

GMM International S.à r.l.
Société à responsabilité limitée

CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2023 AND FOR THE YEAR THEN ENDED
WITH THE REPORT OF THE REVISEUR D'ENTREPRISES
AGREE

2, rue Edward Steichen
L-2540 Luxembourg
R.C.S. Luxembourg: B 246.485
Share Capital: USD 547,568

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MANAGEMENT REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS
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MANAGEMENT REPORT

Information on Company and Markets

General Information

Established in 1884, Pfaudler is a world-leading process solutions group, providing Technologies, Systems, Services and Innovations to meet the specific requirements of its customers mainly in the chemical, pharmaceutical, beverage and other process industries.

GMM International S.à r.l. (the “Company”) was incorporated in the Grand-Duchy of Luxembourg on August 19, 2020 as a limited liability Company (Société à responsabilité limitée) within the definition of the Luxembourg Law of August 10, 1915. The Company has been formed for an unlimited period. The Company’s registered office is 2, rue Edward Steichen, 2540 Luxembourg under the commercial number B 191.423.

The objective of the Company is the acquisition, holding and disposal of interests in Luxembourg and/or in foreign companies and undertakings, as well as the administration, development and management of such interests.

Company Formation

The Company was formed on August 19, 2020, for the purpose of acquiring the international Pfaudler businesses from Pfaudler UK Ltd., a subsidiary of Pfaudler International S.à r.l. On February 16, 2021, the Company acquired the international Pfaudler business for a total consideration of approximately USD 90.4 million.

GMM International Group Overview

The Group is a world-leading provider of Technologies, Systems, Services and Innovations to the process industries. We design, manufacture, install and service corrosion resistant equipment and complete process systems to the precise requirements of our customers.

With fourteen manufacturing facilities on four continents uniting the Pfaudler, Edlon, Normag, Interseal, Mixel, HARI and JDS brands and employing approx. 1,100 people, we are

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a truly global operation. Our technology is installed across six continents. We offer the largest field service teams in our industry and we are trusted by the vast majority of the world's top 20 ICIS chemical companies. We have a diversified customer base in the chemical and pharmaceutical sector as well as in the food and beverage industry and other process related industries.

We built our leading position through our expertise in process solutions sales, design and manufacturing, and through our field service strength. We believe that our decades-long record of accomplishment has led to a recognized brand associated with high quality and reliability on a global scale. From the start with our invention of Glasteel® in 1884 through our continuous new technologies developed over the years, we define the standard. For that reason, the world's most innovative chemical and pharmaceutical companies employ Pfaudler as their partner of choice.

We offer a comprehensive array of products and services, including glass steel components and products, engineered systems, as well as polymer and fluoropolymer materials.

Trends in the Chemical and Pharmaceutical Industry and Our Business

The global economy as well as the Chemical and Pharmaceutical industry are not really impacted directly by the Covid-19 pandemic anymore.

However, the economy especially in Europe is since February 2022 impacted from the war in Ukraine. This cause or support the challenges and inflationary developments with regard to raw material and energy shortages and costs, interest and price developments as well as some supply chain restrictions in Europe, but also in other global economies.

The beneficial trends originally driven by the Covid-19 pandemic of the (Specialty) Chemical as well as Pharmaceutical Industry shifting more new capital investment back into industrialized European countries as well as North America, was still experienced throughout the Fiscal Year and currently still supports the business. Therefore, going forward, we remain positive and expect Pfaudler to remain on a continuing growth path.

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Revenue and Expenses

Net Revenue

We sell products and services mainly directly to customers in the Chemical and Pharmaceutical sectors. Revenue from product and equipment sales is recognized when products and equipment are shipped and the customer takes ownership and assumes risk of loss, collection of relevant receivables is probable, persuasive evidence of an arrangement exists, and the sales price is fixed and determinable. For equipment, sales requiring customer validation upon initial set-up, revenue is recorded when customer acceptance is received. Non-product services revenue includes service-related fees, and other services fees. Service revenue is primarily driven by spare parts sales as well as maintenance and repairs services. Services revenue is recognized when performance obligations are completed. For larger, longer-running projects, the percentage-of-completion valuation method is used to recognize revenue over time of the production time frame.

Our overall net revenue is generally impacted by the following factors:

- fluctuations in overall economic activity within the geographic markets in which we operate;
- sales trends for our customers' products, the level of competition they experience, and the impact of regulation and the timing of their product launches;
- mix of different products or services that we sell and our ability to provide offerings that meet our customers' requirements;
- new intellectual property we develop;
- changes in prices of our products and services;
- fluctuations in exchange rates between foreign currencies, in which a substantial portion of our revenues and expenses are denominated, and the US Dollar, and
- completion of milestones or progress of project work.

Costs and Expenses

Cost of products sold consists of direct costs incurred to manufacture and package product and includes labor costs for employees involved in the production process and the cost of raw materials and components used in the process or product. Cost of products sold also includes labor costs of employees supporting the production process, such as production management, quality, engineering and other support services. Other costs in this category include the

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depreciation of fixed assets, utility and other facility costs, freight costs and other general manufacturing expenses. Cost of services consist of costs incurred to perform the services including labor costs for employees involved in the development process.

Marketing, selling and distribution expenses as well as general and administration expenses consist of all expenditures incurred in connection with the selling and marketing of our products, as well as administrative expenses to support our businesses. These categories include salaries and related benefit costs of employees selling products and supporting sales and marketing, finance, human resources and information technology as well as costs related to executive management. Other costs include warehousing and logistics costs, professional services, marketing activities and other expenses to support the selling and administrative areas.

Research & Development (R&D) costs not eligible for capitalization are expensed as incurred. These expenses include the costs of proprietary R&D efforts, as well as costs incurred in connection with third-party collaboration efforts for internal purposes and Purchase Price Allocations in the context of acquisitions. We have third-party R&D arrangements that result in the recognition of service revenue with associated costs reported in cost of sales.

Our costs and expenses are generally impacted by the following factors:

- the cost of raw materials, such as steel;
- production volumes: as volumes change, the level of resources employed also fluctuate, including raw materials, component costs, employment costs and other related expenses, and our utilization rate may also be affected;
- the mix of different products or services that we sell;
- the utilization rate of our facilities: as our utilization rate increases, we achieve greater economies of scale as fixed manufacturing costs are spread over a larger number of units produced;
- implementation of cost control measures and our ability to affect cost savings;
- the timing of bringing new facilities under construction, production lines and equipment through their start-up phase and into commercial production; and
- fluctuation in currency exchange rates between foreign currencies and the US Dollar.

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Major Events during the Financial Year

Mergers & Acquisitions Activities

Effective August 03, 2022, the Company -through its subsidiary Pfaudler S.r.l, Italy- has completed the acquisition of Hydro Air Research Italia S.r.l. (HARI) from the former owner Ainvest Private Equity S.r.l. HARI is based in Merlino, Italy, and is specialized in process and wastewater applications in particular, membrane separation technologies.

On November 28, 2022, the Company through its direct subsidiary, GMM Pfaudler US Inc, USA, set up a joint venture with JDS Manufacturing (JDS), USA. The new company GMM Pfaudler JDS LLC combines the knowledge and skills in the field of glass-lined components, acid-alkali-proof enamelled valves, re-glassing services, etc. for the use in the chemical and pharmaceutical industries. JDS holds 49%, GMM Pfaudler US Inc. the remaining 51% of the Joint Venture's (JV) equity. GMM Pfaudler JDS LLC is considered as a fully consolidated subsidiary within the company's consolidated financial statements.

On February 02, 2023, the Company -through its subsidiary Pfaudler GmbH, Germany- closed the acquisition of Mixel France SAS, based in Dardilly, France and its wholly owned subsidiary Mixel Agitator Co. Ltd ., based in Beijing, China.

Manufacturing Relocations and Improvements

In the course of the financial year, GMM International S.à r.l. with its subsidiaries further optimized its manufacturing set-up in order to support the strategic business development of Pfaudler Group based on the expected market developments in the future.

The Group also focuses on further operational improvement activities with a focus on lean manufacturing activities, 5S initiatives and learning from best practices going-forward.

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Results of Operations

Period ended March 31, 2023

The financial year ending March 31, 2023 covers the period April 01, 2022 to March 31, 2023.

Revenues of USD 257.6 million and Cost of Sales of USD 187.8 million were presented in the consolidated financial statements as of March 31, 2023.

Our sales to Customers and the associated cost of sales are reflected in the consolidated statement of income as Revenues and Cost of sales.

Revenues

The Company shows revenues of USD 257.6 million for the year ended March 31, 2023. The split of revenues (based on legal entities) is as follows:

Europe (UK, Germany, Italy, France and Netherlands): On a reported basis, revenues were USD 116.5 million for the year ended March 31, 2023.

Americas (USA, Brazil and Mexico): On a reported basis, revenues in the Americas for the year ended March 31, 2023 were USD 103.5 million.

Asia (China): On a reported basis, revenues in Asia for the year ended March 31, 2023 were USD 37.6 million.

Cost of Sales

Cost of Sales amounted to USD 187.8 million for the year ended March 31, 2023 representing 72.9% of revenues..

Marketing, Selling and Distribution Expenses

Marketing, Selling and Distribution expenses for the financial year ended March 31, 2023 amounted to USD 21.4 million. As a percent of revenues, Marketing, Selling and Distribution expenses represented 8.3%. The Marketing and Selling expenses contain USD 2.3 million of non-cash amortization of acquisition step-up in intangible assets.

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Research & Development and Engineering Expenses

Research & Development expenses together with Engineering expenses for the financial year ended March 31, 2023 amounted to a total of USD 7.8 million (thereof USD 1.2 million amortization of acquisition step-up in intangible assets). As a percent of revenues, Research & Development and Engineering expenses were on a level of 3.0% of Revenues. In this fiscal year and in the following years we continue to innovate our products according to market requirements.

General and Administrative Expenses

General and Administrative expenses for the financial year ended March 31, 2023 are at USD 22.8 million (including USD 2.0 million M&A related transactional costs). As a percent of revenues, General and Administrative expense represented 8.9%.

Amortization of intangibles

Amortization of intangibles amounted to USD 6.4 million for the year ended March 31, 2023 and comprises of USD 3.6 million of amortization relating to step-up in intangible assets and USD 2.7 million of amortization of capitalized lease use rights according to IFRS 16.

Interest Expense and financial result

Interest expenses net of interest income for the financial year ended March 31, 2023 of USD 2.5 million include interest expenses of USD 12.7 million on the Senior Credit Facilities, pension liabilities, lease liabilities and foreign exchange effects. Financial income of USD 10.2 million mainly consists of foreign exchange gains and pension related interest income.

Other (Income)/Deductions—Net

Other (Income)/Deductions net amounted to USD 0.7 million of income for the year ended March 31, 2022.

Taxes

The tax expenses net of tax income for the financial year ended March 31, 2023 amounted to USD 3.3 million.

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Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

The presentation of EBITDA, which is not a financial measure presented under IFRS, does not comply with IFRS because it is adjusted to exclude certain cash and non-cash expenses.

We present an Adjusted EBITDA because we believe this will be an important supplemental measure relating to our financial condition because it is used in certain financial covenants in the indenture that governs the Senior Credit Facilities. Adjusted EBITDA is included under the indenture governing the Senior Credit Facilities as EBITDA, further adjusted to exclude certain non-cash, non-recurring and other adjustment items permitted in calculating ratios to determine the permissibility of certain transactions under the indenture governing the Senior Credit Facilities. We believe the presentation of Adjusted EBITDA provides a useful approximation to investors regarding the financial covenants that are applicable to us. We draw attention to the fact that amounts shown below, as Adjusted EBITDA may not be comparable to similar measures used by other companies, because not all companies and analysts present Adjusted EBITDA in the same manner.

EBITDA and Adjusted EBITDA are not measurements of our financial performance under IFRS and should not be considered as alternatives to net income or other performance measures derived in accordance with IFRS, or as alternatives to cash flow from operating activities as measures of our liquidity. EBITDA has limitations as analytical tool, and one should not consider such measures either in isolation or as substitutes for analyzing our results as reported under IFRS.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. We have prepared a calculation of Adjusted EBITDA for the year ended March 31, 2022. The following table shows the reconciliation of Adjusted EBITDA from the most directly comparable IFRS measure, Operating Income before Interest and Tax (EBIT) attributable to GMM International S.à r.l.

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all amounts in USD million	Financial Year ended March 31, 2023
Earnings before Interest and Tax (EBIT)	18.4
Depreciation & Amortization	10.2
	<hr/>
Earnings before Interest, Tax, Depreciation,	<u>28.6</u>
Extraordinary items / Transactional Items*	2.3
	<hr/>
Adj. Earnings before Interest, Tax, Depreciation,	<u>30.9</u>

* Extraordinary items / Transactional Items mainly include transaction costs for M&A and refinancing activities as well as restructuring costs.

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Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from operations and borrowings under our senior secured credit facilities (the “Senior Credit Facilities”) which was transferred from Pfaudler International S.à r.l. to GMM International S.à r.l. with the amendment agreement dated January 29, 2021 and the amendment letter dated February 12, 2021. Our principal uses of cash are to provide working capital, meet debt service requirements, fund capital expenditures and finance our strategic plans, including possible acquisitions. We may also seek to finance our capital expenditures under capital leases or other debt arrangements that provide liquidity or favorable borrowing terms, provided the Senior Credit Facilities Agreement permits this. Based on our current level of operations and available cash, we believe our cash flow from operations, together with availability under our Senior Credit Facilities, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements for the foreseeable future. However, we cannot give assurances that our business will generate sufficient cash flows from operations or future borrowings will be available to us under our Senior Credit Facilities in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including our Senior Credit Facilities, on commercially reasonable terms or at all.

Any future acquisitions, joint ventures or other similar transactions may require additional capital and there can be no assurance that any such capital will be available to us on acceptable terms or at all. As of March 31, 2023, we have outstanding total bank debt of USD 54.2 million (net of USD 1.9 million debt-issuance costs) plus an additional borrowing capacity available under our current Senior Credit Facilities. Our liquidity requirements are primarily due to capital expenditures for optimization activities and debt service requirements.

Senior Credit Facilities

Effective August 20, 2019 the Pfaudler International S.à r.l. and certain of its subsidiaries signed an agreement on a EUR 32.9 million and USD 45 million Multicurrency Term and Revolving Senior Facilities Agreement including a Bonding Facility (the “Senior Credit Facilities”). The Senior Facilities Agreement was transferred to GMM International S.à r.l.

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with the amendment agreement dated January 29, 2021 and the amendment letter dates February 12, 2021.

The original Senior Credit Facilities comprise an EUR-denominated A1 term loan in the aggregate principal amount of USD 1.5 million, an USD-denominated A2 term loan in the aggregate principal amount of USD 9.7 million, an EUR-denominated B1 term loan in the aggregate principal amount of USD 4.9 million, an USD-denominated B2 term loan in the aggregate principal amount of USD 31.5 million, a multi-currency Bonding Facility of EUR 15 million, and a multi-currency revolving credit facility in the aggregate principal amount of EUR 11.6 million. Additionally, the Company has drawn EUR 7.0 million from its Acquisition Credit Facility in January 2023 to finance the acquisition of Mixel France SAS.

The final repayment date of term loan facilities A1 and A2 is May 31, 2025. Term loan facilities B1 and B2 as well as the drawn Acquisition Credit Facility mature on August 20, 2026 and the Bonding Facility and the Revolver are available until August 20, 2025. The Senior Credit Facilities Agreement is governed by Financial Covenants, which are a) a Cash Flow Cover Ratio and b) a Leverage Ratio. The Company complied with the financing agreements in the financial year 2022/2023 and met at each testing date the agreed financial covenants.

The obligations under the Senior Credit Facilities Agreement are secured by various pledge and charge agreements in favor of the lenders. Also, certain assets, shares, account receivables, bank accounts and intellectual property rights have been granted as security.

The Senior Credit Facilities Agreement contains provisions that limit our ability to, among other things, incur additional debt, create liens, engage in mergers or consolidations, dispose of assets, pay dividends, hold certain restricted investments and make certain restricted payments. All these provisions are common for this kind of financing. The Senior Credit Facilities Agreement also contains customary affirmative covenants and events constituting default, including with respect to a change-in-control.

Off-Balance Sheet Arrangements

Other than operating leases falling under the practical expedient rules of IFRS 16 and securities granted in the context of the Senior Credit, both explained in the Notes to the Consolidated Financial Statements, we did not have any off-balance sheet arrangements as of March 31, 2023.

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Own shares held by the Company

The Company did not hold any own shares as of March 31, 2023.

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Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to business risks through the management of its core business activities. In addition, the Company faces certain financial risks.

Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. However, the Company is exposed to interest rate risk relating to its debt financing. The Company monitors debt and interest markets and can use derivative financial instrument to protect itself from increases in certain interest rates applicable to its financing agreements.

In the context of the Senior Credit Facilities, an obligation to address interest rate risks exists. If at any time after the Senior Credit Facilities Closing Date but prior to the date falling three years after the Closing Date, the EURIBOR or SOFR exceed certain levels, the Company or certain of its subsidiaries shall enter into hedging agreements providing for certain interest rate hedges of the aggregate amount of the facility loans then outstanding.

