

**Annual report over the period
1 April 2019 till 31 March 2020**

purpose:



date: 9.6.2020

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To the Shareholders and Board of Directors of
Graphite International B.V.
attn. H. Jansen/S.W. Parnerkar
Claudius Prinsenlaan 144
4818 CP BREDA

Utrecht, 9 June 2020
Ref.: 19765/2020

Dear Sirs,

Following your request we have audited the financial statement of Graphite International B.V., Rotterdam, over the period 1 April 2019 till 31 March, 2020, included in this report, on 9 June 2020 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 2018 till 31 March 2019

The net profit of the period 1 April 2018 till 31 March 2019 has been added to the other reserves in accordance with the decision of the General Meeting of Shareholders, following the proposed result appropriation included in the annual accounts 2018/2019.

Proposed appropriation of the profit for the period 1 April 2019 till 31 March 2020

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

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Fiscal position

Corporate income tax(current)

Graphite International B.V. is independently taxable for 2019/2020 corporation taxes. The company taxable amount (excluding deferred tax asset) has been calculated as follows:

	2019/2020
(in euros)	
Income before taxes	499.713
Add:	
Other expenses	66.803
Depreciation not deductible for tax purposes	1.103.686
Corporate income tax	
Taxable amount	<u>1.670.202</u>

Calculation corporate tax

19% of € 200.000	38.000
25% of € 1.470.200	367.550
Payable corporate tax	<u>405.550</u>

The taxes on income in the consolidated profit and loss account for 2019/2020 can be specified as follows:

	2019/2020
Taxes on income entity in The Netherlands	405.550
GAAP Difference	4.413
Taxes on income entities in Germany	100.351
Deferred tax asset Germany	-29.056
	<u>481.259</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-2019 to 31-March-2020

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.

Earning by way of Trademarks was Euro 584,910.32 during the year.

Earning by way of dividend was Euro 50,523,338,09 from Graphite Cova GmbH during the year.

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

Even after this further investment, GGC still remains an associate of the Company.

3. **Subsidiaries/Associates:**

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

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

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

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4. Financial Performance:

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

All figures in thousand Euro

Particulars	Graphite International B.V.		Graphite International B.V. Group	
	2019-20	2018-19	2019-20	2018-19
INCOME				
Revenue from operations	585	2,214	51,065	161,281
Other Income	1,247	4	2,336	16,193
Total Revenue	1,832	2,218	53,401	177,474
Less: Operating expenses	163	641	51,744	74,883
Profit/(Loss) before Finance Cost and depreciation	1,669	1,577	1,657	102,591
Less : Finance Cost	66	2	82	-59
Profit/(Loss) before depreciation and tax	1,603	1,575	1,575	102,650
Less : Depreciation	1,104	709	1,747	1,486
Profit/(Loss) before taxation	499	866	-172	101,165
Share of Profit/(Loss) in Associates	-1,627	-	-880	-371
Less: Provision for taxation	405	522	481	28,578
Profit/(Loss) for the year	-1,533	344	-1,533	72,216

Due to reduction in electrodes demand in Europe, the subsidiary has started entering markets outside Europe and Russia. The subsidiary has produced 5,371 MT (py 13,319 MT) out of available capacity of 17,500 MT of Graphite Electrodes.

Starting from April/May 2017, due to environmental issues, several business of Steel and Electrodes of the China were shut down for a longer period resulted in the increase in demand of the Graphite Electrodes during Financial Year 2018-19, consequently the prices of needle coke also started to increase.

In the beginning of 2019, the situation on the market changed. The electrode shortage in 2018 forced many steel plants in the world to look for alternative sources of supply. They ordered large quantities of UHP grade electrodes from China despite the quite poor quality. Large electrode stocks in the plants in 2019 (deliveries from China and long-term agreements with GrafTech) as well as the declining steel production in Europe, North and South America, Africa etc have caused a very modest demand for new electrode shipments and have led to a big drop in prices of about 40%. The unexpected outbreak of Coronavirus pandemic and the temporary shutdown of many steel plants worldwide has reduced the demand of graphite electrodes even further - in this context deliveries were postponed and existent orders were even cancelled.

