

IFRS Financial Statements

THALETEC GmbH
Thale

April 1, 2023 through March 31, 2024

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH, 2024

Component Name	THALETEC GmbH
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From: Reitbauer GmbH

Date: 30.04.2024

Subject: Component Audit of THALETEC GmbH for the year ended 31 March, 2024

To: N. Kashinath, M M Nissim & Co LLP, Mumbai

Independent Auditors' Report on Financial Statement of THALETEC GmbH ('the entity')

We have audited the accompanying Financial Statement of THALETEC GmbH ('the Entity', 'the Company') which comprise the balance sheet as at 31 March 2024, the statement of profit and loss, the cash flow statement and statement of changes in equity (collectively referred to as 'the Financial Statement') for the year then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information, prepared in accordance with the group accounting policies followed by HLE Glascoat Limited ('HLE') ('the holding company of the group'). The Financial Statement has been prepared solely to enable the holding company, to prepare its consolidated Ind AS financial statements as at and for the year ended 31 March 2024.

Management's responsibility for the Financial Statement

The Company's Board of Directors is responsible for the preparation of the Financial Statement that give a true and fair view of the financial position, financial performance, financial cash flows of the entity, and a summary of significant account policies and other explanatory information, prepared in accordance with group accounting policies followed by the holding company of the group. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Financial Statement has been prepared by the Management on the basis of instructions received in this regard from HLE solely for the use by HLE in preparation of its consolidated Ind AS financial statements in accordance with the group accounting policies followed by HLE.

Auditors' Responsibility

Our responsibility is to express an opinion on the Financial Statement and other information based on our audit. We set the scope of and performed our procedures at the materiality of EUR 155,556. We conducted our audit in accordance with Group Audit Instructions issued by you and in accordance with the International Standards on Auditing. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statement.

We have communicated all matters of significance to you in the communications you requested in your Group referral instructions.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statement of the entity have been prepared, in all material respects, as established by you, in accordance with group accounting policies followed by HLE and are suitable for inclusion in the consolidated Ind AS financial statements of HLE.

Limitation of Use

This report is intended solely for use by M M NISSIM & CO LLP, India in connection with its audit of consolidated Ind AS financial statements of HLE as at and for the year ended 31 March 2024 and should not be used for any other purpose.

REITBAUER GMBH



Boris O. Reitbauer
Wirtschaftsprüfer

(German Public Auditor)

THALETEC GmbH - Statement of financial position (in EUR)

For the year ended 31 March 2024

	March 31, 2024	March 31, 2023
ASSETS		
Non-Current Assets		
Intangible assets	37.838,00	44.813,00
Property, plant and equipment	2.733.409,01	2.525.099,32
Investment in subsidiaries	185.939,87	185.939,87
Deferred tax assets	0,00	0,00
Total non-current assets	2.957.186,88	2.755.852,19
Current Assets		
Inventories	8.596.888,67	7.678.932,18
Trade receivables	7.105.010,11	7.827.771,76
Contract assets	1.012.995,96	1.920.859,39
Other current assets	855.062,06	650.367,71
Cash and cash equivalents	3.340.403,08	348.109,82
Total current assets	20.910.359,88	18.426.040,86
TOTAL ASSETS	23.867.546,76	21.181.893,05
EQUITY AND LIABILITIES		
Equity		
Share capital	150.000,00	150.000,00
Retained earnings	8.050.337,48	7.450.525,07
Accumulated other comprehensive income	326.711,00	334.320,00
Total Equity	8.527.048,48	7.934.845,07
Non-Current Liabilities		
Non-current financial liabilities	0,00	0,00
Non-current financial liabilities from leases	512.945,87	526.356,81
Pension provisions	648.694,00	641.609,00
Other non-current provisions	1.484.645,44	1.356.763,00
Other non-current liabilities	9.519,67	13.936,42
Deferred tax liabilities	96.523,00	245.222,75
Total non-current liabilities	2.752.327,98	2.783.887,98
Current Liabilities		
Current financial liabilities	0,00	687.280,84
Current financial liabilities from leases	222.580,88	195.558,52
Trade payables	2.424.201,31	2.434.827,24
Contract liabilities	7.764.059,14	4.823.920,21
Current income tax liabilities	100.358,75	302.150,66
Other current provisions	690.500,00	691.500,00
Other current liabilities	1.386.470,22	1.327.922,53
Total current Liabilities	12.588.170,30	10.463.160,00
TOTAL EQUITY AND LIABILITIES	23.867.546,76	21.181.893,05

THALETEC GmbH - Statement of profit or loss and other comprehensive income (in EUR)

For the year ended 31 March 2024

	Current Year					Previous Year				
	Apr 1, 2023 - Mar 31, 2024 (Full Year)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	Jul 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - June 30, 2023 (Q1)	Apr 1, 2022 - Mar 31, 2023 (YTD)	Jan 1, 2023 - Mar 31, 2023 (Q4)	Oct 1, 2022 - Dec 31, 2022 (Q3)	July 1, 2022 - Sep 30, 2022 (Q2)	Apr 1, 2022 - June 30, 2022 (Q1)
Revenues	32.100.695,88	8.981.493,59	7.636.935,57	7.564.038,06	7.918.228,66	33.006.008,10	9.848.112,14	7.576.435,21	8.313.663,46	7.267.797,29
Inventory changes, unfinished goods	642.620,09	120.051,85	233.109,66	271.387,23	18.071,35	449.643,95	177.784,24	-4.439,27	75.184,27	201.114,71
Work performed by the entity and capitalized	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total operating performance	32.743.315,97	9.101.545,44	7.870.045,23	7.835.425,29	7.936.300,01	33.455.652,05	10.025.896,38	7.571.995,94	8.388.847,73	7.468.912,00
Other operating income	376.676,99	86.526,00	227.184,78	50.871,78	12.094,43	256.643,61	25.633,16	133.789,61	33.459,90	63.760,94
Material expenses	-12.009.615,28	-3.363.519,08	-2.781.235,72	-2.902.215,35	-2.962.645,13	-11.752.707,72	-3.790.332,33	-2.553.699,83	-2.688.660,11	-2.720.015,45
Personnel expenses	-12.813.523,33	-3.539.671,48	-3.178.480,81	-2.916.268,14	-3.179.102,90	-11.454.637,11	-3.322.920,11	-2.700.026,59	-2.672.662,26	-2.759.028,15
Other operating expenses	-5.069.142,16	-1.342.836,55	-1.498.531,18	-1.053.770,18	-1.174.004,25	-5.089.666,08	-1.486.476,16	-1.390.034,22	-1.169.045,80	-1.044.109,90
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	3.227.712,19	942.044,33	638.982,30	1.014.043,40	632.642,16	5.415.284,75	1.451.800,94	1.062.024,91	1.891.939,46	1.009.519,44
Amortization/depreciation	-851.607,01	-207.574,72	-244.448,26	-194.214,36	-205.369,67	-753.893,89	-196.687,06	-188.486,69	-192.890,67	-175.829,46
Earnings Before Interest and Taxes (EBIT)	2.376.105,18	734.469,61	394.534,04	819.829,04	427.272,49	4.661.390,86	1.255.113,88	873.538,22	1.699.048,79	833.689,98
Finance income	23.584,59	11.808,97	9.071,73	2.703,89	0,00	2.010,41	1.444,30	564,09	2,02	0,00
Finance costs	-162.369,24	-42.031,28	-32.774,82	-41.934,52	-45.628,62	-165.836,65	-38.248,09	-41.935,52	-42.684,06	-42.968,98
Financial result	-138.784,65	-30.222,31	-23.703,09	-39.230,63	-45.628,62	-163.826,24	-36.803,79	-41.371,43	-42.682,04	-42.968,98
Earnings before taxes (EBT)	2.237.320,53	704.247,30	370.830,95	780.598,41	381.643,87	4.497.564,63	1.218.310,09	832.166,79	1.656.366,75	790.721,00
Income taxes	-737.508,12	-261.753,12	-95.143,82	-256.993,97	-123.617,21	-1.397.929,32	-387.941,70	-227.405,18	-538.295,26	-244.287,18
PROFIT OR LOSS	1.499.812,41	442.494,18	275.687,13	523.604,44	258.026,66	3.099.635,30	830.368,38	604.761,61	1.118.071,49	546.433,82
Revaluation of defined benefit pension plans	-11.109,00	-245.145,75	78.012,25	78.012,25	78.012,25	271.070,00	150.227,75	40.280,75	80.561,50	0,00
Tax effect resulting from revaluation of defined benefit pension plans	3.500,00	77.200,00	-24.600,00	-24.500,00	-24.600,00	-85.400,00	-47.300,00	-12.700,00	-25.400,00	0,00
Total of expenditures and income recorded directly in equity without future reclassification with tax effect	-7.609,00	-167.945,75	53.412,25	53.512,25	53.412,25	185.670,00	102.927,75	27.580,75	55.161,50	0,00
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1.492.203,41	274.548,43	329.099,38	577.116,69	311.438,91	3.285.305,30	933.296,13	632.342,36	1.173.232,99	546.433,82

