered.

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 be expected to be settled in later financial years, according to Sec. 274 HGB, an overall tax burden resulting from these differences shall be shown in the balance sheet as deferred tax asset. Deferred taxes are valued with a combined tax rate of 28.075 %. This tax rate comprises corporation tax, business tax and solidarity tax. 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 taxes are shown in the balance sheet.

All assets 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 taken into the account, when they are realized up to the accounting date. Expenses / income are taken into the account independently from their payment date.

C. Comments on the balance sheet

Fixed assets

The development on the fixed assets is stated in the asset table attached to these notes.

In the past financial year, the company had to make depreciation and amortisation in the amount of kEUR 302(p.y. kEUR 3.176), KEUR 155 thousand was attributable to impairment losses, because the business unit C-Bricks was dissolved.

Receivables and other assets

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

Equity

As of 31 March 2024, the equity of the Company shows a deficit not covered by equity in the amount of kEUR 25,427, due to the continuing loss situation. The financial statements are nevertheless prepared under going concern values as the accounting over-indebtedness was eliminated by a tough letter of comfort dated 31 March 2024 from parent company, Graphite Internatiional B.V., Rotterdam, The Netherlands. This letter of comfort can be terminated with a notice period of 3 months at the earliest on 30 June 2025.

Other reserves and accrued liabilities

The accrued liabilities mainly consist of personnel accruals (kEUR 48, p.y. kEUR 37).

Liabilities

There is no security interest on the liabilities. All liabilities are short term.

Liabilities to credit institutions

As of balance sheet date, the company had taken out a working capital loan of kEUR 9,000 in 3 tranches as short-term bridging measure. Due to the increasing interest, the interest rate is between 4.849% and 5.808%. The loan is short-term in nature and can be extended monthly.

Payables due to affiliated companies

Payables due to affiliated companies are related to trade account payables and are short term.

Liabilities to shareholders

Liabilities to shareholders concern liabilities in connection with patent fees respectively the Trademark (kEUR 4,810, p.y. kEUR 4,760). Furthermore, Graphite International B.V., The Netherlands, has granted a loan amounting to kEUR 25,000 to Graphite Cova GmbH. The interest rate is calculated monthly on the basis of Euribor plus a surcharge of 1.95% and is comparable to market values.

D. Comments on the income statement

Revenues divided into geographic regions:

Revenues	2023/24	2022/23
	kEUR	kEUR
Domestic	5,184	9,053
European Union	6,100	17,692
Other countries	1,850	10,662
Intercompany business	1,956	1,332
	15,090	38,739

Revenues divided into areas of operation:

Revenues	2023/24	2022/23
	kEUR	kEUR
Electrodes	5,143	25,913
Special Graphite	9,046	11,052
Coating	642	903
Other	5	34
Intercompany lease	254	820
	15,090	38,739

Other operating income and expenses

The other operating income includes income unrelated to the accounting period in the amount of KEUR 1(p.y. kEUR 62). Other operating expenses include unrelated to the accounting period of kEUR 1 (p.y. kEUR 80).

E. Other disclosures

Contingencies, guarantees, other financial obligations

The company has operating lease arrangements for vehicles including vehicles with tenures ranging between three and six years. Operating lease rentals for financial year 2023/24 would be kEUR 95(p.y. kEUR 109). The reduction can be explained by the early end of the leasing of various vehicles. The vehicles were replaced and resold.

The lease contracts are operating leasing contracts and therefore businesses outside of the balance sheet according § 285 Sec 3 HGB. The advantages are the financing as well as the calculability of costs, disadvantages result from the longer binding to a contract partner.

There are no other contingent liabilities, guarantees or other financial commitments.