Foreign Currency Risk

The Company transacts business in various foreign jurisdictions and is therefore exposed to market risk from changes in foreign currency exchange rates that could impact its consolidated results of operations, financial position or cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities, the usage of natural hedges, and, if deemed appropriate, may consider using derivative financial instruments..

As per March 31, 2023, the Company and its subsidiaries are using foreign exchange related derivative instruments to manage foreign currency risk exposure.

Commodity Price Risk

Commodity price risk is primarily driven by raw material purchases, particularly steel. Partially, the Company has agreed to longer-term contracts with suppliers to secure commodity prices in advance.

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Covid-19 pandemic

The impact on the Company due to the Covid-19 pandemic has significantly reduced compared to prior years, so that it is not considered as a specific material risk anymore.

War in Ukraine

All business with Russia and Ukraine has been stopped in the beginning of the Financial Year, so that revenues are not impacted anymore.

Instead of negative impacts on revenues, we experienced more challenges due to the price increases of energy costs and raw materials as well as some supply chain restrictions. These challenges are manageable as of now, but the price development and the potential of material supply bottlenecks are difficult to predict.

Risk Management

Businesses that execute large, long-term engineering projects are naturally exposed to certain risks and uncertainties. At the same time, sales and profit opportunities need to be identified and exploited.

To be able to anticipate and identify risks and opportunities, to mitigate risk and exploit opportunities, we have implemented risk management procedures that are an integral part of our management system. Key elements of our risk management procedures are project controlling, regular reporting within the Pfaudler Group, as well as monitoring of relevant industrial sectors, geographical markets, as well as macroeconomic and geo-political trends and indicators.

In our management meetings, we regularly discuss and evaluate opportunities and risks, to define suitable actions where appropriate.

Our internal reporting ensures ongoing risk and opportunity communication to local and functional management, as well as to our shareholders and our Board of Managers.

For all risks identified in the past financial year that might have a material effect on the financial situation of the Pfaudler Group, appropriate countermeasures have been defined, and sufficient accruals have been made in the consolidated statement of financial position, if required. As a matter of principle, we also maintain an appropriate insurance cover for our business.

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Changes relating to company statutes and composition of boards

There were no changes to the statutes of the Company in the financial year ended March 31, 2023.

The members of the Board of Managers of the company per March 31, 2023 were Mr. Thomas Kehl, Mr. Alexander Pömpner, Mr. Tarak Patel, Mr. Dr. Wolfgang Zettel, Mr. Stefan Lambert, Mr. Nakul Toshnival and Mr. Thomas Probst.

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Subsequent Events to the balance sheet date

There are no Subsequent Events to report as per the date of the management approval of the consolidated financial statements on August 25, 2022.

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Outlook Financial Year 2023/24

We expect that the Pfaudler business offering and the continued customer trust will enable us to realize our sales and EBITDA targets going forward, overachieving last year's performance.

While the global economy is at the moment still challenging, we expect to benefit further from the operational improvements, positive commercial developments as well as our acquisition strategy. We do not expect the strong tailwind from industry trends experienced in prior years to continue so strongly.

Nevertheless, there are of course uncertainties relating to the global economic situation and the impact of political and trade conflicts on economic growth and international trade. The future developments relating to these aspects can, positively or negatively, impact the future development of the Company and Pfaudler Group.

To the Shareholders of
GMM International S.à r.l.
2, rue Edward Steichen
L-2540 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of GMM International S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in stockholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated management report, but does not include the consolidated financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the Consolidated Financial Statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

Jan van Delden, *Réviseur d'entreprises agréé*
Partner

August 25, 2023

GMM International S.à r.l.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as of March 31, 2023
(expressed in USD)

ASSETS	Note	March 31, 2023	March 31, 2022 (restated)
Current assets			
Cash and cash equivalents	CF-S	35,152,510	35,526,605
Accounts Receivable, net	6	47,877,536	34,009,275
Inventories, net	6	72,482,104	65,222,694
Prepaid and other current assets	6	18,396,252	13,785,857
Current income tax assets	12	4,264,025	4,390,512
Total current assets		178,172,427	152,934,944
Non-currents assets			
Property, plant and equipment, net	6	50,718,877	47,979,972
Goodwill	4	24,177,893	16,833,539
Intangibles, net	4	52,762,627	51,102,021
Investments	9	34,864	11,090
Other assets	6	3,122,964	89,813
Deferred income tax assets	12	960,632	1,596,566
Total non-current assets		131,777,856	117,612,991
Total assets		309,950,283	270,547,934
LIABILITIES AND EQUITY			
	Note	March 31, 2023	March 31, 2022 (restated)
Current liabilities			
Current portion of long-term debt and short-term borrowings	5	4,731,010	2,752,395
Short term lease liabilities	6	3,334,165	1,971,598
Short term derivatives and swaps	6	592,228	0
Short term pension obligations	8	1,762,836	1,881,829
Accounts payable	6	36,735,229	34,166,156
Other short-term provisions	6	39,241,363	21,940,456
Other short-term liabilities	6	2,542,636	1,823,555
Advance payments received	6	29,425,132	36,162,559
Short-term Income tax provisions and liabilities	12	4,813,303	4,358,180
Total current liabilities		123,177,903	105,056,727
Non-current liabilities			
Long term debt	5	49,485,024	42,722,824
Long term lease liabilities	6	17,355,023	13,814,350
Long term pension obligations	8	32,635,787	46,275,050
Other long-term provisions	6	2,163,937	874,538
Other long-term liabilities	6	95,369	98,273
Deferred income tax liabilities	12	7,724,103	6,529,630
Total non-current liabilities		109,459,243	110,314,665
Equity			
Common stock	EQ-S	547,568	547,568
Additional paid in capital	EQ-S	50,292,000	50,292,000
Accumulated other comprehensive income	EQ-S	17,956,332	10,090,915
Retained Earnings (incl. net income/(loss) of the period)	EQ-S	7,149,224	-5,753,941
Company stockholder's equity	EQ-S	75,945,124	55,176,543
Non-controlling interests	EQ-S	1,368,013	0
Total equity	EQ-S	77,313,137	55,176,543
Total liabilities and equities		309,950,283	270,547,934

**CONSOLIDATED STATEMENT OF INCOME AND CONSOLIDATED STATEMENT OF
(COMPREHENSIVE) INCOME**

for the period from April 01, 2022 to March 31, 2023

(expressed in USD)

Consolidated statement of income	Note	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Net sales		257,583,505	229,544,038
Cost of sales		-187,787,737	-175,753,296
Gross profit		<u>69,795,769</u>	<u>53,790,742</u>
Selling, general and administrative		-52,058,296	-51,340,860
Operating profit		<u>17,737,472</u>	<u>2,449,882</u>
Interest and financial costs	5	-12,308,261	-5,268,027
Interest expenses for leases		-410,995	-374,173
Interest income	5	10,184,987	4,294,583
Other income (expense), net		722,980	14,372
Income (loss) before income taxes		<u>15,926,184</u>	<u>1,116,638</u>
Income tax income/(expense)	12	-3,272,005	-3,927,289
Net income/(loss)		<u>12,654,178</u>	<u>-2,810,652</u>
Net income/(loss) attributable to non-controlling interests	10	-248,987	0
Net income/(loss) attributable to the Group		<u>12,903,165</u>	<u>-2,810,652</u>
EBIT Reconciliation			
Operating Profit		17,737,472	2,449,882
Other income (expense), net		722,980	14,372
EBIT		<u>18,460,453</u>	<u>2,464,254</u>



**CONSOLIDATED STATEMENT OF INCOME AND CONSOLIDATED STATEMENT OF
(COMPREHENSIVE) INCOME**

for the period from April 01, 2022 to March 31, 2023

(expressed in USD)

Consolidated statement of comprehensive income	Note	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Net income		12,654,178	-2,810,652
Other comprehensive income (loss) (net of tax):			
a.) items that will not be reclassified to profit or loss			
Change in defined benefit plans	EQ-S	12,329,063	7,355,044
b.) items that may be reclassified to profit or loss			
Currency translation adjustments	EQ-S	-4,463,647	-406,865
Other comprehensive income	EQ-S	7,865,416	6,948,179
<i>thereof: Other comprehensive income attributable to the Group</i>		7,865,416	6,948,179
<i>thereof: Other comprehensive income attributable to non-controlling interests</i>		0	0
Total comprehensive income	EQ-S	20,519,595	4,137,528
Total comprehensive income attributable to non-controlling interests		-248,987	0
Total comprehensive income attributable to the Group	EQ-S	20,768,581	4,137,528



CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from April 01, 2022 to March 31, 2023 (expressed in USD)

Consolidated statement of Cash Flows	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
EBIT	18,460,453	2,464,254
Amortization	6,358,164	15,193,219
EBITA	24,818,617	17,657,473
Depreciation	3,811,409	4,085,338
EBITDA	28,630,026	21,742,811
Change in Working Capital	-8,542,825	2,387,630
Change in Inventories	-3,872,373	-6,917,787
Change in Accounts Receivable	-6,968,922	-8,094,944
Change in Other Current Assets	-2,362,529	-4,572,404
Change in Current Provisions (non-Tax)	12,588,570	803,913
Change in Accounts Payable	-8,177,902	21,080,237
Change in Other Current Liabilities	250,331	88,614
Change in Other (Non-) Current Assets	49,213	-51,784
Change in Other (Non-) Current Liabilities	-1,916,688	-4,964,554
Changes in Other Items	2,000,272	932,914
Change in Fixed and Intangible Assets	2,000,046	937,626
Change in Operational Financial Instruments	226	623
Other Items	0	-5,335
Cash Flow from Operations	20,219,998	20,047,017
Income Tax Paid	-4,818,884	-4,701,044
Change in Other Tax Items	-238,699	240,888
Net Cash Flow from Operations	15,162,415	15,586,861
Net Proceeds from Asset Sales	2,628,064	75,606
Capital Expenditures	-8,015,032	-4,632,837
Other (Investments) / Divestments	-9,571,604	0
Net cash flow from investments	-14,958,573	-4,557,231
Net Interest	-121,413	372,324
Changes in Leases	1,053,107	-1,238,730
Borrowings against lines of credit and other debt	0	0
Payments against lines of credit and other debt	-4,515,382	-3,239,744
Cash inflow from acquisition facility	7,583,144	0
Changes in Equity*	-4,463,647	-406,865
Capital Increases by Shareholders	0	0
Dividends to Shareholders	0	0
Net Dividends to Minority Shareholders	0	0
Others incl. Debt Issuance Costs	-113,747	0
Net cash flow from financing activities	-577,938	-4,513,015
Change in cash and cash equivalents	-374,096	6,516,615
Cash and cash equivalents, beginning of period	35,526,605	29,009,990
Change in cash and cash equivalents	-374,096	6,516,615
Cash and cash equivalents, end of period	35,152,510	35,526,605

* Changes in Equity contain foreign exchange gains and losses, recorded in equity as well as other equity movements (e.g. other comprehensive income). Foreign exchange gains and losses referring to cash and cash equivalents are included in the line item "Change in cash and cash equivalents".

GMM International S.à r.l.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
for the period from April 01, 2022 to March 31, 2023 (expressed in USD)

Consolidated Statements of Stockholder's Equity	Number of Shares Outstanding	Common Stock	Capital Reserve	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Equity of the Company	Non- controlling interests	Total Equity
Balance as at March 31, 2021	547,568	547,568	50,292,000	3,142,736	-2,943,289	51,039,015	0	51,039,015
Reduction of common stock	0	0	0			0	0	0
Capital Increase	0	0	0			0	0	0
Net Income					-2,810,652	-2,810,652	0	-2,810,652
Other comprehensive income, net				6,948,178		6,948,178	0	6,948,178
Dividends to Shareholder and non- controlling interests	0	0	0			0	0	0
Reclassification	0	0	0			0	0	0
Balance as at March 31, 2022	547,568	547,568	50,292,000	10,090,915	-5,753,941	55,176,543	0	55,176,543
Reduction of common stock	0	0	0			0	0	0
Capital Increase	0	0	0			0	0	0
Acquisition of subsidiary	0	0	0			0	1,617,000	1,617,000
Net Income					12,903,165	12,903,165	-248,987	12,654,178
Other comprehensive income, net				7,865,416		7,865,416	0	7,865,416
Dividends to Shareholder and non- controlling interests	0	0	0			0	0	0
Reclassification	0	0	0			0	0	0
Balance as at March 31, 2023	547,568	547,568	50,292,000	17,956,332	7,149,224	75,945,124	1,368,013	77,313,137

For details please refer to Note 10.

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

NOTE 1 - GENERAL INFORMATION

GMM International S.à r.l. (the “Company”) was incorporated in the Grand-Duchy of Luxembourg on August 19, 2020, with an initial subscribed capital of EUR 12,000 (equaling to 12,000 shares with a nominal capital of EUR 1 each) as a limited liability Company (*Société à responsabilité limitée*) within the definition of the Luxembourg Law of August 10, 1915. The Company has been formed for an unlimited period. On December 16, 2020, the Company changed the currency of the subscribed capital from EUR to USD and converted the existing share capital of EUR 12,000 into USD 14,568, represented by 14,568 shares having a nominal value of USD 1 each. Also, in December 2020, the Company issued 25,000 shares for a nominal amount of USD 25,000. In February 2021, the Company issued 508,000 shares with a nominal value of USD 508,000 for a subscription price of USD 50,800,000, consequently allocating USD 50,292,000 to the share premium reserve. The subscription for these shares was paid by both a contribution in kind amounting to USD 10,160,000 and a conversion of USD 46,640,000 convertible bonds issued by the Company, having a value of USD 1 each. The Company is fully consolidated in the consolidated financial statements of its Ultimate Controlling Party, GMM Pfaudler Ltd., India.

The Company’s registered office is established in 2, rue Edward Steichen, L-2540 Luxembourg under the commercial number B 246.485. GMM International S.à r.l. is the sole shareholder of the below listed entities, which were acquired as per February 16, 2021 and in course of the acquisitions in fiscal year 2022/23 (for further reference see Note 3 of these consolidated financial statements).

The Company’s financial year begins on April 01 and ends on March 31 of the following year.

On February 16, 2021 (the “Acquisition Date”), the Company and its direct subsidiary GMM Pfaudler US Inc. acquired from Pfaudler International S.à r.l. and its direct and indirect subsidiaries certain of its affiliated companies of the Pfaudler Process Solutions business (hereinafter together with Company - “GMM Pfaudler Group” or “the Group”) for a consideration of approximately USD 90.4 million (the “Acquisition”). The Acquisition included all operating businesses of Pfaudler consisting of a number of legal entities in different jurisdictions around the globe. The first-time consolidation was conducted as of February 01, 2021 based on professional assessment by management of transfer of control.

GMM International S.à r.l.
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for the year ended March 31, 2023

On August 01, 2022, the Company through its direct subsidiary, GMM Pfaudler US Inc, USA, signed a term sheet to form a joint venture with JDS Manufacturing (JDS), USA. The new company GMM Pfaudler JDS LLC combines the knowledge and skills in the field of glass-lined components, acid-alkali-proof enamelled valves, re-glassing services, etc. for the use in the chemical and pharmaceutical industries. JDS holds 49%, GMM Pfaudler US Inc. the remaining 51% of the Joint Venture's (JV) equity. On November 28, 2022, the JV was legally set up. Based on the contractual arrangements in connection with the JV, the Company (through its subsidiary GMM Pfaudler US Inc, USA) controls the JV's business activities and related key decisions, JDS influence on the JV is limited to "protective rights" regarding the contributed capital. Based on the assessment of IFRS 10 and IFRS 11 requirements and the affirmation of the set-out control over the JV, GMM Pfaudler JDS LLC is considered as a fully consolidated subsidiary within the company's consolidated financial statements.

Effective August 03, 2022, the Company -through its subsidiary Pfaudler S.r.l, Italy- has completed the acquisition of Hydro Air Research Italia S.r.l. (HARI) from the former owner Ainvest Private Equity S.r.l. HARI is based in Merlino, Italy, and is specialized in process and wastewater applications in particular, membrane separation technologies. The purchase price on a cash-and-debt-free basis added up to EUR 4.5 million based on a locked-box-concept as of December 31, 2021. The initial consolidation was considered in the group financial statements based on a draft purchase price allocation (PPA) as per closing date (August 03, 2022). This PPA was prepared in September 2022 and is preliminary in the context of the one-year re-assessment period as per regulations of IFRS 3. For further reference see Note 3 of these consolidated financial statements.

On August 04, 2022, GMM Pfaudler Ltd., India, announced that it will increase its stake in GMM International S.à r.l. to 100% by acquiring the remaining balance of 46% stake, i.e. 26% held by Millars Concrete Technologies Pvt. Ltd. (Patel family) and 20% held by Pfaudler International S.à r.l. (which is controlled by funds managed by Deutsche Beteiligungs AG; "DBAG"). With this transaction GMM International S.à r.l. became a wholly owned subsidiary of GMM Pfaudler Ltd, its ultimate controlling party. This transaction closed as of September 29, 2022 on level of the Group's shareholding parties; the consolidated financials of GMM International S.à r.l. itself were not influenced by this transaction.

