



**Eisenwerk Erla GmbH
Schwarzenberg/Erzgeb.**

**Report on the audit of the annual financial
statements and management report for the
financial year from 1 April 2024 to 31 March 2025**

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General Terms and Conditions for Auditors, Auditors and Auditing Companies

Please note that differences may arise due to commercial rounding when using rounded amounts and percentages.



List of abbreviations

Par.	Paragraph
minus	minus
DTTL	Deloitte Touche Tohmatsu Limited
EBIT	Earnings before interest, taxes, depreciation and amortisation
EFTA	European Free Trade Association
Erzgeb.	Erzgebirge
GmbH	Limited liability companies
HGB	Commercial Code
IDW	Institute of Public Auditors in Germany, Düsseldorf
new version	new version
PS	Auditing standard
TEUR	Thousand euros

1 Audit mandate

By resolution of the shareholders' meeting on 6 February 2025 of

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.

– hereinafter also referred to as "Eisenwerk" or "Company" –

we were appointed as auditors for the financial year from 1 April 2024 to 31 March 2025. Based on this resolution, the legal representatives have commissioned us to conduct the audit in accordance with Section 317 of the German Commercial Code (HGB) for the 2024/2025 financial year.

We confirm in accordance with Section 321 (4a) of the German Commercial Code (HGB) that we have complied with the applicable independence requirements in our audit.

In preparing the report on our audit of the annual financial statements, we have complied with the German principles for the proper preparation of audit reports (Auditing Standard of the Institute of Public Auditors in Germany – IDW PS 450, as amended (10.2021)).

The agreements made on 11/13 February 2025 and the attached "General Terms and Conditions for Auditors and Auditing Companies" in the version dated 1 January 2024 apply to the execution of the engagement and our responsibility, including in relation to third parties.

This report has been prepared solely for the purpose of documenting the audit performed for the company and not for the purposes of third parties, towards whom we assume no liability under the legal provisions applicable in the regulatory area of Section 323 of the German Commercial Code (HGB).

2 al findings

Statement on the assessment of the situation by the legal representatives

From the annual financial statements and the management report of the legal representatives, as well as other audited documents, we highlight the following aspects that are of particular importance for assessing the economic situation of the company:

The current financial year covers the period from 1 April 2024 to 31 March 2025 (twelve months), while the previous year covered the period from 1 August 2023 to 31 March 2024 (eight months). This means that the figures reported for the previous year are only comparable to a limited extent.

- Revenue from the ironworks from 1 April 2024 to 31 March 2025 (twelve months) amounted to TEUR 36,122, which is TEUR 4,010 or 12.5% higher than the previous year's figure (eight months).

The cumulative order intake for the current financial year of EUR 33,389 thousand is EUR 11,054 thousand above the comparative figures (1 August 2023 to 31 March 2024) but below the planned figures. The declines are mainly due to lower sales in the high-alloy and therefore price-sensitive product segment. The order backlog as of 31 March 2025 amounted to TEUR 24,487, which is TEUR 2,733 below the previous year's figure (31 March 2024).

The operating result (EBITDA after special items) amounted to TEUR 792 and, due to the decline in sales resulting from the recent economic downturn in the financial year from 1 April 2024 to 31 March 2025, was below the previous year's figure (1 August 2023 to 31 March 2024: TEUR 1,248).

The cost of materials as a percentage of total revenue (excluding the remaining restructuring effect) fell by 4.2 percentage points in the financial year from 1 April 2024 to 31 March 2025 to 60.8%, which is primarily attributable to lower expenses for materials and energy in comparison. Personnel expenses rose to TEUR 10,216 compared with the previous year (1 August 2023 to 31 March 2024). The personnel expense ratio relative to total operating performance (excluding restructuring gains) increased from 23.0% to 27.8% in the current financial year.

The net result for the current financial year of TEUR -193 is TEUR 628 lower than the previous year's result (1 August 2023 to 31 March 2024: TEUR 435).

- The increase in operating cash flow from TEUR -3,364 to TEUR 1,242 mainly relates to restructuring-related payments due to obligations to creditors under the insolvency plan in the amount of TEUR 6,771 in the comparative period (1 August 2023 to 31 March 2024)..

Cash flow from investing activities changed from TEUR -360 to TEUR -2,461 due to increased investing activities. Cash flow from financing activities changed mainly due to interest payments on intra-group loans. The intra-group loans remain available to the company.

- Overall, total assets as of 31 March 2025 decreased by TEUR 1,578 to TEUR 22,206 compared to the balance sheet date of 31 March 2024.

As of the balance sheet date, the relative share of non-current assets in total assets was 45.7% (31 March 2024: 35.1%), while the share of current assets in total assets was 54.3% (31 March 2024: 64.9%).

Inventories are slightly below the previous year's level at TEUR 7,074 (31 March 2024: TEUR 7,178). The equity ratio rose by 2.5% to 49.7% as a result of the changed balance sheet structure, in particular due to lower liabilities.

- Expected development

Eisenwerk Erla GmbH expects positive sales development, starting from a low level. The management assumes that the prospects of entering the defence sector in the 2025/2026 financial year could significantly increase sales expectations. The planning for the following two financial years assumes sales revenues at the level of the sales revenues generated in the financial years prior to the opening of insolvency proceedings. The results were planned to be slightly positive.

- Opportunities are seen in the further development of the automotive casting business, increasingly also for sectors such as mechanical engineering, construction and agricultural machinery, ship engines and electrical infrastructure, as well as for components for aircraft applications.

The intensified consolidation process in the foundry industry due to the resulting market conditions could lead to increased relocation processes to more stable companies in the industry.

- Potential risks arise mainly from market and liquidity risks.

The German economy, and thus also Eisenwerk Erla GmbH, will continue to be confronted with the effects of the war in Ukraine and a complex geopolitical environment. High energy prices and inflation could cause German companies to lose competitiveness. The economic outlook remains subject to an exceptional degree of uncertainty as the war in Ukraine continues and the potential for further economic disruption is far from exhausted. In addition to gas supplies, the economy remains directly and indirectly exposed to further impacts on other commodity markets resulting from geopolitical tensions.

Liquidity risks exist due to a significant deterioration in economic conditions or other factors affecting the company's cash flow or free liquidity. Based on the company's planning, the risk is considered to be manageable. The continuation of the intra-group financing currently in the form of a loan is essential in this regard.

In summary, in accordance with Section 321 (1) sentence 2 of the German Commercial Code (HGB), we consider the assessment of the situation by the legal representatives, in particular the assumption of the continuation of business activities and the assessment of the future development of the company as expressed in the annual financial statements and the management report, to be reasonable.

For further information on our assessment of the situation, we refer to our comments on the overall opinion on the company's annual financial statements in section 5.2 of our report.

3 Reproduction of the auditor's report ()

We have issued the following audit opinion on the annual financial statements and management report for the 2024/2025 financial year of Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., as set out in Appendix 1:

"INDEPENDENT AUDITOR'S REPORT

To Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.

Audit opinions

We have audited the annual financial statements of Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., consisting of the balance sheet as at 31 March 2025 and the profit and loss account for the financial year from 1 April 2024 to 31 March 2025, and the notes, including the presentation of accounting policies – in accordance with German law. In addition, we have audited the management report of Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., for the financial year from 1 April 2024 to 31 March 2025.

In our opinion, based on the findings of our audit,

- the accompanying annual financial statements are in all material respects in compliance with the German commercial law provisions applicable to capital companies and, in accordance with German principles of proper accounting, give a true and fair view of the net assets and financial position of the company as at 31 March 2025 and of its financial performance for the financial year from 1 April 2024 to 31 March 2025, and
- the accompanying management report as a whole provides a suitable view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and provides a suitable assessment of the opportunities and risks associated with future development.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led us to raise any objections to the regularity of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and principles are further described in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our audit opinion. We are independent of the company in accordance with German commercial law and professional regulations and have fulfilled our other professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the annual financial statements and the management report.

Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for preparing the annual financial statements, which comply in all material respects with the German commercial law provisions applicable to corporations, and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German principles of proper accounting in order to enable the preparation of annual financial statements that are free from material misstatements due to intentional acts (i.e. manipulation of accounting and damage to assets) or errors.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing matters related to the company's ability to continue as a going concern, if relevant. In addition, they are responsible for preparing the financial statements on a going concern basis in accordance with the accounting principle of going concern, unless this is contrary to actual or legal circumstances.

In addition, the legal representatives are responsible for preparing the management report, which as a whole provides an accurate picture of the company's position and is consistent in all material respects with the annual financial statements, complies with German law and provides an accurate assessment of the opportunities and risks associated with future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

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 statements as a whole are free from material misstatements due to fraud or error, and whether the management report as a whole provides a suitable view of the company's position and is consistent in all material respects with the annual financial statements and with the findings of our audit, complies with German law and appropriately discloses the opportunities and risks associated with future development, and to issue an auditor's report that includes our opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the German principles of proper auditing established by the Institute of Public Auditors in Germany (IDW) will always detect a material misstatement. Misstatements can result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and the management report.

