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

CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2024 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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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 19th, 2020 as a limited liability Company (Société à responsabilité limitée) within the definition of the Luxembourg Law of August 10th, 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 19th, 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 16th, 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 fiveteen manufacturing facilities on four continents uniting the Pfaudler, Edlon, Normag, Interseal, Mixel, HARI, JDS and MixPro brands and employing approx. 1,100 people, we are 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, especially the economy in Europe is since February 2022 impacted from the war in Ukraine. Additionnally, the global slowdown caused at least partly by measures to reduce the inflation impact the Chemical and Pharmaceutical Industry and our business.
Therefore, the investments 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 were postponed and / or reduced in the Fiscal Year and result in a lower Order Intake than in previous year. However, 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 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.

Major Events during the Financial Year

Mergers & Acquisitions Activities

On December 01, 2023, the Company -through its subsidiary GMM Pfaudler US Inc.- closed the acquisition of Professional Mixing Equipment Inc., Canada ("MixPro").

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 continues to focuse on operational improvement activities with a focus on lean manufacturing activities, 5S initiatives and learning from best practices going-forward. In this context it was also decided to shut-down part of the glass-line manufacturing capabilities at our site in Leven, UK.

Results of Operations

Period ended March 31, 2024

The financial year ending March 31st, 2024 covers the period April 1st, 2023 to March 31st, 2024.

Revenues of USD 282.6 million and Cost of Sales of USD 196.48 million are presented in the consolidated financial statements as of March 31st, 2024.
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 282.6 million for the year ended March 31st, 2024. 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 136.8 million for the year ended March 31st, 2024.

Americas (USA, Brazil, Mexico and Canada): On a reported basis, revenues in the Americas for the year ended March 31st, 2024 were USD 114.8 million.

Asia (China): On a reported basis, revenues in Asia for the year ended March 31st, 2024 were USD 31.0 million.

Cost of Sales
Cost of Sales amounted to USD 196.4 million for the year ended March 31st, 2024 representing 69.5% of revenues.

Marketing, Selling and Distribution Expenses
Marketing, Selling and Distribution expenses for the financial year ended March 31st, 2024 amounted to USD 26.5 million. As a percent of revenues, Marketing, Selling and Distribution expenses represented 9.4%. The Marketing and Selling expenses contain USD 3.4 million of non-cash amortization of acquisition step-up in intangible assets.

Research & Development and Engineering Expenses
Research & Development expenses together with Engineering expenses for the financial year ended March 31st, 2024 amounted to a total of USD 7.9 million (thereof USD 1.3 million amortization of acquisition step-up in intangible assets). As a percent of revenues, Research & Development and Engineering expenses were on a level of 2.8% 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 31st, 2024 are at USD 26.3 million (including USD 2.0 million M&A related transactional costs). As a percent of revenues, General and Administrative expense represented 9.3%.

Amortization of intangibles
Amortization of intangibles amounted to USD 8.9 million for the year ended March 31st, 2024 and comprises of USD 5.0 million of amortization relating to step-up in intangible assets and USD 3.9 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 31st, 2024 of USD 5.7 million include interest expenses of USD 13.9 million on the Senior Credit Facilities, pension liabilities, lease liabilities, Fair value effects from derivatives and foreign exchange effects. Financial income of USD 8.2 million mainly consists of foreign exchange gains, Fair value effects from derivativesand pension related interest income.

Other (Income)/Deductions—Net

Other (Income)/Deductions net amounted to USD 0.6 million of income for the year ended March 31st, 2024.

Taxes

The tax expenses net of tax income for the financial year ended March 31st, 2024 amounted to USD 7.2 million.

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 31st, 2024. 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.

all amounts in USD million	Financial Year ended March 31, 2023
Earnings before Interest and Tax (EBIT)	26.2
Depreciation & Amortization	13.3
Earnings before Interest, Tax, Depreciation,	**39.5**
Extraordinary items / Transactional Items*	3.4
Adj. Earnings before Interest, Tax, Depreciation,	**42.9**

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

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 29th, 2021 and the amendment letter dated February 12th, 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 31st, 2024, we have outstanding total bank debt of USD 50.6 million (net of USD 1.3 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 20th, 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. with the amendment agreement dated January 29th, 2021 and the amendment letter dates February 12th, 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 31st, 2025. Term loan facilities B1 and B2 as well as the drawn Acquisition Credit Facility mature on August 20th, 2026 and the Bonding Facility and the Revolver are available until August 20th, 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 2023/2024 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 securities granted in the context of the Senior Credit and Derivatives and Swaps, all explained in the Notes to the Consolidated Financial Statements, we did not have any off-balance sheet arrangements as of March 31st, 2024.

Own shares held by the Company

The Company did not hold any own shares as of March 31st, 2024.

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.

One concerned subsidiary has been entered into interest rate related derivative instruments to manage the interest rate risk.

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 31st, 2024, 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.

War in Ukraine

All business with Russia and Ukraine has been already stopped in the prior Financial Year 2023/2024, 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.

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 31st, 2024.

The members of the Board of Managers of the company per March 31st, 2024 were Mr. Thomas Kehl, Mr. Alexander Pömpner, Mr. Tarak Patel, Mr. Dr. Wolfgang Zettel, Mr. Stefan Lambert, Mr. Nakul Toshnival and Mr. Thomas Probst.

Subsequent Events to the balance sheet date

There are no Subsequent Events to report as per the date of the management approval of the consolidatied financial statements on August 01, 2024.

Outlook Financial Year 2024/25

We expect that the Pfaudler business offering and the continued customer trust will enable us to realize our sales and EBITDA targets going forward.

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.

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
B.P. 1173
L-1011 Luxembourg

Tel: +352 451 451
www.deloitte.lu

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, 2024, 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 material 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, 2024, 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.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B67.895
Autorisation d'établissement 10022179

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.

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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*

PP Andreas Meier

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

August 26, 2024

GMM International S.à r.l.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2024

(expressed in USD)

ASSETS	**Note**	**March 31, 2024**	**March 31, 2023 (restated)**
Current assets			
Cash and cash equivalents	CF-S	36,317,033	35,152,510
Accounts Receivable, net	6	54,500,626	47,877,536
Inventories, net	6	59,169,599	72,719,179
Prepaid and other current assets	6	12,503,485	18,396,252
Current income tax assets	12	4,471,413	4,264,025
Current derivatives and swaps	6	81,123	0
Total current assets		**167,043,280**	**178,409,502**
Non-currents assets			
Property, plant and equipment, net	6	49,565,345	50,718,877
Goodwill	4	22,110,900	17,981,074
Intangibles, net	4	55,099,562	60,246,054
Investments	9	29,958	34,864
Other assets	6	2,630,567	3,122,964
Deferred income tax assets	12	1,478,346	410,410
Total non-current assets		**130,914,678**	**132,514,243**
Total assets		**297,957,957**	**310,923,745**

LIABILITIES AND EQUITY	**Note**	**March 31, 2024**	**March 31, 2023 (restated)**
Current liabilities			
Current portion of long-term debt and short-term borrowings	5	4,845,962	4,731,010
Short term lease liabilities	6	3,613,266	3,334,165
Short term derivatives and swaps	6	0	592,228
Short term pension obligations	8	1,727,249	1,762,836
Accounts payable	6	38,858,667	36,735,229
Other short-term provisions	6	29,740,856	39,241,363
Other short-term liabilities	6	2,521,569	2,542,636
Advance payments received	6	16,974,072	29,425,132
Short-term Income tax provisions and liabilities	12	6,002,105	4,813,303
Total current liabilities		**104,283,745**	**123,177,903**
Non-current liabilities			
Long term debt	5	45,709,632	49,485,024
Long term lease liabilities	6	15,674,786	17,355,023
Long term derivative and swaps	6	212,800	0
Long term pension obligations	8	33,771,326	32,635,787
Other long-term provisions	6	1,804,439	2,163,937
Other long-term liabilities	6	94,236	95,369
Deferred income tax liabilities	12	7,838,300	9,104,006
Total non-current liabilities		**105,105,520**	**110,839,146**
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	16,349,354	17,938,699
Retained Earnings (incl. net income/(loss) of the period)	EQ-S	20,592,538	6,760,415
Company stockholder's equity	**EQ-S**	**87,781,460**	**75,538,682**
Non-controlling interests	EQ-S	787,232	1,368,013
Total equity	EQ-S	**88,568,692**	**76,906,696**
Total liabilities and equities		**297,957,957**	**310,923,745**

GMM International S.à r.l.

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

for the period from April 01, 2023 to March 31, 2024

(expressed in USD)

Consolidated statement of income	**Note**	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023 (restated)**
Net sales		282,616,263	257,583,505
Cost of sales		-196,351,496	-188,014,526
Gross profit		**86,264,767**	**69,568,979**
Selling, general and administrative		-60,731,088	-52,349,919
Operating profit		**25,533,679**	**17,219,060**
Interest expenses and financial costs	5	-13,276,822	-12,308,261
Interest expenses for leases		-698,112	-410,995
Interest income and financial income	5	8,235,633	10,184,987
Other income (expense), net		636,471	722,980
Income (loss) before income taxes		**20,430,848**	**15,407,771**
Income tax income/(expense)	12	-7,179,507	-3,142,402
Net income/(loss)		**13,251,342**	**12,265,369**
Net income/(loss) attributable to non-controlling interests	10	-580,781	-248,987
Net income/(loss) attributable to the Group		**13,832,123**	**12,514,356**
EBIT Reconciliation			
Operating Profit		25,533,679	17,219,060
Other income (expense), net		636,471	722,980
EBIT		**26,170,150**	**17,942,040**

GMM International S.à r.l.

