

**JKM Erla Holdings GmbH
Schwarzenberg**

Annual financial statements for the financial year from

1 April 2020 to 31 March 2021

Balance Sheet as at 31 March 2021

Assets

	31/03/2021 EUR	31/03/2020 EUR '000
A. Fixed assets		
I. Intangible assets		
Goodwill	297,014.27	355
II. Financial assets		
Shares in affiliated companies	24,814,964.20	26,740
	<u>25,111,978.47</u>	<u>27,095</u>
B. Current assets Bank balances	2,083.74	1
C. Accrued and deferred items	2,757.00	2
	<u>25,116,819.21</u>	<u>27,098</u>

Liabilities

	31/03/2021 EUR	31/03/2020 EUR '000
A. Equity		
I. Subscribed capital	25,000.00	25
II. Capital reserve	9,433,064.54	9,433
III. Paid-in contributions to implement an authorised capital increase	1,001,901.00	501
IV. Profit carried forward	7,303,009.43	15,427
V. Net loss for the year	<u>-4,494,820.73</u>	<u>8,124</u>
	<u>13,268,154.24</u>	<u>17,262</u>
B. Provisions		
1. Tax provisions	122,543.40	211
2. Other provisions	12,950.00	18
	<u>135,493.40</u>	<u>229</u>
C. Liabilities		
1. Liabilities to financial institutions	1,066,600.00	1,219
2. Liabilities to affiliated companies	10,602,551.57	8,336
	<u>11,669,151.57</u>	<u>9,555</u>
D. Deferred tax liabilities	44,020.00	52
	<u>25,116,819.21</u>	<u>27,098</u>

JKM Erla Holdings GmbH, Schwarzenberg**Profit and loss statement for the period from 1 April 2020 to 31 March 2021**

	01/04/2020-31/03/2021	1/04/2019-31/03/2020
	EUR	EUR '000
1. Other operating income	200.55	0
2. Amortisation of intangible assets	-57,498.72	-57
3. Other operating expenses	-36,470.31	-39
4. Write-downs on financial assets	-1,925,035.80	4,100
5. Cost of loss absorption	-1,992,436.50	3,599
Interest and similar expenses	-464,032.34	-290
of which to affiliated companies: EUR 406,398.79 (previous year: EUR 236 thousand)		
7. Income tax	-19,547.61	-39
of which expenses from the change in deferred tax liabilities: EUR -7,851.00 (previous year: EUR 9 thousand)		
8. Profit after tax/loss for the year	-4,494,820.73	8,124

JKM Erla Holdings GmbH, Schwarzenberg

Notes to the financial statements for the financial year from 1 April 2020 to 31 March 2021

1. General information

The annual financial statements of JKM Erla Holdings GmbH were prepared in accordance with the accounting provisions of the German Commercial Code (HGB) and the Limited Liability Company Act (GmbHG). The figures are denominated in euros.

The company is a small corporation within the meaning of Article 267 (1) in conjunction with Article 267a (3) No 3 HGB.

The profit and loss statement was structured in accordance with the nature of expense method.

Our subsidiary is Eisenwerk Erla GmbH in Schwarzenberg. Thanks to our business planning and the binding loan commitments of the financing banks regarding the joint syndicate facility, the viability of the company as a going concern is not threatened. The liabilities of our company as at 31 March 2021 were financed through relevant intra-group agreements.

2. Information on accounting policies and financial statements Intangible

assets

The merger in previous years resulted in goodwill of EUR 0.3 million. This is amortised over a period of 15 years, which is in line with industry standards.

Financial assets

Financial assets are generally measured at their acquisition cost. They are examined annually for lasting impairments and if necessary, they are written down to their market or fair value. In the financial year, the company has written down EUR 1,925 thousand (previous year: EUR 4,100 thousand) of financial assets (shares in the affiliated company Eisenwerk Erla GmbH). The write-down was made due to the reduced earnings prospects of Eisenwerk Erla GmbH as a whole.

Company	Result 31 March 2021	Capital share	Equity
	EUR '000	%	EUR '000
Eisenwerk Erla GmbH, Schwarzenberg	0 *)	100.0	15,872

After profit transfer to JKM Erla Holdings GmbH.