During the audit, we exercise professional judgement and maintain a critical attitude. In addition

- We identify and assess the risks of material misstatements in the annual financial statements and in the management report due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, falsification, intentional omissions, misleading representations or the override of internal controls.
- We obtain an understanding of the internal controls relevant to the audit of the annual financial statements and the arrangements and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls or these arrangements and measures.
- We assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- We draw conclusions about the appropriateness of the going concern basis of accounting chosen by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and the management report or, if these disclosures are inappropriate, to modify our audit opinion accordingly. We base our conclusions on the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may mean that the company is no longer able to continue as a going concern.
- We assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.
- We assess whether the management report is consistent with the annual financial statements, whether it complies with legal requirements and whether it provides a true and fair view of the company's position.

- We conduct audit procedures on the forward-looking statements made by the legal representatives in the management report. On the basis of sufficient and appropriate audit evidence, we in particular review the significant assumptions made by the legal representatives on which the forward-looking statements are based and assess whether the forward-looking statements have been derived appropriately from these assumptions. We do not express a separate audit opinion on the forward-looking statements or the assumptions underlying them. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

Leipzig, 14 July 2025

Deloitte GmbH
Auditing company

signed Andreas Otter
Chartered Accountant

signed Stefan Gneuß
Certified Public Accountant

4 Subject matter, nature and scope of the audit ()

Subject

The subject of our audit was

- the accounting
- the annual financial statements (consisting of the balance sheet, income statement and notes)
- the management

report of the
company.

The accounting and preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the company's legal representatives; this also applies to the information we have received for these documents. We refer in addition to the section "Responsibility of the legal representatives for the annual financial statements and management report" in our audit opinion reproduced above.

Our responsibility is to assess these documents and disclosures as part of our audit. Our responsibilities are described in the sections "Basis for the audit opinion" and "Responsibility of the auditor for the audit of the annual financial statements and the management report" in our audit opinion.

Nature and scope of the audit

Our audit was based on the annual financial statements for the short fiscal year ended 31 March 2024, which we audited and issued with an unqualified audit opinion on 12 August 2024; these were adopted on 27 August 2024.

We conducted the audit in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany.

With regard to the key aspects of our audit procedures, we refer to the explanations in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" in our audit opinion reproduced in section 3 above. In order to meet these requirements, we apply our risk- and process-oriented audit approach, which we implement using our Engagement Management System (EMS) audit software. This software supports the planning, performance and documentation of the audit.

In accordance with Section 317 (4a) of the German Commercial Code (HGB), the audit does not extend to whether the continued existence of the audited company or the effectiveness and efficiency of its management can be assured.

The audit was conducted by us between March and July 2025.

We tested the relevant controls identified at the company for appropriateness in accordance with our audit plan and for effectiveness in accordance with our professional judgement. Based on the results of the audit of the controls, we determined the nature and extent of our assurance-related audit procedures (analytical audit procedures and individual tests of selected business transactions and account balances). In individual case tests, we obtained evidence through deliberate selection or by using sampling procedures.

The following audit focus areas were set:

- Appropriateness of the going concern assumption
- Evidence of revenue
- Valuation of inventories.

In order to assess the regularity of the company's accounting, we obtained an overview of the accounting organisation and an understanding of the controls relevant to the audit, and performed appropriate structural and functional tests, in particular with regard to the significant control measures implemented.

The company conducted a physical inventory on 31 March 2025, in which we participated as observers. Where inventories were held in third-party custody, we obtained written confirmation from the custodians regarding the existence and nature of these inventories as part of our random checks and verified this information.

As part of our audit of receivables and payables, bank balances and provisions, we obtained balance confirmations from selected customers and suppliers and confirmations of the Company's bank balances, claims and obligations from all banks and all of the Company's lawyers and tax advisors.

We assessed the future-related disclosures in the management report against the background of the annual financial statements for plausibility and consistency with the findings obtained during the audit.

The legal representatives have provided all the requested information and evidence and submitted the customary declaration of completeness in writing by

14 July 2025. This declaration specifically states that the legal representatives have fulfilled their responsibility for preparing the annual financial statements and the management report in accordance with commercial law and that all business transactions have been recorded in accordance with German principles of proper accounting and are included in the annual financial statements and the management report in accordance with German commercial law.

5 Findings and explanations regarding the proper preparation of the financial statements**5.1 Compliance of the consolidated financial statements with the principles of proper accounting****5.1.1 Accounting and other audited documents of**

The accounting complies with legal requirements, including generally accepted accounting principles. The information to be derived from the other audited documents is presented in all material respects in the accounting, annual financial statements and management report.

5.1.2 Annual financial statements

The annual financial statements for the 2024/2025 financial year are attached to this report as part of Appendix 1.

The annual financial statements have been properly derived from the accounting records and other audited documents. The legal requirements regarding the structure, accounting and valuation as well as the notes have been complied with in all material respects. The disclosure of the total remuneration of the legal representatives has been omitted in accordance with Section 286 (4) of the German Commercial Code (HGB).

5.1.3 Management report

The management report for the 2024/2025 financial year is attached to this report as part of Appendix 1.

Based on our audit, the management report complies with the legal requirements in all material respects.

5.2 Overall opinion on the annual financial statements of**5.2.1 Findings on the overall opinion on the annual financial statements of**

We refer to our comments on the overall opinion on the annual financial statements below. The annual financial statements as a whole, i.e. the balance sheet, income statement and notes, give a true and fair view of the net assets, financial position and results of operations of the company in accordance with the principles of proper accounting.

5.2.2 Notes to the overall statement of the annual financial statements

Measures to shape the facts are presented below.

Measures to shape the facts Sale of receivables

The company uses factoring services provided by CommerzFactoring GmbH, Mainz, as part of its receivables management. The current contract amendment is dated 14 August 2024. As at the balance sheet date of 31 March 2025, receivables amounting to TEUR 2,229 (31 March 2024: TEUR 1,900) were sold. In accordance with the contractual agreements, receivables from customers in the specified countries are sold up to agreed maximum amounts. In addition to the intended inflow of liquidity, this procedure leads to a reduction in trade receivables and, if the additional liquidity is used to repay current liabilities, to a reduction in the balance sheet total.

5.3 Information on the net assets, financial position and profit or loss ()

Multi-year overview

		2024/2025 ⁸⁾	2023/2024 ⁷⁾	2023 ⁶⁾	2022/2023 ⁵⁾	2021/2022 ⁸⁾
Revenue	TEUR	36,122	32,112	26,201	44,025	53,752
Cost of materials	TEUR	22,366	20,336	16,752	31,494	37,340
Personnel expenses	TEUR	10,216	7,203	4,745	9,342	10,514
Material intensity ¹⁾	%	60	65	67.6	70.7	68.9
Personnel intensity ²⁾	%	27	23	19.1	21	19
Gross profit ³⁾	TEUR	13,756	11,776	9,449	12,531	16,412
Employees (Section 267 (5) of the German Commercial Code, including trainees)	Number	227	247	25	257	268
Revenue per employee	TEUR	159	130	104	171	201
Investments in property, plant and equipment and intangible assets	TEUR	2,461	360	261	521	323
Investment ratio ⁴⁾	%	369	84	91	75	41
Annual result (until 2022/2023 before profit transfer/loss assumption)	TEUR	-193	43	7,392	-13,652	1,039
Total	TEUR	22,206	23,784	30,420	24,118	31,521
Equity ratio	%	49.7	47.2	35.5	14.1	50.4
Return on sales	%	-0.5	1.4	28.2	-31.0	1.9
Return on equity	%	-1.7	3.9	68.5	-401.4	6

¹⁾ Cost of materials/total operating revenue

²⁾ Personnel expenses/total operating revenue

³⁾ Sales revenue minus cost of materials

⁴⁾ Investments in property, plant and equipment and intangible assets/depreciation and amortisation of property, plant and equipment and intangible assets

⁵⁾ Relates to the period from 1 April 2022 to 28 February 2023

⁶⁾ Relates to the period from 1 March 2023 to 31 July 2023

⁷⁾ Relates to the period from 1 August 2023 to 31 March 2024

⁸⁾ Relates to the period from 1 April to 31 March of the following year

With regard to the economic and legal basis, we refer to Appendix 2 to this report.

Credit lines

As at 31 March 2025, no unutilised overdraft facilities were available. The outstanding factoring line amounts to approximately EUR 3.7 million.

6 Final remark

We have audited the above report on the annual financial statements and management report for the financial year from 1 April 2024 to 31 March 2025 of Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., in accordance with the German Commercial Code (HGB) and the German Public Limited Companies Act (AktG) and the German Accounting Standards (HGB-GlO), and have issued an unqualified audit opinion on the annual financial statements and management report. Schwarzenberg/Erzgeb., in accordance with the legal requirements and German standards on the audit of statutory financial statements (Auditing Standard of the Institute of Public Auditors in Germany – IDW PS 450, as amended (10.2021)).