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

for the period from April 01, 2023 to March 31, 2024

(expressed in USD)

Consolidated statement of comprehensive income	**Note**	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023 (restated)**
Net income		**13,251,342**	**12,265,369**
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	-1,191,894	12,329,063
b.) items hat may be reclassified to profit or loss			
Currency translation adjustments	EQ-S	-397,451	-4,481,280
Other comprehensive income	EQ-S	**-1,589,345**	**7,847,784**
thereof: Other comprehensive income attributable to the Group		*-1,589,345*	*7,847,784*
thereof: Other comprehensive income attributable to non-controlling interests		*0*	*0*
Total comprehensive income	EQ-S	**11,661,997**	**20,113,153**
Total comprehensive income attributable to non-controlling interests		-580,781	-248,987
Total comprehensive income attributable to the Group	EQ-S	**12,242,777**	**20,362,140**

GMM International S.à r.l.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from April 01, 2023 to March 31, 2024 (expressed in USD)

Consolidated statement of Cash Flows	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023 (restated)**
EBIT	**26,170,150**	**17,942,040**
Amortization	9,083,629	6,876,577
EBITA	**35,253,779**	**24,818,617**
Depreciation	4,251,835	3,811,409
EBITDA	**39,505,614**	**28,630,026**
Change in Working Capital	-8,434,761	-8,305,751
Change in Inventories	*13,923,586*	*-3,635,298*
Change in Accounts Receivable	*-4,625,607*	*-6,968,922*
Change in Other Current Assets	*3,766,655*	*-2,362,529*
Change in Current Provisions (non-Tax)	*-10,150,890*	*12,588,570*
Change in Accounts Payable	*-11,327,437*	*-8,177,902*
Change in Other Current Liabilities	*-21,068*	*250,331*
Change in Other (Non-) Current Assets	492,397	49,213
Change in Other (Non-) Current Liabilities	-2,151,730	-1,916,688
Changes in Other Items	140,487	1,786,707
Change in Fixed and Intangible Assets	*132,255*	*1,786,481*
Change in Operational Financial Instruments	*5,087*	*226*
Other Items	*3,144*	*0*
Cash Flow from Operations	**29,552,007**	**20,243,507**
Income Tax Paid	-7,958,969	-4,818,884
Change in Other Tax Items	-310,566	-244,576
Net Cash Flow from Operations	**21,282,472**	**15,180,048**
Net Proceeds from Asset Sales	30,167	2,628,064
Capital Expenditures	-7,880,017	-8,015,032
Other (Investments) / Divestments	-4,626,718	-9,571,604
Net cash flow from investments	**-12,476,567**	**-14,958,573**
Net Interest	-3,662,320	-121,413
Changes in Leases	-1,438,241	1,053,107
Borrowings against lines of credit and other debt	485,179	0
Payments against lines of credit and other debt	-2,628,549	-4,515,382
Cash inflow from acquisition facility	0	7,583,144
Changes in Equity*	-397,451	-4,481,280
Capital Increases by Shareholders	0	0
Dividends to Shareholders	0	0
Net Dividends to Minority Shareholders	0	0
Others incl. Debt Issuance Costs	0	-113,747
Net cash flow from financing activities	**-7,641,381**	**-595,571**
Change in cash and cash equivalents	**1,164,523**	**-374,096**
Cash and cash equivalents, beginning of period	**35,152,510**	**35,526,605**
Change in cash and cash equivalents	1,164,523	-374,096
Cash and cash equivalents, end of period	**36,317,033**	**35,152,510**

* *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, 2023 to March 31, 2024 (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, 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					12,514,356	**12,514,356**	-248,987	**12,265,369**
Other comprehensive income, net				7,847,784		**7,847,784**	0	**7,847,784**
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 (restated)	**547,568**	**547,568**	**50,292,000**	**17,938,699**	**6,760,415**	**75,538,682**	**1,368,013**	**76,906,696**
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**	0	**0**
Net Income					13,832,123	**13,832,123**	-580,781	**13,251,342**
Other comprehensive income, net				-1,589,345		**-1,589,345**	0	**-1,589,345**
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, 2024	**547,568**	**547,568**	**50,292,000**	**16,349,354**	**20,592,538**	**87,781,460**	**787,232**	**88,568,692**

For details please refer to Note 10.

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 and fiscal year 2023/24 (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.

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 glasslined 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-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 in financial year 2022/2023.

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 "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.

Subsequent to the finalization of the purchase price allocation during the one-year measurement period, new circumstances revealed that the respective parameters of the conditional purchase price of EUR 0.5 million will not be met despite the fact that the fulfillment was anticipated to be highly likely during the one-year measurement period. Basis for this adjustment of the conditional purchase price were calculations made that referred to Mixel Group's financial data post year-end audit. As per July 2024 the amount of the conditional purchase price was finally negotiated with the former owner of Mixel Group, accordingly the adjustment did not fulfill the criteria of being an adjusting subsequent event to the financial data of fiscal year 2023/24. As per the regulations of IFRS 3 this -post measurement period- unforeseen development will result in an adjustment of the anticipated provision in fiscal year 2024/25 and lead accordingly to an effect in the Consolidated Statement of Income in fiscal year 2024/25.

As per March 31, 2023, the consolidation of the Mixel Group was 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 was conducted during the one-year re-assessment period as per regulations of IFRS 3 in financial year 2023/2024. Based on the outcome of the finalized PPA certain financial information of financial year 2022/2023 data changed and were restated. For further reference see Note 3 of these consolidated financial statements.

Effective December 01, 2023, the Company -through its newly founded subsidiary 1000664854 Ontario Inc., Canada (an affiliate assignee of GMM Pfaudler US Inc., USA), has completed the acquisition of 2012875 Ontario Inc., a holding corporation, and its direct operational subsidiary Professional Mixing Equipment Inc. (in the following "MixPro" for the sake of simplicity), Canada from the former owners Gerald R. G. Campsall, J Campsall Holding Corporation, Steve Slat and 27228663 Ontario Inc. (all four based in Canada). The purchase price added up to CAD 9.0 million (less the "Closing Leakage" and less the "Corporation Closing Transaction Expenses", if any) based on a locked-box-concept as of October 31, 2022. Contained in this purchase price is an amount of CAD 2.5 million that refers to a holdback amount and which will be paid out in the future once certain conditions are met. Management expects the fulfillment of these conditions to be more likely than not. As per March 31, 2024, the consolidation of MixPro is considered in these consolidated financial statements based on a draft purchase price allocation (PPA). This preliminary PPA was prepared in March 2024 and allocates the difference between purchase price and acquired net book value of MixPro 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 in financial year 2024/2025. 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
PFG01CA	Professional Mixing Equipment Inc.	100.00%	full	Canada
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

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 and the 12 months period then ended.

For the entity acquired during the fiscal year (Professional Mixing Equipment Inc) a conversion of their original fiscal year-end (October 31) to the reporting date (March 31) of the parent, GMM International S.à r.l. was initiated upon respective contractual closing activities.

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 fourteen (prior year: thirteen) manufacturing facilities on four continents uniting the Pfaudler, Edlon, Normag, Interseal, Mixel, HARI, JDS and MixPro 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 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.

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 01, 2024.

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 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 based on 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 assessed 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, 2024, the Group holds a participation in one JV and upon assessment, 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).

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 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 0.1 million (prior year: USD 2.6 million) were recognized through profit or loss. Depending on the triggering business transactions that led to such exchange rate gains or losses, these are shown either under “Other income (expense), net” or within the financial result (“Interest expenses and financial costs” and “Interest income and financial income” respectively).

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

Foreign Curreny Transalation	**Currency Code**	**Closing rate**	**Average rate**	**Closing rate**	**Average rate**
USD 1 to		March 31, 2024	April 1, 2023 to March 31, 2024	March 31, 2023	April 1, 2022 to March 31, 2023
Brazilian real	BRL	4.9979	4.9344	5.0720	5.1550
Canadian Dollar	CAD	1.3571	1.3473	n/a	n/a
Swiss Francs	CHF	0.9033	0.8860	0.9166	0.9550
Chinese yuan renminbi	CNY	7.2282	7.1682	6.8748	6.8536
Euro	EUR	0.9250	0.9220	0.9195	0.9612
British pound sterling	GBP	0.7910	0.7958	0.8085	0.8307
Indian Rupee	INR	83.3748	82.7839	82.2064	80.3498
Mexican peso	MXN	16.5738	17.3227	18.0590	19.6595
Singapore dollar	SGD	1.3493	1.3447	1.3300	1.3739

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.

2.6 Revenue Recognition

Revenue is recognized 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 recognized 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 recognized 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).

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 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.

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 recognized 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.

An item of property, plant and equipment is derecognized 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 recognized 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.

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 <u>Goodwill</u>

Goodwill is not amortized but reviewed for impairment. Impairment write-offs are charged to the Consolidated Statement of Income 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 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, 2024 (prior year: no impairment charges). See note 4 for information relating to the Group's annual impairment analysis performed as of February 28, 2024.

2.21 Intangible assets

Acquired customer- and supplier-relationship intangible assets, patents and trademarks (which include the Pfaudler, Normag, interseal, Edlon, HARI and Mixel 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. Except for "Goodwill" (see section above) the Group does not hold intangible assets with infinite useful lives.

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.

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	10 to 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 recognized and disclosed unless an inflow of economic benefits is virtually certain in the consolidated financial statements.

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 Postion with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Income. Past service cost is recognized 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 recognized in the Consolidated Statement of Financial Position represents the actual deficit or surplus in the Group’s defined benefit plans. For purposes of the IFRS presentation any surplus resulting from this calculation is limited to the present value of any 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 recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes 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 amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the Consolidated Statement of Income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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.

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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized 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 recognized 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.

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 recognized using the tax rate of jurisdiction in which such inventories are held.