On February 02, 2023, the Company -through its subsidiary Pfaudler GmbH, Germany- closed the acquisition of Mixel France SAS, based in Dardilly, France and its wholly owned subsidiary Mixel Agitator Co. Ltd., based in Beijing, China (in the following sections the term

GMM International S.à r.l.
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for the year ended March 31, 2023

“Mixel” or “Mixel Group” means both entities on aggregated basis for the sake of simplicity). The purchase price on a cash-and-debt-free basis was EUR 7.5 million and thereof EUR 7.0 million were financed by the new Acquisition Capex Facility (for further reference see Note 5 of these consolidated financial statements). The purchase price of EUR 7.5 million comprises EUR 0.5 million of conditional subsequent purchase price payments (“earn-out”), that will be due in case certain conditions related to the future business development are met. Management expects the fulfillment of these conditions to be highly likely. As per March 31, 2023, the consolidation of the Mixel Group is considered in these consolidated financial statements based on a draft purchase price allocation (PPA). This preliminary PPA was prepared in March 2023 and allocates the difference between purchase price and acquired net book value of the Mixel Group entirely to goodwill. A detailed allocation of the purchase price based on the fair value of assets and liabilities acquired will be conducted during the one-year re-assessment period as per regulations of IFRS 3. For further reference see Note 3 of these consolidated financial statements.

The Company and its subsidiaries are referred to as “the Group” or “GMM Pfaudler Group”.

As a consequence, the Group is composed of the following companies:

ID	Subsidiary	% held by the Group	Consolidation method	Country
PFG02LU	GMM International S.à r.l.	Parent Company	full	Luxembourg
PFG01DE	Pfaudler GmbH	100.00%	full	Germany
PFG03DE	Pfaudler Normag Systems GmbH	100.00%	full	Germany
PFG04DE	Pfaudler interseal GmbH	100.00%	full	Germany
PFG01FR*	Pfaudler France S.à r.l.	100.00%	full	France
PFG02FR	Mixel France SAS	100.00%	full	France
PFG01NL	Pfaudler Services Benelux B.V.	100.00%	full	Netherlands
PFG01IT	Pfaudler S.r.l.	100.00%	full	Italy
PFG02IT	Hydro Air Research Italia S.r.l.	100.00%	full	Italy
PFG02GB	Pfaudler Limited	100.00%	full	United Kingdom
PFG01CN	Pfaudler (Chang Zhou) Process Equipment Company Limited	100.00%	full	China
PFG03CN	Mixel Agitator Co. Ltd	100.00%	full	China
PFG01MX	Pfaudler S.A. de C.V.	100.00%	full	Mexico
PFG04US	Edlon Inc.	100.00%	full	United States
PFG05US	GMM Pfaudler US Inc.	100.00%	full	United States
PFG06US	GMM Pfaudler JDS LLC	51.00%	full	United States
PFG07US*	Glass Steel Parts and Services Inc.	100.00%	full	United States
PFG01BR	Pfaudler Ltda.	100.00%	full	Brazil
PFG01SG	Pfaudler Private Limited	100.00%	full	Singapore

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

* *PFG01FR and PFG07US are included in PFG01DE and PFG05US respectively and do not submit a separate reporting.*

All entities -except for GMM Pfaudler JDS LLC, United States- are owned directly or indirectly at 100% by the Company.

With the exception of four companies in China, Mexico and Brazil whose year-end dates fall on December 31 due to statutory requirements, the year-end dates of the separate financial statements of the consolidated companies correspond to the reporting date (March 31) of the parent, GMM International S.à r.l. All entities whose year-end date fall on another date than the Group's financial year-end prepare interim financial statements as per March 31.

For three of the entities acquired during the fiscal year (Hydro Air Research Italia S.r.l., Mixel France SAS and GMM Pfaudler JDS LLC) a conversion of their original fiscal year-end (December 31) to the reporting date (March 31) of the parent, GMM International S.à r.l. was initiated upon respective contractual closing activities. Due to statutory requirements, the conversion of the fiscal year-end of Mixel China Limited (December 31) to the reporting date (March 31) could not be initiated, accordingly this entity is included in the above mentioned four entities with a fiscal year-end date falling on December 31.

Established in 1884, Pfaudler is a world-leading process solutions group, providing Technologies, Systems, Services and Innovations to meet the specific requirements of its customers in the chemical, pharmaceutical and other process industries.

GMM Pfaudler Group designs, manufactures, installs and services corrosion resistant equipment and complete process systems to the precise requirements of its customers.

With thirteen (prior year: nine) manufacturing facilities on four continents uniting the Pfaudler, Edlon, Normag, Interseal, Mixel, HARI and JDS brands and employing approximately 1,100 people, the GMM Pfaudler Group is a global operation. Pfaudler's technology is installed across six continents. The GMM Pfaudler Group offers the largest field service teams in the industry and is trusted by the vast majority of the world's top 20 ICIS chemical companies. The Group has a diversified customer base in the chemical and pharmaceutical sector as well as in the food and beverage industry and other process related industries.

The GMM Pfaudler Group built its leading position through its expertise in process solutions sales, design and manufacturing, and through its field service strength. GMM Pfaudler Group

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

believes that the decades-long track record has led to a recognizable brand associated with high-quality and reliability on a global scale. From the start with the invention of Glasteel® in Pfaudler's year of establishment, 1884, through its continuous new technologies developed over the years, the GMM Pfaudler Group set standards in the industry. For that reason, the world's most innovative chemical and pharmaceutical companies employ the GMM Pfaudler Group as their partner of choice.

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless stated otherwise, accounting policies described herein have been applied consistently in preparing the accompanying consolidated financial statements for the financial year.

2.1 Basis of preparation

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standard Board (IASB) as well as the related interpretations of the International Financial Reporting Standard Interpretation Committee (IFRS IC) as endorsed in the European Union.

Pursuant to IAS 1, the consolidated statement of financial position is structured by maturity. The items of the consolidated statement of financial position are therefore broken down into non-current and current assets and liabilities. Assets and liabilities are generally classified as current if they have a residual term of less than one year. Accordingly, assets and liabilities are classified as non-current if the residual term is more than one year.

The valuation of all assets and liabilities considers a going concern assumption of business activities.

For the consolidated statement of income, the cost of sales structure is applied.

GMM International S.à r.l. prepares consolidated financial statements in accordance with article 1711-1 of the Luxembourg Law of August 10, 1915, as amended. The consolidated financial statements are available at the registered office at 2, rue Edward Steichen, L-2540 Luxembourg and the Luxembourgish commercial register.

The management approved the consolidated financial statements for publication on August 25, 2022.

2.2 Principles of Consolidation

The consolidated financial statements include the results of the Company and all of its subsidiaries.

All material domestic and foreign companies in which GMM International S.à r.l. exercises control as defined in IFRS 10 are included in the consolidated financial

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

statements. These companies are included in the consolidated financial statements from the time at which GMM International S.à r.l. acquires the possibility to exercise control. If this possibility expires, the companies are excluded from the group of consolidated entities.

The separate financial statements of the consolidated subsidiaries are prepared in accordance with IFRS on the basis of uniform accounting policies.

The financial statements of the parent company and its subsidiaries are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All intra-group balances, intra-group transactions and unrealized profits or losses in intra-group balances are fully eliminated.

Following the regulations of IFRS, Joint Ventures contracts are tested whether the contractual agreements constitute a control of key decisions of the JV, or not. In case such a control is given, the JV is considered as a fully consolidated subsidiary otherwise the entity would be accounted as an “At Equity” investment. As per March 31, 2023, the Group holds a participation in one JV and upon testing, control is exercised by the Group. Accordingly, the JV GMM Pfaudler JDS LLC is accounted as a fully consolidated subsidiary in these financial statements.

Non-controlling shareholders own 49% of the Company’s indirect subsidiary GMM Pfaudler JDS LLC. Non-controlling interests have been valued in the opening balance based on the fair value of the contributed capital as per the date when the entity was legally set-up (November 28, 2022). The subsequent valuation of the (separately disclosed) equity value of non-controlling interests (“NCI”) comprises both the aforementioned initial fair value of the contributed capital as well as the share of the NCI in GMM Pfaudler JDS LLC’s accumulated Net Income since transaction closing.

Acquired companies are initially accounted for in accordance with IFRS 3 by applying the acquisition method. Acquisition accounting is carried out by offsetting the costs of purchases against the fair values of the assets and liabilities acquired as at the acquisition date. The identified acquired assets, liabilities and contingent liabilities are recognized at fair value as at the acquisition date. A difference between the costs and the proportionate equity measured at fair value is allocated as goodwill to one or more cash generating units (CGUs).

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

The CGUs, including the goodwill, are tested at least once annually for impairment, and impairment losses are generally recognized in the event of impairment.

2.3 Use of estimates

The preparation of consolidated financial statements is in conformity with the recognition and measurement principles of IFRS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation uncertainty at the date of the consolidated financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Fair value of net assets acquired in Business Combinations (see Note 3)
- Useful lives of property, plant and equipment (see Note 6)
- Allowances for old and obsolete inventory (see Note 6)
- Provision for warranty expense (see Note 6)
- Employee benefits (see Note 8)
- Expense provisions & contingent liabilities (see Note 14)
- Provision for doubtful trade receivables (see Note 6)
- Valuation of deferred tax assets (see Note 12)
- Impairment of goodwill (see Note 4)
- Leases (see Note 6)

Estimates have been made based on the most recent and best information available up to the date of issue of this report. Actual results could differ from those estimates.

2.4 US-Dollar Amounts

All amounts presented in the tables within the notes to our consolidated financial statements are stated in US Dollars, unless otherwise noted.

2.5 Foreign Currency

The functional currency concept under IAS 21 is applied for translating the financial statements of consolidated companies that are prepared in foreign currencies. The

GMM International S.à r.l.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

functional currency of the consolidated companies corresponds to the relevant local currency or the currency of a third country, because these companies carry out their business activities independently from a financial, economic and organisational point of view. Assets and liabilities, as well as contingent liabilities and other financial commitments, are translated at the closing rate as at the reporting date, and equity at the historical exchange rate. Goodwill and any identified hidden reserves from business acquisitions are reported in the respective functional currency and translated at the closing rate as at the reporting date. Items in the income statement are translated at the average rate for the period. The resulting differences are recognized directly in equity.

Transactions in foreign currencies reported in the financial statements of the consolidated companies prepared in the respective local currency are translated into the corresponding functional currency of the individual companies as at the transaction date. Subsequent currency translation gains or losses are generally recognized through profit or loss. In the reporting period, net exchange rate gains of USD 2.6 million (prior year: USD 1.6 million) were recognized through profit or loss.

The following exchange rates were primarily applied for foreign currency translations:

Foreign Currency Translation	Currency Code	Closing rate	Average rate	Closing rate	Average rate
USD 1 to		March 31, 2023	April 1, 2022 to March 31, 2023	March 31, 2022	April 1, 2021 to March 31, 2022
Brazilian real	BRL	5.0720	5.1550	4.7752	5.3359
Swiss Francs	CHF	0.9166	0.9550	0.9249	0.9187
Chinese yuan renminbi	CNY	6.8748	6.8536	6.342	6.4171
Euro	EUR	0.9195	0.9612	0.9008	0.8608
British pound sterling	GBP	0.8085	0.8307	0.7621	0.7318
Indian Rupee	INR	82.2064	80.3498	75.7896	74.509
Mexican peso	MXN	18.0590	19.6595	19.8994	20.3154
Singapore dollar	SGD	1.3300	1.3739	1.3538	1.3484

The Company's functional and reporting currency is the US-Dollar ("USD") for all periods presented. However, some of the subsidiaries of the Company have a functional currency other than USD, which is mostly the currency of the respective company's domicile.

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2.6 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, acceptance of delivery by the customer, etc.

In respect of fixed-price contracts, revenue is recognised using the revenue over time recognition as per IFRS 15 based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The said measurement is carried considering the surveys of performance completed to date and appraisals of results achieved.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and performance penalty, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unbilled Revenues are recognised when there is excess of revenue earned over billings on contracts.

2.7 Cost of Sales

Cost of sales comprises the cost of the products and services sold. In addition, it comprises costs that are attributable to the revenue from contract work under the “revenue over time method” in accordance with IFRS 15. In addition to the direct material and production costs, it also includes indirect overheads, including depreciation of the production plant and write-offs of inventories. Cost of sales also includes additions to the contract provisions (including individual warranty provisions and general follow-up costs).

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2.8 Research and development costs

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Income. Development costs of products are also charged to the Consolidated Statement of Income unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

2.9 Warranty Costs

Provision is made in the consolidated financial statements for the estimated liability on account of costs that may be incurred on products sold under warranty. The estimates for the costs to be incurred for providing free service under warranty are determined based on historical information, past experience, average cost of warranty claims that are provided for in the year of sale.

2.10 Shipping and Handling costs

Shipping and handling costs are accounted for in accordance with the regulations of IFRS 15. Amounts billed to customers in sale transactions related to shipping and handling costs are recorded as revenue. Shipping and handling costs incurred are included in cost of sales in the accompanying Consolidated Statement of Income.

2.11 Selling, General and Administrative Expenses

Selling, general and administrative expenses are primarily comprised of indirect labor and related benefits, legal and professional fees, indirect utilities, office rent, bad debt expense, travel and related expenses.

2.12 Advertising Costs

Advertising costs are accounted for in accordance with IAS 38.69 - Advertising Costs. Generally, advertising costs are immaterial and are expensed as incurred and included in selling, general and administrative expenses.

2.13 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short-term means investments with original maturities / holding period of three months or less from the date of

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investment. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the Consolidated Statement of Cash Flows.

2.14 Accounts Receivable, net

Accounts receivable are amounts due from customers for sale of goods or services performed in the ordinary course of business. Accounts receivable are initially recognized at its transaction price which is considered to be its fair value (including an expected credit loss assessment) and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

2.15 Assets and liabilities from contracts with customers

In accordance with IFRS 15 "Revenue from Contracts with Customers", any unconditional rights to consideration must be reported separately from contract assets as a receivable. Accordingly, in accordance with IFRS 15, contract assets and contract liabilities are reported as separate items – contract balances – in the Consolidated Statement of Financial Position.

Individual customer construction contracts are accounted for using the method of revenue recognition over time. In accordance with IFRS 15, revenue generated and costs incurred under a construction contract, for which the result can be reliably estimated, are recognized as income or expenses in line with the actual progress of work. An expected loss is recognized through profit or loss as an impairment loss. The work performed or the percentage of completion (determining the recognition of revenue for customer contracts falling in scope of "revenue over time" recognition) is calculated based on the contract costs incurred and the estimated total costs as at the relevant reporting date (cost to cost method). If the earnings of a construction contract cannot be reliably determined, revenue is recognized only in the amount of the incurred costs (zero profit method).

The contracts are recognized under contract assets or contract liabilities, respectively. The payments received on account of orders are deducted from the proportionate profit or loss of the construction contract. If the cumulated performance (contract costs incurred and profits recognized) exceeds the individual payments received on account, the construction contracts are reported under contract assets. If a negative balance remains after deducting the payments received on account, the construction contracts are reported under contract liabilities. In addition, partial settlements that exceed the cost of conversion plus the proportionate profit or loss of the construction contract are likewise reported as contract liabilities.

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2.16 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined on the weighted average method and is net of tax credits and after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to their existing location and conditions, including various tax levies (other than those subsequently recoverable from the tax authorities), transit insurance and receiving charges. Cost of work-in-progress and finished goods include cost of direct materials consumed, labour cost and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Net realizable value is the contracted selling value less the estimated costs of completion and the estimated costs necessary to make the sales.

2.17 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenses related to the acquisition and installation of Property, Plant and Equipment which comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant class of assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital Work in Progress:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Income. Useful lives for property, plant and equipment by major asset class were as follows:

Asset Class	Useful Life
Machinery and equipment	1 to 30 years
Buildings	10 to 50 years

Useful lives are re-evaluated as in prior years at least each fiscal year end.

2.18 Asset Impairment

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.19 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment whether it will exercise an extension or a termination option.

2.20 Goodwill

Goodwill is not amortized but reviewed for impairment. Impairment write-offs are charged to results of operations in the period in which the impairment is determined.

In accordance with IAS 36 the Group performs an assessment of goodwill on an annual basis, or whenever impairment indicators exist. In the absence of any impairment indicators, goodwill is assessed on February 28 of each financial year. Judgments regarding the existence of impairment indicators are based on market conditions and operational performance of the business.

Impairment tests on goodwill are performed at the level of the CGUs. The recoverable amount of a CGU is determined by calculating the value in use using a net present value method. This uses capital market parameters (WACC) to discount future cash flows to their present value as at the measurement date.

The valuation methods used in the quantitative fair value assessment, discounted cash flow method, require the Group's management to make certain assumptions and estimates regarding certain industry trends and future profitability of the Group's CGUs. If the carrying amount of a reporting unit exceeds its fair value, the Group

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would compare the implied fair value of the CGU's goodwill to its carrying value. To compute the implied fair value, the Group would assign the fair value of the CGU to all assets and liabilities of that unit (including any unrecognized intangible assets) as if the CGU had been acquired in a business combination. The excess of the fair value of a CGU over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying value of the CGU goodwill exceeded the implied fair value of the reporting unit goodwill, the Group would record an impairment loss to write off such goodwill to its implied fair value. The valuation of goodwill is affected by, among other things, the Group's business plan for the future and estimated results of future operations. Future events could cause the Group to conclude that impairment indicators exist, and, therefore, that goodwill may be impaired.