Domestic Electrode sales quantity decreased from 1,866 MT to 542 MT. This 71% decrease in tonnage was coupled with a decrease of 29% in sale prices from EUR 11,289 PMT to EUR 8,065 PMT. In Export Electrode the sales quantity decreased by 54% from 10,171 MT to 4,655 MT. Moreover, decrease in sale prices was 40% from EUR 12,444 PMT to EUR 7,455 PMT.

The operating expenses decreased mainly due to lower raw material consumption.

The consolidated net loss consists the loss of an associate of Euro 880 K.

5. Discussion on Operation of Subsidiaries:

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

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

According to first calculations of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) was 0.6% higher in 2019 than in the previous year. The German economy thus has grown for the tenth year in a row. This has been the longest period of growth in united Germany. However, growth lost momentum in 2019. In the previous two years, the price-adjusted GDP grew much more strongly (by 2.5% in 2017 and by 1.5% in 2018). Compared with the average of the last ten years (+1.3%), the German economic growth in 2019 was lower.

Growth in 2019 was mainly supported by consumption expenditure. Household final consumption expenditure rose by a price-adjusted 1.6% on the previous year, government final consumption expenditure by 2.5%. This means that the increase in household and government final consumption expenditure was larger than in the previous two years (household final consumption expenditure +1.3% year on year both in 2017 and in 2018; government final consumption expenditure +2.4% in 2017 and +1.4% in 2018, year on year).

The price-adjusted gross investments lowered overall by 1.7 % compared to the previous year. Investments in equipment were only 0.4 % higher than in the previous year. Construction investments increased by 3.8%.

The price-adjusted exports of goods and services were 0.9 % higher than in 2018. Imports increased more strongly by +1.9 % in the same period.

On the production side, almost all sectors of the economy made a positive contribution to economic development in 2019.

Global crude steel production reached 1,869.9 million tonnes (Mt) for the year 2019, up by 3.4% compared to 2018. Crude steel production contracted in all regions in 2019 except in Asia and the Middle East.

Asia produced 1,341.6 Mt of crude steel in 2019, an increase of 5.7% compared to 2018. China's crude steel production in 2019 reached 996.3 Mt, up by 8.3% on 2018. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019. India's crude steel production for 2019 was 111.2 Mt, up by 1.8% on 2018. Japan produced 99.3 Mt in 2019, down 4.8% compared to 2018. South Korea produced 71.4 Mt of crude steel in 2019, a decrease of 1.4% compared to 2018.

The EU produced 159.4 Mt of crude steel in 2019, a decrease of 4.9% compared to 2018. Germany produced 39.7 Mt of crude steel in 2019, a decrease of 6.5% on 2018. Italy produced 23.2 Mt in 2019, down by 5.2% on 2018. France produced 14.5 Mt of crude steel, a decrease of 6.1% on 2018. Spain produced 13.6 Mt of crude steel in 2019, a decrease of 5.2% on 2018.

Crude steel production in North America was 120.0 Mt in 2019, 0.8% lower than in 2018. The US produced 87.9 Mt of crude steel, up by 1.5% on 2018.

The CIS produced 100.4 Mt, a decrease of 0.5%. Russia produced 71.6 Mt of crude steel in 2019, down by 0.7% on 2018. Ukraine produced 20.8 Mt of crude steel in 2019, a decrease of 1.2% compared to 2018.

Annual crude steel production for South America was 41.2 Mt in 2019, a decrease of 8.4% on 2018. Brazil produced 32.2 Mt in 2019, down by 9.0% compared to 2018.

Turkey's crude steel production for 2019 was 33.7 Mt, down by 9.6% on 2018.
Africa produced 17.0 Mt in 2019, down 2.3% on 2018.
Oceania produced 6.2 Mt, down 2.9% on 2018.

In 2020:

In light of the unprecedented disruptions of the COVID-19 pandemic, World Steel Association has taken the decision not to publish its April Short Range Outlook (SRO) for steel demand this month. The current plan is to release a full SRO in early June when World Steel trusts the markets will have stabilised somewhat, as it is doing in China.

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6. Borrowing facilities of Subsidiary companies from Banks:

The working capital limit from Citi bank was TEUR 24,000 as at 31st March, 2020. Total utilization of fund based limits from bank was TEUR Nil at the end of the year. Subsidiary invests surplus USD cash in fixed term deposits.

7. Dividend:

No dividend is proposed for the year.