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

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 consolidated financial statements have been prepared in accordance with IFRS in force as of March 31, 2024, as endorsed by the European Union. During the financial year the following IFRS Standards have been applied by the Group.

- Introduction of IFRS 17 Insurance Contracts (Including Amendments to the Standard) and Amendments to IFRS 17 Insurance Contracts (Initial Application of IFRS 17 and IFRS 9 – Comparative Information)
- Amendments to IAS 1 Presentation of Financial Statements and Making Materiality Judgments (Disclosure of Key Accounting Policies)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Changes in Accounting Policies and Accounting Estimates)
- Amendments to IAS 12 Income Taxes (Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)
- Amendments to IAS 12 Income Taxes (International Tax Reform – Guidelines on Global Minimum Taxation (Pillar Two Model Rules))

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, 2024:

- Amendments to IFRS 16 Leases (Accounting of a Lease Liability in a Sale and Leaseback)
- Amendments to IAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Noncurrent; Deferral of Effective Date; Classification of Noncurrent Liabilities with Covenants)
- Amendments to IAS 7 Statements of Cash Flows, IFRS 7 Financial Instruments – Disclosures: ‘Supplier Finance Agreements’

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

NOTE 3 – ACQUISITIONS & DIVESTMENTS

Acquisition of Mixel Group (Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd.) in financial year 2022/23 and restatement in financial year 2023/24

During financial year 2022/23 (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 specialized 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 (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. Subsequent to the finalization of the purchase price allocation during the one-year measurement period, new circumstances revealed that the respective parameters of the conditional purchase price of EUR 0.5 million will not be met despite the fact that the fulfillment was anticipated to be highly likely during the one-year measurement period. Basis for this adjustment of the conditional purchase price were calculations made that referred to Mixel Group's financial data post year-end audit. As per July 2024 the amount of the conditional purchase price was finally negotiated with the former owner of Mixel Group, accordingly the adjustment did not fulfill the criteria of being an adjusting subsequent event to the financial data of fiscal year 2023/24..

The following table summarizes the aggregate consideration transferred to the former owner of the Mixel Group:

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.*

Due to the timing restraints between transaction closing and fiscal year-end, a full purchase price allocation (PPA) could not be completed as per year-end as of March 31, 2023. For purposes of the consolidated financial statements as per March 31, 2023, the Company considered a preliminary assessment of the PPA and allocated and recorded the entire difference between purchase price and acquired net assets on “goodwill”.

During financial year 2023/24 and as per the regulations of IFRS 3.45, a detailed PPA was conducted during the post-acquisition one-year measurement period. During this measurement period of one year, the Company adjusted the provisional amounts recognized at the acquisition date.

The legal entities of the former Mixel Group, Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. (China) are allocated to one CGU (“Mixel”) in the Group’s consolidated financial statements: As Mixel Agitator Co. Ltd is largely dependent on decisions made both by the key decision makers of the Group and by the Mixel executive personnel located in France, the smallest identifiable group of assets that generate cash inflows is the CGU “Mixel” that combines both legal entities. Accordingly, all fair value step-ups recognized upon the finalization of the PPA were allocated to CGU “Mixel” and goodwill for the acquired legal entities will be tested for impairment on the level of the CGU “Mixel” on an aggregated basis of both legal entities.

The following table summarizes the final allocation of recognized amounts of assets acquired and liabilities assumed at the date of acquisition (legal names for the abbreviations of the legal entities can be found in Note 1). All contained prior year values that are due to an adjustment as a consequence of the reassessment of the PPA are marked as “restated”. Additionally, a table below summarizes impacts on the consolidated financial statements due to the finalization of the PPA.

all amounts in USD (restated)	**PFG02FR* February 02, 2023***	**PFG03CN* February 02, 2023***	**Total* February 02, 2023***
Current Assets	**8,854,185**	**2,152,555**	**11,006,740**
Cash on hand	1,499,764	659,110	2,158,873
Inventories	2,345,696	1,148,320	3,494,016
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	**10,123,114**	**1,115,024**	**11,238,138**
Intangible assets	7,907,517	310	7,907,827
thereof: Trademark Rights	*1,131,071*	*0*	*1,131,071*
thereof: Customer Relationship	*4,075,463*	*0*	*4,075,463*
thereof: Supplier Relationship	*0*	*0*	*0*
thereof: Technology	*1,131,071*	*0*	*1,131,071*
thereof: Other PPA step-ups	*1,531,111*	*0*	*1,531,111*
thereof: Other intangible assets	*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	**5,286,428**	**764,624**	**6,051,052**
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	2,205,828	0	2,205,828
Other non-current liabilities	0	0	0
Net Assets	**7,334,195**	**778,343**	**8,112,538**
Total Consideration transferred			8,237,124
Fair value of identifiable net assets			8,112,538
Goodwill			**124,586**

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

Impacts on the consolidated financial statements as per March 31, 2023, due to the revision of the purchase price allocation within the measurement period:

ASSETS	**March 31, 2023 (reported)**	**March 31, 2023 (restated)**	**Restatement**
Current assets			
Cash and cash equivalents	35,152,510	35,152,510	0
Accounts Receivable, net	47,877,536	47,877,536	0
Inventories, net	72,482,104	72,719,179	+237,075
Prepaid and other current assets	18,396,252	18,396,252	0
Current income tax assets	4,264,025	4,264,025	0
Total current assets	**178,172,427**	**178,409,502**	**+237,075**
Non-currents assets			
Property, plant and equipment, net	50,718,877	50,718,877	0
Goodwill	24,177,893	17,981,074	-6,196,819
Intangibles, net	52,762,627	60,246,054	+7,483,427
Investments	34,864	34,864	0
Other assets	3,122,964	3,122,964	0
Deferred income tax assets*	960,632	410,410	-550,222
Total non-current assets	**131,777,856**	**132,514,243**	**+736,386**
Total assets	**309,950,283**	**310,923,745**	**+973,462**

LIABILITIES AND EQUITY	**March 31, 2023 (reported)**	**March 31, 2023 (restated)**	**Restatement**
Current liabilities			
Current portion of long-term debt and short-term borrowings	4,731,010	4,731,010	0
Short term lease liabilities	3,334,165	3,334,165	0
Short term derivatives and swaps	592,228	592,228	0
Short term pension obligations	1,762,836	1,762,836	0
Accounts payable	36,735,229	36,735,229	0
Other short-term provisions	39,241,363	39,241,363	0
Other short-term liabilities	2,542,636	2,542,636	0
Advance payments received	29,425,132	29,425,132	0
Short-term Income tax provisions and liabilities	4,813,303	4,813,303	0
Total current liabilities	**123,177,903**	**123,177,903**	**0**
Non-current liabilities			
Long term debt	49,485,024	49,485,024	0
Long term lease liabilities	17,355,023	17,355,023	0
Long term pension obligations	32,635,787	32,635,787	0
Other long-term provisions	2,163,937	2,163,937	0
Other long-term liabilities	95,369	95,369	0
Deferred income tax liabilities*	7,724,103	9,104,006	+1,379,903
Total non-current liabilities	**109,459,243**	**110,839,146**	**+1,379,903**
Equity			
Common stock	547,568	547,568	
Additional paid in capital	50,292,000	50,292,000	
Accumulated other comprehensive income	17,956,332	17,938,699	-17,633
Retained Earnings (incl. net income/(loss) of the period)	7,149,224	6,760,415	-388,809
Company stockholder's equity	**75,945,124**	**75,538,682**	**-406,442**
Non-controlling interests	1,368,013	1,368,013	
Total equity	**77,313,137**	**76,906,696**	**-406,442**
Total liabilities and equities	**309,950,283**	**310,923,745**	**+973,462**

* *Upon recognition of Deferred Tax Liabilities in course of the finalization of the PPA for Mixel, the values for the offset of Deferred Tax Assets and Deferred Tax Liabilities on Group level changed. This amended offset impacted both the restated value of Deferred Tax Assets and Deferred Tax Liabilities on Corporate Level.*

Consolidated statement of income	**April 01, 2022 to March 31, 2023 (reported)**	**April 01, 2022 to March 31, 2023 (restated)**	**Restatement**
Net sales	257,583,505	257,583,505	0
Cost of sales	-187,787,737	-188,014,526	-226,789
Gross profit	**69,795,769**	**69,568,979**	**-226,789**
Selling, general and administrative	-52,058,296	-52,349,919	-291,623
Operating profit	**17,737,472**	**17,219,060**	**-518,412**
Interest and financial costs	-12,308,261	-12,308,261	0
Interest expenses for leases	-410,995	-410,995	0
Interest income	10,184,987	10,184,987	0
Other income (expense), net	722,980	722,980	0
Income (loss) before income taxes	**15,926,184**	**15,407,771**	**-518,412**
Income tax income/(expense)	-3,272,005	-3,142,402	+129,603
Net income/(loss)	**12,654,178**	**12,265,369**	**-388,809**
Net income/(loss) attributable to non-controlling interests	-248,987	-248,987	0
Net income/(loss) attributable to the Group	**12,903,165**	**12,514,356**	**-388,809**
EBIT Reconciliation			
Operating Profit	17,737,472	17,219,060	-518,412
Other income (expense), net	722,980	722,980	0
EBIT	**18,460,453**	**17,942,040**	**-518,412**

Consolidated statement of comprehensive income	**April 01, 2022 to March 31, 2023 (reported)**	**April 01, 2022 to March 31, 2023 (restated)**	**Restatement**
Net income	**12,654,178**	**12,265,369**	**-388,809**
Other comprehensive income (loss) (net of tax):			
a.) items that will not be reclassified to profit or loss			
Change in defined benefit plans	12,329,063	12,329,063	0
b.) items that may be reclassified to profit or loss			
Currency translation adjustments	-4,463,647	-4,481,280	-17,633
Other comprehensive income	**7,865,416**	**7,847,784**	**-17,633**
thereof: Other comprehensive income attributable to the Group	*7,865,416*	*7,847,784*	*-17,633*
thereof: Other comprehensive income attributable to non-controlling interests	*0*	*0*	
Total comprehensive income	**20,519,595**	**20,113,153**	**-406,442**
Total comprehensive income attributable to non-controlling interests	-248,987	-248,987	0
Total comprehensive income attributable to the Group	**20,768,581**	**20,362,140**	**-406,442**