For the unqualified audit opinion we have issued, we refer to section 3 "Reproduction of the audit opinion".


Leipzig, 14 July 2025

Deloitte GmbH
Auditing company

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Andreas Otter
Chartered Accountant

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Stefan Gneuß
Chartered accountant



Any publication or distribution of the annual financial statements and/or the management report in a form that differs from the audited version, as well as any translation into other languages, requires our prior consent if the audit opinion issued by us is quoted or reference is made to our audit of the annual financial statements; we refer to the provisions of Section 328 of the German Commercial Code (HGB).



Deloitte GmbH
Auditing company

**Eisenwerk Erla GmbH
Schwarzenberg/Erzgeb.**

Appendix 1

Management report and annual
financial statements for the financial
year
from 1 April 2024 to 31 March 2025

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.

Management report for the financial year from 1 April 2024 to 31 March 2025

A. Basis of the company

1. Business model of the company

The company is active in the production and processing of iron castings and develops its own production processes, procedures and tools for casting and mechanical processing.

A wide variety of series products are manufactured for around 100 customers in Germany and abroad. At present, automotive customers in the car and truck sector are still among the largest customers and dominate the production mix. The company plays an important role in the European supply industry, particularly in castings for the entire drive train, and impresses its diverse customer base with high quality, development strength and reliability. The targeted transformation towards other industries, which was initiated years ago, is becoming increasingly visible. Customers from the agricultural, construction machinery, marine engine, electrical infrastructure and mechanical engineering sectors are increasingly being served.

The company stands out for its ability to manufacture highly complex and complicated components. In the field of high-temperature-resistant and wear-resistant materials, customers were convinced last year of the advantages of a German location for small and medium-sized series. In the area of spheroidal graphite cast iron alloys, it was possible to acquire new customers and inspire them with the manufacturing capabilities at the site.

The company plans to establish a new business division at its Erla site for the manufacture of components for aircraft applications, alongside its existing products. This will benefit from the special position of the shareholder, the Dynamatic Technologies Group in India, in the market.

2. Goals and strategies

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., has taken the next and most important step by setting up an in-house automated mechanical processing facility for cast parts. With the scheduled phase-out of this series from the initial investment a few years ago, the product portfolio in mechanical processing is becoming increasingly broader and the machine park more diversified.

Together with automation and process optimisation in the manufacturing area, the company is facing new challenges in the market. Customers are positive about the new development and expect further activities to expand this expertise so that ready-to-install products can be supplied from a single source. This will enable cost savings and the expansion of the market position and competitiveness.

The transition or transformation phase is not yet complete for Eisenwerk Erla GmbH. Due to the current market conditions, the company is looking to enter the defence sector in order to benefit from the order prospects for the coming years and to complement its industry diversity.

B. Economic report

For the reports on the global, European and German economies, we rely on Eurostat, IfW Kiel, ifo Munich, DIW, DIHK, Stat. BA, BMWI, DB Research and the joint diagnosis, as well as the statements of the German Council of Economic Experts. The industry reports are also based on the assessments of the respective industry associations, VDA, VDMA, HDB, WV Stahl, Worldsteel, the Federal Statistical Office and, of course, the BDG.

1. Macroeconomic and industry-specific conditions

The German economy continues to show no noticeable upward momentum. For almost three years, quarters in Germany have alternated between rising and declining economic output. As a result, economic activity is practically at a standstill. Only the service sectors are showing an upward trend, while manufacturing has been shrinking for over a year. Value added in this sector was recently at its lowest level in almost four years, falling well short of pre-pandemic levels. Capacity utilisation in industry recently fell to 76.5%, more than 5 percentage points below the lows seen in normal recessionary phases. On its own, this would indicate considerable scope for expansion, but the overall picture suggests that the weakness in industry is not only cyclical in nature but also due to a significant extent to structural factors. This is particularly evident in the job cuts despite the moderate expansion of short-time working to date. According to upward trends in industrial production in the rest of the world, which has long since returned to its pre-pandemic trend, industry in Germany is suffering not only from increasing competition, particularly from China, but also from location-specific competitive disadvantages.

Overall, considerable uncertainty about the direction of future economic policy in Germany is weighing on the German economy, which is hampering investment in particular and also dampening consumer sentiment. This is compounded by external headwinds resulting from what is expected to be a protectionist trade policy in the United States. Taken on their own, the assumptions made here are likely to dampen German exports by 1%. The sluggish economy is likely to have continued in the winter half-year of 2024, and there are currently no signs of a strong recovery in the coming months. The year 2024 ended with a 0.2% decline in gross domestic product, and 2025 is likely to be a year of stagnation. An increase of 0.9% is expected for 2026, although one-third of this is due to the effect of working days. Compared with earlier forecasts, economic momentum is therefore set to weaken significantly again in the next two years. Given the uncertainties surrounding the new federal government's fiscal and economic policy stance and the continuing high external risks, the forecast is subject to considerable uncertainty. The overall economic weakness is leaving deeper scars on the labour market and public finances. The picture for the labour market has recently become significantly gloomier. According to revisions of official statistics, there has now been a noticeable decline in employment since May of the current year 2024, whereas growth had previously been reported. In addition, leading indicators have deteriorated further. As a result, unemployment is now expected to rise by around 100,000 more people in 2025 than was forecast in autumn, and the decline in unemployment in 2026 is also likely to be significantly weaker. The unemployment rate will thus rise from 6% in the current year to an estimated 6.3% in the following two years. The period of strong wage increases, which in the past two years have made up for previous real wage losses in response to strong price increases, is coming to an end. After a 2.8% increase in the purchasing power of per capita wages in 2024, growth of 0.8% (2025) and 0.6% (2026) is expected for the rest of the forecast period. This will be accompanied by a return to calmer inflation, although service prices are likely to continue to rise at an above-average rate. As a result of weaker economic momentum, public finances will also be less favourable, even if some expenditure will be postponed in the first half of 2025 as part of provisional budget management at federal level. Government spending as a percentage of economic output will continue to rise, reaching 49.0%, 49.6% and 50.1% in 2024, 2025 and 2026, respectively. In the pre-crisis year of 2019, the government spending ratio was still 44.2%. The increase in government activity reflected in this figure corresponds to a similar trend in the rest of the euro area. Looking at the change in the structural budget balance – a measure of the overall economic orientation of fiscal policy – Germany is also in the middle of the EU ranking.

Production of electric cars in 2024 was ramped up by 7% to a record 1.35 million units. One in three cars manufactured in Germany (33%) was already electrically powered. The momentum came from BEVs, whose production rose by 11% to 1.06 million units. By contrast, production of plug-in hybrids fell by 6% to 0.29 million vehicles.

In 2024, the German passenger car market shrank by 1% overall, reaching a market volume of just over 2.82 million new registrations. Compared to 2019, the market continues to show a significant decline of 22% or 790,000 units. Looking beneath the surface of the aggregated figures, a number of developments shaped by institutional conditions can be identified. For example, the environmental bonus for battery electric vehicles (BEVs) expired in December 2023, which led to a sharp decline in BEV demand (-27%) in 2024 as a whole and a significantly reduced market volume of 380,600 BEVs. New registrations of plug-in hybrids had already been suffering since the turn of the year 2022/2023 due to the complete abolition of the environmental bonus, but recovered somewhat at a low level – growth of 9% led to 191,900 new PHEV registrations. At the same time, new registrations of petrol and diesel passenger cars (including mild hybrids) rose to a combined total of 2.1 million passenger cars (+3%), with petrol cars gaining 7% and diesel cars losing some of their popularity among consumers (-4%).

In 2024, just under 13.0 million new vehicles were registered on the European passenger car market – 1% more than in the previous year. The recovery compared to pre-COVID levels remains sluggish: the European passenger car market is currently still almost a fifth (-18%) or around 2.85 million units below the number of new registrations in 2019. The market for electric vehicles (BEVs and PHEVs) was particularly disappointing. It declined by a good 2% last year and accordingly underperformed the overall market. The five largest European markets showed mixed developments compared with the previous year: Strong growth was recorded only in the Spanish passenger car market (+7%). In addition, more new vehicles were registered in the United Kingdom than in the previous year (+3%). The British passenger car market performed comparatively strongly in the electric segment, with sales of electric passenger cars up by a good 20% on the previous year. In the other major markets, Italy, Germany (both -1%) and France (-3%), new registrations fell again in 2024, despite already weak figures in the previous year. Sales of BEVs stagnated in Germany in particular. By contrast, new registrations of PHEVs benefited (+9%). The countries of Eastern Europe performed above average compared to the European market as a whole (+10%). The Polish market remained by far the largest single market in Eastern Europe in 2024 and also recorded the strongest growth of all European single markets (+16%). It was followed by the Czech Republic (+5%) and Romania (+6%).

With 1,745 buses, alternative drive systems accounted for almost a third of the 5,382 newly registered buses last year. 713 buses (13.2%) were purely electric. Overall, the market declined by 2%.