Liquid assets

Bank balances were recognised at nominal value.

Accrued and deferred items

Expenses before the reporting date are reported as prepaid expenses and accrued income, representing expenses for a certain period after this date.

Equity

For the capital increase of EUR 1,001,901.00 (previous year: EUR 500,940) to be implemented in the 2020/21 financial year, the amounts were paid in full and reported in equity under the item "Paid-in contributions to implement an authorised capital increase".

The total amount of contributions made to carry out the capital increase authorised on 11 December 2020 consists of the nominal amount of the shares to be issued (share capital) in the amount of EUR 1,011.00 and a premium of EUR 998,989.00.

The capital increase became effective on 17 May 2021 when it was entered in the commercial register and resulted in an increase in share capital from EUR 25,000.00 to EUR 26,011.00 and an increase in capital reserves by a premium in the amount of EUR 1,000,890.00 to EUR 10,433,954.54 in the following financial year.

Measurement of provisions and deferred taxes

The tax and other provisions are recognised at the amount required to settle the obligation determined using sound business judgement. When measuring the settlement amount, an increase in costs was factored in that was not material overall.

Deferred taxes are recognised on temporary differences between the carrying amounts in the tax accounts and HGB financial statements (mainly pension provisions and provisions for contingent losses as well as goodwill) of the parent company and the subsidiary. Any resulting surplus of deferred tax liabilities is recognised in accordance with Article 274 (1) HGB. Deferred taxes are measured at tax rates that are expected to apply when the temporary differences are reversed, based on tax rates that have been enacted by the end of the reporting period. The tax rate used for measurement purposes is 29.475%.

Liabilities

Liabilities are stated at their settlement amount. The residual terms are:

In EUR thousand (previous year)	with remaining term of up to 1 year	with a remaining term of more	with a remaining term of more than 5	Total
Liabilities				
to financial institutions	305 (305)	762 (914)	0 (0)	1,067 (1,219)
Liabilities				
to affiliated companies	2,237 (4,336)	8,366 (4,000)	0 (0)	10,603 (8,336)
Total	2,542 (4,641)	9,128 (4,914)	0 (0)	11,670 (9,555)

The liabilities to affiliated companies include loans from the subsidiary Eisenwerk Erla GmbH in the amount of EUR 8,366 thousand (previous year: EUR 4,000 thousand) that have no fixed repayment date after contract adjustments. Under the agreements concluded, a further EUR 3,634 thousand will be available. The loan is secured by the attachment of shares. The remaining liabilities to affiliated companies of EUR 2,237 thousand consist of other liabilities.

Furthermore, the company is liable for the debts of the subsidiary (affiliated company) in the amount of EUR 5,563 thousand (previous year: EUR 9,442 thousand) as part of a joint syndicated facility.

The company does not expect to use the joint syndicated financing, as JKM Erla Holdings GmbH and its subsidiary will meet their obligations underlying the collateral, and they are their failure to meet their contractual obligations is unlikely.

3. Notes to the profit and loss statement

Taxes on income include current tax expenses of EUR 27 thousand (previous year: EUR 30 thousand) and deferred tax income of EUR 8 thousand (previous year: EUR 9 thousand deferred tax expense).

Expenses of exceptional size or incidence

In the financial year, the company has written down EUR 1,925 thousand of financial assets (shares in the affiliated company Eisenwerk Erla GmbH).

The write-down was made due to the reduced earnings prospects of Eisenwerk Erla GmbH as a whole.

4. Other mandatory disclosures

The company is included in the consolidated financial statements of Dynamatic Technologies Limited, Bangalore, India. These consolidated financial statements are prepared for the smallest and largest groups of companies. The consolidated financial statements are available on the Group's website.

In accordance with Articles 291/292 HGB, the company is not required to prepare consolidated financial statements as it is included in the financial statements of its parent company. The consolidated financial statements of Dynamatic Technologies Limited, Bangalore/India are filed with the electronic Federal Gazette alongside our financial statements.