Consolidated statement of Cash Flows	**April 01, 2022 to March 31, 2023 (reported)**	**April 01, 2022 to March 31, 2023 (restated)**	**Restatement**
EBIT	**18,460,453**	**17,942,040**	**-518,412**
Amortization	6,358,164	6,876,577	518,412
EBITA	**24,818,617**	**24,818,617**	**0**
Depreciation	3,811,409	3,811,409	0
EBITDA	**28,630,026**	**28,630,026**	**0**
Change in Working Capital	-8,542,825	-8,305,751	+237,075
Change in Inventories	*-3,872,373*	*-3,635,298*	*+237,075*
Change in Accounts Receivable	*-6,968,922*	*-6,968,922*	*0*
Change in Other Current Assets	*-2,362,529*	*-2,362,529*	*0*
Change in Current Provisions (non-Tax)	*12,588,570*	*12,588,570*	*0*
Change in Accounts Payable	*-8,177,902*	*-8,177,902*	*0*
Change in Other Current Liabilities	*250,331*	*250,331*	*0*
Change in Other (Non-) Current Assets	49,213	49,213	0
Change in Other (Non-) Current Liabilities	-1,916,688	-1,916,688	0
Changes in Other Items	2,000,272	1,786,707	-213,565
Change in Fixed and Intangible Assets	*2,000,046*	*1,786,481*	*-213,565*
Change in Operational Financial Instruments	*226*	*226*	
Other Items	*0*	*0*	
Cash Flow from Operations	**20,219,998**	**20,243,507**	**+23,509**
Income Tax Paid	-4,818,884	-4,818,884	0
Change in Other Tax Items	-238,699	-244,576	-5,877
Net Cash Flow from Operations	**15,162,415**	**15,180,048**	**+17,633**
Net Proceeds from Asset Sales	2,628,064	2,628,064	0
Capital Expenditures	-8,015,032	-8,015,032	0
Other (Investments) / Divestments	-9,571,604	-9,571,604	0
Net cash flow from investments	**-14,958,573**	**-14,958,573**	**0**
Net Interest	-121,413	-121,413	0
Changes in Leases	1,053,107	1,053,107	0
Borrowings against lines of credit and other debt	0	0	0
Payments against lines of credit and other debt	-4,515,382	-4,515,382	0
Cash inflow from acquisition facility	7,583,144	7,583,144	0
Changes in Equity*	-4,463,647	-4,481,280	-17,633
Capital Increases by Shareholders	0	0	0
Dividends to Shareholders	0	0	0
Net Dividends to Minority Shareholders	0	0	0
Others incl. Debt Issuance Costs	-113,747	-113,747	0
Net cash flow from financing activities	**-577,938**	**-595,571**	**0**
Change in cash and cash equivalents	**-374,096**	**-374,096**	**0**
Cash and cash equivalents, beginning of period	**35,526,605**	**35,526,605**	**0**
Change in cash and cash equivalents	-374,096	-374,096	0
Cash and cash equivalents, end of period	**35,152,510**	**35,152,510**	**0**

* *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"*

Acquisition of Professional Mixing Equipment Inc. (MixPro)

Effective December 01, 2023, the Company -through its newly founded subsidiary 1000664854 Ontario Inc., Canada (an affiliate assignee of GMM Pfaudler US Inc., USA), has completed the acquisition of 2012875 Ontario Inc., a holding corporation, and its direct operational subsidiary Professional Mixing Equipment Inc. (MixPro), Canada from the former owners Gerald R. G. Campsall, J Campsall Holding Corporation, Steve Slat and 27228663 Ontario Inc. (all four based in Canada).

Subsequent to the acquisition, 1000664854 Ontario Inc., Canada and the acquired 2012875 Ontarion Inc. as well a Professional Mixing Equipment Inc. (MixPro), Canada, were amalgamated. The surviving entity holds the name Professional Mixing Equipment Inc. (MixPro).

MixPro is located in Brampton, Canada. The entity is a producer of agitators and mixers and specialized in the design and manufacturing of standard and customized mixing systems used across various industries, including such as Mineral Processing, Pulp & Paper and flue gas desulfurization.

The purchase price added up to CAD 9.0 million (less the "Closing Leakage" and less the "Corporation Closing Transaction Expenses", if any) based on a locked-box-concept as of October 31, 2022. Contained in this purchase price is an amount of CAD 2.5 million that refers to a holdback amount and which will be paid out in the future once certain conditions are met. Management expects the fulfillment of these conditions to be more likely than not.

Both, the initial cash settlement, and the subsequent payment of the holdback was and will be made by using internal cash resources.

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 December 01, 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	**December 01, 2023***
Cash	4,755,622
Holdback	1,845,018
Total consideration transferred	**6,600,641**

* *CAD values converted with FX rate as per transaction date (Decembert 01, 2023).*

all amounts in USD	**PFG01CA December 01, 2023***
Current Assets	**4,348,775**
Cash on hand	1,966,934
Inventories	374,585
Trade receivables	2,000,577
Current financial assets	0
Other current assets	6,678
Non-Current Assets	**594,794**
Intangible assets	0
thereof: Trademark Rights	*0*
thereof: Customer Relationship	*0*
thereof: Supplier Relationship	*0*
thereof: Technology	*0*
thereof: Other PPA step-ups	*0*
thereof: Other intangible assets	*0*
Property, plant and equipment	43,295
Non-current financial assets	0
Right of use asset (leases)	405,213
Non-current tax assets	146,286
Other non-current assets	0
Current Liabilities	**2,124,713**
Trade payables	1,001,363
Current financial liabilities	0
Lease liabilities	115,245
Provisions	615,749
Current tax liabilities	392,356
Other liabilities	0
Non-Current Liabilities	**305,493**
Non-current financial liabilities	0
Non-current lease liabilities	305,493
Non-current Provisions	0
Non-current tax liabilities	0
Other non-current liabilities	0
Net Assets	**2,513,363**
Total Consideration transferred	6,600,641
Acquired net book value	2,513,363
Goodwill	**4,087,277**

* *CAD values converted with FX rate as per transaction date (December 01, 2023).*

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 Pfaudler International 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) 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 0.1 million. This amount reflects the identified goodwill during the measurement period (for further reference and linked restatement of initial purchase price allocation (PPA), see Note 3 of these consolidated financial statements).

The acquisition of Professional Mixing Equipment Inc., Canada ("MixPro") increased goodwill in financial year 2023/24 by another USD 4.6 million. Due to the time restraints in connection with the date of the closing of the transation 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-allocatd on a more detailed level.

The CGUs are generally defined as legal entities as this reflects the management review process of the chief operating decision maker. Only exceptions are the legal entities of the former Mixel Group, Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. (China). As Mixel Agitator Co. Ltd is largely dependent on decisions made both by the key decision makers of the group and also by the Mixel executive personnel in France, the smallest identifiable group of assets that generate cash inflows on Level of Mixel is the CGU "Mixel" that combines both legal entities.

The CGUs to which goodwill was allocated (except for the acquired "MixPro" CGU) were tested for impairment as of February 28. In the time frame between February 28, 2024, and March 31, 2024, no events occurred that materially impacted the testing results and thus required a roll-forward of the testing results as per March 31. MixPro CGU was 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 2023/24 did not reveal any indications that goodwill was to be impaired as of February 28, 2024. Applied discount rates (WACC) for goodwill impairment testing purposes were in a range from 9.75% to 17.34%.

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	38,056,776	15,764,050	0	5,370,082	16,833,539	76,024,447
Acquisitions through business combination	3,495,824	7,134,915	1,045,164	2,264,360	1,344,290	15,284,552
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	-823,661	-111,661	69,905	-20,232	-196,754	-1,082,403
Balance at March 31, 2023 (restated)	**40,728,939**	**22,787,304**	**1,115,069**	**7,711,947**	**17,981,074**	**90,324,333**
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	-1,880,684	-1,086,821	-71,111	-964,390	0	-4,003,007
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	10,976	-9,222	-3,225	-3,840	0	-5,311
Balance at March 31, 2023 (restated)	**-4,089,685**	**-2,121,023**	**-74,336**	**-5,812,160**	**0**	**-12,097,205**
Acquisition Costs						
Balance at the beginning of the period	40,728,939	22,787,304	1,115,069	7,711,947	17,981,074	90,324,333
Acquisitions through business combination	0	0	0	0	4,087,277	4,087,277
Additions	0	0	0	4,214	0	4,214
Reclassification	0	0	0	0	0	0
Disposals	0	0	0	-2,159	0	-2,159
Effect of movements in exchange rates	-185,303	-52,021	-6,630	-21,436	42,549	-222,842
Balance at March 31, 2024	**40,543,636**	**22,735,282**	**1,108,439**	**7,692,566**	**22,110,900**	**94,190,824**
Accumulated amortization						
Balance at the beginning of the period	-4,089,685	-2,121,023	-74,336	-5,812,160	0	-12,097,205
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-2,031,699	-1,110,593	-111,202	-1,674,582	0	-4,928,077
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	22,674	5,883	803	15,560	0	44,920
Balance at March 31, 2024	**-6,098,711**	**-3,225,734**	**-184,735**	**-7,471,182**	**0**	**-16,980,362**
Carrying amounts						
Net book value period end prior year (restated)	**36,639,254**	**20,666,280**	**1,040,733**	**1,899,786**	**17,981,074**	**78,227,128**
Net book value period end current year	**34,444,926**	**19,509,549**	**923,704**	**221,383**	**22,110,900**	**77,210,462**

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 revaluates the useful life on an annual basis. For the year ended March 31, 2024, Management considered the useful lives being 20 years for trademarks and patents and 10 years for supplier relationships. Depending on the underlying businesses, customer relationships are amortized over a 10- or 20-years time frame.