Iron and steel foundries recorded a 15.2% decline in production to 2.608 million tonnes in 2024. Non-ferrous metal foundries registered a decline of 4.3% in 2024, with a tonnage of 0.802 million tonnes.

In 2024, the foundry industry generated around €6.8 billion in sales in the FE segment and €5.5 billion in non-ferrous metal casting. Overall, foundries recorded a 12.1% decline in sales.

Capacity utilisation averaged 72.7% in 2024 (calculated at the beginning of the quarter), which was below the average level for 2023 of 83%. In January 2025, it stood at a low 74%.

Iron and steel foundries produced a total of 2,608,000 tonnes in 2024. This represents a 15.2% decline in production compared with the same period of the previous year. This decline can be attributed to lower production for vehicle construction (-14.1%) and lower production for mechanical engineering (-13.2%). Production of other cast components was also below the 2023 level (-21.8%). It should be noted that reporting discrepancies between mechanical engineering and "other cast components" are very likely.

At 1,451,000 tonnes, order intake at iron foundries with lamellar graphite was around 5.7% below the figure for the same period last year. Manufacturers of ductile iron components recorded orders totalling 738,000 tonnes, down 23.5% on the previous year's level. Steel foundries saw orders fall by 10.1% year-on-year to around 110,000 tonnes. Orders from the road vehicle construction sector were down 10.9% year-on-year at 1,346,000 tonnes. Demand from the mechanical engineering sector reached 559,000 tonnes, 13.4% lower than in the previous year. Orders for "other iron and steel castings" also fell by 396,000 tonnes and 15.9%.

In 2024, exports amounted to around 1,141,000 tonnes. This was 14.0% below the previous year's level. Exports to the vehicle manufacturing industry fell by 14.3% to 716,000 tonnes. Exports to the foreign mechanical engineering industry fell by 10.1% year-on-year to around 240,000 tonnes. Exports of other cast components reached 185,000 tonnes in the same period, a decline of 17.3%.

At the end of December 2024, order reserves amounted to 1.082 million tonnes.

Non-ferrous metal foundries produced a total of 802,000 tonnes in 2024. This represents a 4.3% decline in production compared with the previous year. Production in aluminium foundries fell by 4.8% to 0.699 million tonnes. During the same period, magnesium alloy casting was down 10.3% on the previous year at 8,200 tonnes. The production of components made of copper and copper alloys rose by 4.7% to 69,900 tonnes. The casting of components made of zinc alloys fell by 10.1% to 24,200 tonnes compared with the previous year.

In 2024, orders received by non-ferrous metal foundries were 7.9% below the previous year's level. Orders at aluminium foundries fell by 8.3% year-on-year to 656,000 tonnes. Magnesium foundries reported an order volume of 7,700 tonnes, corresponding to a 15.0% decline in orders. Foundries processing copper alloys recorded 64,300 tonnes, representing a decline in orders of 2.0%. Orders at zinc foundries amounted to 21,300 tonnes, down 9.9% compared with the same period last year.

The reported export volume in 2024 was 96,600 tonnes, around 6.7% below the previous year's level.

At the end of December 2024, order reserves stood at 158,900 tonnes. This represents a year-on-year decline of 11.4%.

2. Business

The former parent company of Eisenwerk Erla GmbH, JKM Erla Holdings GmbH, Schwarzenberg/Erzgeb., had been in insolvency proceedings since the beginning of 2023. The termination took effect through liquidation in November 2024. Eisenwerk Erla GmbH underwent protective shield proceedings followed by insolvency proceedings under its own administration from 1 December 2022 to 28 February 2023, which were successfully concluded by court order on 1 August 2023. Accordingly, the previous year's report covered the last shortened financial year, which ran from 1 August 2023 to 31 March 2024 (eight months). The following report covers the financial year from 1 April 2024 to 31 March 2025 (12 months). Due to the different lengths of the reporting periods, the figures are only comparable to a limited extent.

The most important financial performance indicators for managing the company are revenue, EBITDA and earnings after taxes. Revenue for the period from April 2024 to March 2025 amounted to TEUR 36,122, which is TEUR 4,010 or 12.5% higher than the previous year's figure (1 August 2023 to 31 March 2024) and TEUR 13,878 or 27.8% below the original forecast, but in line with our current and adjusted expectations. Significant declines in demand across all industries and the withdrawal of a project in the automotive car sector made it necessary to adjust our planning for the year and led to an overall lower level of revenue compared with the previous year (1 August 2023 to 31 March 2024). After special items, operating profit (EBITDA) amounted to TEUR 792 and, due to the economic downturn in the financial year from 1 April 2024 to 31 March 2025, was below the previous year's figure (1 August 2023 to 31 March 2024: TEUR 1,248) and below the original forecasts. The decline in revenue and the high level of fixed costs were the main drivers of the decline in EBITDA.

All key material prices showed relatively average volatility during the financial year. Energy prices continued to decline slightly, but did not reach the levels seen before the crisis. The market for high-temperature-resistant materials for the turbocharger industry and the automotive sector in general was down, as expected, with a share of around 31% of total sales (previous year: 43%). Nominal and relative growth was achieved in the automotive truck, agricultural machinery, marine engines, electrical infrastructure, construction machinery and mechanical engineering sectors. This marked a further step forward in the company's strategic realignment towards a broader sales base.

The cumulative order intake for the financial year from April 2024 to March 2025 amounted to EUR 33,389 thousand, which is EUR 11,054 thousand above the previous year's figures (1 August 2023 to 31 March 2024) but below the target figures. The order backlog as of 31 March 2025 amounted to EUR 24,487 thousand, which is EUR 2,733 thousand below the previous year's figure (31 March 2024). The decreases are mainly due to declining sales in the high-alloy and therefore price-sensitive product segment. Business development was rather subdued towards the end of the financial year and remained at a low level.

¹ See Annual Economic Report 2024, Federal Ministry for Economic Affairs and Climate Protection; DESTATIS, BDG Activity Report 2023/2024, BDG Casting Reports

3. Restructuring

In the autumn of the past financial year, the insolvency plan was fulfilled and completed through scheduled payments. The remaining liabilities of TEUR 160 are due to remaining expected costs such as legal costs and claims for disadvantage. As a result of the fulfilment of all obligations under the insolvency plan, the company's rating was improved, e.g. by Creditreform.

4. Situation

a. Earnings

Revenue for the financial year increased to TEUR 36,122 (1 August 2023 to 31 March 2024: TEUR 32,112).

Revenue is broken down by regional markets as follows:

	1 April 2024 31 TEUR	1 August 31 TEUR
Domestic	21,521	19,101
EU countries	10,521	8,008
Third countries	4,080	5,003
	<u>36,122</u>	<u>32,112</u>

Total operating performance, comprising revenue, changes in inventories and other operating income, amounted to TEUR 36,809, compared with TEUR 31,300 (excluding restructuring gains) in the previous year (1 August 2023 to 31 March 2024).

The cost of materials as a percentage of total revenue decreased by 4.2 percentage points in the financial year from 1 April 2024 to 31 March 2025 and amounted to 60.8%, which is primarily attributable to lower expenses for materials and energy in comparison. In absolute terms, material expenses increased in line with the development of revenue to EUR 22,366 thousand in the financial year from 1 April 2024 to 31 March 2025 compared to the previous year (1 August 2023 to 31 March 2024: EUR 20,336 thousand).

Depreciation and amortisation increased to 1.8% of total operating performance (1 August 2023 to 31 March 2024: 1.4%) or to TEUR 665 (1 August 2023 to 31 March 2024: TEUR 428). New investments and their depreciation and amortisation essentially account for this figure.

Personnel expenses rose to EUR 10,216 thousand compared to the previous year (1 August 2023 to 31 March 2024: EUR 7,203 thousand). The personnel expense ratio in relation to total operating performance increased from 23.0% in the previous year (1 August 2023 to 31 March 2024) to 27.8% in the financial year ending 31 March 2025.

Other operating expenses increased from EUR 2,507 thousand to EUR 3,411 thousand, which is mainly attributable to the fixed costs for the twelve-month period compared to the previous period.

Interest and similar expenses rose, increasing from EUR 552 thousand to EUR 693 thousand.

The result after taxes (before other taxes) achieved in the financial year, amounting to minus TEUR 169, is TEUR 610 lower than the result for the previous year (1 August 2023 to 31 March 2024: TEUR 441). This decline is mainly attributable to high fixed costs and general cost pressure.

b. Financial position

The cash flow statement shows a decrease in cash and cash equivalents for the financial year from 1 April 2024 to 31 March 2025. The development of the sub-segments is as follows:

	1 April 2024 31 TEUR	1 August 31 TEUR
Cash flow from operating activities	1,242	-3,364
Cash flow from investing activities	-2,461	-
Cash flow from financing activities	-	-1,272
Change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	4,832	9,828
Cash and cash equivalents at the end of the period	3,051	4,832

As of the balance sheet date, the company has no available credit lines due to the previous insolvency proceedings, but has a cash position of TEUR 3,051. Financing is secured through long-term intra-group loans.