8. Outlook:

For the business year 2020/2021, the Subsidiary expects a sub-dude development of the global consolidation of the market for Graphite Electrodes and expects sales around Euro 50 to 55 Million. A positive annual net result of approx. Euro 0 to1 Million before tax is expected. The budget 2020 - 21' is not yet finalized and are studying the market condition closely to come to realistic estimates.

It cannot be excluded that the actual business will diverge from expectations, because of some unforeseeable developments in the economic and commercial environment of the market.

The Company invests surplus USD cash in fixed term deposits. There was no utilization of bank limit during the year. The risks arising due to foreign currency fluctuations are dealt by way of natural hedging.

Investments by subsidiary for further improvement of environmental, safety and social issues are started since the 2nd half of FY 2018/19 and will continue during though the upcoming financial year(s). Modernisation of some tangible assets is under discussion and are subject to market condition going forward.

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

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

9. Covid-19

The Subsidiary has been proactive from the onset of the COVID-19 crisis. The Subsidiary voluntarily took a shut-down of the plant from 27th March 2020 to 19th April 2020 and are monitoring conditions and formulating appropriate action plans. These plans have resulted in early actions to cancel travel and eliminate in-person meetings. All Team members were working from home during the lockdown where possible. Plant procedures include use of gloves, social distancing, frequent cleaning and disinfecting. They have worked hard during this COVID-19 crisis to minimize the impact on employees, customers, and operations. Despite this challenging environment, most of the customer orders have been met.

However, due to COVID-19, deliveries of orders of approx. 250 - 300 MT were postponed to 2020-21. Further, orders for approx. 350 - 400 MT were cancelled by the Customers due to Plant Closures at their end. The Subsidiary expects the production and demand to remain subdued and the situation of Short Work to continue up to September 2020.

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.

10 Environment

The subsidiary invests high amounts in order to continuously improve environmental protection. Last

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investment was made for a thermal oxidiser (RTO) for regenerative waste air purification

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.

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 was 189 Numbers during 2019-20. The personnel and social security for all employees of the company is organized on the basis of the requirements of the applicable German Law.

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13. Composition Board of Managing Directors and Supervisory Board:

In 2019, the composition of the Board of Managing Directors did not change compared to 2018. 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.

In business year 2014/2015 dominant competitors decided the reduction of production capacity in the amount of 120,000 tons. The reduction of this capacity to adapt to the reduced demand from the steel industry is essential for the consolidation of the industry. The timing and extent of the positive effects of these measures on the consolidation of the industry are fraught with uncertainties. In August 2015, one of the biggest electrode producers - GrafTech, was sold to investment group Brookfield

In 2017, SGL decided to sell its electrode production division. The plants in Europe and Malaysia were sold to SDK and the plants in the U.S. were sold to Tokai, Japan. This way a new giant emerged - SDK - with approx. 255.000 mt of electrode production.

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

Company markets Graphite Electrodes under the brand name of 'COVA', which has good acceptance in the market.

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

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

The Subsidiary has ensured the supply of basic raw materials like calcined petroleum coke, binder pitch

Graphite International B.V., Rotterdam

and impregnation pitch and contracts for regular supply of them are renewable before the end of the existing contracts. The subsidiary has also signed the contract for supply of utilities like gas and electricity.

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

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

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 Subsidiaries.

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

Date: 9th June 2020

S.W. Parnerkar



J.W.P. Jansen



L.F.S. Bagchus

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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 Claudius Prinsenlaan 144, 4818CP 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.

CHANGE IN ACCOUNTING POLICIES

There has been an change in accounting policies.

The standard IFRS 16 are voluntary applied on tangible fixes assets. The new situation has for a change in the equity for an amount of € 3.024. The change in accounting policy with regard to tangible fixed assets has been accounted for prospectively.

PRINCIPLES OF CONSOLIDATION

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

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

The consolidated accounts comprise the financial statements of:

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

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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.

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.

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.

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

DEPRECIATION AND AMORTISATION

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

IMPAIRMENT LOSS

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

INVESTMENTS

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

FINANCIAL FIXED ASSETS

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

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

SUBSIDIARIES/ASSOCIATE

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

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

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

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

INVENTORIES

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

ACCOUNT RECEIVABLES

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

PROVISIONS AND CONTINGENT LIABILITIES

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

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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.

OTHERINCOME

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.