The amortization of patents, trademarks and customer- and supplier relationships for each of the following 5 years is considered to be USD 3.6 million per year (upon finalization of the MixPro 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.

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 the 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 15,370,758.

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, 2024, out of the RCF line, no loan was drawn, but an Ancillary Line was used in the amount of EUR 1,689,125 and USD 604,000 for guarantees.

Long term debt can be summarized as follows:

Total principal amount of debt (incl. current portion)	**March 31, 2024**	**March 31, 2023**
in USD		
Secured bank loans	50,863,421	55,286,241
Debt issuance costs	-1,254,899	-1,871,021
Other	947,073	800,814
Total	**50,555,595**	**54,216,034**

Current portion of long-term debt and short-term borrowings	**March 31, 2024**	**March 31, 2023**
in USD		
Secured bank loans	4,513,811	4,545,516
Debt issuance costs	-614,921	-615,319
Other	947,073	800,814
Total	**4,845,962**	**4,731,010**

Secured bank loans have the following specifications:

	March 31, 2024	**March 31, 2023**
in USD		
Facility A1 Agreement	607,838	1,048,940
Facility B1 Agreement	4,729,730	4,758,021
Facility A2 Agreement	4,050,000	6,950,000
Facility B2 Agreement	31,500,000	31,500,000
Acquisition facility	7,567,568	7,612,833
Secured bank loans	2,408,285	3,416,448
Debt issuance costs	-1,254,899	-1,871,021
Other Loans	0	0
Accrued interests	947,073	800,814
Total	**50,555,595**	**54,216,034**

The Acquisition Facility was drawn in course of the acquisition of the Mixel Group in fiscal year 2022/23 and must be repaid in total as per August 20, 2026.

Secured bank loans are mainly related to the entities Hydro Air Research Italia S.r.l. and Mixel France SAS and were initially recognized in the Group’s financial statements as per the entities’ acquisitions in fiscal year 2022/23. The maturity dates of relevant facilities will be reached by end of May 2026 for Mixel France SAS and by end of July 2026 for Hydro Air Research Italia S.r.l..

Facility B1 and B2 reach their maturities by August 20, 2026. 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:

Facility A1 Repayment Date	**Repayment Instalment**
in EUR	
Due within one year	384,250
Due in more than one but less than five years	178,000
Due in more than five years	0
Total	**562,250**

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	2,770,000
Due in more than one but less than five years	1,280,000
Due in more than five years	0
Total	**4,050,000**

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;
- 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. As per March 31, 2024 observable margins of the SFA facilities were in a range from 0.75% to 3.25%.

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

in USD	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
Interest expense on long term and current debt	-4,258,903	-2,764,400
Interest expense on pensions	-2,250,637	-2,196,441
Amortization of debt issuance cost	-615,138	-585,966
Other interest expense & financial cost	-5,211,323	-6,169,184
Market value revaluations of financial instruments	-940,821	-592,271
Total	**-13,276,822**	**-12,308,261**

Other interest expense & financial cost mainly consists of foreign exchange effects that refer to financial assets and liabilities, these amount to USD -5,147,278 (prior year: USD -6,128,416). Oppositely other interest income & financial income contains foreign exchange effects that offset these expenses by USD 5,301,950 (prior year: USD 8,616,258).

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 as per closing of such debt of USD 3,180,933 (considering subsequent amortizations: USD 1,254,899 as of March 31, 2024, and USD 1,871,021 as of March 31, 2023). 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.

The Company complied with the financing agreements in the year ended March 31, 2024, 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, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
Interest income on long term and current receivables	288,129	195,912
Pension related interest income	1,026,926	1,372,817
Other interest income & financial income	5,519,776	8,616,258
Maket value revaluations of financial instruments	1,400,801	-
Total	**8,235,633**	**10,184,987**

In both fiscal years, “Other interest income & financial income” covered mainly of foreign exchange effects that refer to financial assets and liabilities (see prior section of these Notes to the Consolidated Financial Statements).

In fiscal year 2023/24 “Market value revaluations of financial instruments” referred to the revaluation of derivative instruments securing the development of SOFR (for further information see Note 9 of these Notes to the Consolidated Financial Statements). Resulting effect in the Consolidated Income Statement of this derivative instrument partially offsets unfavorable developments reflected in interest expenses.

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, 2024**	**March 31, 2023**
Trade receivables	39,962,053	32,033,873
Allowance for Doubtful Accounts	-1,240,553	-1,224,685
Cost plus profit for contract work	48,422,917	44,058,644
Payments received for contract work	-32,643,792	-26,990,296
Total	**54,500,626**	**47,877,536**

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, 2024**	**March 31, 2023**
Balance, at the beginning of the year	-1,224,685	-1,000,317
Acquired through business combination	-120,745	-247,769
Movement for uncollectible accounts and expected credit losses	100,566	11,734
Foreign exchange rate impacts	4,312	11,667
Balance, end of the year	**-1,240,553**	**-1,224,685**

Inventories

Major categories of inventories include the following:

Inventories, net in USD	**March 31, 2024**	**March 31, 2023 (restated)**
Raw materials	28,602,179	29,074,899
Work in process	12,673,377	15,751,816
Semi-Finished goods and Components	6,865,305	9,808,850
Finished goods	16,155,946	15,943,504
Advance payments made on inventory and other inventory items	3,067,328	9,072,443
Slow moving and obsolete inventory reserve	-8,194,536	-6,932,334
Total	**59,169,599**	**72,719,179**

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:

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	17,016,713	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**
Acquisition Costs						
Balance at the beginning of the period	14,701,002	21,215,517	21,364,857	3,556,531	1,999,528	62,837,434
Acquisitions through business combination	0	405,213	43,295	0	0	448,508
Additions	25,448	1,451,296	1,419,543	1,301,368	3,678,148	7,875,803
Reclassification	216,854	0	2,810,123	0	-3,026,978	0
Disposals	0	-781,035	-2,183,215	-684,088	0	-3,648,339
Effect of movements in exchange rates	-63,220	-237,939	-241,968	19,516	-32	-523,643
Balance at March 31, 2024	**14,880,084**	**22,053,051**	**23,212,635**	**4,193,327**	**2,650,666**	**66,989,763**
Accumulated amortization						
Balance at the beginning of the period	-1,519,645	-3,680,089	-5,483,436	-1,435,387	0	-12,118,557
Acquisitions through business combination	0	0	0	0	0	0
Amortization	-741,652	-2,869,108	-3,510,183	-1,050,012	0	-8,170,955
Impairment loss	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Disposals	0	53,372	2,172,791	514,197	0	2,740,360
Effect of movements in exchange rates	11,812	46,578	71,202	-4,858	0	124,734
Balance at March 31, 2024	**-2,249,485**	**-6,449,248**	**-6,749,625**	**-1,976,060**	**0**	**-17,424,419**
Carrying amounts						
Net book value period end prior year	**13,181,357**	**17,535,427**	**15,881,421**	**2,121,144**	**1,999,528**	**50,718,877**
Net book value period end current year	**12,630,599**	**15,603,803**	**16,463,010**	**2,217,267**	**2,650,666**	**49,565,345**

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” in financial year 2022/23 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 excercised 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.

Prepaid and other current assets

The following table presents the composition of other current assets:

Prepaid and other current assets in USD	**March 31, 2024**	**March 31, 2023**
Current financial receivables	856,890	2,989,670
Non-income tax assets	3,900,844	4,562,669
Firm commitments	144,760	114,084
Prepaid expenses	3,247,369	2,963,361
Securities and deposits	2,926,396	6,163,904
Other current assets	1,427,225	1,602,564
Total	**12,503,485**	**18,396,252**

During the period ended March 31, 2024, 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. In addition to that, in fiscal year 2022/23 the item contained as well financial receivables representing open capital contributions from the joint venture partner for the newly formed joint venture in the United States; these were contributed during fiscal year 2023/24.

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, 2024**	**March 31, 2023**
Long term securities in connection with the settlement of pension plans	2,596,162	3,082,364
Long term securities and deposits	34,405	37,391
Other non-current assets	0	3,209
Total	**2,630,567**	**3,122,964**

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 these consolidated financial statements.

Lease liabilities

Lease liabilities in USD	**March 31, 2024**	**March 31, 2023**
Current lease liabilities	3,613,266	3,334,165
Non-current lease liabilities	15,674,786	17,355,023
Total	**19,288,052**	**20,689,188**

Movement in Lease Liabilities in USD	**March 31, 2024**	**March 31, 2023**
Balance, at the beginning of the year	20,689,188	15,785,947
Acquired through business combination	405,213	4,017,326
Additions	2,752,664	3,670,938
Discontinuation of lease	-848,790	-110,536
Finance costs accrued	698,112	410,995
Payment of lease liability	-4,317,303	-2,664,225
Foreign Exchange Effects	-91,033	-421,257
Ending balance	**19,288,052**	**20,689,188**

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

in USD	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
Interest on lease liabilities*	-698,112	-410,995
Expenses relating to short-term leases	-51,519	-29,526
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-25,340	-30,265
Total	**-774,971**	**-470,786**

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

Amounts recognized in the Consolidated Statement of Cash Flows:

in USD	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
Cashflow from leases	-1,438,241	1,053,107

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

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, 2024, the Group was committed under leases which expire at various dates before 2029 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**
2024-2025	4,160,771
2025-2026	3,582,010
2026-2027	2,933,417
2027-2028	2,590,862
2028-2029 and thereafter	8,669,788
Total	**21,936,848**

Accounts payable

Accounts payable consist of trade payables only. Respective maturity dates are less than one year.