The decrease in cash and cash equivalents is mainly attributable to payments from investing activities amounting to TEUR 2,461, which were partially financed by hire purchase agreements.

c. Net assets and capital structure

Overall, total assets as of 31 March 2025 decreased by TEUR 1,578 to TEUR 22,206 compared to the balance sheet date of 31 March 2024.

The relative share of long-term assets in total assets amounted to 45.7% as of the balance sheet date (31 March 2024: 35.1%), while the share of short-term assets in total assets was 54.3% (31 March 2024: 64.9%).

During the financial year, EUR 2,461 thousand was invested in fixed assets. The majority of this amount, EUR 2,272 thousand, was spent on plant, tools and equipment for the manufacturing process.

Inventories amounted to TEUR 7,074, a slight decrease compared to the previous year (31 March 2024: TEUR 7,178). Within inventories, the stock of finished goods and work in progress fell by TEUR 191.

Trade receivables amounted to TEUR 727 as of 31 March 2025, TEUR 909 below the balance sheet value as of 31 March 2024. The balance is mainly dependent on the volume of receivables sold as of the balance sheet date. Other assets amounted to TEUR 1,024 as of 31 March 2025, TEUR 652 below the balance sheet value as of 31 March 2024. The decrease is mainly due to lower advance payments from suppliers.

Equity amounted to TEUR 11,037, which is TEUR 192 lower than on 31 March 2024 due to the net loss for the financial year.

As of the balance sheet date on 31 March 2025, the equity ratio in relation to the balance sheet total under commercial law rose by 2.5 percentage points to 49.7%, mainly due to lower liabilities.

Provisions decreased by TEUR 1,063 to TEUR 2,042, primarily due to TEUR 341 lower provisions for model and tooling costs, TEUR 311 lower provisions for personnel and TEUR 261 lower provisions for warranty claims.

5. Financial and non-financial performance indicators

Eisenwerk Erla GmbH uses a wide range of financial and non-financial performance indicators, which are reported to management on an ongoing basis and serve to monitor and control production and the company as a whole.

The most important financial performance indicators are revenue, earnings after taxes and operating earnings (EBITDA). Non-financial performance indicators are of secondary importance.

Quality indicators are among the non-financial performance indicators. These remained at a constant, slightly improved level in the past financial year compared with the same period of the previous year (1 August 2023 to 31 March 2024). Due to highly complex geometric casting structures, demanding material variations and further processing steps, this represents a significant and growing challenge.

In addition to quality, other indicators are used to make existing processes measurable and to provide monitoring and control options. These include, for example, man-hour comparisons to evaluate the efficiency of individual production processes; energy consumption figures to control the melting operation or other important plant areas; and material consumption figures. This covers all essential cost and performance parameters of the foundry.

In order to meet our customers' high demands on project and quality management, Eisenwerk Erla GmbH has undergone process-oriented certification in accordance with ISO TS 16949:2016, environmental certification in accordance with ISO 14001 and energy certification in accordance with ISO 50001. A series of key figures are used to achieve a high level of methodology in our ongoing work.

The non-financial performance indicators described above are of secondary importance for understanding the course of business and the position of the company.

As of 31 March 2025, 222 employees were employed by the company, including five trainees. The training quota in relation to the total number of employees was therefore 2.3%. The average sickness rate for the financial year from 1 April 2024 to 31 March 2025 was 6.78%.

In addition, nine temporary workers were employed at the end of the financial year.

C. Forecast, opportunities and risk report

1. Forecast

While a recovery in demand was expected to begin in early 2024, this is now being pushed further back. As a result, order backlogs are very low. While production could still be planned on the basis of existing orders, particularly in the first half of the year, production was already declining significantly in the second half of 2023. The year 2024 began with this statistical shortfall and a production forecast of -5%. In view of the continuing low demand, the casting production forecast was lowered to -8% in the summer. At the end of 2024, it became clear that this forecast was also too optimistic, as no economic recovery had set in. Instead, urgently needed economic policy measures were not implemented because the federal government was no longer able to act.

Meanwhile, uncertainty in the industry is considerable. This is having a negative impact on investment volumes in Germany. For 2025, only slight production growth of 1% is expected in vehicle manufacturing. The production of electric vehicles will increase significantly, however, as manufacturers are now bound by stricter fleet emission limits within the EU. Vehicles with conventional drive systems, which sometimes require more casting, will continue to lose volume. The mechanical engineering sector is also facing a difficult year in 2025, with experts predicting a 2% decline in production. Most recently, the BMWK also significantly revised its overall economic forecast downwards from 1.1% to 0.3%. The reasons for this adjustment are, in addition to the failure to ease bureaucracy, which fell victim to the premature end of the government, above all uncertainties regarding government investment and the election of Donald Trump as US president and the associated risks for German foreign trade. The year 2025 will also be associated with considerable challenges for German foundries. Accordingly, there are no signs of a comprehensive recovery. Production is therefore expected to move sideways, accompanied by a risk of negative deviation. Last but not least, the statistical underhang with which 2024 ended weighs heavily on the rates of change in 2025. Although the expectations of German foundries improved slightly at the turn of the year from an extremely low level, companies in the monthly ifo business survey assess the current situation as dramatically poor.

Despite intense competition and a challenging environment for its business, Eisenwerk Erla GmbH expects sales to pick up slightly from a low level. The prospects for entering the defence sector are likely to boost sales expectations significantly in the 2025/26 financial year. Economic stimulus measures by the new German government may support and improve the economic outlook.

The financial and earnings position of Eisenwerk Erla GmbH is relatively stable.

Eisenwerk Erla GmbH has been operating on the market since 2017 with its own automated processing and, in recent years, diversification, as a full-service provider for ready-to-install iron castings. The company will continue to expand this area in the future in order to extend the value chain and improve competitiveness. Further investment steps are currently being implemented.

Expectations for the financial years April 2025 to March 2026 and April 2026 to March 2027:

- Sales at a level of around EUR 47 million to EUR 49 million
- Continuation of investment measures to ensure production stability and further automation in the foundry periphery
- Continuation of the expansion of the mechanical processing production facility to implement newly acquired products
- The result after taxes excluding special items will be positive for both financial years; for the 2025/2026 and 2026/2027 financial years, the expected after-tax results are in the range of plus 1.0 million euros and EBITDA at a level of plus 3.0 million euros.
- Restructuring of corporate financing.

2. Opportunities report

Significant opportunities lie in operational planning. If the economic environment proves more favourable than predicted by institutional sources, sales in segments with high contribution margins could be higher. This would have a positive impact on earnings due to high variable components.

In addition to further developing its automotive casting business, Eisenwerk Erla GmbH is increasingly focusing on sectors such as mechanical engineering, construction and agricultural machinery, ship engines and electrical infrastructure, as well as developing the manufacturing process for components for aircraft applications. Deliveries to the defence sector are scheduled to begin in the 2025/26 financial year. We anticipate disproportionate growth due to changing investment constraints in these areas, driven by the political environment.

The intensified consolidation process in the foundry industry due to the prevailing market conditions could result in increased relocation processes to more stable companies in the industry.

3. Risk report

In our view, the risks described below could have a significant impact on the company's financial position, net assets and earnings given their probability of occurrence and potential damage, and are presented in descending order of importance to the company. The company's risk management system is designed to identify risks at an early stage and to initiate measures to spread, reduce or avoid them.

Risks are essentially those arising from economic fluctuations, socio-political events and changes in the legal and tax environment. The current economic outlook and strong competitive pressure could affect results in the coming financial years.

Despite the successful conclusion of the insolvency proceedings on 1 August 2023, potential risks mainly lie in the behaviour of the various stakeholders. Customers could look for alternative sources of supply for risk reasons and, due to the price levels agreed for the time being in the ongoing proceedings, also acquire cheaper competitors. Important suppliers could forego future business opportunities with the company due to lost outstanding items and, in some cases, a loss of trust. As a result of the successful insolvency proceedings with a protective shield procedure, the company has been restructured. At the current stage, this risk can be considered somewhat lower.

The German economy, and thus Eisenwerk Erla GmbH, will continue to face the effects of the war in Ukraine and a complex geopolitical environment. Relatively high energy prices and inflation could cause German companies to lose competitiveness. The economic outlook remains subject to an exceptional degree of uncertainty as the war in Ukraine continues and the potential for further economic disruption is far from exhausted. In addition to gas supplies, the economy remains directly and indirectly exposed to further shocks in other commodity markets stemming from geopolitical tensions.

We are currently unable to fully estimate the impact on our business results for the 2025/26 financial year, but initial steps have already been taken to minimise the risk of any short-term production losses.

The German economy is influenced by geopolitical upheavals worldwide. International tensions, trade conflicts and political uncertainties can have an impact on exports, investments and globally networked supply chains. Companies, including Eisenwerk Erla GmbH, must prepare for possible trade barriers, currency fluctuations and geopolitical risks. A careful assessment of these factors is crucial in order to develop appropriate risk minimisation strategies and ensure long-term stability.