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LEASES

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the GIBV Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

CASH FLOW STATEMENT

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

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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

ASSETS (in euros)	31 March 2020	31 March 2019
Fixed assets		
Intangible fixed assets		
Goodwill	6.310.364	5.375.536
Computer software	26.922	18.640
	<u>6.337.286</u>	<u>5.394.176</u>
Tangible fixed assets		
Land and buildings	1.523.947	1.459.766
Plant and equipment	3.210.801	3.498.016
Other Equipment	781.471	465.691
Prepayments	910.388	788.547
	<u>6.426.607</u>	<u>6.212.020</u>
Financial fixed assets		
Associate	2.684.354	96.140
Deferred tax asset	96.726	92.415
	<u>2.781.080</u>	<u>188.555</u>
Current assets		
Inventories		
Unfinished goods	19.567.810	14.898.800
Raw materials	16.339.744	23.817.325
Finished goods	8.009.478	6.183.993
Other	904.119	685.769
	<u>44.821.151</u>	<u>45.585.887</u>
Receivables		
Trades receivable	7.265.565	24.461.381
Current tax assets	150.987	161.176
Other receivables	945.521	680.623
	<u>8.362.073</u>	<u>25.303.180</u>
Cash at bank and in hand	52.774.268	48.565.971
Total	<u>121.502.465</u>	<u>131.249.789</u>

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RSM Netherlands
date: 9-6-2020

Total	121.502.465	131.249.789
-------	-------------	-------------

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2019 TILL 31 MARCH 2020

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
(in euros)		
Net turnover	51.064.592	161.281.427
Movement in WIP& Finished Stock	6.494.495	14.561.526
Other income	<u>938.952</u>	<u>1.631.815</u>
Operating income	58.498.039	177.474.768
Raw and ancillary materials	33.800.112	42.661.601
Contracted work and external expenses	<u>10.941.840</u>	<u>15.857.400</u>
	<u>44.741.952</u>	<u>58.519.001</u>
Gross Margin	13.756.087	118.955.767
Wages and salaries	7.982.302	9.466.414
Social security premiums	1.746.575	1.632.323
Depreciation fixed assets	2.003.635	1.486.335
Other operating expenses	<u>3.510.256</u>	<u>5.265.605</u>
Total operating expenses	15.242.768	17.850.677
Operating result	-1.486.680	101.105.090
Financial Income	<u>1.314.650</u>	<u>59.937</u>
Income before taxes	-172.030	101.165.027
Taxes on income	-481.259	-28.577.615
Share in result from subsidiaries	<u>-879.518</u>	<u>-370.690</u>
Result after taxes	<u>-1.532.807</u>	<u>72.216.722</u>

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date: 9.6.2020

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

The movements of funds can be specified as follows:

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
(in euros)		
Cash flow from operating activities		
Operating result	-1.486.679	101.105.090
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	2.003.636	1.486.335
Loss / (profit) on disposal of tangible fixed assets	-22.950	-10.995
Liabilities no longer required written back	-114.719	-44.197
Bad debts written off	382.709	29.211
	<u>2.248.677</u>	<u>1.460.354</u>
<i>Movement in working capital:</i>		
Inventories	764.736	-29.801.784
Receivables	16.426.367	-14.232.588
Provisions	44.481	14.076
Short-term liabilities	-5.838.228	9.778.385
	<u>11.397.355</u>	<u>-34.241.911</u>
Cash flow from operating activities	12.159.353	68.323.533
Taxes paid on income	-3.125.437	-1.024.014
	<u>-3.125.437</u>	<u>-1.024.014</u>
Cash provided by operating activities	9.033.916	67.299.519
Cash flow from investment activities		
Investments intangible fixed assets	-2.061.121	-6.096.385
Sale of tangible fixed assets	-	12.200
Prepayments on tangible fixed assets	-	-
Investments financial fixed assets	-3.404.650	-466.830
Investments tangible fixed assets	-956.777	-766.840
Interest received	626.303	219.069
Total cash used in investing activities	-5.796.219	-7.098.786
Cash flow from financing activities		
Interest paid	-82.264	-159.132
Short term borrowings receipts/(payments)	-	-14.500.000
Issued lease	346.482	-14.500.000
Repayment lease	-62.528	-14.500.000
Currency exchange differences	768.909	-
Total cash provided by financing activities	<u>970.599</u>	<u>-14.659.132</u>
Movements in cash funds	<u><u>4.208.297</u></u>	<u><u>45.541.601</u></u>