THALETEC GmbH - Statement of changes in equity (in EUR)

For the year ended 31 March 2024

	Share capital	Retained Earnings	Accumulated other comprehensive income <u>Revaluation of defined benefit pension plans and plan assets</u>	Total equity
Balance as at Apr 1, 2022	150.000,00	5.100.889,77	148.650,00	5.399.539,77
Profit for the year		3.099.635,30		3.099.635,30
Other comprehensive income for the year			185.670,00	185.670,00
Total comprehensive income for the period	0,00	3.099.635,30	185.670,00	3.285.305,30
Dividends		-750.000,00		-750.000,00
Balance as at March 31, 2023	150.000,00	7.450.525,07	334.320,00	7.934.845,07
Balance as at Apr 1, 2023	150.000,00	7.450.525,07	334.320,00	7.934.845,07
Profit for the year		1.499.812,41		1.499.812,41
Other comprehensive income for the year			-7.609,00	-7.609,00
Total comprehensive income for the period	0,00	1.499.812,41	-7.609,00	1.492.203,41
Dividends		-900.000,00		-900.000,00
Balance as at March 31, 2024	150.000,00	8.050.337,48	326.711,00	8.527.048,48

THALETEC GmbH - Statement of cash flows (in EUR)
For the year ended 31 March 2024

	Current Year					Previous Year				
	Apr 1, 2023 to Mar 31, 2024	Jan 1, 2024 to Mar 31, 2024	Oct 1, 2023 to Dec 31, 2023	July 1, 2023 to Sep 30, 2023	Apr 1, 2023 to Jun 30, 2023	Apr 1, 2022 to Mar 31, 2023	Jan 1, 2023 to Mar 31, 2023	Oct 1, 2022 to Dec 31, 2022	July 1, 2022 - Sep 30, 2022	Apr 1, 2022 - June 30, 2022
	(Full Year)	(Q4)	(Q3)	(Q2)	(Q1)	(Full Year)	(Q4)	(Q3)	(Q2)	(Q1)
1. Net profit after taxes	1.499.812,41	442.494,18	275.687,13	523.604,44	258.026,66	3.099.635,30	830.368,38	604.761,61	1.118.071,49	546.433,82
2. Amortization/depreciation	851.607,01	207.574,72	244.448,26	194.214,36	205.369,67	753.893,89	196.687,06	188.486,69	192.890,67	175.829,46
3. Increase (+) / decrease (-) of provisions	81.206,44	141.464,35	-72.863,01	4.457,25	8.147,85	-29.104,85	-27.557,26	48.783,51	26.066,00	-76.397,10
4. Interest income (-) and expenses (+)	138.784,65	30.222,31	23.703,09	39.230,63	45.628,62	163.826,24	36.803,79	41.371,43	42.682,04	42.968,98
5. Taxes on income and earnings	737.508,12	261.753,12	95.143,82	256.993,97	123.617,21	1.397.929,32	387.941,70	227.405,18	538.295,26	244.287,18
6. Other non-cash income (-) and expenses (+)	5.438,66	0,00	5.438,66	0,00	0,00	0,00	0,00	0,00	0,00	0,00
7. Gains (-) / losses (+) from disposal of assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
8. Increase (-) / decrease (+) in inventories, trade receivables, contract assets and other assets	507.974,24	-1.648.136,58	1.063.020,61	-1.768.758,44	2.861.848,65	-5.127.488,72	-3.145.652,18	772.339,61	-1.184.838,55	-1.569.337,60
9. Increase (+) / decrease (-) in trade payables, contract liabilities and other liabilities	2.983.643,94	-769.376,37	2.195.423,17	3.010.700,17	-1.453.103,03	104.344,03	448.506,10	-43.910,09	-545.769,86	245.517,88
10. Received (+) / Paid income taxes (-)	-1.084.499,78	-348.391,44	-196.403,20	-270.209,14	-269.496,00	-1.651.753,18	-315.631,91	-300.416,98	-300.416,64	-735.287,65
11. Cash flow from operating activities (1)	5.721.475,69	-1.682.395,71	3.633.598,53	1.990.233,24	1.780.039,63	-1.288.717,97	-1.588.534,31	1.538.820,96	-113.019,59	-1.125.985,03
12. Interest received	23.584,59	11.808,97	9.071,73	2.703,89	0,00	2.010,41	1.444,30	564,09	2,02	0,00
13. Proceeds on disposal of fixed assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
14. Purchases of intangible assets and property, plant and equipment	-799.994,87	-207.275,32	-306.071,98	-125.206,50	-161.441,07	-788.762,01	-165.397,38	-330.341,11	-208.629,12	-84.394,40
15. Cash flow from investing activities (2)	-776.410,28	-195.466,35	-297.000,25	-122.502,61	-161.441,07	-786.751,60	-163.953,08	-329.777,02	-208.627,10	-84.394,40
16. Dividends paid	-900.000,00	0,00	-900.000,00	0,00	0,00	-750.000,00	-750.000,00	0,00	0,00	0,00
17. Interest paid	-120.717,24	-26.323,28	-24.126,82	-33.286,52	-36.980,62	-146.233,65	-31.871,69	-38.235,42	-37.920,81	-38.205,73
18. Proceeds from non-current financial liabilities (bank loans)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
19. Repayments of non-current financial liabilities (bank loans)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
20. Proceeds from current financial liabilities (bank loans)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
21. Repayments of current financial liabilities (bank loans)	0,00	0,00	0,00	0,00	0,00	-194.594,50	-48.648,52	-48.648,66	-48.648,66	-48.648,66
22. Repayment of lease liabilities	-244.774,07	-63.809,55	-63.019,73	-59.792,38	-58.152,41	-221.731,62	-55.098,23	-57.250,32	-56.018,05	-53.365,02
23. Cash flow from financing activities (3)	-1.265.491,31	-90.132,83	-987.146,55	-93.078,90	-95.133,03	-1.312.559,77	-885.618,44	-144.134,40	-142.587,52	-140.219,41
24. Cash and cash equivalents at the end of the period										
25. Net change in cash funds (subtotal 1-3)	3.679.574,10	-1.967.994,89	2.349.451,73	1.774.651,73	1.523.465,53	-3.388.029,34	-2.638.105,83	1.064.909,54	-464.234,21	-1.350.598,84
26. Cash and cash equivalents at the beginning of the period	-339.171,02	5.308.397,97	2.958.946,24	1.184.294,51	-339.171,02	3.048.858,32	2.298.934,81	1.234.025,27	1.698.259,48	3.048.858,32
27. Cash and cash equivalents at the end of the period	3.340.403,08	3.340.403,08	5.308.397,97	2.958.946,24	1.184.294,51	-339.171,02	-339.171,02	2.298.934,81	1.234.025,27	1.698.259,48

For the year ended March 31, 2024

1. General information

THALETEC GmbH (the Company) is a limited liability company (Commercial Registration Stendal, Registration number HRB 6954) incorporated in Germany with its registered office at Steinbachstrasse 3 in 06502 Thale, Germany.

The Company is engaged in the business of manufacturing specialized glass lined process equipment/reactors and has its manufacturing facility in Germany. It offers sophisticated customized and innovative technical solutions with glass lining and service in chemical, pharmaceutical and environmental process industry and is one of the most reputed companies in the process equipment manufacturing segment in Europe. It has its headquarters in Thale, Sachsen-Anhalt, Germany with one additional service centre in Germany.

Effective, December 17, 2021 the Company has become a wholly owned subsidiary of HLE Glascoat Limited, Gujarat, India. HLE Glascoat Limited is a leading manufacturer of process equipment for the chemical and pharmaceutical industries. Over the last three decades, it has established itself as a market leader in filtration and drying equipment and is a leading manufacturer of glass lined equipment globally.

The figures in this interim financial report are presented in EUR.

2. Adoption of new and revised Standards

The individual financial statements as at March 31, 2024 were prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU. All mandatory standards and interpretations were taken into account. IFRS standards that have not yet become mandatory are not applied.

In the current financial year, the Company has applied the following new and amended standards and interpretations for the first time. The amendments had no material impact on the financial statements.

- Amendments to IAS 12, Deferred Tax related to assets and liabilities arising from a single transaction: Effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies: Effective for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 8, Definition of Accounting Estimate: Effective for annual periods beginning on or after January 1, 2023.
- IFRS 17 Insurance Contracts: Effective for annual periods beginning on or after January 1, 2023.