Number of employees:

The average number of employees during the year was 9 white-collar workers (blue collar: 0)

Comments on the consolidated accounts

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

Management board

During the financial year 2023/24, the Management was carried out by:

Mahendra Kumar Chhajer, Kolkata, India, Managing Director

Rounak Poddar, Röthenbach a.d. Pegnitz, Managing Director since 01 April 2023

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

Proposed appropriation of results

The net loss of the year of EUR 5,406,205.73 as well as the loss forward shall be carried forward onto new account.

Supplementary report

There are no other significant events that occurred after the end of the financial year and have material impact on the presentation of the company`s situation.

Röthenbach a.d. Pegnitz, 23 May 2024

Rounak Poddar

Mahendra K. Chhajer

Graphite COVA GmbH
Röthenbach an der Pegnitz
Management Report for the Financial Year
1. April 2023 to 31. März 2024

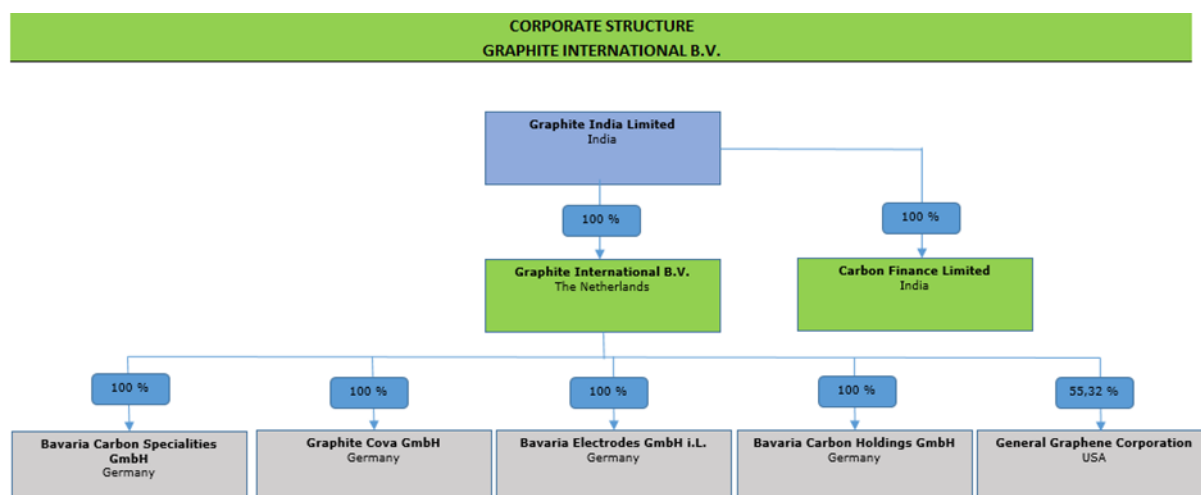
1. Fundamentals of the company

Due to the discontinuation of the business with the production and marketing of graphite electrodes in the last financial year, the focus of the company has changed in such a way that the company is currently mainly involved in the production and marketing of various carbon and graphite products. The company is also involved in the coating of graphite electrodes. In the past financial year, large parts of the stock of electrodes still held at the beginning of the financial year were also sold.

Graphite COVA GmbH is a wholly owned subsidiary of Graphite International B.V. (Netherlands), which in turn is a wholly owned subsidiary of Graphite India Ltd (India). Graphite COVA GmbH is engaged in the purchase of raw materials and the sale of finished goods to customers. Since the liquidation of the Group company Bavaria Electrodes GmbH i.L., Graphite COVA GmbH has supplied Bavaria Carbon Specialities with raw materials for further processing into finished goods, i.e. a wide variety of carbon and graphite products.

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

Organizational Chart



a) Business and Market Conditions

Global crude steel production amounted to approximately 1.89 billion tons in calendar year 2023. Compared to 2022 (1.83 billion tons), crude steel production thus remained virtually stable. However, it should be noted that steel production in the European Union fell by 7.4% to 126.3 million tons. This was more than offset by India with growth of 11.8% from 125.8 million tons to 140.2 million tons. In contrast, China, the world's largest steel producer, kept its production stable.