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 date: 9.6.2020

The movement of funds is as follows:

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
Balance as at 1 April	48.565.971	3.024.370
Movement for the year	<u>4.208.297</u>	<u>45.541.601</u>
Balance as at 31 March	<u>52.774.268</u>	<u>48.565.971</u>

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NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

	<i>Goodwill</i>	<i>Computer Software</i>	<i>Total</i>
(in euros)			
<u>Balance as at 1 April 2019</u>			
Costs	6.084.456	273.157	6.357.613
Accumulated depreciation	<u>-708.920</u>	<u>-254.517</u>	<u>-963.437</u>
Book value	<u>5.375.536</u>	<u>18.640</u>	<u>5.394.176</u>
<u>Movements in book value</u>			
Acquisition	2.038.514	22.607	2.061.121
Depreciation	<u>-1.103.686</u>	<u>-14.325</u>	<u>-1.118.011</u>
	<u>934.828</u>	<u>8.282</u>	<u>943.110</u>
<u>Balance as at 31 March 2020</u>			
Costs	8.122.970	295.764	8.418.734
Accumulated depreciation	<u>-1.812.606</u>	<u>-268.842</u>	<u>-2.081.448</u>
Book value	<u>6.310.364</u>	<u>26.922</u>	<u>6.337.286</u>
Depreciation rates	<u>0% - 20%</u>	<u>20%</u>	<u>0% - 20%</u>

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date: 9.6.2020

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 2019</u>					
Costs	1.914.550	16.724.125	1.859.553	1.876.547	22.374.775
Accumulated depreciation	-454.784	-13.226.109	-1.393.862	-1.088.000	-16.162.755
Book value	<u>1.459.766</u>	<u>3.498.016</u>	<u>465.691</u>	<u>788.547</u>	<u>6.212.020</u>
<u>Movements in book value:</u>					
Actual cost investments	104.012	413.465	461.541	-	461.018
Acquisition value of disposal	-	-3.187	-	-	-3.187
Depreciation for the year	-39.831	-700.030	-145.762	-	885.623
Depreciation of disposal	-	2.537	-	-	2.537
Prepayment during the year	-	-	-	121.842	121.842
	<u>64.841</u>	<u>-287.215</u>	<u>315.779</u>	<u>121.842</u>	<u>214.587</u>
<u>Balance as at 31 March 2020</u>					
Costs	2.018.562	17.134.403	2.321.094	1.998.389	23.408.247
Accumulated depreciation	-494.615	-13.923.602	-1.539.624	-1.088.000	-17.045.841
Book value	<u>1.523.947</u>	<u>3.210.801</u>	<u>781.470</u>	<u>910.389</u>	<u>6.426.607</u>
Depreciation	<u>0% - 10%</u>	<u>10% - 20%</u>	<u>10% - 20%</u>	<u>0%</u>	

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Financial fixed assets

	31-3-2020	31-3-2019
(in euros)		
Subsidiaries/ Associate	2.684.354	96.140
Deferred tax asset	96.726	92.415
	-----	-----
	2.781.080	188.555
	=====	=====

Subsidiaries/Associate (in euro's)	General Graphene Corporation
Balance as at 1 April 2019	96.140
Investment	3.404.650
Result for the year	-879.518
Currency exchange difference	63.082
Balance as at 31 March 2020	<u>2.684.354</u>

List of subsidiaries / associates

General Graphene Corporation, Knoxville 39,427%

Due to the profit made by the company, all of the German (fiscal) losses are accrued for as a deferred tax asset against the German CIT rate of 12.23% and the German Trade tax rate of 15.85%.

Current assets

Inventories

	31-3-2020	31-3-2019
(in euros)		
Unfinished goods	19.567.810	14.898.800
Raw materials	16.339.744	23.817.325
Finished goods	8.009.478	6.183.993
Other	904.119	685.769
	-----	-----
	44.821.151	45.585.887
	=====	=====

The raw materials includes inventories in transit for an amount of € 3.250.210 (PY: € 3.881.569). The total write downs on inventory to net realizable value amount too € 8.563.226 (2018/2019: nil).