There were no impairment charges related to goodwill for the year ended March 31, 2023 (prior year: no impairment charges). See note 4 for information relating to the Group's annual impairment analysis performed as of February 28, 2023.

2.21 Intangible assets

Acquired customer- and supplier-relationship intangible assets, patents and trademarks (which include the Pfaudler, Normag, interseal, Edlon and HARI brand) were initially measured at fair value applying the relief-from-royalty method under the income approach and are being amortized over their expected useful life of 20 years. If necessary, they are written down to the recoverable amount that reflects the value in use. The expected useful life for such assets is evaluated on an annual basis.

Development costs are capitalized if the requirements under IAS 38.57 are met. To this end, the following must be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Company's intention to complete and to use or sell the intangible asset.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Company's ability to reliably determine the costs of developing the intangible asset.

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Cost comprises all the costs directly attributable to the development process and appropriate portions of the overheads relating to development. Borrowing costs were not incurred in the reporting period. Amortization of the developed assets is recorded starting on the date on which they become usable; they are amortized on a straight-line basis over their expected useful life, which is presented in the table below.

Considering the date from which the intangible assets are economically available for use within the Group, the finite-lived intangible assets have the following useful lives:

Asset Class	Useful Life
Patents, software, product certificates and other industrial property rights and similar rights	1 to 15 years
Customer relationships	20 years
Supplier relationships	10 years
Technologies	20 years
Capitalised development costs	2 to 15 years
Trademarks	20 years
Other intangible assets identified in course of the PPA	8 to 17 months

Useful lives are re-evaluated as in prior years at least each fiscal year end.

2.22 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is not recognized but its existence is disclosed in the consolidated financial statements. Contingent assets are not recognised and disclosed unless an inflow of economic benefits is virtually certain in the consolidated financial statements.

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2.23 Employee Benefits

Employee benefits include provident fund, superannuation fund, family pension fund, medical plan, gratuity fund, compensated absences, Partial or Early Retirement, Seniority plans and Incentives.

Defined contribution plans

The Group's contribution to provident fund, family pension fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, pension fund, Seniority plan and Medical plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Income. Past service cost is recognised in the Consolidated Statement of Income in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents service costs in personnel expenses and net interest expenses or income in the financial result. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any

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economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.24 Financial Instruments

Investments

Investments in mutual funds are primarily held for the Group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

The Group has not made any irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income as the same are classified as fair value through profit or loss.

Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

Loan & Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Consolidated Statement of Income when the liabilities are derecognised as well as through the EIR amortisation process.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Income.

This category generally applies to borrowings.

Derivative financial instruments

The GMM Pfaudler Group is -among others- exposed to foreign currency and interest rate risks during the normal course of business and its finance structure. These risks are monitored and accordingly managed using derivative instruments as necessary. The risks from the hedged underlyings and the derivatives are continually monitored. Where derivatives have a positive market value, the GMM Pfaudler Group is exposed to credit risks from derivative transactions in the event of non-performance of the counterparty. To minimize the default risk on derivatives with positive market values, transactions are exclusively conducted with creditworthy banks and partners and are subject to predefined credit and transaction limits.

Derivatives are accounted on fair value basis in accordance with the regulations of IFRS 9. The fair values of derivative financial instruments are retrieved from market value reports. Contained fair values, are calculated using valuation models, that if applicable, use input parameters observable on the market.

The criteria of hedge accounting are not fulfilled. All revaluations of the fair values are accounted on a “fair value through profit and loss” basis.

Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

De-recognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual right to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. If the Group retains substantially all the risk and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss.

Impairment of financial assets

At each balance sheet date, the Group assesses whether a financial asset is to be impaired. The Group measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the group measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses.

The Group uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

2.25 Taxation

Current Income Taxes and Deferred Income Taxes

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations. Tax expense is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealized intercompany profit or loss on inventories held by the Group in different tax jurisdictions is recognised using the tax rate of jurisdiction in which such inventories are held.

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

Dividend distribution tax arising out of payment of dividends to shareholders are recognized in the Consolidated Statement of Stockholders' Equity as part of associated dividend payment.

Advance taxes and provisions for current income taxes are presented in the Consolidated Statement of Financial Position after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis. The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

Uncertain Tax Positions

The Group takes income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Group periodically reassess its tax positions. Changes to the consolidated financial statement recognition, measurement and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not have a material effect on the Group's consolidated financial position.

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2.26 Fair value Measurements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.27 Changes in accounting principles / IFRS

The enclosed financial statements have been prepared in accordance with IFRS in force as of March 31, 2023, as endorsed by the European Union. During the financial year the following IFRS Standards have been applied by the Group.

- IFRS 3 Business Combinations (Amendments to Reference to the Conceptual Framework)

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- IAS 16 Property, Plant and Equipment (Proceeds before Intend Use)
- IAS 37 Provisions, Contingent Liabilities and Contigent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Annual improvements to IFRS 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 18 and IAS 41)

These updated standards did not have any material effect on to the consolidated financial statements of the Group.

Following standards will come effective for the fiscal year starting on April 01, 2023:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12 Income Taxes
- Introduction of IFRS 17 Insurance Contracts

Management is expecting no effects from these changes for the consolidated financial statements. An early application is not scheduled.

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NOTE 3 – ACQUISITIONS & DIVESTMENTS

Acquisition of Hydro Air Research Italia S.r.l. (HARI)

Effective August 03, 2022, the Company -through its subsidiary Pfaudler S.r.l, Italy- has completed the acquisition of Hydro Air Research Italia S.r.l. (HARI) from the former owner Ainvest Private Equity S.r.l.

HARI is based in Merlino, Italy, and is specialized in process and wastewater applications in particular, membrane separation technologies. The purchase price on a cash-and-debt-free basis added up to EUR 4.5 million based on a locked-box-concept as of December 31, 2021.

The acquisition was accounted for as business combination and the assets and liabilities acquired were initially recognized at their fair values as per acquisition date.

The following table summarizes the acquisition and the allocation of the purchase consideration among identified assets acquired and liabilities assumed as per acquisition date (legal names for the following entity's abbreviations can be found in Note 1):

Consideration transferred in USD	August 03, 2022*
Cash	4,587,156
Consideration transferred for Net Cash acquired as per locked-box-concept	470,251
Total consideration transferred	5,057,407

* *EUR values converted with FX rate as per transaction date (August 03, 2022).*

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all amounts in USD	PFG02IT August 03, 2022*
Current Assets	4,786,464
Cash on hand	1,821,705
Inventories	140,993
Trade receivables	2,522,762
Current financial assets	0
Other current assets	301,003
Non-Current Assets	7,173,212
Intangible assets	6,032,436
<i>thereof: Trademark Rights</i>	380,126
<i>thereof: Customer Relationship</i>	3,059,452
<i>thereof: Supplier Relationship</i>	1,045,164
<i>thereof: Technology</i>	853,555
<i>thereof: Other PPA step-ups</i>	688,824
<i>thereof: Other intangible assets</i>	5,316
Property, plant and equipment	124,835
Non-current financial assets	0
Right of use asset (leases)	233,510
Non-current tax assets	782,431
Other non-current assets	0
Current Liabilities	4,339,196
Trade payables	1,118,705
Current financial liabilities	150,747
Lease liabilities	43,326
Provisions	2,957,814
Current tax liabilities	0
Other liabilities	68,602
Non-Current Liabilities	3,782,777
Non-current financial liabilities	683,494
Non-current lease liabilities	195,162
Non-current Provisions	266,022
Non-current tax liabilities	2,638,098
Other non-current liabilities	0
<hr/> Net Assets	<hr/> 3,837,703 <hr/>
Total Consideration transferred	5,057,407
Fair value of identifiable net assets	3,837,703
<hr/> Goodwill	<hr/> 1,219,703 <hr/>

* EUR values converted with FX rate as per transaction date (August 03, 2022).

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Acquisition of Mixel Group (Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd.)

On February 02, 2023, the Company through its wholly owned subsidiary Pfaudler GmbH, Germany, closed the acquisition of Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. (China) from the former owner (Groupe Lexim).

The Mixel Group is specialised in the design and manufacture of standard and tailor-made mixing systems for industrial process applications. Founded in 1969, the Mixel Group has progressively developed specific know-how and gained expertise in the field of agitation by offering a portfolio of agitators that have become central to many industrial sectors including: pharmaceutical, chemical, water treatment, rare earths, bio-industry, agri-food, paints, and petrochemical.

The front-up purchase price on a cash-and-debt-free base was EUR 7.0 million and fully financed by the new Acquisition Capex Facility (for further reference see Note 5 of these consolidated financial statements). Additional EUR 0.5 million refer to subsequent purchase price payments (“earn-out”) if certain performance-related conditions in the next fiscal years are met. Management assesses that the performance-related conditions will be met.

Due to the timing restraints between transaction closing and fiscal year-end, a full purchase price allocation (PPA) could not be completed. The PPA will be finalized during the post-merger one-year measurement period as per the regulations of IFRS 3.45. The difference between purchase price and acquired net assets as per March 31, 2023, is initially solely recorded on “goodwill”.

The following table summarizes the acquisition and the allocation of the purchase consideration among identified assets acquired and liabilities assumed as per acquisition date (legal names for the following entity’s abbreviations can be found in Note 1):

Consideration transferred in USD	February 02, 2023*
Cash	7,687,734
Conditional subsequent purchase price**	549,390
Total consideration transferred	8,237,124

* *EUR values converted with FX rate as per transaction date (February 02, 2023).*

** *The transfer of the conditional purchase price will be executed once the performance-related conditions are met.*

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all amounts in USD	PFG02FR* February 02, 2023*	PFG03CN* February 02, 2023*	Total* February 02, 2023*
Current Assets	8,375,138	2,152,555	10,527,693
Cash on hand	1,499,764	659,110	2,158,873
Inventories	1,866,649	1,148,320	3,014,968
Trade receivables	4,059,200	194,421	4,253,621
Current financial assets	0	0	0
Other current assets	949,525	150,705	1,100,230
Non-Current Assets	2,254,397	1,115,024	3,369,421
Intangible assets	38,800	310	39,110
<i>thereof: Trademark Rights</i>	0	0	0
<i>thereof: Customer Relationship</i>	0	0	0
<i>thereof: Supplier Relationship</i>	0	0	0
<i>thereof: Technology</i>	0	0	0
<i>thereof: Other PPA step-ups</i>	0	0	0
<i>thereof: Other intangible assets</i>	38,800	310	39,110
Property, plant and equipment	536,153	250,275	786,428
Non-current financial assets	24,247	0	24,247
Right of use asset (leases)	952,525	864,439	1,816,964
Non-current tax assets	702,672	0	702,672
Other non-current assets	0	0	0
Current Liabilities	6,356,676	1,724,612	8,081,288
Trade payables	2,176,465	676,697	2,853,162
Current financial liabilities	2,424,304	0	2,424,304
Lease liabilities	347,362	99,815	447,176
Provisions	1,184,961	860,386	2,045,347
Current tax liabilities	44,608	11,010	55,619
Other liabilities	178,976	76,704	255,680
Non-Current Liabilities	3,199,487	764,624	3,964,111
Non-current financial liabilities	1,646,668	0	1,646,668
Non-current lease liabilities	605,163	764,624	1,369,787
Non-current Provisions	828,768	0	828,768
Non-current tax liabilities	118,887	0	118,887
Other non-current liabilities	0	0	0
Net Assets	1,073,372	778,343	1,851,715
Total Consideration transferred			8,237,124
Fair value of identifiable net assets			1,851,715
Goodwill			6,385,410

* EUR and CNY values converted with FX rate as transaction date (February 02, 2023).

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Change in the assessment of the potential sale of the business activities of Edlon, Inc. and related restatement of the prior year Balance Sheet disclosure

The Board of Managers of GMM International S.à r.l. (“GMM International”), indirect shareholder of Edlon, Inc. (“Edlon”) were re-evaluating the option to sell Edlon, Inc. to a third party.

As the conditions under IFRS 5 as per fiscal year-end 2021/22 were met, all related assets and liabilities connected to Edlon were disclosed separately in the consolidated financial statements as “Assets held for sale” and “Liabilities held for sale” respectively. Related reclassifications from the original balance sheet accounts to both aforementioned accounts were reflected in the Consolidated Statement of Financial Position as per March 31, 2022.

In the fiscal year 2022/23, Edlon’s current trading as well as order intake developed very positively and significantly exceeded the expectations for the year. Therefore, Management actively approved and initiated further investments into Edlon’s business expansion and currently does not pursue the program to sell Edlon anymore.

The criteria set out in IFRS 5 are accordingly -in contrast to the prior year’s assessment-, not fully met anymore, and Edlon is considered as a fully consolidated entity in these consolidated financial statements. For the sake of comparison, based on the most recent management assessment, this treatment of Edlon has resulted in the following restated consolidated statement of financial position as per March 31, 2022:

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ASSETS	March 31, 2022 (reported)	March 31, 2022 (restated)	Restatement
Current assets			
Cash and cash equivalents	33,234,178	35,526,605	2,292,427
Account Receivables, net	31,900,441	34,009,275	2,108,834
Inventories, net	61,331,300	65,222,694	3,891,394
Prepaid and other current assets	13,715,861	13,785,857	69,996
Current income tax assets	2,657,384	4,390,512	1,733,128
Assets held for sale	17,816,965	0	-17,816,965
Total current assets	160,656,130	152,934,944	-7,721,186
Non-currents assets			
Property, plant and equipment, net	45,866,459	47,979,972	2,113,513
Goodwill	14,698,722	16,833,539	2,134,817
Intangibles, net	48,719,236	51,102,021	2,382,785
Investments	11,090	11,090	0
Other assets	89,813	89,813	0
Deferred income tax assets	506,485	1,596,556	1,090,071
Total non-current assets	109,891,805	117,612,991	7,721,186
Total assets	270,547,934	270,547,934	0
LIABILITIES AND EQUITY			
	March 31, 2022 (reported)	March 31, 2022 (restated)	Restatement
Current liabilities			
Current portion of long-term debt and short-term borrowings	2,752,395	2,752,395	0
Short term lease liabilities	1,924,904	1,971,598	46,694
Short term derivatives and swaps	0	0	0
Short term pension obligations	1,881,829	1,881,829	0
Accounts payable	33,543,440	34,166,156	622,716
Other short-term provisions	21,145,822	21,940,456	794,634
Other short-term liabilities	1,814,445	1,823,555	9,110
Advance payments received	35,530,090	36,162,559	632,469
Short-term Income tax provisions and liabilities	2,799,282	4,358,180	1,558,898
Liabilities held for sale	4,633,763	0	-4,633,763
Total current liabilities	106,025,970	105,056,727	-969,243
Non-current liabilities			
Long term debt	42,722,824	42,722,824	0
Long term lease liabilities	13,695,993	13,814,350	118,357
Long term pension obligations	46,275,050	46,275,050	0
Other long-term provisions	874,538	874,538	0
Other long-term liabilities	98,273	98,273	0
Deferred income tax liabilities	5,678,744	6,529,630	850,886
Total non-current liabilities	109,345,422	110,314,665	969,243
Equity			
Common stock	547,568	547,568	0
Additional paid in capital	50,292,000	50,292,000	0
Accumulated other comprehensive income	10,090,915	10,090,915	0
Net Loss of the period	-5,753,941	-5,753,941	0
Total equity	55,176,543	55,176,543	0
Total liabilities and equities	270,547,934	270,547,934	0

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NOTE 4 - GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the future economic benefits arising from other assets acquired as part of acquisitions that are not individually identified or separately recorded. The acquisitions of fiscal year 2020/21 (when GMM International S.à. r.l. acquired the international Pfaudler business for a total consideration of USD 90.4 million) initially gave rise to the recognition of USD 17.0 million of goodwill (based on the applicable foreign currency exchange rates at that point in time).

The acquisition of Hydro Air Research Italia S.r.l. (HARI) (for further reference see Note 3 of these consolidated financial statements) increased goodwill -among other intangible assets- in financial year 2022/23 by further USD 1.3 million.

The acquisition of Mixel France SAS, and its wholly owned subsidiary Mixel Agitator Co. Ltd (“Mixel CGUs”) increased goodwill in financial year 2022/23 by another USD 6.3 million. Due to the time restraints in connection with the date of the closing of the transaction and the preparation of these consolidated financial statements, the entire difference between purchase price and acquired net book value was considered preliminarily as goodwill. As per regulations of IFRS 3.45, this initial draft purchase price allocation will be revised in the one-year re-assessment period and the difference between purchase price and acquired net book value will then be re-allocated on a more detailed level.

The CGUs are defined as legal entities as this reflects the management review process of the chief operating decision maker.

The CGUs to which goodwill was allocated (except for the acquired Mixel CGUs) were tested for impairment as of February 28. In the time frame between February 28, 2023 and March 31, 2023 no events occurred that materially impacted the testing results and thus required a roll-forward of the testing results as per March 31. Both Mixel CGUs were not tested for impairment as the date of effective transfer of ownership and the financial year end date were very close to each other.