Sales market risks mainly exist in the development of the use of high-temperature-resistant materials in charging technology. Such developments are being monitored through close cooperation with OEM (original equipment manufacturer) pre-developers; necessary responses are initiated at an early stage. The increased transition to electric vehicles could reduce demand for combustion engines, which could lead to a decline in orders for foundries. However, due to the realignment of Eisenwerk Erla GmbH, the risk here is likely to be lower, as the company's supplier activities for the automotive industry are steadily declining as a result of the transformation process and other markets and industries are the focus of its operating activities.

Procurement market risks can result from price increases, possible supplier failures and quality problems. We try to identify potential procurement market risks in good time by monitoring the markets and participating in the advisory board of the Federal Association of the German Foundry Industry East and the advisory board for ductile cast iron of the Federal Association of the German Foundry Industry, among other things. Furthermore, we try to pass on raw material price increases, e.g. in the area of scrap or alloy metals such as nickel, to our customers in a timely manner by means of appropriate contract arrangements. The extension of inflation surcharges due to the market situation has been negotiated with our customers and implemented.

There are monopoly suppliers in the energy sector and oligopoly structures for a few chemicals. In some cases, there are supply bottlenecks despite rising prices, but these do not affect our production. Supplier assessments are carried out and evaluated regularly in accordance with the company's certifications; consequences are drawn where necessary.

The so-called energy transition and the resulting government taxes on electrical energy have led to considerable burdens. Due to possible changes in legislation, there is considerable uncertainty in planning. Changes in cost reimbursements can significantly impair competitiveness.

Liquidity risks exist due to the possibility of financial resources becoming exhausted, due to a significant deterioration in economic conditions or other factors affecting the company's cash flow. Based on the company's planning, the risk can be assessed as manageable. The intra-group financing received is a stabilising liquidity factor and can cushion any liquidity risks that may arise.

In view of the impact of the war in Ukraine and the economic crisis, there are risks relating to future restrictions on business operations that could affect the company's earnings and liquidity position. The tried-and-tested instruments (e.g. short-time working, liquidity management, securing supply chains) will help to mitigate the damage to the company.

The daily use of our IT systems and networks, as well as external access to our systems, give rise to potential IT risks. Thanks to our daily work with the systems, regular maintenance of our hardware and software, and a careful backup strategy, we believe that we have these IT risks under control. The company has implemented an information management system and is continuing to develop it consistently.

Qualified, satisfied and reliable employees and managers are essential for the competence and economic development of the company. For this reason, we are committed to recruiting young talent, both by training foundry specialists and by collaborating with the West Saxon University of Applied Sciences in Zwickau and the Technical University of Mining and Technology in Freiberg. We promote and secure in-house expertise through active further training. Nevertheless, it may be more difficult to find suitable personnel for certain positions within the company in the future.

Interest rate risks are minimal due to the structure of the loans taken out. Preparations are being made to enable hedging options to be used if necessary. Interest rate swaps, for example, are effective instruments for ruling out negative effects in the event of corresponding interest rate increases.

An overall assessment of the risks shows that, in addition to the completed insolvency proceedings, the influence of the situation in Russia and Ukraine and the economic slowdown, the company is primarily affected by market risks. These include, in particular, price developments for raw materials and energy as well as developments in demand structures in the mobility sector that are difficult to predict in terms of sales. The service provision processes are certified and therefore less risky. Future sales and earnings expectations have been adjusted to market conditions and are now below the court-approved restructuring plan. The planned results for the financial years are expected to be slightly positive.

4. Opportunity-risk assessment

Growth and production in the German foundry industry declined in 2024. Fragile international supply chains and raw material availability continue to act as limiting factors. The order backlogs of casting customers have been reduced in recent months. Demand is stabilising at a low level for the time being. Energy costs, which are very high, continue to decline without returning to the price levels seen before the outbreak of the Ukraine conflict.

Even though widespread industrial lockdowns due to pandemic developments are currently considered unlikely, a return to pre-crisis levels remains uncertain and is only likely to occur in the second half of 2025 or beyond. This scenario currently has the highest probability of occurring and is underscored by all sentiment indicators.

If recovery in the sectors begins earlier than expected, there is potential for a more dynamic recovery. This scenario has a low probability of occurring. Current signals, particularly with regard to the expansion of new production capacity for semiconductors, do not point to an early easing of the situation.

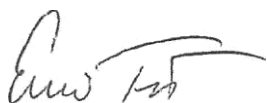
There are risks for the foundry industry due to several factors. Global supply chains could be disrupted by unrest and the resulting longer transport routes for raw materials and pre-products. These circumstances would dampen the international economic recovery and thus limit the level of capital investment. This would have a *d i r e c t* impact on order intake at foundries. In addition, the foundry industry is undergoing multiple structural changes due to the energy and mobility transition. Politically, the targets set for decarbonising the transport sector are repeatedly under discussion, which we believe could have an impact on vehicle manufacturing.

Ultimately, the continuation of the Russia-Ukraine crisis and the flaring up of the Middle East conflict with its destabilising factors also hang over the global economy as an imponderable. The effects of further escalation on the economy can hardly be calculated with any degree of certainty. Any forecasts would have to be rejected, especially in the event of a renewed open military conflict.

Schwarzenberg, 14 July 2025 Eisenwerk

Erla GmbH

- The Managing Directors -




Enrico Fischer



Pierre Antoine de Bausset



Udayant Malhoutra



Geoffrey William Dore

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.

Balance sheet as of 31 March 2025

Assets			
		31	31
		EUR	TEUR
A	Fixed assets		
I	Intangible assets		
	Software acquired for consideration	2,693.00	2
II.	Property, plant and equipment		
1	Land, land rights and buildings	5,503,995.03	5,708
2	Technical equipment and machinery	2,364,884	1,131
3	Other fixed assets, operating and office equipment	1,057,873.95	1,077
4	Advance payments and assets under construction	1,220,897.36	438
		10,147,650.34	8,354
		10,150,343.34	8,356
B	Current assets		
I	Inventories		
1	Raw materials, consumables and supplies	2,740,298.31	2,644
2	Work in progress	3,665,000.00	3,811
3	Finished goods	265,000.00	310
4	Models, tools and equipment	165,000	11
5	Advance payments made	239,200	303
		7,074,498.31	7,178
II	Receivables and other assets		
1	Trade receivables	727,007.34	1,636
2	Other assets	1,024,469.02	1,676
		1,751,476.36	3,312
III	Cash on hand, bank balances	3,051,342.21	4,832
		11,877,316.88	15,322
C	Accrued expenses	160,937.57	106
D	Deferred tax assets	17,882.89	0
		22,206,480.68	23,784

Liabilities			
		31	31 March 2024
		EUR	TEUR
A	Equity		
I	Subscribed capital	1,600,000.00	1,600
II	Capital reserve	6,208,939.27	6,209
III	Retained earnings		
	Other retained earnings	3,721,537.54	3,722
IV	Loss carryforward	-301,439.26	-737
V	Net loss for the year (previous year: net profit for the year)	-192,522.88	435
		11,036,514.67	11,229
B	Special items for investment allowance	38,332.82	40
C	Provisions		
1	Tax provisions	0	90
2.	Other provisions	2,042,000.00	3,015
		2,042,000	3,105
D	Liabilities		
1	Liabilities to banks	3,193.56	32
2	Trade payables	925,820.61	581
3	Liabilities to affiliated companies	6,669,998.03	6,539
4	Other liabilities	1,036,520.99	2,258
	of which from taxes: EUR 206,426.82		
	(previous year: EUR 352 thousand)		
	of which social security: EUR 1,168.50		
	(previous year: EUR 4 thousand)		
		8,635,533.19	9,410
E	Accrued expenses	454,100.00	0
		22,206,480.68	23,784

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.**Profit and loss statement for the financial year from 1 April 2024 to 31 March 2025**

	1 April 2024 to 31 March 2025 EUR	1 August 2023 to 31 March 2024 TEUR
1. Revenue	36,121,645.78	32,112
2. Decrease in inventories of finished goods and unfinished products, models, tools and equipment	-136,000.00	-930
3. Other operating income	1,087,839.40	375
4. Cost of materials		
a) Expenses for raw materials, consumables and supplies	-15,458,382.44	-14,264
b) Expenses for purchased services	-6,907,599.84	-
	<u>-22,365,982.28</u>	<u>-20,336</u>
5. Personnel expenses		
a) Wages and salaries	-8,381,235.82	-5,983
b) Social security contributions and expenses for pension and support	-1,834,356.75	-1,220
of which for pension provisions: EUR 1,056.00 (1 August 2023–31 March 2024: TEUR 1)		
	<u>-10,215,592.57</u>	<u>-</u>
6. Depreciation		
a) on intangible fixed assets and property, plant and equipment	-666,625.76	-
b) Income from the reversal of the special item for investment allowances	1,686	1
	<u>-664,939.36</u>	<u>-</u>
7. Other operating expenses	-3,411,474.06	-2,507
	<u>415,496.91</u>	<u>1,083</u>
8. Other interest and similar income	1,182.33	0
of which from discounting provisions: EUR 325.74 (1 August 2023–31 March 2024: TEUR 0)		
9. Interest and similar expenses	-692,869.87	-552
	<u>-691,687.54</u>	<u>-552</u>
10. Income taxes	107,882.89	-
of which deferred taxes: EUR 17,882.89 (1 August 2023–31 March 2024: TEUR 0)		
11. Earnings after taxes	-168,307.74	441
12. Other taxes	-24,215.14	-
13. Net loss for the year (1 August 2023 to 31 March 2024: net profit for the year)	<u>-192,522.88</u>	<u>4</u>

**Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb. (Chemnitz Local Court: HRB 681) Notes for the
financial year from 1 April 2024 to 31 March 2025**

A. General

The annual financial statements of Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb., were prepared in accordance with the accounting provisions of the German Commercial Code (HGB) for corporations. In addition to these provisions, the provisions of the German Limited Liability Companies Act (GmbHG) were observed.