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Receivables

	31-3-2020	31-3-2019
(in euros)		
Trade receivables	7.265.565	24.461.381
Participants/ Group companies	-	-
Current tax assets	150.987	161.176
Other receivables	945.521	680.623
	<u>8.362.073</u>	<u>25.303.180</u>
	=====	=====

The current tax asset in The Netherlands amounts to € 150.987 (Previous Year : € 161.176).

Cash at bank and in hand	31-3-2020	31-3-2019
Banks	52.760.411	48.548.114
Cash in hand	13.857	17.857
	<u>52.774.268</u>	<u>48.565.971</u>
	=====	=====

The cash at bank and in hand is at free disposal of the group. An amount of € 31.215.722 are fixed deposit with original maturity less than twelve months.

EQUITY AND LIABILITIES

Group equity

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

Provisions

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

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
(in euros)		
Present value of defined benefit obligations	465.726	402.990
	=====	=====

Material actuarial principles

The material actuarial principles are the following:

	31-03-2020	31-03-2019
- applied discount rate	0,60%	1,50%
- price inflation	1,50%	1,50%
- salary / pension increase	1,50%	1,50%
- expected return on plan assets		
a) real assets	N/A	N/A
b) fixed-income securities	N/A	N/A
- expected increase in salaries		
a) general growth in salaries	N/A	N/A
b) individual salary rise	N/A	N/A

Expense recognized in the Profit and Loss account

Current Service Cost	5.973	6.009
Interest Cost	5.986	6.548
Actuarial (gains) / losses	65.022	2.223
	-----	-----
Total expense recognized	76.981	14.780
Benefits paid	-14.245	-704
	-----	-----
Total movement in provision	62.736	14.076
	=====	=====

Long-term liabilities

Financial lease

Balance as at 31 March 2019	-
Lease issued	346.483
Repayment	-62.528
Balance as at 31 March 2020	<u>283.955</u>

The monthly repayment obligation for 2020/2021 amounts to € 5.987 this amount is including 1,35% interest. The agreements have a term of maximum 72 months. A amount of € 5.432 is payable after five years.

Short-term liabilities

The working capital limit from bank was € 24.000.000 as at 31st March, 2020. Total utilisation of fund based limits from bank was € nil at the end of the year.

The total funding is provided by Citibank against collateral in the form of Corporate Guarantee of € 24.000.000 from Graphite India Limited.

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date: 9.6.2020

Graphite International B.V., Rotterdam

<u>Group companies</u>	31-3-2020	31-3-2019
(in euros)		
Graphite India Ltd.	7.399.796 =====	5.335.185 =====

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

<u>Current tax liabilities</u>	31-3-2020	31-3-2019
(in euros)		
Current tax liability	20.260.803 =====	22.929.114 =====

The current tax is payable in Germany for an amount of € 20.260.803.

<u>Other liabilities and deferred income</u>	31-3-2020	31-3-2019
(in euros)		
Withholding tax	360.107	534.067
Employee related accruals	657.963	697.601
Other accrued liabilities (including VAT and social security charges)	48.510	58.717
	-----	-----
	1.067.340 =====	1.296.987 =====

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Contingent liabilities

The German subsidiaries of Graphite International B.V. have signed agreements with the State of Bavaria (Germany) for an amount not exceeding € 2.187.161 (PY: € 1.957.299) 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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RSM Netherlands
date: 9.6.2020

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2019 TILL 31 MARCH 2020

Financial information by segment

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
<u>Revenue by segment</u>		
Sales Graphite Electrodes, special products and other Carbon and Graphite products	51.064.592 =====	161.281.427 =====

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

Germany	10.804.790	28.953.960
Italy	10.784.388	47.993.736
Egypt	6.143.950	17.555.363
Other	23.331.465	66.778.368
	-----	-----
	51.064.592 =====	161.281.427 =====

Average number of employees

The average number of employees over the period 1 April 2019 till 31 March 2020 was 198 FTE (PY: 215 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.

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
<u>Depreciation</u> (in euros)		
Depreciation of intangible fixed assets	1.103.686	719.712
Depreciation of tangible fixed assets	885.623	766.623
	-----	-----
	1.989.309 =====	1.486.335 =====
 <i>Depreciation of intangible fixed assets</i>		
Depreciation of software	14.325 =====	10.792 =====

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	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
<i>Depreciation of property, plant and equipment</i>		
Depreciation of land and buildings	104.012	37.800
Depreciation of plant and machinery	700.030	674.813
Depreciation of other equipment	145.762	54.010
	-----	-----
	885.623	766.623
	=====	=====

Auditor's remuneration

With reference to Section 382A, Part 9 of Book 2 of the Netherlands Civil Code, the RSM-network has charged a fee of € 26.000 (excluding € 51.000 other firms) relating to the audit of the financial statements. The year before the RSM-network charged a fee of € 135.000 (including € 105.000 other RSM network firms) relating to the audit of the financial statements.