Overall, the growth in steel production in India and other developing countries helped to offset the declines in Europe and other industrialized countries.

b) Research and Development

Graphite India Ltd. pursues the improvement of graphite and carbon products and processes through its ongoing research and development activities, which are concentrated in its own research and development center. Research and development initiatives include raw material, productivity, process development, carbon emission reduction and more. Many of the cost savings achieved have been significant and are also in line with the standards for “environmental protection and a clean environment”.

2. Economic Report

a) Overall Statement

Due to the discontinuation of graphite electrode production, only these 229 tons (MT) of electrodes were produced in the past financial year, for which orders had already been placed at the time production was discontinued. A total of 1,575 tons worth TEUR 5,143 (previous year: TEUR 25,913) of graphite electrodes were sold in the past financial year 2023/24. Of these, 759 tons of unfinished electrodes were sold. Sales of special graphite products worth TEUR 9,046 fell by 18% compared to 2022/23. Sales from coating services also fell by 29% compared to the previous year. The discontinuation of graphite electrode production also reduced costs and the company generated a loss after taxes of TEUR 5,406 compared to the previous year's loss of TEUR 11,421.

Macroeconomic and sector-specific framework conditions*

i. General Economic Conditions

According to the Federal Statistical Office (Destatis), price-adjusted gross domestic product (GDP) fell by 0.3% in 2023 compared to the previous year. Overall economic development came to a standstill in 2023 in an environment still characterized by crisis. This was due to the high prices on all economic levels and the unfavorable financing conditions caused by high interest rates.

Source Destatis

ii. Sector-specific Framework Conditions*

Global crude steel production reached 1,888 billion tons in 2023, a similar level to the previous year.

However, the European Union once again recorded a decline of 7.4% to 126.3 million tons (previous year: 136.7 million tons). Germany, the seventh largest producer in the world, produced 35.4 million tons, a decline of 3.9% compared to 2022.

Source World Steel Association

Financial Position of the Company

i. Earnings Position

	2023/2024 TEUR	2022/2023 TEUR
Sales by Product		
Electrodes	5.143	25.913
Speciality Graphite	9.046	11052
Coating	642	903
Rental Income	254	820
Others	5	34

Due to the discontinuation of graphite electrode production, only 229 MT were produced.

The 2023/24 financial year was characterized by the winding down of electrode production, ongoing geopolitical risks and unfavourable financing conditions due to high interest rates.

The cost of materials fell from TEUR 33,846 to TEUR 11,244, which is attributable to lower electrode production. As a result of the continued sale of electrodes in stock, the company recorded inventory reductions of TEUR 4,224 compared to TEUR 7,093 in the previous year.

Personnel costs fell considerably compared to the previous year. On the one hand, the company employed fewer staff. Secondly, compared to the previous year, no more provisions were made for severance payments due to the liquidation of the electrode division.

Other income decreased mainly due to the fact that, on the one hand, no proceeds from the disposal of assets (TEUR 1; previous year: TEUR 104) were recorded and, on the other hand, significantly fewer currency gains (TEUR 16; previous year: TEUR 177) were recognized. Overall, other income fell from TEUR 382 to TEUR 90. This figure includes income from the reversal of provisions for severance payments.

Other operating expenses also fell again from TEUR 4,293 to TEUR 2,210, in particular due to the closure of the electrodes division and the associated cost reductions.

As a result, the company reported a net loss for the year of TEUR -5,406 (previous year: TEUR -11,421) in the 2023/24 financial year. Even though the result was not unexpected for the company's management, the result is still not satisfactory. However, now that the final after-effects of the electrode closure have been dealt with, the management expects a better result in the new financial year, assuming the environment remains the same.

ii. Financial Position

The credit line provided by the bank amounted to TEUR 15,000 as at March 31, 2024 (previous year: TEUR 20,000); TEUR 9,000 (previous year: TEUR 10,000) was drawn

down in the financial year. The interest rate is variable. Furthermore, the credit line has no maturity date and will be granted by the bank until further notice.