On 4 March 2009 (including amendments dated 17 December 2009), a profit and loss transfer agreement was concluded between Eisenwerk Erla GmbH (subsidiary) and Erla Beteiligungsgesellschaft mbH (parent company), which was merged into JKM Erla Holdings GmbH. Accordingly, Eisenwerk Erla contributes its entire net income to JKM Erla Holdings GmbH. The claim for profit transfer or compensation of a net loss for the year arises at the end of the financial year and bears an interest of 5 % p.a. from that date.

The profit and loss transfer agreement is concluded for an indefinite period of time and can be terminated by giving a three months' notice.

JKM Erla Holdings GmbH with its registered office in Schwarzenberg/Erzgebirge, is registered with the Amtsgericht (local court) Chemnitz under HRB 26799.

Disclosures in accordance with Article 285 (10) HGB

Company management

- Mr Udayant Malhoutra, CEO, Managing Director, Bangalore/India
- Mr Dietmar Hahn, Managing Director, Erla/Germany

5. Events occurring after the balance sheet date

There were no transactions or events occurring after the end of the financial year that would have a material impact on the company's financial position, financial performance and cash flows and the annual financial statements for the year ended 31 March 2021.

Schwarzenberg, 10 June 2021,

Management Board

[Signature]
Udayant Malhoutra

[Signature]
Dietmar Hahn

INDEPENDENT AUDITOR'S REPORT

To JKM Erla Holdings GmbH, Schwarzenberg

Audit opinion

We have audited the annual financial statements of JKM Erla Holdings GmbH, Schwarzenberg - comprising the balance sheet as at 31 March 2021 and the profit and loss statement for the financial year from 1 April 2020 to 31 March 2021 and notes to the financial statements, including a description of the company's accounting policies.

In our opinion, based on the findings of the audit, the accompanying financial statements comply in all material respects with the provisions of the German Commercial Code (HGB) applicable to corporations and give a true and fair view of the company's financial position as at 31 March 2021 and the results of operations for the financial year from 01 April 2020 to 31 March 2021 in accordance with German generally accepted accounting principles.

In accordance with Article 322 (3) sentence 1 HGB we declare that our audit has not led to any any reservations with respect to the propriety of the annual financial statements.

Basis for the audit opinion

We conducted our audit of the annual financial statements and the management report in accordance with Article 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW). Our responsibilities under these provisions and standards are further described in the "Responsibility of the auditor for the audit of the annual financial statements" section of our auditor's report. We are independent of the company in accordance with the requirements of the German commercial law and the rules of professional conduct, and we have fulfilled our other professional duties in accordance with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide the basis for our auditor's opinion concerning the annual financial statement.

Responsibility of the statutory representatives for the financial statements

The statutory representatives of the company are responsible for the preparation of these annual financial statements which shall comply in all material respects with the provisions of the German Commercial Code (HGB) applicable to corporations and give a true and fair view of the company's financial position and results in accordance with German generally accepted accounting principles. Furthermore, the statutory representatives are responsible for the internal control system, which they consider to be necessary in accordance with the German generally accepted accounting principles to ensure that the financial statements are free from material misstatements, whether due to fraud or error.

When preparing the annual financial statement, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing circumstances, if relevant, related to the company's ability to continue as a going concern. In addition, they are responsible for accounting for the company's ability to continue as a going concern on the basis of the accounting principles, insofar as these do not conflict with actual or legal circumstances.

Responsibility of the auditor for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance that the annual financial statement as a whole is free from material misstatements, whether intentional or unintentional, and to issue an auditor's report that includes our audit opinion concerning the annual financial statement.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Article 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW) will always detect a material misstatement. Misrepresentations may result from breaches or inaccuracies, and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of this financial statement.

During the audit, we exercise due discretion and maintain a critical attitude. In addition, we

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the internal control system relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the statutory representatives.
- draw conclusions on the appropriateness of the statutory representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's continuing viability as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the management report or, if such disclosures are inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our opinion. However, future events or circumstances may impair the company's viability as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the financial position and results in accordance with German generally accepted accounting principles.

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

Leipzig, 10 June 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Andreas Otter)
Auditor

(Stefan Gneuß)
Auditor