Financial result

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
Other interest and similar income	628.004	219.069
Currency exchange differences	768.910	-159.132
Other interest and similar expenses	-82.264	-159.132
	-----	-----
	1.314.650	59.937
	=====	=====

Taxes on income

	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
Excepted income tax	533.273	19.646.960
Effect of change	-1.583.235	1.982.509
Other Expenses not deductible for tax purposes	31.334	968.780
Income exempt from income taxes	1.533.254	166.997
Adjustments for current tax of prior periods		16.779
Recognised / unrecognised tax losses used to reduce / increase deferred tax expense	-4.311	5.795.590
Previously unrecognised tax losses now recouped to reduce current tax expense	-29.056	-
	-----	-----
	481.259	28.577.615
	=====	=====

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RSM Netherlands
date: 9-6-2020

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.

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RSM Netherlands

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COMPANY BALANCE SHEET AS AT 31 MARCH 2020

(before proposed appropriation of result)

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EQUITY AND LIABILITIES

31 March 2020

31 March 2019

Shareholders' equity

Share capital	17.300.000		17.300.000	
Other reserves	72.918.170		2.237.280	
Currency exchange difference reserve	63.082		-	
Unallocated result for the year	<u>-</u>		<u>72.216.722</u>	
		90.281.252		91.754.002

Short-term liabilities

Trade creditors	30.600		50.388	
Other liabilities, accruals and deferred income	<u>360.107</u>		<u>301.616</u>	
		390.707		352.004

Equity and liabilities

90.671.959

92.106.006

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COMPANY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2019 TILL 31 MARCH 2020

(in euros)	1-4-2019 till 31-3-2020	1-4-2018 till 31-3-2019
Net turnover	<u>584.910</u>	<u>2.213.899</u>
Operating income	584.910	2.213.899
Employee benefits expense	-	-
Depreciation fixed assets	1.103.686	708.920
Other operating expenses	<u>163.062</u>	<u>640.681</u>
Total operating expenses	<u>1.266.748</u>	<u>1.349.601</u>
Operating result	-681.838	864.298
Financial income	1.247.393	3.964
Financial expenses	<u>-65.842</u>	<u>-2.063</u>
Income before taxes	499.713	866.199
Taxes on income	-405.550	-522.323
Share in result from subsidiaries	<u>-1.626.970</u>	<u>71.872.846</u>
Result after taxes	<u>-1.532.807</u>	<u>72.216.722</u>

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date: 9.6.2020

NOTES TO THE COMPANY BALANCE SHEET AS AT 31 MARCH 2020

ASSETS

Fixed assets

Intangible fixed assets

Movements in intangible fixed assets can be analysed as follows:

Goodwill

(in euros)

Balance as at 1 April 2019

Costs	6.076.456
Accumulated depreciation	<u>-708.920</u>
Book value	<u><u>5.367.536</u></u>

Movements in book value

Acquisition	2.038.514
Depreciation	<u>-1.103.686</u>
	<u><u>934.828</u></u>

Balance as at 31 March 2020

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

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

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Financial fixed assets

(in euros)

31-3-2020

31-3-2019

Subsidiaries / Associates

34.564.311

83.249.910

=====

=====

Subsidiaries (in euro's)	Bavaria Carbon Holdings GmbH	Bavaria Electrodes GmbH	Bavaria Carbon Specialties GmbH	Graphite Cova GmbH	General Graphene Corporation
Balance as at 1 April 2019	576.236	3.382.017	2.608.542	76.586.976	96.140
Investment	-	-	-	-	3.404.650
Result for the year	92.449	189.887	205.585	-1.235.374	-879.518
Dividend	-	-3.200.000	-2.500.000	-44.823.338	
Currency exchange difference					63.082
Other				-3.024	
Balance as at 31 March 2020	668.685	371.904	314.127	30.525.241	2.684.354