The parent company also granted a loan. This credit line and the hard letter of comfort issued by the parent company on March 31, 2024 are sufficient to cover the liquidity requirements of the business operations.

Despite the negative equity, the management still assumes that the company can continue as a going concern due to the improving market conditions. It should also be noted that the company is not in arrears with any of its liabilities despite the negative equity.

The company invests surplus USD/EUR cash in fixed-term deposits.

The risks arising from exchange rate fluctuations are minimized through natural hedging.

iii. Financial Position

The discontinuation of the C-bricks business meant that an impairment loss of TEUR 155 had to be recognized in the past financial year. This led to a further reduction in fixed assets.

Due to the expected expansion of the special electrodes business, inventories were increased by TEUR 168 from TEUR 15,994 to TEUR 16,162.

Trade receivables fell from TEUR 4,584 to TEUR 1,907 due to the significant drop in sales. However, receivables also fell due to the shorter due dates in the specialty products segment.

Cash and cash equivalents were lower as at March 31, 2024 than at March 31, 2023.

The negative equity increased from TEUR -20,021 to TEUR -25,427 due to the repeated loss in the past financial year.

Provisions (TEUR 154, previous year: TEUR 245) decreased mainly due to the decline in business operations. Liabilities increased slightly in the past financial year (TEUR 562, previous year: TEUR 492). Liabilities to affiliated companies increased considerably (TEUR 6,096; previous year: TEUR 3,876) due to increased orders from Graphite India Ltd.

b) Financial and non-financial performance factors

i. Financial performance factors

In future, Graphite COVA GmbH will focus primarily on the manufacture and sale of graphite and carbon products. Rather than mass-produced products, individual products will be developed specifically for the customer. The company hopes to achieve better volumes and prices, while also being able to better manage energy costs.

ii. Non-financial performance factors

Non-financial performance factors such as the Russia-Ukraine crisis no longer have such an impact on input costs, but are still a factor that needs to be monitored.

iii. Environment

Climate change initiatives will also continue to have an impact on the economic success of Graphite COVA GmbH and will also influence investments in this area.

iv. Employees

Graphite COVA GmbH is continuously committed to its employees. The company ensures that the overall remuneration of its employees is in line with normal industry standards. It also ensures that the demands placed on individuals correspond to their abilities.

1. Forecast, Opportunity and Risk Report

A) Forecast report

As a large proportion of the electrodes still in stock were sold off in the past financial year, the company only expects to sell a small number of electrodes in the 2024/2025 financial year. Instead, Graphite COVA GmbH will increasingly focus on the production and sale of graphite specialties. The company expects to achieve a sales volume of around EUR 13 million. Furthermore, the management assumes that the costs incurred cannot be fully absorbed; therefore, a negative result of EUR 2.2 million before taxes is also expected in the financial year 2024/2025.

It cannot be ruled out that actual business performance will deviate from expectations, as some unforeseeable developments in the economic environment of the market may occur.

In view of the ongoing geopolitical (continuation of the Russia-Ukraine conflict) and macroeconomic risks (various customs and non-customs barriers as well as bottlenecks in shipping and containers), the outlook for steel production in 2024 remains uncertain.

B) Risk report

i. Risk management system

The company is integrated into the parent company's risk management system. The company's implemented risk management system uses suitable control instruments and key figures in the key areas of sales and earnings development, materials management, sales and production control as well as financing and liquidity protection.

The integrated early warning system based on rolling planning calculations is designed to identify, analyze and classify business risks at an early stage in order to counter risks that could jeopardize the company's existence in good time. The management receives information on risk-relevant issues in regular reports. Supplementary reports on individual issues are prepared as required.