Impairment testing at the level of each CGU in financial year 2022/23 did not reveal any indications that goodwill was to be impaired as of February 28, 2023. Applied discount rates (WACC) for goodwill impairment testing purposes were in a range from 10.17% to 19.92%.

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The following table summarizes the final estimates of value assigned to intangible assets as of the years stated below by major asset class, as well as the associated accumulated amortization (if applicable) at balance sheet date:

in USD	Patents & Trademarks	Customer Relationship	Supplier Relationship	Other intangibles	Goodwill	Total
Acquisition Costs						
Balance at the beginning of the period	38,557,2470	15,812,1490	0	5,364,620	16,685,516	76,419,531
Acquisitions through business combination	0	0	0	0	0	0
Additions	0	0	0	77,612	0	77,612
Reclassification	0	0	0	0	0	0
Disposals	0	0	0	-10,435	0	-10,435
Effect of movements in exchange rates	-500,470	-48,099	0	-61,715	148,023	-462,261
Balance at March 31, 2022	38,056,776	15,764,050	0	5,370,082	16,833,539	76,024,447
Accumulated amortization						
Balance at the beginning of the period	-321,310	-147,672	0	-1,137,678	0	-1,606,660
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-1,930,388	-887,784	0	-3,752,753	0	-6,570,924
Impairment loss	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Disposals	0	0	0	10,920	0	10,920
Effect of movements in exchange rates	31,720	10,476	0	35,581	0	77,777
Balance at March 31, 2022	-2,219,977	-1,024,980	0	-4,843,930	0	-8,088,888
Acquisition Costs						
Balance at the beginning of the period	38,056,776	15,764,050	0	5,370,082	16,833,539	76,024,447
Acquisitions through business combination	1,233,681	3,059,452	1,045,164	733,249	7,605,113	13,676,658
Additions	0	0	0	97,737	0	97,737
Reclassification	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Effect of movements in exchange rates	-800,535	-69,998	69,905	-4,579	-260,758	-1,065,965
Balance at March 31, 2023	38,489,922	18,753,504	1,115,069	6,196,488	24,177,893	88,732,877
Accumulated amortization						
Balance at the beginning of the period	-2,219,977	-1,024,980	0	-4,843,930	0	-8,088,888
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-1,862,836	-1,054,665	-71,111	-722,772	0	-3,711,384
Impairment loss	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Effect of movements in exchange rates	11,786	-7,764	-3,225	7,117	0	7,915
Balance at March 31, 2023	-4,071,027	-2,087,410	-74,336	-5,559,584	0	-11,792,357
Carrying amounts						
Net book value period end prior year	35,836,799	14,739,070	0	526,152	16,833,539	67,935,560
Net book value period end current year	34,418,895	16,666,094	1,040,733	636,904	24,177,893	76,940,520

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The trade name intangible assets are associated primarily with the recognized brand names in the industry, including the Pfaudler® trademark. Patents, trademarks, supplier relationships and customer relationships are amortized over their useful lives. Management reevaluates the useful life on an annual basis. For the year ended March 31, 2023, management considered the useful lives being 20 years.

The amortization of patents, trademarks and customer- and supplier relationships for each of the following 5 years is considered to be USD 3.7 million per year (upon finalization of the Mixel PPA the projected amortization value is very likely to increase due to identified additional intangible assets). These amortization charges are included in line item “Selling, general and administrative” of the Consolidated Statement of Income.

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NOTE 5 - LONG-TERM DEBT

On August 20, 2019, Pfaudler International S.à r.l. and certain of its subsidiaries entered into a Senior Facilities Agreement (“SFA”) amounting to USD 45,000,000 and EUR 32,857,142 consisting of a loan facility A1 commitment providing for EUR 1,875,000, a loan facility A2 commitment providing for USD 13,500,000, a loan facility B1 commitment providing for EUR 4,375,000, a loan facility B2 commitment providing for USD 31,500,000, a Bonding Facility Commitment (“BFC”) in the amount of EUR 15,000,000 and a Revolving Credit Facility Commitment (“RCF”) in the amount of EUR 11,607,143. In connection with the amendment agreement dated January 29, 2021, and the amendment letter dated February 12, 2021, the SFA was transferred to GMM International S.à r.l. In 2021, the ICE Benchmark Administration Limited (“IBA”), the authorized administrator of LIBOR, decided to cease the publication of LIBOR. Accordingly, as per amendment letter dated October 27, 2021, the SFA reference rate was transferred to SOFR for US Dollar denominated loans. EURIBOR remains the reference rate for loans denominated in Euro. On January 31, 2023 the Company has drawn an additional facility of EUR 7,000,000 of the SFA (“Acquisition Facility”) for the acquisition of Mixel Group.

For details on the securities provided in the context of the SFA please refer to Note 14.

The BFC represents guarantees (contingent liabilities; refer to note 14) which were drawn at balance sheet date for an amount of USD 13,332,332.

The value of the RCF line above covers both a credit line that can be paid out upon request and an Ancillary Line that can be drawn for guarantees and loans. Both together, any loan drawn and paid out of the RCF line plus the value of the drawn Ancillary Line, may not exceed the above-mentioned value. As of March 31, 2023, out of the RCF line, no loan was drawn, but an Ancillary Line was used in the amount of EUR 1,711,618 and USD 677,257 for guarantees.

Long term debt can be summarized as follows:

Total principal amount of debt (incl. current portion)	March 31, 2023	March 31, 2022
in USD		
Secured bank loans	55,286,241	47,686,976
Debt issuance costs	-1,871,021	-2,351,722
Other	800,814	139,965
Total	54,216,034	45,475,219

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Current portion of long-term debt and short-term borrowings	March 31, 2023	March 31, 2022
in USD		
Secured bank loans	4,545,516	3,197,398
Debt issuance costs	-615,319	-584,969
Other	800,814	139,965
Total	4,731,010	2,752,395

Secured bank loans have the following specifications:

	March 31, 2023	March 31, 2022
in USD		
Facility A1 Agreement	1,048,940	1,498,113
Facility B1 Agreement	4,758,021	4,856,794
Facility A2 Agreement	6,950,000	9,720,000
Facility B2 Agreement	31,500,000	31,500,000
Acquisition facility	7,612,833	0
Secured bank loans	3,416,448	112,069
Debt issuance costs	-1,871,021	-2,351,722
Other Loans	0	0
Accrued interests	800,814	139,965
Total	54,216,034	45,475,219

The acquisition facility was drawn in course of the acquisition of the Mixel Group and must be repaid in total as per August 20, 2026.

The increase of secured bank loans is driven by the acquisition of HARI and the Mixel Group and refers to acquired debt of these entities (see also Note 3 of these consolidated financial statements).

Maturities stated for Facility B1 and B2 presented in the disclosure above are final dates of the payment schedule. Details of payment schedules are presented as follows:

Principal Payments and Maturity

Referring to the SFA, the aggregate Facility A1 Loan shall be repaid in instalments by repaying on each Facility A1 Repayment Date an amount which reduces the Base Currency Amount (EUR) of the outstanding aggregate Facility A1 Loans by the amount set out opposite that Facility A1 Repayment Date below:

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Facility A1 Repayment Date	Repayment Instalment
in EUR	
Due within one year	402,250
Due in more than one but less than five years	562,250
Due in more than five years	0
Total	964,500

The Group shall repay the aggregate Facility A2 Loan in instalments by repaying on each Facility A2 Repayment Date an amount which reduces the Base Currency Amount (USD) of the outstanding aggregate Facility A2 Loans by the amount set out opposite that Facility A2 Repayment Date below:

Facility A2 Repayment Date	Repayment Instalment
in USD	
Due within one year	2,900,000
Due in more than one but less than five years	4,050,000
Due in more than five years	0
Total	6,950,000

The Facility B1 and B2 and the acquisition facility must be repaid in total on August 20, 2026. The Group holds the right to cancel the whole or any part of the Senior Credit Facilities. Any cancellation will reduce the commitment of the lenders under the Facility.

Interest Rate

Borrowings under the SFA bear interest, based on the applicable margin and EURIBOR (loans denominated in Euro) as well as SOFR (applicable for loans denominated in USD). They are currently payable quarterly.

The following summarizes relevant factors to determining the interest-rate margin applicable to EURIBOR and SOFR-based borrowings under each of the credit facilities in effect. In case that EURIBOR/SOFR is lower than zero per cent, the interest calculation is based on zero per cent (floor), and as outlined in the interest grid below, an applicable margin is added:

- Facility A1 Loan EURIBOR + applicable margin;
- Facility A2 Loan SOFR + applicable margin;
- Facility B1 Loan EURIBOR + applicable margin;
- Facility B2 Loan SOFR + applicable margin;

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- Acquisition facility EURIBOR + applicable margin;
- Revolving Facility Loan EURIBOR + applicable margin

The applicable margin depends on leverage ratio levels and may vary from 0.75% to 4.00%. Leverage is defined as a ratio of net debt and EBITDA adjusted according to the definitions included in the SFA.

The following table summarizes interest expenses and other financial costs incurred in USD:

in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Interest expense on long term and current debt	-2,764,400	-1,675,263
Interest expense on pensions	-2,196,441	-2,184,998
Amortization of debt issuance cost	-585,966	-588,144
Other interest expense & financial cost	-6,169,184	-819,622
Market value revaluations of financial instruments	-592,271	0
Total	-12,308,261	-5,268,027

Other interest expense & financial cost mainly consists of foreign exchange effects that refer to financial assets and liabilities, these amount to USD -6,128,416 (prior year: USD -802,430). Oppositely other interest income & financial income contains foreign exchange effects that offset these expenses by USD 8,616,258 (prior year: USD 2,782,365).

The shown impacts of market revaluations for financial instruments refer to financial instruments held in the category “at fair value through profit and loss”, that mainly apply to derivative instruments in the field of interest and foreign exchange effect hedging (for further reference see Note 6).

Deferred Financing Costs/Debt Issuance Costs

In connection with obtaining credit commitments provided for in the SFA, the Group incurred debt issuance costs of USD 3,180,933 (considering subsequent amortizations: USD 1,871,021 as of March 31, 2023 and USD 2,351,722 as of March 31, 2022). Debt issuance costs have been deducted from borrowings and are being amortized to interest expense over the term of the associated credit facilities using the effective interest rate method.

Covenants

The terms of the SFA provide for customary representations and warranties, conditions precedent, affirmative and negative covenants, and events of default.

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The Company complied with the financing agreements in the year ended March 31, 2023 and met at each testing date the agreed financial covenants.

Interest Income and Other Financial Income

The following table summarizes interest income and other financial income realized in USD:

in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Interest income on long term and current receivables	195,912	84,844
Pension related interest income	1,372,817	1,427,374
Other interest income & financial income	8,616,258	2,782,365
Total	10,184,987	4,294,583

In the current year, Other interest income & financial income consisted of foreign exchange effects that refer to financial assets and liabilities.

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NOTE 6 - CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

Accounts Receivables

Accounts receivable recognized in current assets comprise the following:

Receivables and Contract Assets, net in USD	March 31, 2023	March 31, 2022
Trade receivables	32,033,873	31,820,321
Allowance for Doubtful Accounts	-1,224,685	-1,000,317
Cost plus profit for contract work	44,058,644	8,015,564
Payments received for contract work	-26,990,296	-4,826,293
Total	47,877,536	34,009,275

Accounts receivable are non-interest-bearing. Credit terms offered to customers vary based upon the country of operation.

The contract assets/gross amount due from customers for contract work include customer-specific construction work for which the costs incurred plus proportionate profits realised exceed the payments received.

The management of the Group considers the concentration risk in terms of accounts receivable and revenue as low because it has a large client basis and none of the Group's customers represents a significant portion of total revenue/receivables.

The carrying amount of accounts receivable includes an allowance for estimated uncollectible accounts, reflecting estimated credit losses. The following table shows the change in the balance of the allowance for doubtful accounts for each of the reporting periods presented:

Allowance for Doubtful Accounts in USD	March 31, 2023	March 31, 2022
Balance, at the beginning of the year	-1,000,317	-1,086,432
Acquired through business combination	-247,769	0
Movement for uncollectible accounts and expected credit losses	11,734	69,737
Foreign exchange rate impacts	11,667	16,378
Balance, end of the year	-1,224,685	-1,000,317

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Inventories

Major categories of inventories include the following:

Inventories, net	March 31, 2023	March 31, 2022
in USD		
Raw materials	29,074,899	23,399,683
Work in process	15,751,816	16,483,126
Semi-Finished goods and Components	9,808,850	7,488,654
Finished goods	15,943,504	16,969,179
Advance payments made on inventory and other inventory items	8,835,368	6,676,190
Slow moving and obsolete inventory reserve	-6,932,334	-5,794,137
Total	72,482,104	65,222,694

Work in process represents the Group's partially finished goods waiting for completion and to be shipped subsequently to the customer. Semi-finished goods and components may be used for work in process but can be sold separately as well.

Other inventory mainly includes prepayments made on inventory.

The Company performs periodic assessments to determine the existence of obsolete, slow-moving and damaged inventory and records necessary valuation reserves for such inventory.

Property, Plant and Equipment

The following table presents the historical cost and accumulated reserve for depreciation and impairment by major class of property, plant and equipment:

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in USD	Land & buildings	Land & buildings (RoU)	Machinery & equipment	Machinery & equipment (RoU)	Construction in progress	Total
Acquisition Costs						
Balance at the beginning of the period	17,120,407	15,332,842	17,214,905	1,877,141	272,362	51,817,657
Acquisitions through business combination	0	0	0	0	0	0
Additions	56,284	552,349	1,251,763	928,319	2,209,724	4,998,441
Reclassification	321,658	0	1,090,523	0	-1,412,181	0
Disposals	-2,674	-64,894	-602,860	-48,774	-785	-719,987
Effect of movements in exchange rates	-478,962	-567,971	-337,796	-77,093	-1,347	1,463,169
Balance at March 31, 2022	17,016,713	15,252,326	18,616,534	2,679,593	1,067,774	54,632,941
Accumulated amortization						
Balance at the beginning of the period	-154,465	-262,292	-439,545	-103,676	0	-959,979
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-917,924	-1,672,845	-3,167,414	-742,793	0	-6,500,977
Impairment loss	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Disposals	2,228	13,548	596,978	25,837	0	638,591
Effect of movements in exchange rates	24,307	60,117	55,618	29,353	0	169,395
Balance at March 31, 2022	-1,045,854	-1,861,472	-2,954,364	-791,280	0	-6,652,969
Acquisition Costs						
Balance at the beginning of the period	17,016,713	15,252,326	18,616,534	2,679,593	1,067,774	54,632,941
Acquisitions through business combination	80,001	3,828,418	919,297	188,908	0	5,016,624
Additions	42,963	2,679,852	1,168,113	991,086	3,035,283	7,917,296
Reclassification	159,444	0	1,914,442	0	-2,073,886	0
Disposals	-2,297,640	-89,710	-599,610	-225,800	-24,009	-3,236,768
Effect of movements in exchange rates	-300,479	-455,370	-653,920	-77,256	-5,634	-1,492,659
Balance at March 31, 2023	14,701,002	21,215,517	21,364,857	3,556,531	1,999,528	62,837,434
Accumulated amortization						
Balance at the beginning of the period	-1,045,854	-1,861,472	-2,954,364	-791,280	0	-6,652,969
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-702,328	-1,808,262	-3,109,081	-838,519	0	-6,458,190
Impairment loss	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Disposals	208,874	0	545,053	192,007	0	945,934
Effect of movements in exchange rates	19,663	-10,356	34,956	2,405	0	46,669
Balance at March 31, 2023	-1,519,645	-3,680,089	-5,483,436	-1,435,387	0	-12,118,557
Carrying amounts						
Net book value period end prior year	15,970,860	13,390,854	15,662,171	1,888,313	1,067,774	47,979,972
Net book value period end current year	13,181,357	17,535,427	15,881,421	2,121,144	1,999,528	50,718,877

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The column “Construction in progress” covers both ongoing on-site constructions at the facilities as well as advance payments made on fixed assets that are supposed to be delivered in the next couple of months.

“Disposals” disclosed in the column “Land & Buildings” referred to the sale of land by Pfaudler S.r.l. as the entity completed the move of its business operations to the location in Torre di Mosto, Italy. Accordingly, the old location in San Dona di Piave, Italy was sold to an external party. As per contractual arrangements upon incorporation of the Group, the overall net profit of this land sale had to be transferred to the former shareholder and thus did not impact the Company’s net result for the year ended March 31, 2023.

The Group leases mainly land, buildings, cars and office equipment. As per IFRS 16, contracts and related assets that fulfill the definition of a lease are recognized on balance and shown separately as respective RoUs (“Right of Use”). Such assets are valued by the present value of the discounted lease payments less accumulated amortizations over the lease period. The leases typically run for a period of 3 to 10 years, partially with an option to renew the lease after the ending date. Some leases for additional rent payments are based on changes in local price indices.

For certain leases, the Group is restricted from entering into any sub-lease arrangements. Further, some leases contain extension options (to be exercised by the lessee). Another covenant that can be imposed by the leasing agreement are the security interests in the leased assets which are held by the lessor.

The land and building leases were entered into as combined leases.