Accounts payable	**March 31, 2024**	**March 31, 2023**
in USD		
Trade payables	38,858,667	36,735,229
Total	**38,858,667**	**36,735,229**

Derivatives and Swaps

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

Derivatives and Swaps (Assets)	**March 31, 2024**	**March 31, 2023**
in USD		
Assets of Foreign Exchange Forward Contracts	0	0
Assets of Interest Rate Swaps	81,123	0
Total	**81,123**	**0**
thereof current	*81,123*	*0*

Derivatives and Swaps (Liabilities)	**March 31, 2024**	**March 31, 2023**
in USD		
Liabilities of Foreign Exchange Forward Contracts	212,800	13,957
Liabilities of Interest Rate Swaps	0	578,271
Total	**212,800**	**592,228**
thereof current	*0*	*592,228*

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

Sell /Buy	**Currency**	**Notional Amount**	**Equivalent Currency**	**Forward Rate (Spread)**	**Expiry Date (Spread)**	**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 hold 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*

As per March 31, 2024, the Group holds the following foreign exchange forward contracts:

Sell /Buy	Currency	Notional Amount	Equivalent Currency	Forward Rate	Expiry Date	Fair Value (USD)*
Sell	EUR	7,000,000	USD	1.1115	August 2026	-212,800
Total						**-212,800**

* *negative Fair Values indicate a liability position of the Company*

The Group holds the following interest rate swap as of March 31, 2024:

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%	+81,123
Total							**+81,123**

* *negative Fair Values indicate a liability position of the Company*

The fair values of the above derivatives were determined based on the comparison of the secured foreign exchange rate versus the oberservable foreign exchange rates as per reporting date. For the interest rate swap, reported fair values (and related market value reports) consider quoted forward interest 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:

Current provisions **in USD**	**Balance at beginning of the year**	**Acquired through business combination**	**Foreign Exchange Effects**	**Addition / Increase**	**Release**	**Usage / Consump-tion**	**Reclassi-fications (*)**	**Re-valuations (OCI)**	**Balance at March 31, 2023**
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**

Current provisions **in USD**	**Balance at beginning of the year**	**Acquired through business combination**	**Foreign Exchange Effects**	**Addition / Increase**	**Release**	**Usage / Consump-tion**	**Reclassi-fications (*)**	**Re-valuations (OCI)**	**Balance at March 31, 2024**
Personnel provisions	11,777,693	217,104	-33,077	22,453,727	-895,521	-23,389,272	102,612	0	10,233,266
Warranty provisions	2,808,216	214,143	-56,884	1,883,467	-544,508	-1,899,325	-14,063	0	2,391,047
Other contract related provisions	3,040,584	1,845,018	35,048	1,007,376	-2,067,882	-1,130,284	305,955	0	3,035,815
Selling provisions	762,797	0	-3,529	1,624,466	-119,361	-1,245,725	0	0	1,018,649
Provisions for litigation and legal fees	271,249	0	1,248	34,211	-89,140	-5,118	0	0	212,451
Provisions for outstanding invoices	19,564,580	184,502	-378,150	24,780,598	-423,796	-25,530,647	-12,632,532	0	7,564,554
Provisions for outstanding invoices (Revenue recognition over time Projects)	0	0	0	7,951,298	0	-17,141,557	12,632,532		3,442,273
Provisions for restructuring	549,863	0	-22,449	986,215	-6,363	-84,954	0	0	1,423,311
Other provisions	466,380	0	-1,515	440,932	-60,189	-425,120	0	0	420,490
Total	**39,241,363**	**2,460,768**	**-459,307**	**61,162,290**	**-4,206,761**	**-68,852,001**	**394,504**	**0**	**29,740,856**

* *In case the column "Reclassificaions" indicates a sum unequal to zero, then reclassifications from non-current provisions to current provisions (or the other way around) were made during the fiscal year.*

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.

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.

Apart of the general fluctuations, business combinations resulted in an increase of provisions. "Other contract related provisions" covered a provision for the conditional purchase price ("holdback") in connection with the acquisition of Professional Mixing Equipment Inc. (MixPro). For further reference see Note 3 of these consolidated financial statements.

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 sub-items:

Other current liabilities in USD	**March 31, 2024**	**March 31, 2023**
Liabilities to employees	812,613	587,704
Liabilities to social security	373,503	368,968
Other current liabilities	1,335,453	1,585,964
Total	**2,521,569**	**2,542,636**

During the year ended March 31, 2024, 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, 2024**	**March 31, 2023**
Advance payments	16,974,072	29,425,132
Total	**16,974,072**	**29,425,132**

Other non-current provisions

Other non-current provisions contain the following items:

Other non-current provisions in USD	**March 31, 2024**	**March 31, 2023**
Personnel provisions	972,006	1,032,887
Other contract related provisions	832,432	1,131,049
Total	**1,804,439**	**2,163,937**

Other contract related provisions refer to the acquisition of Mixel Group in fiscal year 2022/23 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, 2024**	**March 31, 2023**
Other long-term liabilities	94,236	95,369
Total	**94,236**	**95,369**

Net Sales

Net Sales	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
in USD		
Net Sales realized at a point in time	169,611,906	164,744,746
Net Sales realized over time	106,319,088	86,745,019
Net Sales with Related Parties	2,813,459	1,648,469
Freight billed	3,769,571	4,420,516
Other	102,239	24,755
Total	**282,616,263**	**257,583,505**

Net Sales by locations (invoicing country)	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
in USD		
Americas	114,786,982	103,532,871
Europe	136,822,267	116,483,705
Asia	31,007,014	37,566,929
Total	**282,616,263**	**257,583,505**

Personnel expenses

Personnel expenses	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
in USD		
Wages and salaries	-62,037,244	-54,190,119
Social welfare expenses	-18,989,195	-18,559,443
Other personnel costs	-6,276,366	-6,361,177
Total	**-87,302,805**	**-79,110,739**

Average Employees	**April 01, 2022 to March 31, 2023**	**April 01, 2022 to March 31, 2023**
in FTE		
Management	3.0	3.0
White Collar	553,5	501.7
Blue Collar	522,5	504.3
Total	**1,079.0**	**1,009.0**

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 212,451 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.

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 fiscal year 2022/23);
- 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);
- The Pension Plan of Mixel France SAS (unfunded).

During fiscal year 2022/23, 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 was treated as settlement of a defined benefit plan as per the requirements of the IAS 19. Accordingly, GMM Pfaudler US, Inc reversed the outstanding provision for post-employment pension benefits in fiscal year 2022/23 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 were transferred to a qualified replacement plan suspense account owned by the Company (reported under "Prepaid and other assets", here under "Prepaid expenses") 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.

The UK plan has adopted a lower-risk strategy to protect the surplus that was calculated on the November 2022 Technical Provision basis. The new strategy aims to reduce estimated deficit risk (on the Solvency basis of the liabilities) from ca. GBP 5.0 million to ca. GBP 1.7 million and reduce expected returns from gilt yields +2.9% p.a. to gilt yields +1.2% p.a. net of fees. The strategy reduces market risk and protects against approximately 85% of movements in the Plan’s Solvency liabilities caused by changes in long-term interest rates and inflation expectations.

Targeted split of funds is as follows:

– 20% Baillie Gifford 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.
– 40% Insight Buy and Maintain Bond Funds are expected to provide a second source of income, and some modest outperformance above government bonds, whilst also providing a match to some of the interest rate sensitivities of the Plan’s liabilities.
– 40% Insight Fully Funded Gilt Funds which invest in nominal or index-linked government bonds of a certain maturity band, and when used together, they can provide a relatively close match to the interest rate and inflation sensitivities of the Plan’s liabilities.

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, 2024**	**March 31, 2023**
Equity securities	3,951,876	13,340,650
Bonds	9,244,603	3,123,229
Diversified Growth Fund	9,084,703	5,395,176
Cash & cash equivalents	454,876	653,002
Total	**22,736,058**	**22,512,056**

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.

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

Estimated future benefit payments in USD	**March 31, 2024**
2024-2025	3,068,033
2025-2026	3,333,386
2026-2027	3,895,124
2027-2028	3,530,502
2028-2029	3,466,937
Five years and thereafter in total	17,523,324

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:

all amounts in USD	March 31, 2024	March 31, 2023
Benefit obligation as of beginning of the year	**56,910,678**	**103,368,333**
Acquired through business combination	0	222,911
Service Cost (recorded in p&l)	597,319	1,347,307
Interest Cost (recorded in p&l)	2,250,637	2,196,441
Losses/(gains) on Curtailments (recorded in p&l)	0	0
Actuarial loss (gain) (recorded in OCI) - gross amount before taxes*	1,636,363	-22,030,652
Benefits paid	-3,196,252	-4,078,760
Company contributions	-191,000	-198,000
Participant contributions	0	0
Settlements	0	-21,585,456
Exchange rate loss (gain)	226,887	-2,331,445
Benefit obligation at the end of the period	**58,234,633**	**56,910,678**
Fair value of plan assets as of beginning of the year	**22,512,056**	**55,211,453**
Acquired through business combination	0	0
Actual return	1,026,926	1,372,817
Actuarial (loss) gain (recorded in OCI)*	-63,421	-6,042,063
(Losses)/gains on Curtailments (recorded in p&l)	0	0
Net (loss)/gain amortized during the period (in p&l)	0	0
Benefits paid	-1,713,819	-2,583,603
Company contributions	422,909	1,084,173
Settlements	0	-21,585,456
Transfer of asset to defined contribution suspense account	0	-3,596,091
Participant contributions	50,000	73,000
Exchange rate gain (loss)	501,407	-1,422,175
Fair value of plan assets at the end of the year	**22,736,058**	**22,512,056**
Accumulated pension provision at the end of the year	**35,498,575**	**34,398,622**
thereof current	*1,727,249*	*1,762,836*
thereof non-current	*33,771,326*	*32,635,787*
* Revaluations in OCI Pensions (gross)	-1,699,784	15,988,589
** Recorded in OCI net of taxes; related deferred taxes amounting to Revaluations	507,889	-3,659,526
*** Recorded first consolidation or de-consolidation effects in OCI for Actuarial Gains/Losses	0	0
Total OCI effect	**-1,191,894**	**12,329,063**