The following standards, interpretations and amendments that have been published but are not yet mandatory are not expected to have any material impact on future financial statements:

- Amendments to IAS 1, Classifications of liabilities as current or non-current: Effective for annual periods beginning on or after January 1, 2024.
- Amendments to IFRS 16, Subsequent measurement of leases under a sale-and-lease-back arrangement: Effective for annual periods beginning on or after January 1, 2024.

3. Significant accounting policies

Basis of accounting

The individual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) which have been adopted by the European Union.

The Company's first-time adoption of IFRS has been on the reporting date December 16, 2021.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

Changes in accounting policies

There have not been significant changes in accounting policies.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (EUR) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Revenue Recognition

Construction of glass lined process equipment

The company primarily generates revenues from customer-specific construction contracts. Such contracts are entered into before construction of the equipment begins. Under the terms of the contracts, the company has an enforceable right to payment for work done. The constructed equipment does not have any alternative use for the company.

Revenue from construction of equipment is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (Percentage of Completion). The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The company recognises a contract asset for any work performed. The contract price is paid by the customer according to the agreed Terms of Payment. If the payments according to the agreed Terms of Payment exceed the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the payment is always less than one year.

A trade receivable is the Company's unconditional right to receive consideration (i.e., it becomes due automatically as time passes). Implicit and payable claims to prepayments are recorded as receivables.

Other goods and services transferred at a point of time

The company derives its revenue also to a lesser extent from services and goods transferred at a point of time (e.g, sale of spare parts). Revenue relating to services and goods transferred at a point of time is recognized at the point of time at which the company has satisfied its performance obligation and has a present right to payment for the services.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 3 to 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Property, plant and equipment

Prepayments and Assets under construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Land is not depreciated.

For the year ended March 31, 2024

Buildings, technical equipment and machinery and operating and office equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following useful lives:

- Buildings 10 to 29 years
- Right-of-use assets (Buildings) 10 years
- Technical equipment and machinery 3 to 12 years
- Operating and office Equipment 1 to 10 years
- Right-of-use-assets (operating and office equipment 3 to 10 years)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Leases

The company assesses whether a contract is, or contains, a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. The incremental borrowing rate depends on the term and start date of the lease and is determined based on a series of inputs.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial

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direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Investments in subsidiaries

The company holds 100% of shares in THALETEC USA Inc, Chicago/IL, USA (former registered seat in Charlotte/NC, USA).

Investments in subsidiaries are accounted for at cost.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Where required, cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The financial assets of the company consists mainly of trade receivables, contract assets and cash and cash equivalents which are related to its business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

The financial assets are measured subsequently at amortised cost. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over

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the relevant period. Interest income is recognised in profit or loss and is included in the “finance income” line item.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognised in profit or loss in the “other operating income” or “other operating expenses” line item.

The Company generally recognises a loss allowance for expected credit losses in trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

The financial liabilities of the company consists mainly of current and non-current financial liabilities to banks, non-current and current liabilities from leases, trade payables and contract liabilities. The financial liabilities of the company are not contingent consideration of an acquirer in a business combination, held-for-trading, or designated as at fair value through profit or loss.

Therefore, all financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss in the “other operating income” or “other operating expenses” line item.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The primary condition of the government grants is to purchase non-current assets (property, plant and equipment). They are recognised as “other current liabilities” and “other non-current liabilities” in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

For the year ended March 31, 2024

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gains and losses are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Actuarial gains and losses recognised in other comprehensive income are not reclassified. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Current service cost
- Net interest expense or income
- Remeasurements

The Company recognises service costs within profit or loss as personnel expenses. Net interest expense or income is recognised within finance costs.

The Net defined Benefit Liabilities (Defined benefit obligation (DBO) less Fair value of plan assets) are shown as Pension provisions in the statement of financial position.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are

For the year ended March 31, 2024

measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals supported by previous experience in respect of such activities.

As at the balance sheet date, no uncertain tax provisions have been recognized.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred taxes due to temporary differences resulting from the recognition of right-of-use assets and lease liabilities in accordance with IFRS 16 are recognized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the

For the year ended March 31, 2024

expenditure required to settle the Company's obligation. The provisions are calculated as a lump sum on the basis of the total sales revenues within the warranty period.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

4. Management estimates and judgments

In applying the Company's accounting policies, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Intangible assets and Property, Plant and equipment – Estimation of Useful life

Useful life of Property Plant and Equipment and Intangible Assets are based on the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Revenues from contracts with customers - Estimation of the total contract costs

The use of the Percentage of Completion-Method is based on an estimation of the total contract costs. Due to the uncertainties, it is therefore possible, that the estimates of the expenses required until completion may have to be subsequently adjusted. Such adjustments to income and expenses are recognized in the period in which the need for adjustment is identified.

Uncertain tax positions

The Company's current tax liabilities relate to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Tax Authorities. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

Discount rate used to determine the carrying amount of the Company's defined benefit obligation

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at

For the year ended March 31, 2024

the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year. Further information on the carrying amounts of the Company's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in section 6. "Notes to the financial position".

Provisions for warranties

Provisions for warranties are recognized in accordance with past history or the estimated future level of claims. Due to the uncertainties, it is therefore possible, that the estimates of the expenses required to settle the Company's obligation may have to be subsequently adjusted. Such adjustments to income and expenses are recognized in the period in which the need for adjustment is identified.

For the year ended March 31, 2024

5. Notes to the Statement of profit or loss and other comprehensive income

(1) Revenues

The company primarily generates revenues from customer-specific construction contracts, which are recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs (Percentage of Completion). There is not considered to be a significant financing component in construction contracts with customers.

The company derives its revenue also to a lesser extent from services and goods transferred at a point of time. Revenue relating to services and goods transferred at a point of time is recognized at the point of time at which the company has satisfied its performance obligation and has a present right to payment for the services.

The total order backlog as at March 31, 2024 amounts to KEUR 27.347 (March 31, 2023 KEUR 24.420). Details are as follows:

Order Backlog by region (in EUR)	March 31, 2024	March 31, 2023
Germany	11.855.823,57	14.973.285,78
EU	1.813.734,84	2.316.009,02
Foreign countries outside EU (other than India)	13.677.485,49	7.131.053,90
India	0,00	0,00
TOTAL	27.347.043,90	24.420.348,70

Order Backlog by product (in EUR)	March 31, 2024	March 31, 2023
Reactors	18.167.041,58	12.342.445,80
Storage tanks / Receivers	4.740.534,65	5.065.104,87
Reglassing	2.139.495,49	1.887.476,21
Spare parts	970.678,93	1.529.621,56
Heat exchanger	663.649,60	549.381,20
Columns	532.840,00	2.090.223,28
Field Service	67.631,65	126.643,16
Other	49.532,00	0,00
Glasslined repairs	15.640,00	81.419,62
Powerbaffle	0,00	540.533,00
ReSale	0,00	207.500,00
TOTAL	27.347.043,90	24.420.348,70

External revenue by timing of revenue

Details are as follows:

IFRS Revenues by timing (in EUR)	Apr 1, 2023 - Mar 31, 2024 (YTD)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	July 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - Jun 30, 2023 (Q1)
Goods transferred over time	29.676.223,15	8.332.263,92	7.027.032,07	6.984.955,39	7.331.971,77
Goods transferred at a point of time	2.424.472,73	649.229,67	609.903,50	579.082,67	586.256,89
TOTAL	32.100.695,88	8.981.493,59	7.636.935,57	7.564.038,06	7.918.228,66

IFRS Revenues by timing (in EUR)	Apr 1, 2022 - Mar 31, 2023 (YTD previous year)	Jan 1, 2023 - Mar 31, 2023 (Q4 previous year)	Oct 1, 2022 - Dec 31, 2022 (Q3 previous year)	July 1, 2022 - Sep 30, 2022 (Q2 previous year)	Apr 1, 2022 - Jun 30, 2022 (Q1 previous year)
Goods transferred over time	30.945.724,01	9.196.685,32	7.078.637,04	7.718.254,96	6.952.146,69
Goods transferred at a point of time	2.060.284,09	651.426,82	497.798,17	595.408,50	315.650,60
TOTAL	33.006.008,10	9.848.112,14	7.576.435,21	8.313.663,46	7.267.797,29

For the year ended March 31, 2024

The transaction price allocated to partially unsatisfied performance obligations as at March 31, 2024 amounts to KEUR 24.649 (March 31, 2023 KEUR 21.235).

Management expects that the transaction price allocated to the unsatisfied contracts as at March 31, 2024 will be recognised as revenue during the next reporting period, except of KEUR 184 which are related to Russian customers.