The Group leases IT equipment with contract terms of one to three years. These leases are mainly short- term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. Lease payments for these leases are expensed over the lease term.

Depreciation expenses as detailed above are mainly accounted for in cost of sales, selling and administrative expenses.

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Prepaid and other current assets

The following table presents the composition of other current assets:

Prepaid and other current assets in USD	March 31, 2023	March 31, 2022
Current financial receivables	2,989,670	1,445,307
Non-income tax assets	4,562,669	2,870,287
Firm commitments	114,084	524,297
Prepaid expenses	2,963,361	2,537,155
Securities and deposits	6,163,904	5,013,924
Other current assets	1,602,564	1,394,887
Total	18,396,252	13,785,857

During the period ended March 31, 2023, and like in the prior year, Other current assets included mainly claims with insurance companies and employees.

Current financial receivables mainly contain short-term receivables that refer to royalty receivables as well as financial receivables in scope of open capital contributions of the joint venture partner for the newly formed joint venture in the United States.

Non-income tax assets mainly refer to VAT receivables.

Other Non-current Assets

The following table presents the composition of other non-current assets:

Other non-current assets in USD	March 31, 2023	March 31, 2022
Long term securities in connection with the settlement of pension plans	3,082,364	0
Long term securities and deposits	37,391	86,604
Other non-current assets	3,209	3,209
Total	3,122,964	89,813

For further reference to the line “Long-term securities in connection with the settlement of pension plans” refer to the descriptions given in Note 8 of this document.

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Lease liabilities

Lease liabilities in USD	March 31, 2023	March 31, 2022
Current lease liabilities	3,334,165	1,971,598
Non-current lease liabilities	17,355,023	13,814,350
Total	20,689,188	15,785,948

Movement in Lease Liabilities in USD	March 31, 2023	March 31, 2022
Balance, at the beginning of the year	15,785,947	16,913,867
Acquired through business combination	4,017,326	0
Additions	3,670,938	1,480,669
Discontinuation of lease	-110,536	-75,705
Finance costs accrued	410,995	374,173
Payment of lease liability	-2,664,225	-2,269,390
Foreign Exchange Effects	-421,257	-637,667
Ending balance	20,689,188	15,785,947

Amounts recognized in the Consolidated Statement of Income in connection with lease contracts:

in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Interest on lease liabilities*	-410,995	-374,173
Expenses relating to short-term leases	-29,526	-56,674
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-30,265	-56,912
Total	-470,786	-487,759

* Interest expenses for lease liabilities are reported in the financial result.

Amounts recognised in the Consolidated Statement of Cash Flows:

in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Cashflow from leases	-1,053,107	-1,238,730

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The

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Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For leases of land and buildings and equipment, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

As of March 31, 2023, the Group was committed under leases which expire at various dates before 2028 and later on. The minimum lease payments under non-cancellable leases are detailed in the table hereafter; all values disclosed are the undiscounted future payment amounts.

Lease Payments	in USD
2023-2024	3,851,969
2024-2025	3,632,074
2025-2026	3,197,969
2026-2027	2,472,160
2027-2028 and thereafter	10,135,940
Total	23,290,111

Accounts payable

Accounts payable consist of trade payables only.

Accounts payable	March 31, 2023	March 31, 2022
in USD		
Trade payables	36,735,229	34,166,156
Total	36,735,229	34,166,156

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Derivatives

Derivative financial instruments are comprised of the following as of the balance sheet date:

Derivatives (Current Liabilities)	March 31, 2023	March 31, 2022
in USD		
Current Liabilities of Foreign Exchange Forward Contracts	13,957	0
Current Liabilities of Interest Rate Swaps	578,271	0
Total	592,228	0

The Group has entered into several foreign exchange forward contracts as of March 31, 2023 adding up as follows:

Sell /Buy	Currency	Notional Amount	Equivalent Currency	Forward (Spread)	Rate	Expiry (Spread)	Date	Fair Value (USD)*
Buy	CNY	1,108,520	EUR		7.3851 to 7.4292		May 2023 to August 2023	-13,957
Total								-13,957

* negative Fair Values indicate a liability position of the Company

The Group has entered into the following interest rate swap as of March 31, 2023:

Notional Amount	Currency	Effective Date	Termination Date	Reference Rate	Fixed Rate	Floating Rate	Fair Value (USD)*
31,500,000	USD	2022-11-10	2026-08-20	SOFR	4.3000%	4.5550%	-578,271
Total							-578,271

* negative Fair Values indicate a liability position of the Company

The fair values of the above derivatives were determined based on the quoted forward exchange rates for equivalent instruments at the end of the reporting period. As all these derivative instruments can be sold upon short notice on an active market, related fair values are kept in current assets and current liabilities regardless of the termination or expiry date of the respective financial instrument.

Current provisions

Major components of current provisions were as follows:

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Current provisions	Balance at beginning of the year	Acquired through business combination	Foreign Exchange Effects	Addition / Increase	Release	Usage / Consumption	Reclassifications	Re-valuations (OCI)	Balance at March 31, 2022
in USD									
Personnel provisions	7,249,233	0	-221,361	19,770,633	-1,756,572	-14,695,413	0	0	10,346,520
Warranty provisions	1,458,783	0	1,525	1,732,840	-578,452	-1,144,327	0	0	1,470,369
Other contract related provisions	1,218,497	0	-23,524	2,227,585	-141,362	-1,841,109	-47,513	0	1,392,572
Selling provisions	836,007	0	-21,992	2,136,570	-61,753	-1,982,577	0	0	906,254
Provisions for litigation and legal fees	303,468	0	14,899	118,321	-5,118	-158,461	0	0	273,110
Provisions for outstanding invoices	4,790,093	0	-79,134	13,196,141	-843,977	-13,124,242	52,487	0	3,991,368
Provisions for restructuring	887,964	0	38,289	42,441	0	-346,834	0	0	621,860
Other provisions	4,299,709	0	-196,509	1,490,725	-1,303,304	-1,347,244	-4,973	0	2,938,402
Total	21,043,755	0	-487,808	40,715,254	-4,690,539	-34,640,207	0	0	21,940,456

Current provisions	Balance at beginning of the year	Acquired through business combination	Foreign Exchange Effects	Addition / Increase	Release	Usage / Consumption	Reclassifications	Re-valuations (OCI)	Balance at March 31, 2023
in USD									
Personnel provisions	10,346,520	378,614	-161,668	23,845,005	-1,772,312	-20,858,466	0	0	11,777,693
Warranty provisions	1,470,369	20,387	-43,917	2,231,902	-341,575	-528,951	0	0	2,808,216
Other contract related provisions	1,392,572	0	-31,400	4,126,909	-168,201	-2,279,295	0	0	3,040,584
Selling provisions	906,254	0	-20,953	1,412,360	-142,827	-1,392,037	0	0	762,797
Provisions for litigation and legal fees	273,110	0	-11,174	152,198	-38,010	-104,875	0	0	271,249
Provisions for outstanding invoices	3,991,368	4,013,691	27,928	31,030,020	-1,623,723	-17,885,579	10,875	0	19,564,580
Provisions for restructuring	621,860	0	-46,990	38,147	0	-63,155	0	0	549,863
Other provisions	2,938,402	0	-57,342	463,750	-2,552,023	-345,531	-10,875	0	466,380
Total	21,940,456	4,412,692	-345,517	63,300,292	-6,608,670	-43,457,889	0	0	39,241,363

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Provisions for outstanding invoices mainly relate to operational invoices for goods and services rendered to the Group during the financial year, but not yet invoiced. Apart of the general increase triggered by the business combinations during the financial year, also the application of “revenue recognition over time” contributed to the overall increase of Provisions for outstanding invoices. For projects fulfilling the “revenue recognition over time” criterion, the Group actively approaches external suppliers of such projects and requests the stage of completion of the local fabrication of the supplies. Based on the replies of the external suppliers, the Group recognizes adequate Provisions for outstanding invoices that assure that the related project progression is accounted on an accurate, periodic basis.

Personnel provisions mainly refer to bonus provisions.

Other provisions mainly cover provisions in connection with severance and insurance expenses.

Other current liabilities

Other current liabilities consist of the following subitems:

Other current liabilities in USD	March 31, 2023	March 31, 2022
Liabilities to employees	587,704	344,755
Liabilities to social security	368,968	192,796
Other current liabilities	1,585,964	1,286,004
Total	2,542,636	1,823,555

During the year ended March 31, 2023, Other current liabilities mainly refer to non-income tax liabilities.

Advance payments

Advance payments represent payments received from the clients prior to transfer of title, risks and rewards of the goods/services.

Advance payments in USD	March 31, 2023	March 31, 2022
Advance payments	29,425,132	36,162,559
Total	29,425,132	36,162,559

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Other non-current provisions

Other non-current provisions contain the following items:

Other non-current provisions in USD	March 31, 2023	March 31, 2022
Personnel provisions	1,032,887	874,538
Other contract related provisions	1,131,049	0
Total	2,163,937	874,538

Other contract related provisions refer to the acquisition of Mixel Group and cover non-current provisions for an Earn-out agreement with the former owners as well as provisions for long-lasting service agreements. For further reference see Note 3.

Other non-current liabilities

Other long-term liabilities in USD	March 31, 2023	March 31, 2022
Other long-term liabilities	95,369	98,273
Total	95,369	98,273

Net Sales

Net Sales in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Net Sales realized at a point in time	164,744,746	187,872,694
Net Sales realized over time	86,745,019	37,172,386
Net Sales with Related Parties	1,648,469	1,895,564
Freight billed	4,420,516	2,602,633
Other	24,755	761
Total	257,583,505	229,544,038

Net Sales by locations (invoicing country) in USD	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
Americas	103,532,871	100,259,675
Europe	116,483,705	107,316,392
Asia	37,566,929	21,967,972
Total	257,583,505	229,544,038

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Personnel expenses

Personnel expenses	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
in USD		
Wages and salaries	-54,190,119	-54,368,202
Social welfare expenses	-18,559,443	-18,063,488
Other personnel costs	-6,361,177	-5,187,686
Total	-79,110,739	-77,619,376

Average Employees	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
in FTE		
Management	3.0	3.0
White Collar	501.7	470.5
Blue Collar	504.3	510.0
Total	1,009.0	983.6

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NOTE 7 - LEGAL OBLIGATIONS

The Company, through its subsidiaries, is subject to other litigations from time to time in connection with certain former and current operations. This includes provisions in the amount of USD 271,249 for specific litigations (Note 14). Management does not expect these pending legal matters to have a material impact on the Group's results of operations or cash flows.

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NOTE 8 - RETIREMENT PLANS

The Group sponsors a variety of defined benefit plans as discussed below.

Defined Benefit Plans

The Group sponsors a number of defined benefit pension plans covering eligible current and former employees. The Group's funded and unfunded pension plans, all of which are closed to new entrants, include:

- The Pension Plan of Pfaudler GmbH (unfunded);
- The Retirement Plan of GMM Pfaudler US, Inc. for steelworkers (funded, settled during the fiscal year);
- The Retiree Medical Plan of GMM Pfaudler US, Inc. for steelworkers (unfunded);
- The Pension Plan of Pfaudler Limited (funded);
- The Pension Plan of Pfaudler S.A. de CV (Mexico) (funded);
- The Pension Plan of Pfaudler Normag Systems GmbH (funded).

During the year, GMM Pfaudler US, Inc. has entered into an agreement with an external insurance Company to purchase a non-participating, single-premium annuity that irrevocably transferred all constructive and legal obligations of its pension benefits plan (a defined benefit plan) for a settlement value of USD 21.5 million. This is treated as settlement of a defined benefit plan as per the requirements of the IAS 19. Accordingly, the company has reversed the outstanding provision for post-employment pension benefits in the current year and recognized a pre-tax net gain of USD 1.4 million gain for the year ended March 31, 2023 in other comprehensive income. On satisfaction of all Plan benefits and liabilities and transfer of the obligation, excess plan assets amounting to USD 3.6 million are transferred to a qualified replacement plan suspense account owned by the Company, which will be used for contribution to participant accounts under the Company's preexisting 401(k) contribution plan over future 7 years as per the local regulatory requirement of respective jurisdiction.

Plan Assets

Plan assets are managed in the long-term interests of the plan participants and beneficiaries. The Group seeks to generate a return on invested plan assets which is based on levels of liquidity and investment risk that are prudent and reasonable, given prevailing market conditions. Strategic and tactical asset allocation targets reflect the desired balance between investment return and risk, as well as the expected asset performance by major asset class over the investment horizon. Investment strategy is implemented with the assistance of independent diversified professional investment management organizations.

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The UK plan does not have a target allocation of assets. The plan assets are split between three funds – the Baillie Gifford Managed Pension Fund (around 14% of total), the Baillie Gifford Multi Asset Income Fund (around 61% of total) and the Baillie Gifford Diversified Growth Pension Fund (around 25% of total). Each fund has a target objective for returns:

- Managed pension fund to outperform the CPAS median Balanced Pooled Funds by 1.0-1.5% per annum gross over rolling 3 year periods;
- Multi Asset Income Fund has the objective to produce monthly income whilst seeking to maintain the value of income and capital in line with inflation (UK CPI) over five years.
- Diversified Growth – to outperform the UK base rate by at least 3.5% per annum (net of fees) over rolling five-year periods with an annualized volatility of less than 10%;

The fair value of the Group's pension plan assets by asset class and input level within the fair-value hierarchy were as follows:

Plan assets (Level 1) in USD	March 31, 2023	March 31, 2022
Equity securities	13,340,650	19,927,026
Bonds	3,123,229	28,286,069
Diversified Growth Fund	5,395,176	6,412,544
Cash & cash equivalents	653,002	585,814
Total	22,512,056	55,211,453

The decrease in the amount of Pension Plan Assets is driven by the settlement of the pension plan in the United States.

No plan assets have been classified as level 3.

Funding Policy and Cash Flows

The Group monitors the funded status of its funded pension plans to ensure that plan funds are sufficient to continue paying benefits. The Group's/Company's funding policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws, plus any additional amounts management determines to be appropriate. Contributions to funded plans increase plan assets, while contributions to unfunded plans are used to fund current benefit payments.

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Estimated pension benefits expected to be paid to participants are as follows:

Estimated future benefit payments in USD	March 31, 2023
2023-2024	3,090,573
2024-2025	3,055,161
2025-2026	3,362,444
2026-2027	3,768,781
2027-2028	3,523,261
Five years and thereafter in total	18,271,563

Funded Status and Pension Cost

The following sets forth changes in the projected benefit obligations and fair value of plan assets for the Group's pension plans for each period presented:

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	March 31, 2023	March 31, 2022
all amounts in USD		
Benefit obligation as of beginning of the year	103,368,333	120,401,042
Acquired through business combination	222,911	0
Service Cost (recorded in p&l)	1,347,307	1,196,657
Interest Cost (recorded in p&l)	2,196,441	2,184,998
Losses/(gains) on Curtailments (recorded in p&l)	0	0
Actuarial loss (gain) (recorded in OCI) - gross amount before taxes*	-22,030,652	-11,174,229
Benefits paid	-4,078,760	-4,612,513
Company contributions	-198,000	-188,000
Participant contributions	0	0
Settlements	-21,585,456	0
Exchange rate loss (gain)	-2,331,445	-4,439,622
Benefit obligation at the end of the period	56,910,678	103,368,333
Fair value of plan assets as of beginning of the year	55,211,453	58,759,240
Acquired through business combination	0	0
Actual return	1,372,817	1,427,374
Actuarial (loss) gain (recorded in OCI)*	-6,042,063	-1,195,732
(Losses)/gains on Curtailments (recorded in p&l)	0	0
Net (loss)/gain amortized during the period (in p&l)	0	0
Benefits paid	-2,583,603	-3,017,680
Company contributions	1,084,173	428,490
Settlements	-21,585,456	0
Transfer of asset to defined contribution suspense account	-3,596,091	0
Participant contributions	73,000	64,000
Exchange rate gain (loss)	-1,422,175	-1,254,239
Fair value of plan assets at the end of the year	22,512,056	55,211,453
Accumulated pension provision at the end of the year	34,398,622	48,156,880
<i>thereof current</i>	<i>1,762,836</i>	<i>1,881,829</i>
<i>thereof non-current</i>	<i>32,635,787</i>	<i>46,275,050</i>
* Revaluations in OCI Pensions (gross)	15,988,589	9,978,497
** Recorded in OCI net of taxes; related deferred taxes amounting to Revaluations	-3,659,526	-2,623,453
*** Recorded first consolidation or de-consolidation effects in OCI for Actuarial Gains/Losses	0	0
Total OCI effect	12,329,063	7,355,044

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The following table presents the components of net periodic pension cost for the Group's retirement and medical plans:

Net periodic pension costs in USD	March 31, 2023	March 31, 2022
Service Cost	1,347,307	1,196,657
Interest Cost	2,196,441	2,184,998
Return on plan assets	-1,372,817	-1,427,374
Losses/(gains) on Curtailments	0	0
Net periodic pension cost	2,170,930	1,954,280

Actuarial Assumptions

The following summarizes the weighted-average discount-rate assumptions used by the Group in determining the pension benefit obligations. The assumed long-term rate of return on plan assets reflects capital-market projections by asset class and actual and long-term target asset allocation, taking into account historical return trends and current market conditions.