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, 2024**	**March 31, 2023**
Service Cost	597,319	1,347,307
Interest Cost	2,250,637	2,196,441
Return on plan assets	-1,026,926	-1,372,817
Losses/(gains) on Curtailments	0	0
Net periodic pension cost	**1,821,030**	**2,170,930**

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, 2024	**March 31, 2023**
US pension plans		
Discount rate	n/a	n/a
Long term return on assets	n/a	n/a
UK plans		
Discount rate	4.70%	4.65%
Long term return on assets	5.50%	6.00%
German plans		
Discount rate	3.28% to 3.62%	3.65% to 3.99%
Long term return on assets	n/a	n/a
US medical plans		
Discount rate	4.98%	4.63%
Long term return on assets	n/a	n/a
Pension plans Mexico		
Discount rate	9.44%	9.52%
Long term return on assets	9.44%	9.52%
Pension plans France		
Discount rate	3.46%	3.62%
Long term return on assets	n/a	n/a

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, 2024. Additionally, the carrying amounts of the Group's term-loan borrowings of USD 50.6 million discussed in Note 5 approximated their fair values as of March 31, 2024, as the borrowings bear mainly a variable interest rate.

Derivative instruments
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.

In fiscal year 2023/24 above mentioned derivative instruments of the subsidiary in China that secured to a minor extent foreign exchange rate risks in connection with the Chinese Renmimbi reached their maturity date, as the risk assessment with regard to the Chinese Renmimbi changed, no follow-up instrument was entered into.

Regarding foreign exchange rate risks in connection to the Euro development, the Group, though its subsidiary in Luxembourg entered in financial year 2023/24 into a derivative financial instrument to secure the EUR vs USD foreign exchange rate to a certain extent.

Both, the development of the respective underlyings and the development of the derivative instruments are monitored at 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 recorded in the financial result of the Company.

The Company continously reviews and analyses 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:

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

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

Financial Instruments

in USD

March 31, 2024	**Measurement category in accordance with IFRS 9**	**Carrying amount**	**Fair value**
Financial assets			
Cash and cash equivalents	Amortized cost	36,317,033	36,317,033
Accounts Receivable	Amortized cost	54,500,626	54,500,626
Current financial receivables	Amortized cost	856,890	856,890
Derivatives and swaps	Fair Value (through P&L)	81,123	81,123
Securities and deposits	Amortized cost	2,926,396	2,926,396
Other current assets	Amortized cost	686,256	686,256
Other current assets held for sale	Amortized cost	0	0
Investments	Amortized cost	29,958	29,958
Long term financial receivables	Amortized cost	0	0
Long term securities and deposits	Amortized cost	34,405	37,391
Other non-current assets	Amortized cost	0	0
Total financial assets		**95,432,687**	**95,432,687**
Financial liabilitiess			
Current portion of long-term debt and short-term borrowings*	Amortized cost	4,845,962	4,845,962
Derivatives	Fair Value (through P&L)	0	0
Current lease liabilities	Amortized cost	3,613,266	3,613,266
Accounts payable	Amortized cost	38,858,667	38,858,667
Other current liabilities held for sale	Amortized cost	0	0
Long term debt	Amortized cost	45,709,662	45,709,662
Long term derivatives and swaps	Fair Value (through P&L)	212,800	212,800
Long term lease liabilities	Amortized cost	15,674,786	15,674,786
Other long-term liabilities	Amortized cost	94,236	94,236
Total financial liabilitiess		**109,009,349**	**109,009,349**

* *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.

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.

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.

Liquity 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**

Liquity risk as of March 31, 2024 in USD	**Up to 1 year**	**1 year to 5 years**	**5 years and above**	**Total**
Accounts payable	38,858,667	0	0	38,858,667
Other financial liabilities	947,073	0	0	947,073
Borrowings	4,513,811	46,349,610	0	50,863,421
Lease Liabilities	3,613,266	9,826,408	5,848,378	19,288,052
Derivatives	0	212,800	0	212,800
Total	**47,932,816**	**56,388,818**	**5,848,378**	**110,170,013**

Regarding the short-term and long-term credit lines and guaranteed lines of the Group as of March 31, 2024, see also Note 5.

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 -despite of appeal processes- ultimatively denied. Therefore, the Group adjusted its processes so that this risk is mitigated.

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 -0.6 million.
The Group entered into 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, Brazilian Real and Canadian Dollar.

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 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, 2024, would have resulted in the following exchange rates:

Country	**Currency**	**Closing Rate**	**Sensitivity**	
	USD 1 =	**as at March 31, 2024**	**+5%**	**-5%**
Eurozone	EUR	0.925	0.9713	0.8788
Great Britain	GBP	0.791	0.8306	0.7515
Canada	CAD	1.3571	1.4250	1.2892
China	CNY	7.2282	7.5896	6.8668
Mexico	MXN	16.5738	17.4025	15.7451
Brazil	BRL	4.9979	5.2478	4.7480
Singapore	SGD	1.3493	1.4168	1.2818

These potential appreciation (depreciation) of US Dollar against the other currencies as of March 31, 2024, 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	1,126,836	1,218,201	1,160,192	1,282,317	-58,010	64,116
GBP	2,569,076	3,247,884	3,093,223	3,418,825	-154,661	170,941
CAD	3,625,176	2,671,267	2,544,063	2,811,860	-127,203	140,593
CNY	47,739,650	6,604,639	6,290,132	6,952,251	-314,507	347,613
MXN	6,509,154	392,738	374,036	413,408	-18,702	20,670
BRL	18,312,042	3,663,947	3,489,474	3,856,787	-174,474	192,839
SGD	105,639	78,292	74,564	82,412	-3,728	4,121

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	Amount in CAD
Cash and Cash Equivalents	12,403,971	1,940,878	26,889,513	5,885,964	1,747	10,171,908	4,683,443
Trade Receivables - Third Party	16,652,023	1,678,980	12,942,151	3,385,076	103,892	12,482,610	1,291,384
Trade Receivables - IC with GMM Mavag AG/GMM Pfaudler India	979,688	493	748,643	0	0	0	0
Trade Receivables - IC with Pfaudler, Inc./Pfaudler International S.a.r.l.	0	0	0	0	0	0	0
POC Receivables - Third Party	6,805,203	473,022	20,566,097	0	0	0	0
Granted Loans <= 1 Y - Third Party	0	0	0	0	0	0	0
Other Financial Receivables - Third Party	0	0	1,291,550	0	0	0	0
Securities and deposits ST	126,986	0	20,160,276	0	0	0	0
Granted Loans > 1 Y - Third Party	0	0	0	0	0	0	0
Securities and deposits LT	0	0	0	363,267	0	62,408	0
Liabilities to Financial Institutions <= 1 Y	-1,551,489	0	0	0	0	0	0
Current Derivatives and Swaps	0	0	0	0	0	0	0
Other Current Financial Liabilities-Third Party	-2,622,802	-180,771	-3,386,538	-995,958	0	-117,356	-159,474
Trade Payables - Third Party	-11,960,279	-870,729	-12,822,328	-1,403,350	0	-4,042,598	-861,987
Trade Payables - IC with GMM Mavag AG/GMM Pfaudler India	-1,974,972	-30,369	-237,561	-258,664	0	-241,205	0
POC Liabilities - Third Party	-2,515,552	-114,391	-1,085,259	0	0	0	-968,132
Liabilities to Financial Institutions > 1 Y	-5,489,363	0	0	0	0	0	0
Other Non-Current Financial Liabilities - Third Party	-9,726,578	-328,037	-17,326,894	-467,181	0	-3,725	-360,058
Balance	**1,126,836**	**2,569,076**	**47,739,650**	**6,509,154**	**105,639**	**18,312,042**	**3,625,176**

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 amounts from purchase price allocations. The equity ratio amounts to 29.5% (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.

NOTE 10 - SHAREHOLDERS` EQUITY

Issuance of common stock
As of March 31, 2024, 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 year ended March 31, 2024.

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 Pfaudler 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.