Geographical information

The following is an analysis of the revenue by geographical location:

IFRS Revenues by region (in EUR)	Apr 1, 2023 - Mar 31, 2024 (YTD)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	July 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - Jun 30, 2023 (Q1)
Germany	20.232.097,91	5.395.350,91	4.466.024,78	4.368.619,61	6.002.102,61
EU	5.491.444,00	1.293.772,19	1.355.138,08	1.282.730,49	1.559.803,24
Foreign countries outside EU (other than India)	6.319.772,19	2.292.370,49	1.771.463,71	1.899.615,18	356.322,81
India	57.381,78	0,00	44.309,00	13.072,78	0,00
Total	32.100.695,88	8.981.493,59	7.636.935,57	7.564.038,06	7.918.228,66

IFRS Revenues by region (in EUR)	Apr 1, 2022 - Mar 31, 2023 (YTD previous year)	Jan 1, 2023 - Mar 31, 2023 (Q4 previous year)	Oct 1, 2022 - Dec 31, 2022 (Q3 previous year)	July 1, 2022 - Sep 30, 2022 (Q2 previous year)	Apr 1, 2022 - Jun 30, 2022 (Q1 previous year)
Germany	12.936.396,07	2.663.033,53	1.980.130,05	3.758.176,40	4.535.056,09
EU	4.807.672,70	1.761.704,45	1.439.924,77	522.938,05	1.083.105,43
Foreign countries outside EU (other than India)	15.261.939,33	5.423.374,16	4.156.380,39	4.032.549,01	1.649.635,77
India	0,00	0,00	0,00	0,00	0,00
Total	33.006.008,10	9.848.112,14	7.576.435,21	8.313.663,46	7.267.797,29

Analysis of revenue by segment:

The following is an analysis of the revenue by segment:

IFRS Revenues by segment (in EUR)	Apr 1, 2023 - Mar 31, 2024 (YTD)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	July 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - Jun 30, 2023 (Q1)
Equipments	19.626.250,86	5.604.982,18	4.583.725,10	4.165.101,86	5.272.441,72
Spares	6.780.205,12	1.979.937,28	1.849.884,91	1.394.330,16	1.556.052,77
Services	5.694.239,91	1.396.574,14	1.203.325,56	2.004.606,04	1.089.734,17
TOTAL	32.100.695,88	8.981.493,59	7.636.935,57	7.564.038,06	7.918.228,66

IFRS Revenues by segment (in EUR)	Apr 1, 2022 - Mar 31, 2023 (YTD previous year)	Jan 1, 2023 - Mar 31, 2023 (Q4 previous year)	Oct 1, 2022 - Dec 31, 2022 (Q3 previous year)	July 1, 2022 - Sep 30, 2022 (Q2 previous year)	Apr 1, 2022 - Jun 30, 2022 (Q1 previous year)
Equipments	22.351.417,02	7.142.657,78	5.253.595,94	5.483.065,70	4.472.097,60
Spares	6.132.857,55	1.444.979,99	1.251.797,05	1.745.617,31	1.690.463,20
Services	4.521.733,53	1.260.474,37	1.071.042,22	1.084.980,45	1.105.236,49
TOTAL	33.006.008,10	9.848.112,14	7.576.435,21	8.313.663,46	7.267.797,29

Information about major customers which contributed 10 % or more to the company's revenue

No single customer contributed 10 per cent or more to the Company's revenue in the period April 1, 2023 to March 31, 2024. In the previous period April 1, 2022 to March 31, 2023, one customer contributed 19,4 % to the Company's revenue.

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(2) Other operating income

Details are as follows:

Other operating income (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Income from the release of provision	277.167,95	156.745,46
Exchange rate gains	80.427,17	54.770,45
Government grants	4.416,75	9.795,65
Others	14.665,12	35.332,05
TOTAL	376.676,99	256.643,61

(3) Material expenses

Details are as follows:

Material expenses (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Cost of raw materials, consumables, and supplies, and of purchased merchandise	11.254.448,84	10.869.092,12
Cost of purchased services	755.166,44	883.615,60
TOTAL	12.009.615,28	11.752.707,72

(4) Personnel expenses

Details are as follows:

Personnel expenses (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Wages and salaries	10.786.870,74	9.657.007,29
Social security, pension and other benefit costs	2.026.652,59	1.797.629,82
TOTAL	12.813.523,33	11.454.637,11

The employer's contributions to the statutory social insurance scheme amounts to KEUR 1.878 (prior year KEUR 1.650).

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(5) Other operating expenses

Details are as follows:

Other operating expenses (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Outgoing freight and packaging material	905.027,02	1.039.087,44
Sales commission, advertising, trade fair	715.365,87	790.837,40
Maintenance costs	605.776,44	637.421,32
Legal and consulting fees	474.784,59	479.788,01
Travel and car expenses	436.621,14	370.255,54
Services received	283.968,51	266.669,59
Real Estate Transfer Tax (from acquisition of Thaletec GmbH)	0,00	173.300,00
Insurance costs	206.587,86	175.378,89
IT costs	140.894,30	146.196,63
Provisions fire protection measures	234.279,74	137.220,26
Warranty expenses and contractual penalties	42.725,00	105.283,72
Patents and licenses	130.837,72	103.290,84
Disposal costs	57.806,18	64.497,08
Other	834.467,79	600.439,36
TOTAL	5.069.142,16	5.089.666,08

The item "Others" consists mainly of contributions and fees, bank charges, costs for education and training and lease expenses for low value leases and short term leases.

The item "Real Estate Transfer Tax (from acquisition of Thaletec GmbH)" in the prior year results from the acquisition of shares in Thaletec GmbH by HLE.

(6) Amortisation/depreciation

Details are as follows:

Amortisation/depreciation (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Intangible Fixed assets	28.621,96	33.346,00
Property, plant, and equipment	575.556,82	496.941,60
Right-of-use assets from leases (Buildings)	47.832,65	46.600,98
Right-of-use assets from leases (Operating and Office Equipment)	199.595,57	177.005,31
TOTAL	851.607,00	753.893,89

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(7) Finance costs

Details are as follows:

Finance costs (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Guarantee commissions	96.676,50	118.538,16
Interest costs from financial liabilities to banks	9.013,48	15.297,96
Interest component of long-term provisions	41.652,00	19.603,00
Finance costs from leases	14.871,48	12.207,84
Other	155,78	189,69
TOTAL	162.369,24	165.836,65

No borrowing costs have been included in the cost of qualifying assets during the reporting period or the prior reporting period.

(8) Income taxes

Details are as follows:

Income tax (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Corporate Income Tax (current period)	415.419,08	604.499,08
Corporate Income Tax (previous periods)	0,00	70,74
Trade Tax (current period)	412.789,84	587.132,00
Trade Tax (previous periods)	0,00	678,00
Withholding tax and Capital gains tax	4.498,95	0,00
Tax effects for uncertain tax provision current tax audit	50.000,00	0,00
Deferred tax income (-) / expenses (+) from Origination and reversal of temporary differences	-145.199,75	205.549,50
TOTAL	737.508,12	1.397.929,32

A tax provision of KEUR 50 was recognized for an ongoing tax audit for the 2017-2021 assessment years (corporation income tax and trade tax). No final findings have yet been made by the tax auditor, meaning that there are estimation uncertainties in this item. An expected value was calculated on the basis of current discussions with the tax auditor.

The current income tax expense is calculated using the tax rates effective as of the balance sheet date. There has not been a material change in the tax rate between the current reporting period and the prior reporting period.

The charge for the current reporting period can be reconciled to the profit before tax as follows:

For the year ended March 31, 2024

Tax reconciliation (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Earnings before taxes	2.237.320,53	4.497.564,63
Income tax rate of the Company	31,495%	31,498%
Expected income tax expenses	704.644,10	1.416.642,91
Tax effects for uncertain tax provision current tax audit	50.000,00	748,74
Other Tax effects	-17.135,98	-19.462,32
Tax expense of the year	737.508,12	1.397.929,33
<i>Effective tax rate</i>	32,964%	31,082%

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In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognized in other comprehensive income:

Tax recognized in OCI (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Deferred tax items that will not be reclassified subsequently to profit or loss		
Tax effect resulting from revaluation of defined benefit pension plans and plan assets	3.500,00	-85.400,00
Total income tax recognized in OCI	3.500,00	-85.400,00

For the year ended March 31, 2024

6. Notes to the Balance Sheet

(9) Intangible Assets

Details are as follows:

Intangible Assets (in EUR)	Software
Cost	
At March 31, 2022	245.664,88
Additions	6.462,00
Disposals	0,00
Reclassifications	0,00
At March 31, 2023	252.126,88
Additions	21.646,96
Disposals	0,00
Reclassifications	0,00
At March 31, 2024	273.773,84

Amortisation

At March 31, 2022	-173.967,88
Additions	-33.346,00
Disposals	0,00
At March 31, 2023	-207.313,88
Additions	-28.621,96
Disposals	0,00
At March 31, 2024	-235.935,84

Carrying amount

At March 31, 2024	37.838,00
At March 31, 2023	44.813,00
At March 31, 2022	71.697,00