Subsidiaries
(in euro's)

Total

Balance as at 1 April 2019	83.249.910
Investment	3.404.650
Result for the year	-1.626.970
Dividend	-50.523.338
Currency exchange difference	63.082
Other	-3.024
Balance as at 31 March 2020	34.564.311

List of subsidiaries/Associate

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

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date: 9.6.2020

Current assets

Receivables and prepaid expenses

	31-3-2020	31-3-2019
Group companies	3.601.070	3.016.161
Taxes and social security contributions	150.987	161.176
Other current assets	43.654	4.653
	-----	-----
	3.795.711	3.181.991
	=====	=====
<u>Group companies</u>		
Graphite Cova GmbH	3.601.070	3.016.161
	=====	=====

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

Taxes and social security contributions

	31-3-2020	31-3-2019
Value added tax	-	-
Income tax	150.987	161.176
	-----	-----
	150,987	161.176
	=====	=====

Cash at bank and in hand

Barclays Bank, current account	14.582.500	-
Citibank N.A. Current Account DEPOSIT	31.215.722	-
Citibank N.A. Current Account USD	209.155	-
Citibank N.A. Current Account EUR	2.146	306.569
	-----	-----
	46.009.573	306.569
	=====	=====

The cash at bank and in hand is at free disposal of the group. An amount of € 31.215.722 are fixed deposit with original maturity less than twelve months.

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 2018	17.300.000	-	2.237.280	-
Allocation result previous year	-	2.237.279	-	-
Issued share capital	-	-	-2.237.280	-
Unallocated result for the year	-	-	72.216.722	-
Balance as at 31 March 2019	17.300.000	2.237.279	72.216.722	-
Allocation result previous year	-	72.216.722	-72.216.722	-
Result for the year	-	-	-1.532.807	-
Allocated result for the year	-	-1.532.807	1.532.807	-
Currency exchange difference	-	-	-	63.082
Other	-	-3.024	-	-
Balance as at 31 March 2020	17.300.000	72.918.170	-	63.082

Total

Balance as at 1 April 2018	19.537.280
Allocation result previous year	2.237.280
Issued share capital	-2.237.280
Unallocated result for the year	72.216.722
Balance as at 31 March 2019	91.754.002
Allocation result previous year	-
Result for the year	-1.532.807
Allocated result for the year	-
Currency exchange difference	63.082
Other	-3.024
Balance as at 31 March 2020	90.281.252

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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.

	31-3-2020	31-3-2019
<u>Other liabilities, accruals and deferred income</u>		
Withholding taxes	360.107	301.616
Income tax	-	-
	-----	-----
	360.107	301.616

Appropriation of result

It is proposed that the 2019/2020 profit will be added to the other reserves. The full result is at the free disposal of the General meeting.

Average number of employees

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

Subsequent events

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

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

Independent Auditor's report

The independent Auditor's report has been set out on the following pages.

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

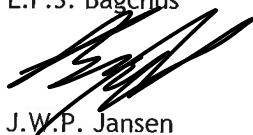
No special statutory controlling rights are held in the company.

Branch offices

The company has no branches.

Rotterdam, 9 June 2020
Graphite International B.V.

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



J.W.P. Jansen



S.W. Parnerkar

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purposes:



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date: 9.6.2020

RSM Netherlands Accountants N.V.

Mallesingel 26
Postbus 14046
3508 SB Utrecht

T 030 23173 44

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Graphite International B.V.

A. Report on the audit of the financial statements 2019/2020 included in the annual report

Our opinion

We have audited the financial statements 2019/2020 of Graphite International B.V., based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Graphite International B.V. as at 31 March 2020, and of its result for 2019/2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 March 2020;
- the consolidated and company income statement for the year then ended;
- the consolidated cash flow statement;
- the notes, comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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A handwritten signature in blue ink, appearing to be 'J. B. J. J.', is written over the text.The RSM logo, consisting of three colored squares and the letters 'RSM'.

RSM Netherlands
date: 9-6-2020

- 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, 9 June 2020

RSM Netherlands Accountants N.V.

A blue ink signature, appearing to read 'M. Hammer', is written over a faint, circular blue stamp.

drs. M. Hammer RA

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purposes:

The RSM logo is shown next to a date stamp. The date is handwritten in blue ink as '9.6.2020'.

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date: 9.6.2020