On the basis of the controlling reports and rolling projections for the current financial year, all significant risks are presented and explained in detail by the divisional managers in regular meetings with the management, the current risk situation is discussed and suitable measures for managing the company's development are defined.

The company's business development is regularly discussed and coordinated with the parent company Graphite India Ltd.

ii. General Risks

It is undisputed that business forecasts harbor uncertainties due to unknown variables. For example, the reversal of positive trends can lead to an economic downturn, which usually has a negative impact on growth in demand for our products.

iii. Special Risks

a) Market Risks

As the company is no longer active in the electrode business, there is no longer any market risk. The market for graphite specialties is quite stable and the company does not see any major problem areas.

b) Risks through Raw Material Prices

The company sees no problems with the procurement of raw materials, as the majority of the raw materials required come from Graphite India Ltd.

c) Risks due to Energy Costs

The specialty graphite business requires lower energy consumption, which is why no major risks are to be expected.

d) Further Risks

The default risk is minimized due to the fact that the majority of trade receivables are covered by trade credit insurance.

Currency risks are also minimized by the fact that the majority of incoming and outgoing invoices are invoiced in euros.

As the credit line is only utilized on a short-term basis and as required, the company is not exposed to any interest rate risk.

C) Opportunities report

The integration into the globally active Graphite India Ltd. group will result in additional market opportunities outside Europe and cost advantages. The company expects significant benefits from the consolidation of the industry over the next few years.

One area in which there will be improvements due to its energy-efficient application is the coating business.

The company has a long-standing partnership with the majority of its customers and has established itself as a European supplier under the COVA brand name. Employee retention is very good and most employees have been with the company for a long time.

Acknowledgements

The management would like to take this opportunity to thank the authorities, consultants, banks, lawyers, customers, suppliers and all others for their excellent cooperation. The management would also like to thank all the employees of this company for their dedicated cooperation.

Special thanks also go to the technical team and management of Graphite India Ltd. for their active support during the year.

2. Other information

2.1 Legal circumstances

Company	Graphite COVA GmbH
Address	Grünthal 1 – 6 Röthenbach a. d. Pegnitz
Legal form	GmbH
Partnership agreement	Valid in the version of November 28, 2006
Commercial register	Local Court Nuremberg, HRB 21271
Fiscal Year	from April 1 to March 31 of the following year
Object of the Company	The object of the Company is the sale of and trade in raw materials and semi-finished products, the distribution and marketing of electrodes and special products of the graphite and carbon industry as well as the holding and utilization, in particular the leasing, of production equipment and machinery.
Shareholders and contributions	Graphite International B.V., Rotterdam / Netherlands (100%)
Share capital	EUR 4,000,000.00 (fully paid in)
Management and representation	<p>If only one managing director has been appointed, he shall represent the Company alone. If several managing directors have been appointed, the Company shall be represented by two managing directors or by one managing director together with an authorized signatory. Mr. Parnerkar has sole power of representation.</p> <ul style="list-style-type: none">• Mahendra Kumar Chhajer, Kolkata, India, Managing director• Rounak Poddar, Röthenbach a.d. Pegnitz, Managing director (since April 1, 2023)
Commercial procuration	<ul style="list-style-type: none">• Helmut Renner• Rounak Poddar (till April 1, 2023)• Sivaprasa Pusala (since April 26, 2023)

Shareholder resolution

August 2, 2023

- Approval of the annual financial statements of the Company as of March 31, 2023 and the management report for the fiscal year 2022/23
- Discharge of the Executive Board for the fiscal year 2022/23
- The net loss for the financial year 2022/23 and the loss carried forward shall be carried forward to new account.
- Appointment of INTARIA AG as auditors 2023/24

There were no other significant changes in the legal situation after the balance sheet date.