For the year ended March 31, 2024

(10) Property, plant, and equipment

Details are as follows:

Property, plant and equipment (in EUR)	Land	Buildings	Right-of-use assets (buildings)	Technical equipment and machinery	Operating and office equipment	Right-of-use assets (operating and office equipment)	Prepayments and assets under construction	Total
Cost								
At March 31, 2022	68.033,10	113.940,38	444.305,58	2.090.026,64	2.523.270,87	616.957,71	27.631,10	5.884.165,38
Additions	0,00	0,00	28.868,19	40.201,85	491.031,10	194.612,12	251.067,06	1.005.780,32
Disposals	0,00	0,00	0,00	0,00	-73.860,78	-148.292,94	0,00	-222.153,72
Reclassifications	0,00	0,00	0,00	0,00	168.858,02	0,00	-168.858,02	0,00
At March 31, 2023	68.033,10	113.940,38	473.173,77	2.130.228,49	3.109.299,21	663.276,89	109.840,14	6.667.791,98
Additions	0,00	0,00	0,00	72.240,08	380.138,50	260.030,80	325.969,33	1.038.378,71
Disposals	0,00	0,00	0,00	0,00	-155.889,08	-105.230,07	-3.180,06	-264.299,21
Reclassifications	0,00	0,00	0,00	0,00	37.120,84	0,00	-37.120,84	0,00
At March 31, 2024	68.033,10	113.940,38	473.173,77	2.202.468,57	3.370.669,47	818.077,62	395.508,57	7.441.871,48

Accumulated depreciation and impairment

At March 31, 2022	0,00	-40.120,77	-55.011,03	-1.540.975,64	-1.713.452,87	-293.888,98	0,00	-3.643.449,29
Additions	0,00	-5.181,61	-46.600,97	-122.454,85	-369.305,14	-177.005,31	0,00	-720.547,88
Disposals	0,00	0,00	0,00	0,00	73.860,80	147.443,71	0,00	221.304,51
Reclassifications	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
At March 31, 2023	0,00	-45.302,38	-101.612,00	-1.663.430,49	-2.008.897,21	-323.450,58	0,00	-4.142.692,66
Additions	0,00	-5.179,00	-47.832,65	-104.866,08	-465.511,74	-199.595,57	0,00	-822.985,04
Disposals	0,00	0,00	0,00	0,00	153.630,48	103.584,76	0,00	257.215,24
Reclassifications	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
At March 31, 2024	0,00	-50.481,38	-149.444,65	-1.768.296,57	-2.320.778,47	-419.461,40	0,00	-4.708.462,47

Carrying amount

At March 31, 2024	68.033,10	63.459,00	323.729,12	434.172,00	1.049.891,00	398.616,22	395.508,57	2.733.409,01
At March 31, 2023	68.033,10	68.638,00	371.561,77	466.798,00	1.100.402,00	339.826,31	109.840,14	2.525.099,32
At March 31, 2022	68.033,10	73.819,61	389.294,55	549.051,00	809.818,00	323.068,73	27.631,10	2.240.716,09

Technical equipment and machinery has partially been transferred by way of security for financial liabilities to banks (current carrying amount of KEUR 0). Furthermore, financial liabilities to banks are secured by a first-rank land charge of KEUR 1.000.

No impairment losses have been recognized during the reporting period or the prior reporting period.

The details of the assets under construction are as follows:

Details of Assets under construction (in EUR)	Plant and equipment	Tools and Equipments	Furnitures and fixtures	Office equipment	Total
At April 1, 2023	107.411,62	0,00	2.428,52	0,00	109.840,14
Additions	107.420,18	211.226,42	2.369,34	4.953,39	325.969,33
Disposals	-3.180,06	0,00	0,00	0,00	-3.180,06
Reclassifications	0,00	-32.322,98	-4.797,86	0,00	-37.120,84
At March 31, 2024	211.651,74	178.903,44	0,00	4.953,39	395.508,57

For the year ended March 31, 2024

The ageing schedule of assets under construction is as follows:

Assets under construction Ageing Schedule as at March 31, 2024 (in EUR)	Amount in position < 1 year	Amount in position 1-2 years	Amount in position 2-3 years	Amount in position > 3 years	Total
Projects in progress	395.508,57	0,00	0,00	0,00	395.508,57
Projects temporarily suspended	0,00	0,00	0,00	0,00	0,00
At March 31, 2023	395.508,57	0,00	0,00	0,00	395.508,57

The completion schedule of assets under construction is as follows:

Assets under construction Completion Schedule as at March 31, 2024 (in EUR)	To be completed < 1 year	To be completed 1-2 years	To be completed 2-3 years	To be completed > 3 years	Total
Projects in progress	395.508,57	0,00	0,00	0,00	395.508,57
Projects temporarily suspended	0,00	0,00	0,00	0,00	0,00
At March 31, 2023	395.508,57	0,00	0,00	0,00	395.508,57

(11) Investment in subsidiaries

THALETEC GmbH holds unchanged to previous reporting periods an investment of 100 % in THALETEC USA, Inc., Chicago, USA.

(12) Inventories

Details are as follows:

Inventories (in EUR)	At March 31, 2024	At March 31, 2023
Raw materials and supplies	6.197.332,21	5.921.995,81
Work in Progress	2.399.556,46	1.756.936,37
TOTAL	8.596.888,67	7.678.932,18

The write-downs in Inventories result from obsolete and slow-moving items. Write-downs of raw materials and supplies to net realisable value as at March 31, 2024 amounted to KEUR 240 (March 31, 2023 KEUR 196). Write-downs of Work in Progress to net realisable value as at March 31, 2024 amounted to KEUR 269 (March 31, 2023 KEUR 244).

The changes in inventories are as follows:

Changes in Inventories (in EUR)	
Opening Stock Work in Progress	1.756.936,37
Closing Stock Work in Progress	2.399.556,46
Changes in Inventory	642.620,09

For the year ended March 31, 2024

(13) Trade receivables

Details are as follows:

Trade receivables (in EUR)	At March 31, 2024	At March 31, 2023
Trade receivables from third parties	7.063.098,07	7.807.804,82
Trade receivables from subsidiaries	27.483,04	24.196,94
Trade receivables from HLE	26.929,00	0,00
Loss allowances	-12.500,00	-4.230,00
TOTAL	7.105.010,11	7.827.771,76

The financial liabilities to banks, bank guarantees and credit lines are secured by global assignment of particular trade accounts receivable.

The credit period on sales of goods is 30 to 60 days. No interest is charged on outstanding trade receivables.

The company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables.

Risk Profile Trade Receivables (in EUR)	At March 31, 2024	At March 31, 2023
Not overdue	5.679.786,05	6.777.137,68
Overdue (1-30 days)	1.137.450,82	920.787,43
Overdue (31-60 days)	125.970,95	123.696,44
Overdue (> 60 days)	174.302,29	10.380,21
Total Trade Receivables before loss allowance	7.117.510,11	7.832.001,76
loss allowance	-12.500,00	-4.230,00
TOTAL	7.105.010,11	7.827.771,76

For the year ended March 31, 2024

The ageing schedule of Trade Receivables is as follows:

Trade Receivables (in EUR) Ageing Schedule as at March 31, 2024	Not Due	Outstanding < 6 months from due date of payment	Total
Undisputed – considered good	5.679.786,05	1.437.724,06	7.117.510,11
Undisputed - considered significant increase in credit risk	0,00	0,00	0,00
Undisputed - credit impaired	0,00	0,00	0,00
Disputed - Considered good	0,00	0,00	0,00
Disputed - considered significant increase in credit risk	0,00	0,00	0,00
Less - Allowance for doubtful trade receivable	0,00	-12.500,00	-12.500,00
TOTAL	5.679.786,05	1.425.224,06	7.105.010,11

(14) Contract assets

Details are as follows:

Contract assets (in EUR)	At March 31, 2024	At March 31, 2023
Manufacturing costs, including profit or loss on the construction contracts	1.819.308,50	3.553.184,32
Minus advance payments received	-806.312,54	-1.632.324,93
TOTAL	1.012.995,96	1.920.859,39

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the company receives payments from customers in line with agreed payment schedules. The company will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to customer.

Loss allowances of contract assets developed as follows:

Contract assets - Loss allowance (in EUR)	At March 31, 2024	At March 31, 2023
As at Beginning of Period	144.400,00	50.385,70
Utilization	-144.400,00	-50.385,70
Reversal	0,00	0,00
Addition	89.500,00	144.400,00
As at End of period	89.500,00	144.400,00

For the year ended March 31, 2024

(15) Other current assets

Details are as follows:

Other current assets (in EUR)	At March 31, 2024	At March 31, 2023
Prepaid expenses	442.391,90	350.952,31
Refund claim electricity tax and other	134.011,19	175.857,86
Overpayments to tax authorities Real Estate Transfer Tax	18.478,00	58.000,00
Creditors with debit balances	24.203,23	30.145,91
VAT receivables (following year)	0,00	0,00
Other	235.977,74	35.411,63
TOTAL	855.062,06	650.367,71

(16) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash accounts, and short-term bank deposits.