	March 31, 2023	March 31, 2022
US pension plans		
Discount rate	n/a	3.38%
Long term return on assets	n/a	3.75%
UK plans		
Discount rate	4.65%	2.70%
Long term return on assets	6.00%	5.25%
German plans		
Discount rate	3.65% to 3.99%	1.54% to 1.78%
Long term return on assets	n/a	n/a
US medical plans		
Discount rate	4.63%	3.36%
Long term return on assets	n/a	n/a
Pension plans Mexico		
Discount rate	9.52%	8.27%
Long term return on assets	9.52%	8.27%

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NOTE 9 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Financial instruments

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and debt. The fair value of cash and cash equivalents, accounts receivable and accounts payable approximated their carrying amounts as of March 31, 2023. Additionally, the carrying amounts of the Group's term-loan borrowings of USD 54.2 million discussed in Note 5 approximated their fair values as of March 31, 2023, as the borrowings bear mainly a variable interest rate.

Derivative instruments

As of March 31, 2022, no interest rate derivatives or exchange rate derivatives were used. During fiscal year 2022/23, the Group, through its subsidiaries in China and US, entered into derivative instruments to secure to a smaller extent foreign exchange rate risks in connection to the Chinese Renminbi and to a larger extent to secure interest rate risks in connection to the development of SOFR. Both, the development of the respective underlyings and the development of the derivative instruments are monitored on corporate level. The derivatives held by the Company are accounted on "fair value through profit and loss" basis and do not fulfill the criteria of hedge accounting as per IFRS 9. Related assets or liabilities are contained in the financial assets and liabilities of the Consolidated Statement of Financial Position. Changes in the respective market values are kept in the financial result of the Company.

The Company continuously reviews and analysis its exposure to interest rate-, foreign exchange rate- or other risks. If the underlying interest reference rates and/or the foreign exchange rates and/or other risks exceed certain levels, the Company or certain of its subsidiaries might enter into further derivative instruments to secure the financial position and to mitigate related risks.

Fair Value Measurements

The fair value of the financial instruments compared to its carrying amount is as follows:

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Financial Instruments

in USD

March 31, 2022 (restated)	Measurement category in accordance with IFRS 9	Carrying amount	Fair value
Financial assets			
Cash and cash equivalents	Amortised cost	35,526,605	35,526,605
Account Receivables	Amortised cost	34,009,275	34,009,275
Current financial receivables	Amortised cost	1,445,307	1,445,307
Derivatives and swaps	Fair Value (through P&L)	0	0
Securities and deposits	Amortised cost	5,013,924	5,013,924
Other current assets	Amortised cost	786,228	786,228
Other current assets held for sale	Amortised cost	0	0
Investments	Amortised cost	11,090	11,090
Long term financial receivables	Amortised cost	0	0
Long term securities and deposits	Amortised cost	86,604	86,604
Other non-current assets	Amortised cost	3,209	3,209
Total financial assets		76,882,243	76,882,243
Financial liabilities			
Current portion of long-term debt and short-term borrowings*	Amortised cost	2,752,395	2,752,395
Derivatives	Fair Value (through P&L)	0	0
Current lease liabilities	Amortised cost	1,971,598	1,971,598
Accounts payable	Amortised cost	34,166,156	34,166,156
Other current liabilities held for sale	Amortised cost	0	0
Long term debt*	Amortised cost	42,722,824	42,722,824
Long term lease liabilities	Amortised cost	13,814,350	13,814,350
Other long-term liabilities	Amortised cost	98,273	98,273
Total financial liabilities		95,525,595	95,525,595

* Considering recognized debt issuance costs (see Note 5).

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Financial Instruments

in USD

March 31, 2023	Measurement category in accordance with IFRS 9	Carrying amount	Fair value
Financial assets			
Cash and cash equivalents	Amortised cost	35,152,510	35,152,510
Account Receivables	Amortised cost	47,877,536	47,877,536
Current financial receivables	Amortised cost	2,989,670	2,989,670
Derivatives and swaps	Fair Value (through P&L)	0	0
Securities and deposits	Amortised cost	6,163,904	6,163,904
Other current assets	Amortised cost	754,915	754,915
Other current assets held for sale	Amortised cost	0	0
Investments	Amortised cost	34,864	34,864
Long term financial receivables	Amortised cost	0	0
Long term securities and deposits	Amortised cost	37,391	37,391
Other non-current assets	Amortised cost	3,209	3,209
Total financial assets		93,013,998	93,013,998
Financial liabilities			
Current portion of long-term debt and short-term borrowings*	Amortised cost	4,731,010	4,731,010
Derivatives	Fair Value (through P&L)	592,228	592,228
Current lease liabilities	Amortised cost	3,334,165	3,334,165
Accounts payable	Amortised cost	36,735,229	36,735,229
Other current liabilities held for sale	Amortised cost	0	0
Long term debt	Amortised cost	49,485,024	49,485,024
Long term lease liabilities	Amortised cost	17,355,023	17,355,023
Other long-term liabilities	Amortised cost	95,369	95,369
Total financial liabilities		112,328,049	112,328,049

* Considering recognized debt issuance costs (see Note 5).

Given the banking structure of the Group we do not consider any expected credit losses for cash and cash equivalents and deposits.

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Management of financial risks

The GMM Pfaudler Group is exposed to various financial risks arising from its business activities. In particular, changes in interest rates and exchange rates can have a significant effect on the net assets, financial position and results of operations of the Group. In addition, the Group is exposed to credit risks, which result mainly from trade receivables and gross amounts due from customers for contract work. Liquidity risks also exist as a result of fluctuations in cash flows.

The GMM Pfaudler Group has established internal risk controlling procedures, which include a clear segregation of duties with regard to the operative financing activities, their settlement and accounting, and the controlling of the financial instruments. The Group's risk management processes are designed to identify and analyse the risks throughout the Group for example by monthly business reviews, continuous liquidity analysis, etc. They are furthermore designed to limit and control the risks appropriately, and to monitor them.

Credit risks

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of accounts receivable.

All accounts receivable are subject to credit risk exposure. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

The Group does not have significant concentration of credit risk related to accounts receivable and there are no customers who contribute to more than 5% of total outstanding accounts receivable as at any reporting year end.

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Liquidity risks

Liquidity risk is defined as the risk that arises when a company may be unable to fulfill its financial obligations. GMM Pfaudler Group counters this risk with a liquidity forecast for the entire Group based on a fixed planning horizon. The Group manages its liquidity by having sufficient liquid funds and bank credit lines available in addition to maintaining its cash flows from operating activities, primarily cash inflows from accounts receivable.

The following tables detail the group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Liquidity risk as of March 31, 2022 (restated) in USD	Up to 1 year	1 year to 5 years	5 years and above	Total
Accounts payable	34,166,156	0	0	34,166,156
Other financial liabilities	139,965	0	0	139,965
Borrowings	3,197,398	44,489,578	0	47,686,976
Lease Liabilities	1,971,598	7,511,536	6,302,813	15,785,948
Derivatives	0	0	0	0
Total	39,475,117	52,001,115	6,302,813	97,779,045

Liquidity risk as of March 31, 2023 in USD	Up to 1 year	1 year to 5 years	5 years and above	Total
Accounts payable	36,735,229	0	0	36,735,229
Other financial liabilities	800,814	0	0	800,814
Borrowings	4,545,516	50,740,725	0	55,286,241
Lease Liabilities	3,334,165	10,055,093	7,299,929	20,689,188
Derivatives	592,228	0	0	592,228
Total	46,007,952	60,795,810	7,299,929	114,103,700

Regarding the short-term and long-term credit lines and guaranteed lines of the Group as of March 31, 2023, see also Note 5.

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Market risk

Market risks related to the war in Ukraine

The risks for our business due to the war between Russia and Ukraine is very limited, as business activities (Order Intake) in Russia and Ukraine stopped and risks out of existing contracts were provided for (although very limited).

In summary, this crisis has a low impact and will not be existence threatening. However, this assumes that the war will not lead to a further geographical expansion and thus escalation.

Market / Business risks related to energy cost and other inflation-related cost increases

The risks due to the energy and other inflation-related cost increases are manageable and considered in the general management activities regarding cost improvement and pricing measures.

Market / Business risks due to trade conflicts and political tensions

The potential increase of trade conflicts and political tensions could expose the Group to new risks regarding exports and related cooperation between the global sites of the Group. In this financial year the export license for one transaction of a subsidiary was denied the first time. Therefore, the Group adjusted its processes so that this risk is manageable.

Interest rate risks

Interest rate risks exist on account of potential changes in the market rate of interest and can result in a change in the fair values of fixed-interest instruments and in fluctuations in the interest payments in relation to financial instruments at variable rates. The existing financial structure is partially exposed to interest payment risks as a fixed rate of interest has been negotiated but the applicable interest rate is also depending on the development of EURIBOR and SOFR and certain covenant ratios agreed in the SFA loan. An increase of the applicable SFA interest rate by 1% would impact interest expenses by around USD -0.5 million.

The Group entered interest rate swaps to limit some of the interest rate risk exposure.

Foreign currency risks

The Group operates worldwide and is therefore exposed to foreign exchange risks that result primarily from changes in the exchange rates of the Euro, the British pound Sterling, the Chinese yuan renminbi and Brazilian real.

The US Dollar is the reporting currency. Accordingly, the change in exchange rates between the US Dollar and the local currencies, in which the financial statements of the non-USD

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foreign subsidiaries are prepared, influences the net profit or loss of the year and the equity reported in the consolidated financial statements.

Furthermore, risks arise when business transactions are not settled in the subsidiary's respective functional currency ("transaction risks").

Significance of currency risk and sensitivity analysis

A potential 5% appreciation (depreciation) of US Dollar against other currencies as of March 31, 2023, would have resulted in the following exchange rates:

Country	Currency	Closing Rate	Sensitivity	
		as at March 31, 2023	+5%	-5%
Eurozone	EUR	0.9195	0.9655	0.8735
Great Britain	GBP	0.8085	0.8489	0.7681
China	CNY	6.8748	7.2185	6.5311
Mexico	MXN	18.0590	18.9620	17.1561
Brazil	BRL	5.0720	5.3256	4.8184
Singapore	SGD	1.3300	1.3965	1.2635

These potential appreciation (depreciation) of US Dollar against the other currencies as of March 31, 2023, would have influenced the measurement of financial instruments denominated in foreign currencies and would have affected equity or profit or loss by the amounts presented below. This analysis assumes that all other factors, in particular the interest rates, remain constant.

Currency	Balance in Foreign Currency	Actual Balance in USD	+5% Balance in USD	-5% Balance in USD	+5% Effect on Equity in USD	-5% Effect on Equity in USD
EUR	-5,283,238	-5,745,773	-5,472,164	-6,048,182	273,608	-302,409
GBP	2,264,902	2,801,363	2,667,965	2,948,803	-133,398	147,440
CNY	68,717,210	9,995,521	9,519,544	10,521,601	-475,977	526,080
MXN	10,183,989	563,929	537,075	593,609	-26,854	29,680
BRL	13,533,697	2,668,316	2,541,253	2,808,753	-127,063	140,438
SGD	94,922	71,370	67,971	75,126	-3,399	3,756

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The reference values were determined as follows:

Financial Instruments line items	Amount in EUR	Amount in GBP	Amount in CNY	Amount in MXN	Amount in SGD	Amount in BRL
Cash and Cash Equivalents	11,253,101	1,801,231	48,739,377	8,036,195	1,512	11,363,069
Trade Receivables - Third Party	13,288,507	2,112,137	7,440,776	4,591,243	93,410	5,407,048
Trade Receivables - IC with GMM Mavag AG/GMM Pfaudler India	417,690	0	0	0	0	0
Trade Receivables - IC with Pfaudler, Inc./Pfaudler International S.a.r.l.	0	0	0	0	0	0
POC Receivables - Third Party	9,330,682	326,108	34,850,598	0	0	0
Granted Loans <= 1 Y - Third Party	0	0	0	0	0	0
Other Financial Receivables - Third Party	0	0	1,533,650	0	0	0
Securities and deposits ST	129,994	0	41,411,164	0	0	0
Granted Loans > 1 Y - Third Party	0	0	0	0	0	0
Securities and deposits LT	0	0	0	363,267	0	87,619
Liabilities to Financial Institutions <= 1 Y	-1,451,516	0	0	0	0	0
Current Derivatives and Swaps	0	0	-95,953	0		
Other Current Financial Liabilities-Third Party	-2,299,471	-188,415	-3,381,060	-917,848	0	-121,126
Trade Payables - Third Party	-14,475,321	-695,278	-18,014,721	-1,334,357	0	-3,072,738
Trade Payables - IC with GMM Mavag AG/GMM Pfaudler India	-1,075,070	-399,714	-3,402,059	0	0	-72,964
POC Liabilities - Third Party	-3,194,384	-245,591	-20,376,032	0	0	0
Liabilities to Financial Institutions > 1 Y	-6,843,810	0	0	0	0	0
Other Non-Current Financial Liabilities - Third Party	-10,362,640	-445,576	-20,042,530	-554,511	0	-57,211
Balance	-5,283,238	2,264,902	68,717,210	10,183,989	94,922	13,533,697

Capital Management

One of the Group's objectives is to sustainably increase the Company's enterprise value.

The value-oriented ratios primarily assist management in strategic decisions regarding the optimisation of the regions and the allocation of resources for acquisitions and capital expenditures. At operating level, value drivers focus on growth (revenue and order intake), cost efficiency (EBITDA) and capital efficiency (working capital, capital expenditures), since these directly influence the value creation process.

The future equity situation presented in the consolidated financial statements of the Company is influenced primarily by the results of operations of the Group, which is affected by the annual interest to be paid on the financial liabilities, as well as the amortization of step-up

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amounts from purchase price allocations. The equity ratio amounts to 24.5% (excluding non-controlling interests).

The instruments used to manage the Group's capital structure comprise ongoing monitoring and optimisation of the cash flow of the existing Group companies, the possibility to raise further debt and additional shareholder contributions.

Due to the wide range of products for various industries and the Group's global presence, management expects that the Group will be able to continue servicing the available borrowings on time using the cash flows that will be generated in subsequent years.

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NOTE 10 - SHAREHOLDERS' EQUITY

Issuance of common stock

As of March 31, 2022, the fully paid-up subscribed capital amounts to USD 547,568 represented by 54,756,800 shares of a nominal value of USD 0.01 per share.

The Company was incorporated with a fully paid-up subscribed capital amounting to EUR 12,000 represented by 12,000 shares of a nominal value of EUR 1 per share.

On 16 December 2020, the Company changed the currency of the subscribed capital from EUR to USD and converted the existing share capital of EUR 12,000 into USD 14,568, represented by 14,568 shares having a nominal value of USD 1 each. Also, in December 2020, the Company issued 25,000 shares for a nominal amount of USD 25,000

In February 2021, the Company issued 508,000 shares with a nominal value of USD 508,000 for a subscription price of USD 50,800,000, consequently allocating USD 50,292,000 to the share premium reserve. The subscription for these shares was paid by both a contribution in kind amounting to USD 10,160,000 and a conversion of USD 46,640,000 convertible bonds issued by the Company, having a value of USD 1 each.

The Company did not acquire any of its own shares during the period ended March 31, 2023.

Reserves

In accordance with Luxembourg Law, the Company must appropriate to the legal reserve a minimum of 5% of the net profit until such reserve equals 10% of the share capital. The legal reserve is not available for distribution to shareholders except upon dissolution of the Company.

Non-controlling interests

Non-controlling interests own 49% of the Company's indirect subsidiary GMM Pfadler JDS LLC. Non-controlling interests have initially been valued based on the fair value of the contributed capital. Subsequently, the non-controlling interests' participation in the realized net income is considered in the equity amount attributable to non-controlling interests.

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NOTE 11 - OTHER COMPREHENSIVE INCOME / (LOSS)

Accumulated other comprehensive income (loss) balance (net of tax) and components of other comprehensive income (loss) were as follows:

all amounts in USD	Currency translation adjustments	Available for sale financial instruments net of tax	Defined benefit plans (net of Deferred Taxes)	Other	Total
Balance at the end of the period 2021	-1,568,836	0	4,711,572	0	3,142,736
Accumulated other comprehensive income (loss) before reclassifications	-406,865	0	7,355,044	0	6,948,179
Amounts reclassified from accumulated other comprehensive income (loss) to profit and loss	0	0	0	0	0
Balance at the end of the year 2022	-1,975,700	0	12,066,616	0	10,090,915
Accumulated other comprehensive income (loss) before reclassifications	-4,463,647	0	12,329,063	0	7,865,416
Amounts reclassified from accumulated other comprehensive income (loss) to profit and loss	0	0	0	0	0
Balance at the end of the year 2023	-6,439,347	0	24,395,679	0	17,956,332

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NOTE 12 - INCOME TAX

The components of pre-tax income (loss) excluding intra-group dividend income are as follows:

Pre-tax income excluding dividends in USD	March 31, 2023	March 31, 2022
Americas	12,883,838	11,224,015
Europe	3,420,224	-838,573
Asia	2,421,961	1,062,949
Total	18,726,023	11,447,691

The current and deferred income taxes recorded do not agree with the theoretical tax rates for several reasons such as consolidation adjustments with respect to the purchase price allocation adjustments made mainly for property, plant and equipment and intangible assets, non-taxable income, non-tax-deductible expenses and others.