2.2 Tax Situation

Tax office:	Nürnberg
Tax number:	241/115/52408
Tax returns/notices:	<p>The tax returns for the 2022 assessment year have been submitted and the notices in this regard were issued.</p> <p>The tax returns for the 2023 assessment year have not yet been submitted.</p>
External/special tax audits:	In 2021/22 the tax audit for the years 2014- 2018 was finalized. The results have been fully considered.
General notes:	<p>Trade tax The Company is subject to trade tax on its domestic business operations.</p> <p>Corporate income tax / solidarity surcharge Due to its legal form, the Company is subject to corporate income tax and the solidarity surcharge on its taxable income.</p> <p>Value added tax There is a fiscal unity for sales tax purposes with the sister companies Bavaria Electrodes GmbH i.L., Bavaria Carbon Specialities GmbH and Bavaria Carbon Holdings GmbH; the controlling Company is the reporting Company Graphite COVA GmbH.</p> <p>The fiscal unity is an entrepreneur within the meaning of the German Turnover Tax Act (Umsatzsteuergesetz) and generates exclusively taxable and generally taxable sales. Sales are subject to the standard tax rate of 19%. The tax group is entitled to an unrestricted input tax deduction.</p>

2.3 Economic situation

1) Intercompany contracts

Building lease agreement with BCH (Bavaria Carbon Holdings GmbH, Röthenbach a. d. Pegnitz) dated September 9, 2004 (commencement August 13, 2004). Automatic extension has been agreed if no notice of termination is given. Decorative repairs and maintenance are at the expense of the lessee. The rent amounts to EUR 30,000 p.a.

Production agreement with BCS and BE dated September 9, 2004. Automatic renewal is agreed upon if no notice of termination is given. BCS is contracted for the production of special products, BE for the production of graphite electrodes. Cost plus 4 % was agreed.

Service agreement with BCS dated September 9, 2004. Automatic renewal for one year is agreed if no notice of termination is given. BCS provides services in the areas of accounting, IT, personnel (including management services) and real estate management. Cost plus 7% has been agreed, but without third-party costs that can be charged on.

Trademark license agreement with GIBV (Graphite International B. V., Rotterdam, Netherlands) dated September 9, 2004. This is a non-exclusive trademark usage agreement without term limitation relating to the trademark "COVA". The royalty rate is 1.5% of net sales per quarter after discounts, bonuses, taxes, claims and value addition in coating process.

Know How Agreement with GIL (Graphite India Ltd, India) dated September 9, 2004, a non-exclusive know how utilization agreement with no term limitation relating to scrap reduction, machine efficiency improvement, quality improvement and production of electrodes > 24 inches. The license rate is 1.5% of net sales per quarter after discounts, bonuses, taxes, claims and value addition in coating process.

Supply agreement with GIL dated April 1, 2013 for the supply of raw materials, finished products, semi-finished products and the purchase of the same at the respective transfer price guideline.

Hard letter of comfort with GIBV dated March 31, 2024 for any future deterioration in the economic deterioration of GC in the future up to an amount of EUR 3 million and with the earliest notice period to June 30, 2025.

2) Loan agreement

Framework credit agreement with Citibank, London, for an amount of EUR 15 million (previous year: EUR 20 million). Individual drawings are possible in tranches. Interest is calculated on the basis of the positive EURIBOR 1 1/360 plus 2.1% or 1.95%. Of the EUR 15 million, EUR 9 million were drawn in the fiscal year.

Corporate guarantee agreement with GIL for the aforementioned bank liability of GC up to the amount of EUR 11 million. The term of this agreement is limited until April 4, 2024. The guarantee fee amounts to 1% of the loan amount.

A loan agreement has been concluded with GIBV for EUR 5 million and for EUR 20 million. The interest rate is calculated in line with the market at 1.95%. The loan is concluded for one year (October 25, 2022) with an option to extend.

3) Public law contract

Public law contract with the Free State of Bavaria dated July 14, 2004. This contract concerns specific contaminated sites on the land owned by BCH.