An amount of KEUR 300 of bank deposits is pledged for bank guarantee lines.

(17) Equity

Changes in the equity and comprehensive income are presented separately in the “Statement of Changes in Equity”.

The share capital is fully paid.

Accumulated other comprehensive income consists of reserves for the revaluation of pension provisions.

A dividend has been paid to the shareholder in December 2023 amounting to KEUR 900.

(18) Financial liabilities

Details are as follows:

Financial liabilities	March 31, 2024	March 31, 2023
Bank loans from loan agreements	0,00	0,00
Bank Overdrafts	0,00	687.280,84
Total Financial Liabilities	0,00	687.280,84

The Bank loans from loan agreements are secured by a global assignment of particular trade accounts receivable, the transfer of technical machinery by way of security, by a first-rank land charge of KEUR 1.000 and credit insurance guarantees.

For the year ended March 31, 2024

(19) Lease liabilities

Details are as follows:

Movement of lease liabilities (in EUR)	At March 31, 2024	At March 31, 2023
Opening Balance	721.915,33	721.015,84
Additions during the year	258.385,49	222.631,08
Finance costs incurred during the year	14.871,48	12.207,85
Payments of Lease Liabilities	-259.645,55	-233.939,44
Closing Balance	735.526,75	721.915,33

The maturity analysis of lease liabilities is as follows:

Lease Liabilities - Maturity Analysis (in EUR)	At March 31, 2024	At March 31, 2023
less than 1 year	243.634,78	208.080,92
1 to 2 years	169.383,34	154.164,84
2 to 3 years	128.227,06	99.909,58
3 to 4 years	81.158,01	72.346,66
4 to 5 years	55.809,48	63.051,00
more than 5 years	93.300,75	149.005,23
Total of non-discounted annual lease payments	771.513,42	746.558,23
less discounting	-35.986,67	-24.642,90
Total lease liabilities	735.526,75	721.915,33
<i>thereof current</i>	<i>222.580,88</i>	<i>195.558,52</i>
<i>thereof non-current</i>	<i>512.945,87</i>	<i>526.356,81</i>

The company does not face a significant liquidity risk with regard to its lease liabilities.

The effect of leases in the statement of profit & loss is as follows:

Leases - Amounts recognised in statement of Profit & Loss (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Expenses related to Short Term Lease & Low Value assets	67.446,48	58.608,33
Lease (Depreciation of Right of use assets + Interest costs)	262.299,71	235.814,12
Total Expenses	329.746,19	294.422,45

The effect of leases in the statement of cash flows is as follows:

Leases - Amounts recognised in statement of cash flows (in EUR)	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Total Cash Outflow for leases	327.092,03	292.547,77

For the year ended March 31, 2024

(20) Pension provisions

The details are as follows:

Pension provisions (in EUR)	At March 31, 2024	At March 31, 2023
Change in Defined Benefit Obligation (DBO)		
DBO at end of prior period	973.604,00	1.262.273,00
Current service cost	27.532,00	38.234,00
Interest cost on the DBO	34.962,00	22.033,00
Actuarial Gain (-) / Losses (+)	27.905,00	-319.065,00
Benefits paid directly by the Company	-29.743,00	-29.871,00
DBO at the end of current period	1.034.260,00	973.604,00
Change in plan assets		
Fair value of plan assets at end of prior period	379.990,00	342.938,00
Contributions by employer	31.149,00	31.149,00
Interest income	14.438,00	6.453,00
Return on plan assets excluding interest income	-7.060,00	-550,00
Fair value of plan assets at the end of current period	418.517,00	379.990,00
Change in effect of asset ceiling		
Effect of asset ceiling an the end of prior year	47.995,00	0,00
interest on the effect of asset ceiling	1.752,00	0,00
remeasurement of asset ceiling	-16.796,00	47.995,00
Effect of asset ceiling at the end of current period	32.951,00	47.995,00
Net defined liability (pension provisions)	648.694,00	641.609,00

The plan assets consist of reinsurance policies to cover the benefit obligations. The fair value of the plan assets is derived from the actuarial reserve calculated at the end of the insurance period, but at least from the guaranteed surrender value.

The effects of pension reserves in profit or loss and other comprehensive income are as follows:

Effects of pension reserves (in EUR)	At March 31, 2024	At March 31, 2023
in Profit or loss statement		
Current service costs	27.532,00	38.234,00
Net interest costs	20.524,00	15.580,00
in Other Comprehensive Income		
Actuarial Gains and change in the effect of asset ceiling	-11.109,00	271.070,00

For the year ended March 31, 2024

The pension obligations of the company consist of two different pension commitments:

1. A direct commitment with reinsurance for two current managing directors.
2. A pension plan for all employees who were regular employees on January 1, 1997.

The current service costs are reported in personnel expenses while the interest cost is reported under finance costs.

The calculation of pension provisions was carried out based on the following underlying assumptions:

Pension reserves - Assumptions	At March 31, 2024	At March 31, 2023
Discount rate (Pension Plan 1)	3,30%	3,65%
Pension increases (Pension Plan 1)	2,00%	2,00%
Discount rate (Pension Plan 2)	3,30%	3,65%
Pension increases (Pension Plan 2)	2,00%	2,00%

An increase or decline in key actuarial assumptions would have the following effect on the present value of financing status:

Pension reserves - Sensitivity analysis	Effect on DBO as at March 31, 2024	Effect on DBO as at March 31, 2023
Discount rate +0,5%	-66.176,00	-62.808,00
Discount rate -0,5%	73.150,00	69.481,00
Pension increases +0,25%	27.429,00	25.783,00
Pension increases -0,25%	-26.334,00	-24.764,00
Mortality +1year	34.343,00	30.802,00
Mortality -1year	-33.439,00	-30.157,00

The weighted average duration of DBO by pension plan is as follows:

Pension reserves - Weighted Average Duration of DBO	At March 31, 2024	At March 31, 2023
Plan 1		
DBO	385.566,00	331.995,00
Weighted Average Duration of DBO	17,11	17,90
Plan 2		
DBO	648.694,00	641.609,00
Weighted Average Duration of DBO	11,97	12,10

For the year ended March 31, 2024

(21) Other non-current provisions

Details are as follows:

Other non-current provisions (in EUR)	At March 31, 2024	At March 31, 2023
Fire protections measures	944.530,44	731.000,00
Warranty provisions	141.500,00	223.000,00
Partial retirement	319.136,00	327.365,00
Jubilee Benefits	74.479,00	70.398,00
Other	5.000,00	5.000,00
TOTAL	1.484.645,44	1.356.763,00

The provision for fire protection measures results from requirements imposed by the authorities following a fire safety inspection. The measurement of the provision is based on cost estimates for measures that will be carried out in the next few years.

The warranty provision represents management's best estimate of the company's liability under 24-months warranties granted based on past experience.

The development of other non-current provisions is as follows:

Other non-current provisions (in EUR)	Fire protection measures	Warranty provisions	Partial retirement	Jubilee benefits	Other	Total
At March 31, 2022	727.557,90	205.293,01	334.279,00	89.772,00	5.000,00	1.361.901,91
Additional provision	137.220,00	17.706,99	89.318,00	-18.660,00	0,00	225.584,99
Utilisation of provision	-133.778,16	0,00	-98.219,00	-2.200,00	0,00	-234.197,16
Discounting effects	0,00	0,00	1.987,00	1.486,00	0,00	3.473,00
At March 31, 2023	730.999,74	223.000,00	327.365,00	70.398,00	5.000,00	1.356.762,74
Additional provision	213.530,70	0,00	99.759,00	4.082,00	0,00	317.371,70
Utilisation of provision	0,00	-81.500,00	-117.805,00	-2.500,00	0,00	-201.805,00
Discounting effects	0,00	0,00	9.817,00	2.499,00	0,00	12.316,00
At March 31, 2024	944.530,44	141.500,00	319.136,00	74.479,00	5.000,00	1.484.645,44

(22) Deferred tax

Details are as follows:

Deferred Tax assets (+) and liabilities (-) (in EUR)	Property, Plant and equipment	IFRS 16 effects	Contract assets / contract liabilities	Trade receivables	Pension provisions incl. Asset Ceiling	Other current and non-current provisions	Other current liabilities	Total
At March 31, 2022	20.797,15	0,00	-235.072,84	-10.605,69	204.853,54	55.706,73	10.047,86	45.726,75
Charge (+)/Credit (-) to profit or loss	0,00	0,00	-192.778,55	10.605,69	3.928,66	-27.872,26	566,96	-205.549,50
Charge to OCI	0,00	0,00	0,00	0,00	-85.400,00	0,00	0,00	-85.400,00
At March 31, 2023	20.797,15	0,00	-427.851,39	0,00	123.382,20	27.834,47	10.614,82	-245.222,75
Charge (+)/Credit (-) to profit or loss	-1,98	4.151,49	153.314,13	0,00	6.488,43	-21.554,37	2.802,05	145.199,75
Charge to OCI	0,00	0,00	0,00	0,00	3.500,00	0,00	0,00	3.500,00
At March 31, 2024	20.795,17	4.151,49	-274.537,26	0,00	133.370,63	6.280,10	13.416,87	-96.523,00

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

For the year ended March 31, 2024

Deferred tax assets and liabilities are offset as follows:

Deferred Tax assets (+) and liabilities (-) (in EUR)	At March 31, 2024	At March 31, 2023
Deferred tax liabilities	-274.537,26	-427.851,39
Deferred tax assets	178.014,26	182.628,64
Deferred tax balances after offset	-96.523,00	-245.222,75

(23) Trade payables

Details are as follows:

Trade payables (in EUR)	At March 31, 2024	At March 31, 2023
Trade payables to third parties	2.351.701,31	2.378.127,24
<i>thereof accruals for outstanding invoices</i>	<i>422.500,00</i>	<i>255.085,00</i>
Trade payables to subsidiaries	72.500,00	56.700,00
<i>thereof accruals for outstanding invoices</i>	<i>72.500,00</i>	<i>56.700,00</i>
TOTAL	2.424.201,31	2.434.827,24

The credit period on purchase of goods and services generally is between 7 and 30 days.

The directors consider that the carrying amount of trade payables approximates to their fair value.

The trade payables consists of accruals for outstanding invoices.

The ageing schedule is as follows:

Trade payables (in EUR)	Not Due	Outstanding < 1 year from due date of payment	Total
Ageing Schedule as at March 31, 2024			
Outstanding due of Creditors	2.297.307,39	126.893,92	2.424.201,31
TOTAL	2.297.307,39	126.893,92	2.424.201,31

(24) Contract liabilities

Details are as follows:

Contract liabilities (in EUR)	At March 31, 2024	At March 31, 2023
Manufacturing costs, including profit or loss on the construction contracts	3.015.840,64	1.063.987,68
Minus advance payments received	-10.779.899,78	-5.887.907,89
TOTAL	-7.764.059,14	-4.823.920,21

For the year ended March 31, 2024

The movement of contract liabilities is as follows:

Movement of Contract liabilities (in EUR)	At March 31, 2024
As at beginning of the year	-4.823.920,21
Recognised as revenue from contracts with customers	7.720.886,90
Advance returned back to customer	0,00
Advance from customers received during the year	-10.661.025,83
TOTAL	-7.764.059,14

(25) Current income tax liabilities

Details are as follows:

Current income tax liabilities (in EUR)	At March 31, 2024	At March 31, 2023
Current tax liabilities less tax refunds (Corporate Income Tax and Trade Tax)	50.358,75	302.150,66
Uncertain tax provision current tax audit	50.000,00	0,00
TOTAL	100.358,75	302.150,66

A tax provision of KEUR 50 was recognized for an ongoing tax audit for the 2017-2021 assessment years (corporation income tax and trade tax). No final findings have yet been made by the tax auditor, meaning that there are estimation uncertainties in this item. An expected value was calculated on the basis of current discussions with the tax auditor.

The roll forward of current income tax liabilities is as follows:

Roll forward of current income tax liabilities (in EUR)	
At March 31, 2023	302.150,66
Charge (+)/Credit (-) to profit or loss	592.308,37
Payments	-794.100,28
At March 31, 2024	100.358,75

(26) Other current provisions

Details are as follows:

Other current provisions (in EUR)	At March 31, 2024	At March 31, 2023
Fire protections measures	325.000,00	325.000,00
Warranty provisions	195.000,00	195.000,00
Contractual penalties	40.500,00	63.500,00
Accounting & Audit	100.000,00	70.000,00
Other	30.000,00	38.000,00
TOTAL	690.500,00	691.500,00

For the year ended March 31, 2024

The development of other current provisions is as follows:

Other current provisions (in EUR)	Fire protection measures	Warranty provisions	Contractual penalties	Accounting & Audit	Other	Total
At March 31, 2022	325.000,00	183.907,00	72.300,00	70.000,00	38.000,00	689.207,00
Additional provision	0,00	11.093,00	50.800,00	0,00	0,00	61.893,00
Reversal of provision	0,00	0,00	-20.600,00	0,00	0,00	-20.600,00
Utilisation of provision	0,00	0,00	-39.000,00	0,00	0,00	-39.000,00
At March 31, 2023	325.000,00	195.000,00	63.500,00	70.000,00	38.000,00	691.500,00
Additional provision	0,00	0,00	57.900,00	30.000,00	0,00	87.900,00
Reversal of provision	0,00	0,00	-44.000,00	0,00	-8.000,00	-52.000,00
Utilisation of provision	0,00	0,00	-36.900,00	0,00	0,00	-36.900,00
At March 31, 2024	325.000,00	195.000,00	40.500,00	100.000,00	30.000,00	690.500,00

(27) Other current liabilities

Details are as follows:

Other current liabilities (in EUR)	At March 31, 2024	At March 31, 2023
Personnel-related liabilities	843.100,00	728.415,00
Sales commission	172.200,00	327.200,00
VAT liabilities	174.058,82	90.562,11
Payroll and church tax	122.908,99	111.892,89
Other	74.202,41	69.852,53
TOTAL	1.386.470,22	1.327.922,53

The ageing schedule of personnel-related liabilities is as follows:

Other Financial Liabilities (in EUR) Ageing Schedule as at March 31, 2024	Outstanding < 1 year from due date of payment	Total
Personnel-related liabilities	843.100,00	843.100,00
TOTAL	843.100,00	843.100,00

(28) Contingent Liabilities

There are no contingent liabilities at Thaletec GmbH.

There are several guarantee lines from banks and insurers for advance payments and warranties. However, these are only to be disclosed as contingent liabilities by the banks and insurers and not by Thaletec GmbH.

(29) Commitments

At March 31, 2024, the company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to KEUR 330 and for inventories amounting to KEUR 2.284 (previous year KEUR 503 for property plant and equipment and KEUR 1.951 for inventories). Thereof, contractual commitments from purchase orders at HLE amount to KEUR 34 (previous year KEUR 0).

For the year ended March 31, 2024

7. Notes to the Cash Flow Statement

In accordance with IAS 7 Cash Flow Statements, cash flows are distinguished between operating activities, investing activities and financing activities.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet position as follows:

Components of cash and cash equivalents (in EUR)	March 31, 2024	March 31, 2023
Deposits at banks	3.340.703,32	347.828,03
Other components	-300,24	281,79
Subtotal cash and cash equivalents according to balance sheet position	3.340.403,08	348.109,82
Bank overdrafts	0,00	-687.280,84
Total components of cash and cash equivalents according to Cash flow statement	3.340.403,08	-339.171,02

The cash inflows and outflows from investing and financing activities are presented in accordance with the direct method. On the other hand, cash inflows and outflows from operating activities are derived indirectly from the net profit. For this purpose, the net profit is adjusted by non-cash expenses and income, mainly depreciation and changes in non-current provisions and deferred taxes and supplemented by changes in operating assets and liabilities.

Investing and financing transactions which have not led to a change in cash are not part of the cash flow statement.

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities from financing activities are those for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

Development of liabilities from financing activities (in EUR)	April 1, 2022	Financing cash flows	Non-cash changes (new leases)	March 31, 2023
Financial liabilities (Bank loans)	194.594,50	-194.594,50	0,00	0,00
Financial liabilities from leases	721.015,84	-221.731,62	222.631,11	721.915,33
Total liabilities from financing activities	915.610,34	-416.326,12	222.631,11	721.915,33

Development of liabilities from financing activities (in EUR)	April 1, 2023	Financing cash flows	Non-cash changes (new leases)	March 31, 2024
Financial liabilities (Bank loans)	0,00	0,00	0,00	0,00
Financial liabilities from leases	721.915,33	-244.774,07	258.385,49	735.526,75
Total liabilities from financing activities	721.915,33	-244.774,07	258.385,49	735.526,75

8. Report on Financial Instruments

Financial instruments are measured at amortised cost. The carrying amounts of the financial instruments are therefore assumed to equate approximately to their fair market values.

Financial risk management

As a company which operates internationally, the company is exposed to credit, liquidity, and market risks during the course of its ordinary business activities. Market risks particularly result from changes to exchange rates and interest rates. Financial risk management measures are designed to manage and limit these market risks within the scope of operating and financial activities. The basis principles of the financial policy are regularly determined by the Managing Directors.