The (expense)/benefit for income taxes by taxing jurisdiction consisted of the following:

Current Income tax in USD	March 31, 2023	March 31, 2022
Americas	-3,014,502	-1,954,419
Europe	-2,182,002	-610,355
Asia	-1,010,760	-272,680
Total	-6,207,264	-2,837,454
 Deferred Income tax	 March 31, 2023	 March 31, 2022
in USD		
Americas	46,538	-2,249,761
Europe	2,451,382	1,121,497
Asia	437,338	38,428
Total	2,935,258	-1,089,836
 Total tax income (+) / expense (-)	 -3,272,005	 -3,927,289

Numerical reconciliation between average effective tax rate and applicable tax rate:

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Reconciliation	March 31, 2023	March 31, 2022
in USD		
Profit Before tax (expense - / income +)	15,926,184	1,116,638
Income Tax using the Company's domestic Tax rate of 24,94% (expense - / income +)	-3,971,990	-274,489
Adjustments on taxable basis	1,326,145	1,949,909
• Non deductible Expenses (+)	5,983,808	2,031,658
• Tax - Exempt income (-)	-4,657,664	-81,749
Income Tax using the Company's domestic Tax rate of 24,94% considering adjustments above (expense - / income +)	-4,302,731	-764,497
Explanations on taxable difference		
• Deduction on account of Expenses allowable in Tax but not claimed in book	53,180	54,467
• Effect of changes in statutory tax rates	177,845	24,883
• Changes in recognized deductible temporary differences	-1,225,765	-676,289
• Tax impact on notional income / expense	0	-3,701
Difference between Domestic Tax Rate and Foreign Tax Rate	-271,169	76,657
Prior-year taxes recognized in current year	90,187	-2,331,398
Miscellaneous other tax effects	2,206,446	-307,112
Income Tax recognised in Statement of Profit & Loss (Effective Tax Rate)	-3,272,005	-3,927,290

The line "Effect of changes in statutory tax rates" above is mainly determined by amendments to the applicable tax rate in the United Kingdom (increase from 19% to 25%).

Miscellaneous other tax effects mainly refer to the recoverability of Deferred Tax assets that were fully written off in prior fiscal years and upon changes in the economic outlook and related tax assessment were regarded to be recoverable in financial year 2022/2023.

Provision for Uncertain Tax Positions

The GMM Pfadler Group files income tax returns in various jurisdictions worldwide. There are a few tax audits in progress within different jurisdictions from time to time. GMM International S.à r.l. is indemnified for tax controversies for the period prior to the acquisition by prior owners.

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Deferred tax assets

The Group has unrecognized tax losses carried forward in Luxembourg amounting to USD 6.78 million (prior year: USD 2.8 million) for corporate taxes with an expiration date exceeding five years. In addition, corporate and trade tax losses carried forward from the German tax group amounting to USD 1.1 million have not been recognized due to the loss history. There is no expiration date for these tax losses carried forward in Germany.

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Deferred Taxes

The following summarizes tax effects of temporary differences that give rise to significant components of deferred tax assets/liabilities as of March 31, 2022:

Deferred tax liabilities	Current Assets (Sum)	Net Accounts Receivable	Net Inventories	Other remaining current assets	Non-current Assets (Sum)	Intangible Assets	Tangible Assets (PPE)	Other remaining non-current assets	Current Liabilities (Sum)	Accounts Payable	Current Provisions & Accruals	Other remaining current liabilities	Non-current Liabilities (Sum)	Pension Provisions	Other non-current provisions	Other remaining non-current liabilities	Consolidation adjustments	Other	Total	Netting of deferred tax assets and liabilities within the same entity	Grand Total
Balance at the beginning of the year	2,191,706	185,982	1,861,956	143,768	16,492,809	14,928,379	1,567,021	5,399	33,111	0	34,530	-1,420	-24,288	3,513	-33,894	6,093	0	0	18,683,329	-12,573,462	6,119,867
Acquired in business combination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charged/(credited) to income statement	-928,530	585,457	-1,497,664	-16,323	-1,568,691	-1,580,492	12,454	-652	80,329	0	73,512	6,917	-10,546	-3,480	-4,567	-2,499	0	0	-2,427,439	0	-2,427,439
Charged/(credited) to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	5,323	5,323	0	0	0	0	5,323	0	5,323
Other movements	4,897	0	-2	4,899	-4,999	0	0	-4,899	0	0	0	0	0	0	0	0	0	0	-2	3,020,371	3,020,369
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange differences	-46,954	-33,887	-11,068	0	-137,968	-105,525	-32,595	153	-5,328	0	-5,100	-227	1,760	-32	2,005	-213	0	0	-188,490	0	-188,490
Year end (March 31, 2022)	1,221,818	735,552	353,223	132,344	14,781,242	13,234,361	1,546,880	0	108,112	0	102,942	5,170	-27,751	5,323	-36,455	3,381	0	0	16,082,721	-9,553,091	6,529,630

Deferred tax assets	Current Assets (Sum)	Net Accounts Receivable	Net Inventories	Other remaining current assets	Non-current Assets (Sum incl. Cma)	Intangible Assets	Tangible Assets (PPE)	Other remaining non-current assets	Current Liabilities (Sum)	Accounts Payable	Current Provisions & Accruals	Other remaining current liabilities	Non-current Liabilities (Sum)	Pension Provisions	Other non-current provisions	Other remaining non-current liabilities	Consolidation adjustments	Tax Loss Carry Forward (Sum)	Total	Netting of deferred tax assets and liabilities within the same entity	Grand Total
Balance at the beginning of the year	2,718,353	-18,691	1,864,168	872,976	6,478,654	6,338,205	140,449	0	1,210,617	342,758	795,253	72,606	7,808,988	6,563,353	-440,670	4,975	0	192,373	17,608,999	-12,573,462	5,035,537
Acquired in business combination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charged/(credited) to income statement	-1,061,749	203,220	-1,168,603	-89,367	-3,490,385	-3,446,355	-44,034	0	602,943	10,929	573,737	-10,723	359,069	205,218	119,396	34,395	0	75,911	-3,517,274	0	-3,517,274
Charged/(credited) to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	-2,618,131	-2,618,131	0	0	0	-2,618,131	0	-2,618,131	
Other movements	-127,570	14,831	112,052	-254,152	0	0	0	0	122,347	0	182,865	-60,518	5,219	5,219	0	0	0	0	-1	3,020,371	3,020,370
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange differences	38,228	-438	14	38,653	-1,935	-2,776	-2,159	0	-29,198	-19,963	-11,247	2,012	-324,626	-322,628	-1,998	0	-3,413	-325,944	0	-325,944	
Year end (March 31, 2022)	1,564,264	198,923	807,630	557,710	2,983,332	2,889,075	94,257	0	1,906,711	362,724	1,540,609	3,378	4,430,468	3,833,031	558,868	39,370	0	264,871	11,149,647	-9,553,091	1,596,556

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The following summarizes tax effects of temporary differences that give rise to significant components of deferred tax assets/liabilities as of March 31, 2023:

Deferred tax liabilities	Current Assets (Sum)	Net Accounts Receivable	Net Inventories	Other remaining current assets	Non-current Assets (Sum)	Intangible Assets	Tangible Assets (PPE)	Other remaining non-current assets	Current Liabilities (Sum)	Accounts Payable	Current Provisions & Accruals	Other remaining current liabilities	Non-current Liabilities (Sum)	Pension Provisions	Other non-current provisions	Other remaining non-current liabilities	Consolidation adjustments	Other	Total	Netting of deferred tax assets and liabilities within the same entity	Grand Total
Balance at the beginning of the year	1,221,118	735,552	353,223	132,334	14,781,242	13,234,362	1,546,880	0	108,112	0	109,942	5,170	-27,751	5,323	-36,445	3,381	0	0	16,082,721	-9,553,091	6,529,630
Acquired in business combination	1,138,179	1,138,179	0	0	1,794,037	1,794,037	0	0	0	0	0	0	0	0	0	0	0	0	2,932,216	0	2,932,216
(Charged)/credited to income statement	2,124,852	2,027,838	116,227	-19,262	-191,111	-705,487	59,856	157,520	-438,091	579,712	-89,874	-1,747	26,939	-4,989	34,165	-2,257	0	0	2,148,772	0	2,148,772
(Charged)/credited to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	815,862	815,862	0	0	0	0	815,862	0	815,862
Other movements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,452,093	-4,452,093
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange differences	75,231	77,805	-1,910	137	-336,865	-309,978	-26,868	0	9,364	15,918	15,918	-184	1,785	-334	2,241	-170	0	0	-250,254	0	-250,254
Year end (March 31, 2023)	4,559,382	3,978,574	467,589	113,218	15,747,302	14,099,934	1,579,848	157,220	605,767	595,630	595,630	3,238	816,836	815,862	0	974	0	0	21,729,287	-14,085,184	7,724,103

Deferred tax assets	Current Assets (Sum)	Net Accounts Receivable	Net Inventories	Other remaining current assets	Non-current assets (Sum incl. Cons)	Intangible Assets	Tangible Assets (PPE)	Other remaining non-current assets	Current Liabilities (Sum)	Accounts Payable	Current Provisions & Accruals	Other remaining current liabilities	Non-current Liabilities (Sum)	Pension Provisions	Other non-current provisions	Other remaining non-current liabilities	Consolidation adjustments	Tax Loss Carry Forward (Sum)	Total	Netting of deferred tax assets and liabilities within the same entity	Grand Total
Balance at the beginning of the year	1,564,264	198,923	807,631	557,710	2,983,333	2,809,076	94,257	0	1,906,711	362,724	1,540,609	3,378	4,439,468	3,833,031	558,068	39,370	0	264,871	11,149,647	-9,553,091	1,596,556
Acquired in business combination	49,648	8,505	41,143	0	107,381	107,381	0	0	902,735	0	902,735	0	205,074	58,256	146,819	0	0	265,414	1,530,252	0	1,530,252
(Charged)/credited to income statement	1,401,854	888,816	366,012	447,026	-305,061	-247,632	-57,428	0	1,247,601	1,618,486	-367,754	-3,131	2,659,768	2,927,949	-504,320	236,148	0	79,869	5,084,031	0	5,084,031
(Charged)/credited to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	-2,843,664	-2,843,664	0	0	0	-2,843,664	0	-2,843,664	
Other movements	-223,563	0	-223,563	0	0	0	0	0	223,563	-2,042,101	2,265,664	0	0	0	0	0	0	0	0	-4,452,093	-4,452,093
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange differences	26,027	12,771	13,255	0	-3,868	-1,525	-1,343	0	-27,709	66,235	-93,998	54	-59,516	49,326	281	0	0	584	45,550	0	45,550
Year end (March 31, 2023)	2,818,228	889,014	1,004,478	1,064,736	2,783,785	2,717,300	35,486	0	4,252,900	5,344	4,247,255	301	4,501,163	4,624,806	200,838	275,518	0	610,738	14,965,816	-14,085,184	980,632

Deferred tax liabilities have been mainly recorded in the context of the acquisition of the GMM Pfäudler Group as of February 01, 2021 and of HARI as of August 03, 2023 as part of the purchase price allocation. Upon finalization of the purchase price allocation of the Mixel Group during the one-year measurement period, additional deferred tax liabilities might be recorded on fair value step-ups (for further reference see Note 3 of these consolidated financial statements). Deferred tax liabilities have been allocated especially to non-current assets (revaluation of intangible and tangible fixed assets). Deferred tax assets mainly relate to non-current liabilities (revaluation of pension obligations).

Deferred tax liabilities are credited to profit and loss in line with depreciations over the lifetime of the respective assets.

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NOTE 13 - RELATED PARTY TRANSACTIONS

Transactions with management

The Board of Managers of the Company has received a remuneration of USD 2,448,683, thereof USD 728,574 accrued for the year ended March 31, 2023 (prior year: USD 1,665,941 thereof: USD 692,000 accrued).

Transactions with shareholders

Apart from the transactions mentioned in Note 10 and the business transactions in course of the acquisition as described in Note 3, the following items of the Consolidated Statement of Financial Position and impacts on the Consolidated Statement of Income with shareholders are included in the consolidated financial statements as of March 31, 2023.

Relationships on behalf of GMM International S.à r.l. and its subsidiaries with GMM Pfaudler Limited, India and Mavag AG, Switzerland

Consolidated Statement of Financial Position	March 31, 2023	March 31, 2022
in USD		
Advance payments made on inventories	1,996,182	4,431,013
Trade receivables	652,252	697,066
Current financial receivables	1,455,156	1,025,527
Accounts payable	-3,574,487	-2,764,002
Prepayments received on Inventories	-648,200	-235,846
Net Balance	-119,098	3,153,758

Consolidated Statement of Income	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
in USD		
Revenues	1,648,469	1,895,564
Cost of Sales	-18,677,785	-5,615,804
Royalty Income	577,774	613,123
Charges included in Selling, general and administrative result	-206,498	-5,332
Total	-16,658,039	-3,112,449

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Relationships on behalf of GMM International S.à r.l. and its subsidiaries with Pfaudler International S.à r.l. and its subsidiaries

Consolidated Statement of Financial Position	March 31, 2023	March 31, 2022
in USD		
Trade receivables	0	0
Current financial receivables	48,466	140,619
Current financial liabilities	0	0
Net Balance	48,466	140,619

Consolidated Statement of Income	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
in USD		
Charges included in Selling, general and administrative result	0	0
Total	0	0

Transactions with companies being related parties to some of the members of the management

Avega S.à r.l. and Avega Tax Advisors S.à r.l. (together “Avega”) are entitled to obtain USD 49,366 for the financial year ended March 31, 2023 mainly for subleasing of office spaces, tax advice and payroll/accounting services. An amount of USD 19,445 has been accrued as of March 31, 2023.

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NOTE 14 - COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies

In addition to the matters described above and in Note 7 from time to time, the Company is subject to disputes, administrative proceedings and other claims arising from the normal conduct of its business. These matters generally relate to disputes arising from the use or installation of its products, product liability litigation, personal injury claims, commercial and contract disputes and employment-related matters. On the basis of information currently available to it, management does not believe that existing proceedings and claims which have not been provided for as liabilities or accruals as described in Note 7 will have a material impact on the Company's financial position, results of operations or cash flows. However, litigation is unpredictable, and the Company could incur judgments or enter settlements for current or future claims that could result in currently unanticipated adverse effects.

The Group is involved in the following type of litigations as of March 31, 2023:

Litigations	in USD
Warranty provisions and related items including taxes	0
Labor claims	124,849
Legal and arbitration	0
Total	124,849
<i>Thereof provided for</i>	<i>124,849</i>

Guarantees and pledges

The GMM Pfaudler Group is financed by way of a senior facilities agreement.

Under the senior facilities agreement, several group entities act as joint and several guarantors for the overall indebtedness incurred by any of the borrowers thereunder and provide security in relation thereto. Where this is required in any local jurisdictions and in line with market practice in the relevant markets, the guarantees and security granted in relation to the senior facilities agreement and/or their enforcement are subject to certain limitations.

In more detail, the GMM Pfaudler Group entities have already provided or will have to provide the following securities in relation to the indebtedness incurred from time to time under or pursuant to the senior facilities agreement:

- **UK:** Pfaudler Limited has entered into a share pledge agreement in relation to certain shares held by it, pledged its rights of intercompany loans and bank accounts. In addition, Pfaudler Ltd. entered into an all-asset-security agreement;

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- **US:** GMM Pfaudler US, Inc. and Edlon, Inc. have each entered into an all-asset-security agreement and entered into deposit account control agreements; in addition, GMM Pfaudler US, Inc. have pledged certain shares held by them;
- **Luxembourg:** GMM International S.à r.l has pledged the shares held by it, as well as its bank accounts;
- **Germany:** Pfaudler GmbH has entered into a share pledge agreement in relation to certain shares held by it. Pfaudler GmbH and Pfaudler interseal GmbH pledged their bank accounts and intercompany loans, transferred their IP rights and assets and assigned their receivables for security purposes;
- **Brazil:** Pfaudler Ltda. has entered into a pledge over bank accounts;
- **Italy:** Pfaudler S.r.l. has entered into a pledge over intercompany loans and bank accounts.

Furthermore, the Group has given bank guarantees to some of its clients or suppliers in the overall amount of USD 18.7 million as March 31, 2023 in the course of its ordinary business, e.g. for received advanced payment or payment periods.

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NOTE 15 - SUBSEQUENT EVENTS

There are no Subsequent Events to report as per the date of the management approval of the consolidated financial statements on August 25, 2022.

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NOTE 16 – AUDITORS FEES

For their audit, tax consulting and other services the auditor of the Group, Deloitte Audit S.à.r.l. (Luxembourg) and the Deloitte member firms involved in the Group Audit received the following compensation:

Total Expenses Group Auditor	April 01, 2022 to March 31, 2023	April 01, 2021 to March 31, 2022
in USD		
Audit Services	-841,511	-671,084
Audit-related Services	-370,478	-505,567
Tax Consulting Services	-378,012	-432,709
Other Services	-8,430	0
Total	-1,598,431	-1,609,359