The company is a medium-sized corporation within the meaning of Section 267 (3) of the German Commercial Code. Models, tools and equipment are reported in the balance sheet under a separate item within item B.I. Inventories.

The income statement was prepared using the total cost method in accordance with Section 275 (2) of the German Commercial Code (HGB).

At Eisenwerk Erla GmbH, protective shield proceedings were implemented from 1 December 2022 to 28 February 2023, followed by insolvency proceedings under self-administration. The insolvency proceedings were terminated with effect from 1 August 2023. Accordingly, the previous year's report covers a shortened financial year comprising the period from 1 August 2023 to 31 March 2024 (eight months). Following the conclusion of the insolvency proceedings, the company returned to its original financial year cycle as specified in the articles of association. The financial year reported on below covers the period from 1 April 2024 to 31 March 2025 (twelve months). Accordingly, the figures for the two short fiscal years are not fully comparable.

B. Accounting and valuation principles

Accounting and valuation are carried out in accordance with commercial law provisions, applying the German Commercial Code (HGB, sections 242 et seq. and 264 et seq.) and, where applicable, supplementary provisions of the German Limited Liability Companies Act (GmbHG).

The annual financial statements have been prepared on the assumption that the company will continue as a going concern (Section 252 (1) No. 2 of the German Commercial Code (HGB)). The management assumes that the company will continue as a going concern.

The balance sheet and income statement are structured in accordance with Section 266 of the German Commercial Code (HGB) and Section 275 (2) HGB. The provisions for medium-sized corporations pursuant to Section 267 (3) HGB apply.

Intangible assets were recognised at acquisition cost less scheduled straight-line amortisation.

Tangible fixed assets are recognised at acquisition or production cost and, to the extent that they are subject to wear and tear, reduced by scheduled straight-line depreciation. The two-shift and, in some cases, three-shift use of fixed assets was taken into account by applying a shift factor of 1.25 and 1.50, respectively, which is equivalent to a reduction in the useful life by 20% and 33%, respectively.

Investment allowances for fixed assets were recognised as a special item for investment subsidies. The special item was recognised in accordance with the statement HFA 1/1984 of the Institute of Public Auditors in Germany (IDW).

Scheduled **depreciation** is based on the current general depreciation tables published by the tax authorities. The specified useful lives are applied as the maximum permissible values. In the year of acquisition, depreciation is calculated on a pro rata temporis basis.

Low-value assets with acquisition or production costs of up to EUR 800.00 are written off immediately in the year of acquisition and shown as disposals.

Raw materials and consumables are generally valued at average acquisition cost in accordance with the strict lower of cost or market principle. Nickel-containing materials are valued using the FiFo method in accordance with Section 256 (1) of the German Commercial Code (HGB). Depreciation is calculated at the lower fair value. This is determined on the basis of the current replacement costs in line with market conditions. Due to the nature of production, flat-rate depreciation due to storage risks is generally not necessary.

Unfinished and finished products were valued in accordance with Section 255 (2) of the German Commercial Code (HGB) at production costs, which were determined on the basis of material/labour costs and other attributable overhead costs (material overheads, manufacturing overheads, depreciation of fixed assets). The cost rates applied take into account the direct material and production costs as well as overheads to a reasonable extent. The principles of loss-free valuation were observed. For this purpose, the carrying amount is compared with the lower fair value – net disposal price less any production and disposal costs still to be incurred.

Models, tools and equipment are valued at acquisition cost (individual determination of acquisition costs) in accordance with the strict lower of cost or market principle. For this purpose, the carrying amount is compared with the lower fair value – net disposal price less any production and disposal costs still to be incurred.

Inventory risks are taken into account by applying appropriate obsolescence allowances.

Advance payments are recognised at their nominal amount.

Receivables and other assets are generally stated at their nominal value. Default risks are taken into account through individually and collectively determined valuation allowances. Short-term receivables and assets denominated in foreign currencies are valued at the current exchange rate on the date of origination and translated at the average spot exchange rate on the balance sheet date.

Cash on hand and bank balances are stated at their nominal value.

In accordance with Section 250 (1) of the German Commercial Code (HGB), **prepaid expenses and deferred income** relate to expenses incurred before the balance sheet date to the extent that they represent expenses for a specific period after that date.

The company's **share capital** amounts to the nominal amount of TEUR 1,600 in accordance with Section 42 (1) of the German Limited Liability Companies Act (GmbHG) and corresponds to the entry in the commercial register.

Investment allowances received for subsidised assets classified as property, plant and equipment are recognised in **the special item for investment allowances** and distributed to income over the useful life.

Other provisions and tax provisions are recognised at the amount necessary to settle the obligation based on reasonable commercial judgement. When measuring the amount necessary to settle other provisions, an increase in costs was taken into account which is not significant overall. Other provisions with a term of more than one year are discounted using interest rates appropriate to the term, as announced by the Deutsche Bundesbank. The interest rates used to discount provisions as of 31 March 2025 range from 1.61% to 1.85%, depending on the remaining term.

Liabilities are recognised at their settlement amount. Current liabilities denominated in foreign currencies are measured at the current exchange rate when they arise and translated at the average spot exchange rate on the balance sheet date.

In accordance with Section 274 of the German Commercial Code (HGB), a net accrual is recognised for expected future tax liabilities and tax relief arising from differences in accounting and valuation under commercial and tax law and, where applicable, tax loss carryforwards. There is a distribution and transfer restriction on **deferred tax assets**.

C. Notes to the balance sheet

1. Fixed assets

The development of fixed assets in the financial year from 1 April 2024 to 31 March 2025 is presented in the statement of changes in fixed assets in the notes to the financial statements.

2. Trade receivables

In order to obtain liquidity for the repayment of trade payables, receivables are sold using factoring procedures in line with liquidity requirements. Under this silent factoring arrangement, receivables amounting to TEUR 2,229 (previous year: TEUR 1,900) were sold as of the balance sheet date. Risks arise from the del credere risk assumed by the factor only in the amount of value added tax and in the event that receivables are sold in a manner that does not comply with the contractual provisions. Advantages arise from optimal liquidity management and a reduced balance sheet total in the event of the repayment of trade payables.

3. Other receivables

Other assets amounting to TEUR 146 were encumbered with third-party rights in the previous year. The receivables and other assets all have remaining terms of up to one year.

4. Prepaid expenses

This item includes deferred expenses that represent expenses in accordance with Section 250 (1) of the German Commercial Code (HGB) after the balance sheet date.

5. Capital

The capital reserve remains unchanged from the previous year.

	<u>EUR</u>
Balance as at 31 March 2025	6,208,939.27
(previous year)	(6,208,939.27)

6. Retained earnings

Retained earnings remained unchanged in the reporting year:

	<u>EUR</u>
As of 31 March 2025	3,721,537.54
(previous year)	<u>(3,721,537.54)</u>

7. Special item for investment allowance

The special item relates to investment allowances for the years 2005 to 2013 totalling EUR 837,742.86. The special item will be reversed as planned in such a way that the depreciation on the subsidised investment volume will be offset by the reversal. The reversal of the special item in the financial year from 1 April 2024 to 31 March 2025 in the amount of EUR 1,686.40 (1 August 2023 to 31 March 2024: EUR 1,124.30) will be disclosed separately in the income statement as a deduction from depreciation and amortisation.

8. Provisions

Other provisions mainly include provisions for outstanding costs for models/core boxes (TEUR 802), provisions for contingent losses (TEUR 157), provisions for outstanding settlements (TEUR 240), provisions for holiday and bonus entitlements of employees and contributions to employers' liability insurance (TEUR 240), for warranty claims and credit notes/bonuses still to be issued (TEUR 484) and provisions for legal and consulting costs (TEUR 100).