Credit risks

Credit risk is the risk that business partners will not be able to meet their contractual obligations, resulting in a financial loss. Within the scope of its operating activities, the company is particularly exposed to default risks when it comes to trade receivables, as well as risks associated with its financing activities, including cash investments with banks.

The credit risk from receivables from customers is monitored continuously. In project business, the risk of default is minimized by advance payments. If default risks are significant, these risks are recognized by means of loss allowances. The risk of default with regards to cash investments is reduced by distributing the investments across various banks.

The maximum credit risk of financial assets corresponds to the carrying amount recognized in the balance sheet.

In certain cases, the company may assume that a financial asset will default if there are internal or external indications that the outstanding amounts will not be paid in full. Such information is available, e.g. if the debtor's financial difficulties become known or if the borrower becomes insolvent or goes bankrupt. A financial asset is impaired if there is certainty that the contractual cash flows will not be realized.

There were no indications of an impairment requirement for the trade receivables that were not impaired. This assessment is based on the long-standing business relationship with most of the customers and the creditworthiness of the customers.

The other assets are not overdue.

Liquidity risks

Liquidity risks, i.e., the risk that the company will not be able to fulfil its financial obligations, were limited by setting up financial reserves and using appropriate financial instruments to manage our future liquidity situation.

The company has sufficiently high bank balances and cash credit lines.

The total amount of bank guarantees and credit lines as at March 31, 2024 is KEUR 15.060 (as at March 31, 2023 KEUR 15.060). Thereof, an amount of KEUR 7.669 (as at March 31, 2023 KEUR 10.444) has been used. The bank guarantees and credit lines are secured by global assignments of particular trade accounts receivable, the transfer of technical machinery by way of security, the pledge of particular bank deposits, and by a first-rank land charge of KEUR 1.000.

For the year ended March 31, 2024

In general, to reduce liquidity and financing risks, the company is required to process orders “cash positive” as far as possible. As usual in project-based business, delays in incoming orders or payments have significant effects on liquidity of the company. In order to recognize these risks from delayed payments in a timely manner, the company works with rolling liquidity forecasts. The company thus achieves a balance between covering its financial requirements and ensuring flexibility through the use of bank overdrafts, bank loans and leases. The company has sufficient sources of finance at its disposal.

Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. Currency risks are limited by invoicing almost exclusively in EURO.

The company is exposed to the following foreign currency risks as of the reporting date. For the foreign currency amounts, the corresponding EUR amounts are shown at the closing rate on March 31, 2024 and March 31, 2023:

Foreign currency exposure	Currency	March 31, 2024	March 31, 2023
Foreign Letter of Credit/ Buyers Credit	USD	0,00	0,00
	EUR	0,00	0,00
Foreign Currency Loan	USD	0,00	0,00
	EUR	0,00	0,00
Other Payables	USD	0,00	0,00
	EUR	0,00	0,00
Trade Payables	USD	80.171,04	37.692,55
	EUR	74.287,55	33.469,96
Trade Receivables	USD	69.844,86	119.806,55
	EUR	64.729,15	111.004,34
EEFC Accounts / Cash & Cash Equivalents	USD	616.670,42	14.249,08
	EUR	571.414,21	13.202,14
Other Receivables	USD	0,00	0,00
	EUR	0,00	0,00
Others, if any	USD	0,00	0,00
	EUR	0,00	0,00

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. In order to minimize the risk, existing credit agreements are continuously reviewed with regard to their terms and conditions and adjusted if necessary.

For the year ended March 31, 2024

9. Events after Reporting Date

There have not been any significant events after the reporting date.

10. Related party transactions

IAS 24 requires disclosures of relationships, transactions and outstanding balances (including obligations) with related parties.

The related parties include the parent company HLE Glascoat Limited, Gujarat, India, the 100% subsidiary THALETEC USA Inc, Chicago/IL, USA, and the managing directors.

Transactions with the parent company

Disclosure of related party transactions with HLE Glascoat Limited from April 1, 2023 to March 31, 2024:

- A dividend has been paid to the shareholder in December 2023 amounting to KEUR 900.
- Sales and purchases from and to HLE:

	Apr 1, 2023 - Mar 31, 2024 (YTD)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	July 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - Jun 30, 2023 (Q1)
Profit or loss					
Sales to HLE	57.381,78	0,00	44.309,00	13.072,78	0,00
Purchases from HLE (recognised as material expenses on account #600000 Aufwand Rohstoffe)	2.025,00	0,00	2.025,00	0,00	0,00

	Apr 1, 2022 - Mar 31, 2023 (YTD previous year)	Jan 1, 2023 - Mar 31, 2023 (Q4 previous year)	Oct 1, 2022 - Dec 31, 2022 (Q3 previous year)	July 1, 2022 - Sep 30, 2022 (Q2 previous year)	Apr 1, 2022 - Jun 30, 2022 (Q1 previous year)
Profit or loss					
Sales to HLE	0,00	0,00	0,00	0,00	0,00
Purchases from HLE (recognised as material expenses on account #600000 Aufwand Rohstoffe)	0,00	0,00	0,00	0,00	0,00

- Outstanding balances, including commitments

Balance Sheet and Commitments	Mar 31, 2024	Mar 31, 2023
Trade receivables HLE	26.929,00	0,00
Trade payables HLE	0,00	0,00
Commitments from purchase orders to HLE	34.147,78	0,00

For the year ended March 31, 2024

- Provisions for doubtful debts related to the amount of outstanding balances EUR 0,00 (prior period EUR 0,00)
- Expense recognised during the period in respect of bad or doubtful debts due from related parties EUR 0,00 (prior period EUR 0,00).

Transactions with subsidiaries

Disclosure of related party transactions with THALETEC USA Inc from April 1, 2023 to March 31, 2024:

- Sales to external customers through commission agent Thaletec USA (recognised as revenues) and Commission Fees recognized in other operating expenses (Cost Plus Method):

	Apr 1, 2023 - Mar 31, 2024 (YTD)	Jan 1, 2024 - Mar 31, 2024 (Q4)	Oct 1, 2023 - Dec 31, 2023 (Q3)	July 1, 2023 - Sep 30, 2023 (Q2)	Apr 1, 2023 - Jun 30, 2023 (Q1)
Profit or loss					
Sales to external customers through commission agent Thaletec USA (recognised as Revenues)	46.846,94	22.192,16	4.609,11	18.168,31	1.877,36
Commission Fees recognised in other operating expenses (Cost Plus Method)	216.160,08	72.877,43	38.237,60	59.969,41	45.075,64

	Apr 1, 2022 - Mar 31, 2023 (YTD previous year)	Jan 1, 2023 - Mar 31, 2023 (Q4 previous year)	Oct 1, 2022 - Dec 31, 2022 (Q3 previous year)	July 1, 2022 - Sep 30, 2022 (Q2 previous year)	Apr 1, 2022 - Jun 30, 2022 (Q1 previous year)
Profit or loss					
Sales to external customers through commission agent Thaletec USA (recognised as Revenues)	82.570,68	35.290,52	5.235,60	21.594,89	20.449,67
Commission Fees recognised in other operating expenses (Cost Plus Method)	228.969,34	56.700,00	49.007,93	59.708,49	63.552,92

- Outstanding balances, including commitments

Balance Sheet and Commitments	Mar 31, 2024	Mar 31, 2023
Trade payables including accruals	72.500,00	56.700,00
Trade receivables from external sales through commission agent Thaletec USA (see above)	27.483,04	24.196,94
Commitments	0,00	0,00

- Provisions for doubtful debts related to the amount of outstanding balances EUR 0,00 (prior period EUR 0,00)
- Expense recognised during the period in respect of bad or doubtful debts due from related parties EUR 0,00 (prior period EUR 0,00).

For the year ended March 31, 2024

Managing Directors

The following persons were appointed as Managing Directors in the period April 1, 2023 to March 31, 2024:

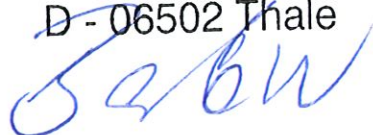
- Dr. Jürgen Reinemuth, Managing Director of THALETEC GmbH,
- Alexander Barkow, Managing Director of THALETEC GmbH.

There were no business transactions between the company and the managing directors outside the remuneration for their services to the company.

THALETEC GmbH

Steinbachstraße 3

D - 06502 Thale



General Engagement Terms

for

Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]

as of January 1, 2024

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprüferinnen/Wirtschaftsprüfer) or German Public Audit Firms (Wirtschaftsprüfungsgesellschaften) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Auditor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsätze ordnungsmäßiger Berufsausübung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prüfungen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Where the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that

presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (Nacherfüllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: Wirtschaftsprüferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the

engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to € 4 million pursuant to § 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million.

(5) A claim for damages expires if a suit is not filed within six months subsequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestätigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

- a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (Steuerberatungvergütungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.