9. Liabilities

The maturities of the liabilities reported as at 31 March 2025 are distributed over the following periods:

	Maturities			Total
	to 1 year	Over	Over 5	
	TEUR	Year	Years	
	TEUR	TEUR	TEUR	TEUR
1. Liabilities to banks	3	0	0	3
(previous year)	(32)	(0)	(0)	(32)
2. Trade payables	926	0	0	926
(previous year)	(581)	(0)	(0)	(581)
3. Liabilities to affiliated companies	1,150	5,520	0	6,670
(previous year)	(1,339)	(5,200)	((6,539)
4. Other liabilities	1,036	0	0	1,036
(previous year)	(2,258)	(0)	(0)	(2,258)
Total	3,115	5,520	0	8,635
(previous year)	(4,210)	(5,200)	(0)	(9,410)

Trade payables are subject to retention of title customary in the industry.

Liabilities to affiliated companies result entirely from loans and accrued interest.

Other liabilities include liabilities from the insolvency plan amounting to TEUR 160.

D. Other disclosures

1. Information on the registered office of the company

Eisenwerk Erla GmbH has its registered office in Schwarzenberg/Erzgeb. The company is registered at the Chemnitz Local Court, HRB 681.

2. Disclosure pursuant to Section 285 No. 30a of the German Commercial Code (HGB)

The Minimum Tax Act has no impact. The company generates and pays tax on its taxable income exclusively in Germany.

3. Other financial obligations

Other financial obligations in accordance with Section 285 No. 3a of the German Commercial Code (HGB) amount to EUR 347 thousand and relate to lease obligations for optimising the liquidity position by spreading the payments for investments over time and have remaining terms of

up to 1 year	EUR
over 1 year	TEUR

Purchase commitments arising from energy procurement amount to EUR 1,921 thousand for 2025.

4. Management and representation

The following persons have been appointed as managing directors of the company:

- Mr Enrico Fischer
- Mr Geoffrey William Dore (CFO, Dynamatic-Oldland Aerospace Ltd. UK)
- Mr. Pierre Antoine de Bausset (Supervisory Board, Dynamatic Technologies Ltd.)
- Mr Udayant Malhoutra (Managing Director, Dynamatic Technologies Ltd.).

Information on remuneration is omitted in accordance with Section 285 No. 9a HGB in conjunction with Section 286 (4) HGB, as only one managing director receives remuneration from Eisenwerk Erla GmbH and this information allows the remuneration of a member of the management board to be determined.

5. Parent company

The company is included in the consolidated financial statements of Dynamatic Technologies Limited, Bangalore (India). These consolidated financial statements (prepared as of 31 March) apply to both the smallest and largest groups of companies. The consolidated financial statements are available on the Group's website and are filed with the local Indian registry.

6. Employees

The average number of employees in the reporting year is broken down as follows in accordance with Section 285 No. 7 HG8:

	01.04.2024 31 March 2025	01.08.2023 - 31 March 2024
Salaried employees Wage earners	60 1 6 0	62 177
Trainees	220 7	239 8
	2 2 7	247

7. Proposed appropriation of profits

The management proposes that the net loss for the year be carried forward together with the loss carried forward to new accounts.

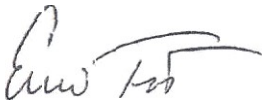
8. Events after the balance sheet date

In order to improve liquidity, a waiver was signed by the lender in June 2025 for loans received from a sister company within the group. This waiver includes a deferral of the instalments and interest due on 30 June 2025 and approval of a restructuring of the repayment schedule. Under this agreement, interest is generally not due until the loan has been repaid in full, with the next repayment instalment therefore scheduled for 30 September 2025.

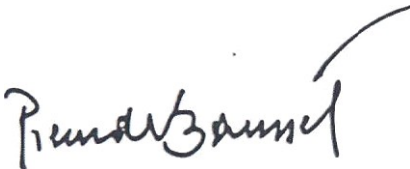
Schwarz enberg, 14 July 2025 Eisenwerk Erla

GmbH

- The Managing Directors



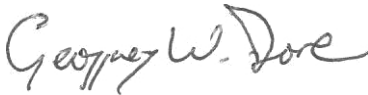
Enrico Fischer



Pierre Antoine de Bausset



Uda Yant Malhoutra



Geoffrey William Doré

Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb.

Appendix to the notes

Development of fixed assets in the financial year from 1 April 2024 to 31 March 2025

	Gross carrying amounts					Accumulated depreciation				Net book values	
	Balance as at	Additions	Transfers	Disposals	Balance as at	Balance as at	Disposals	Balance as at	Balance as at	Status on	
	01/04/2024				31 March 2025	01.04.2024		31 March 2025	31 March 2025	01.04.2024	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	TEUR	
I. Intangible assets											
Software acquired for consideration	784,345.87	2,441	0	0	786,786.87	782,113.87	1,980.00	0	784,093.87	2,693.00	2
II. Property, plant and equipment											
1 Land, land rights and buildings	14,085,927.59	0	0	0	14,085,927.59	8,378,417.56	203,515.00	0	8,581,932.56	5,503,995.03	5,708
2 Technical equipment and machinery	29,107,895.72	1,221,982.92	341,705.96	1	30,671,583.60	27,977,170.72	329,528.88	0	28,306,699.60	2,364,884.00	1,131
3 Other equipment, operating and business equipment	5,577,844.34	112,395.88	0	591.49	5,689,648.73	4,500,764.39	131,601.88	591.49	4,631,774.78	1,057,873.95	1,077
4 Advance payments and assets under construction	438,294.54	1,124,308.78	-341,705.96	0	1,220,897.36	0	0	0	0	1,220,897.36	438
	49,209,962.19	2,458,687.58	0	592.49	51,668,057.28	40,856,352.67	664,645.76	591.49	41,520,406.94	10,147,650.34	8,354
III. Financial assets											
Loans to affiliated companies	4,000,000	0	0	4,000,000	0	4,000,000.00	0	4,000,000.00	0	0	0
	4,000,000.00	0	0	4,000,000.00	0	4,000,000.00	0.00	4,000,000.00	0	0	0
	53,994,308.06	2,461,128.58	0	4,000,592.49	52,454,844.15	45,638,466.54	666,625.76	4,000,591.49	42,304,500.81	10,150,343.34	8,356



Eisenwerk Erla GmbH, Schwarzenberg/Erzgeb. Economic and legal

basis

Economic

The company's purpose is the development, manufacture and sale of castings of all kinds, in particular iron castings and primary moulds for the foundry industry, the operation of a company restaurant (canteen) and all related activities, as well as the operation of a temporary employment agency and all business activities related to and promoting this corporate purpose. The complex and complicated components are mainly manufactured for customers in the automotive industry.

Legal basis

1. Legal relationships

Company	Eisenwerk Erla GmbH
Headquarters	Schwarzenberg/Erzgeb.
Commercial register:	Chemnitz Local Court, HRB 681
	Last entry available to us dated 15 October 2024 (amendment to the articles of association)
Articles of association:	concluded on 31 May 1990, last amendment available to us dated 2. October 2024
Share capital:	EUR 1,600,000.00

2. Governing bodies and resolutions

Managing Director: See information in the appendix (part of Appendix 1 of the audit report).

Representation If only one managing director is appointed, he or she represents the company alone. If several managing directors are appointed, the company is represented by two managing directors or by one managing director together with a person authorised to sign on behalf of the company.

Resolutions of the
shareholders' meeting:

6 May 2024

- Appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft as auditor for the short financial year from 1 August 2023 to 31 March 2024.

14. June

- Resolution to expand the company's purpose to include
"Operation of a company restaurant (canteen) and all related activities"
related activities"

31. Approval of the annual financial statements for the short fiscal year from 1 March to 31 July 20

- Approval of the annual financial statements for the short fiscal year from 1 March to 31 July 2023.
- Discharge of the management for the short fiscal year from 1. March to 31 July 2023.

27. August

- Approval of the annual financial statements for the short fiscal year from 1 August 2023 to 31 March 2024.
- Discharge of the management for the short fiscal year from 1. August 2023 to 31 March 2024.

2. October 2024

- Resolution to expand the company's purpose to include
"Operation of a temporary employment agency and all business activities
related to and promoting this corporate purpose"

6. February

- Appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft as auditor for the financial year from 1 April 2024 to 31 March 2025.

3. Company affiliations

The company is a wholly owned subsidiary of JKM Erla Automotive Limited, Bangalore, India. The shares in JKM Erla Automotive Limited are in turn held 100% by Dynamatic Technologies Limited, Bangalore, India.

Eisenwerk Erla GmbH is included in the consolidated financial statements of Dynamatic Technologies Limited, Bangalore, India.

4. Tax

The company is registered with the Schwarzenberg/Erzgeb. tax office under tax number 218/119/02400.

The amended tax returns for 2019 to 2021 have been submitted, and the reservation of review has been lifted. The tax assessment notices for 2022 have been received in full, and the assessment has been completed. The tax returns for the 2023 assessment period are currently being prepared.

5. Important contracts

Sale of receivables

There is a factoring agreement with CommerzFactoring GmbH, Mainz. The subject matter of this agreement is the sale of trade receivables by the company to CommerzFactoring GmbH, whereby the credit risk is transferred to the buyer. The factoring agreement has been extended several times. The agreement can only be terminated by either party before the end of the term for good cause.

from 1 January 2024

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