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 year 2022	**-1,975,700**	**0**	**12,066,616**	**0**	**10,090,915**
Accumulated other comprehensive income (loss) before reclassifications	-4,481,280	0	12,329,063	0	7,847,784
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 (restated)	**-6,456,980**	**0**	**24,395,679**	**0**	**17,938,699**
Accumulated other comprehensive income (loss) before reclassifications	-397,451	0	-1,191,894	0	-1,589,345
Amounts reclassified from accumulated other comprehensive income (loss) to profit and loss	0	0	0	0	0
Balance at the end of the year 2024	**-6,854,431**	**0**	**23,203,785**	**0**	**16,349,354**

NOTE 12 - INCOME TAX

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

Pre-tax income excluding dividends	**March 31, 2024**	**March 31, 2023**
in USD		
Americas	17,262,560	12,883,838
Europe	5,427,968	3,420,224
Asia	3,498,662	2,421,961
Total	**26,189,190**	**18,726,023**

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 geographical regions consisted of the following:

Current Income tax	**March 31, 2024**	**March 31, 2023**
in USD		
Americas	-5,443,259	-3,014,502
Europe	-2,269,265	-2,182,002
Asia	-1,158,435	-1,010,760
Total	**-8,870,960**	**-6,207,264**

Deferred Income tax	**March 31, 2024**	**March 31, 2023 (restated)**
in USD		
Americas	1,309,342	46,538
Europe	241,805	2,580,986
Asia	140,307	437,338
Total	**1,691,453**	**3,064,862**
Total tax income (+) / expense (-) (restated)	**-7,179,507**	**-3,142,402**

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

Reconciliation in USD	**March 31, 2024**	**March 31, 2023 (restated)**
Profit Before tax (expense - / income +)	**20,430,849**	**15,407,771**
Income Tax using the Company's domestic Tax rate of 24,94% (expense - / income +)	**-5,095,454**	**-3,842,698**
Adjustments on taxable basis	2,405,901	1,326,145
• Non deductable Expenses (+)	4,439,511	5,983,808
• Tax - Exempt income (-)	-2,033,610	-4,657,664
Income Tax using the Company's domestic Tax rate of 24,94% considering adjustments above (expense - / income +)	**-5,695,485**	**-4,173,439**
Explanations on taxable difference		
• Deduction on account of Expenses allowable in Tax but not claimed in book	55,809	53,180
• Effect of changes in statutory tax rates	-49,680	177,845
• Changes in recognized deductable temporary differences	-1,029,965	-1,225,765
• Tax impact on notional income / expense	0	0
Difference between Domestic Tax Rate and Foreign Tax Rate	-143,524	-270,858
Prior-year taxes recognized in current year	70,483	90,187
Miscellaneous other tax effects	-387,143	2,206,446
Income Tax recognized in Statement of Profit & Loss (Effective Tax Rate)	**-7,179,507**	**-3,142,402**

“Miscellaneous other tax effects” in fiscal year 2022/2023 mainly refered 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.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group since January 01, 2024. Management has performed a formal assessment of the Group’s potential exposure to Pillar Two income taxes.

This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Therefore, Management does not expect a material exposure to Pillar Two top-up taxes.

Provision for Uncertain Tax Positions

The GMM Pfaudler 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.

Deferred tax assets

The Group has unrecognized tax losses carried forward in Luxembourg amounting to USD 6.48 million (prior year: USD 6.78 million) for corporate taxes with an expiration date exceeding five years.

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, 2023:

Deferred tax liabilities (restated)	**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	**Consoli-dation adjust-ments**	**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**	**102,942**	**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	1,256,717	1,138,179	118,537	0	3,741,106	3,741,106	0	0	0	0	0	0	0	0	0	0	0	0	4,997,823	0	4,997,823
Charged/(credited) to income statement	2,124,852	2,027,838	59,580	-19,262	-564,016	-781,393	59,856	157,520	488,091	579,712	-89,874	-1,747	26,939	-4,989	34,165	-2,237	0	0	2,019,170	0	2,019,170
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	-5,002,315	-5,002,315
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	77,005	-4,482	137	-340,172	-313,284	-26,888	0	9,364	15,918	-6,169	-184	1,786	-334	2,291	-170	0	0	-256,162	0	-256,162
Year end (March 31, 2023)	**4,618,651**	**3,978,574**	**526,858**	**113,218**	**17,618,159**	**15,880,791**	**1,579,848**	**157,520**	**605,767**	**595,630**	**6,898**	**3,239**	**816,836**	**815,862**	**0**	**974**	**0**	**0**	**23,659,412**	**-14,555,406**	**9,104,006**

Deferred tax assets (restated)	**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	**Consoli-dation adjust-ments**	**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**	**2,889,076**	**94,257**	**0**	**1,906,711**	**362,724**	**1,540,609**	**3,378**	**4,430,468**	**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	588,816	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	-504,329	236,148		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	-5,002,315	-5,002,315
Reclassifications	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	-2,868	-1,525	-1,343	0	-27,709	66,235	-93,998	54	49,516	49,326	281	0		584	45,550	0	45,550
Year end (March 31, 2023)	**2,818,228**	**809,014**	**1,004,478**	**1,004,736**	**2,782,785**	**2,747,300**	**35,486**	**0**	**4,252,900**	**5,344**	**4,247,255**	**301**	**4,501,163**	**4,024,806**	**200,838**	**275,518**	**0**	**610,738**	**14,965,816**	**-14,555,406**	**410,410**

The following summarizes tax effects of temporary differences that give rise to significant components of deferred tax assets/liabilities as of March 31, 2024:

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	**Consoli-dation adjust-ments**	**Other**	**Total**	**Netting of deferred tax assets and liabilities within the same entity**	**Grand Total**
Balance at the beginning of the year	**4,618,651**	**3,978,574**	**526,858**	**113,218**	**17,618,159**	**15,880,791**	**1,579,848**	**157,520**	**605,767**	**595,630**	**6,898**	**3,239**	**816,836**	**815,862**	**0**	**974**	**0**	**0**	**23,659,412**	**-14,555,406**	**9,104,006**
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	-1,294,845	-1,471,388	131,941	44,602	-949,445	-1,271,654	196,555	125,654	2,321	0	0	2,321	51,852	52,824	0	-972	0	0	-2,190,117	0	-2,190,117
Charged/(credited) to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other movements	608,808	608,808	0	0	0	0	0	0	-608,808	-608,808	0	0	0	0	0	0	0	0	0	967,024	967,024
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange differences	-22,810	-20,087	-3,561	837	-50,762	-54,164	3,403	0	13,178	13,178	-41	-27	17,848	17,851	0	-3	0	0	-42,613	0	-42,613
Year end (March 31, 2024)	**3,909,804**	**3,095,907**	**655,239**	**158,657**	**16,617,953**	**14,554,973**	**1,779,806**	**283,174**	**12,390**	**0**	**6,857**	**5,533**	**886,536**	**886,536**	**0**	**0**	**0**	**0**	**21,426,682**	**-13,588,382**	**7,838,300**

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	**Consoli-dation adjust-ments**	**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	**2,818,228**	**809,014**	**1,004,478**	**1,004,736**	**2,782,785**	**2,747,300**	**35,486**	**0**	**4,252,900**	**5,344**	**4,247,255**	**301**	**4,501,163**	**4,024,806**	**200,838**	**275,518**	**0**	**610,738**	**14,965,816**	**-14,555,406**	**410,410**
Acquired in business combination	45,504	34,374	11,130	0	4,107	0	0	4,107	96,448	0	96,448	0	0	0	0	0	0	0	146,059	0	146,059
(Charged)/credited to income statement	1,366,098	150,071	-19,998	1,236,025	-237,727	-260,657	22,591	339	-1,326,101	29,237	-1,532,851	177,513	-66,466	-39,147	-1,339	-25,979		-234,467	-498,663	0	-498,663
(Charged)/credited to statement of comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	507,888	507,888	0	0		0	507,888	0	507,888
Other movements	-22,659	-607,387	584,728	0	-31,916	0	-31,916	0	39,053	0	22,659	16,395	15,521	0	0	15,521		0	0	967,024	967,024
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
Exchange differences	18,891	13,116	5,808	-33	-999	-806	-191	-2	-48,766	1,800	-49,117	-1,449	-20,813	-19,571	-1,190	-53		-2,685	-54,373	0	-54,373
Year end (March 31, 2024)	**4,226,063**	**399,188**	**1,586,147**	**2,240,728**	**2,516,251**	**2,485,837**	**25,970**	**4,444**	**3,013,534**	**36,381**	**2,784,393**	**192,760**	**4,937,293**	**4,473,977**	**198,309**	**265,007**	**0**	**373,586**	**15,066,728**	**-13,588,382**	**1,478,346**

Deferred tax liabilities have been mainly recorded in the context of the acquisition of the GMM Pfaudler Group as of February 01, 2021, of HARI as of August 03, 2023, and of Mixel Group as of February 02, 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 were recorded on fair value step-ups (for further reference see Note 3 of these consolidated financial statements); accordingly related tables containg the prior year information of deferred tax liabilities and -assets were restated.

With regard to the finalization of the purchase price allocation of MixPro 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.

NOTE 13 - RELATED PARTY TRANSACTIONS

Transactions with management

The Board of Managers of the Company has received a remuneration of USD 2,318,190, thereof USD 487,138 accrued for the year ended March 31, 2024 (prior year: USD 2,448,683 thereof: USD 728,574 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, 2024.

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 in USD	**March 31, 2024**	**March 31, 2023**
Advance payments made on inventories	198,957	1,996,182
Trade receivables	1,342,930	652,252
Current financial receivables	404,828	1,455,156
Accounts payable	-8,049,762	-3,574,487
Prepayments received on Inventories	-207,962	-648,200
Net Balance	**-6,311,009**	**-119,098**

Consolidated Statement of Income	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
in USD		
Revenues	2,813,459	1,648,469
Cost of Sales	-11,720,705	-18,677,785
Royalty Income	422,945	577,774
Charges included in Selling, general and administrative result	123,762	-206,498
Interest Income / Expense included in Interest income / Interest and financial costs	18,333	-
Total	**-8,342,206**	**-16,658,039**

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, 2024**	**March 31, 2023**
in USD		
Trade receivables	0	0
Current financial receivables	0	48,466
Current financial liabilities	0	0
Net Balance	**0**	**48,466**

Consolidated Statement of Income	**April 01, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
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 47,237 for the financial year ended March 31, 2024, mainly for subleasing of office spaces, tax advice and payroll/accounting services. An amount of USD 7,620 has been accrued as of March 31, 2024.

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. Based on 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, 2024:

Litigations	**in USD**
Warranty provisions and related items including taxes	213,216
Labor claims	30,107
Legal and arbitration	0
Total	**243,323**
Thereof provided for (depending on the nature of the litigation held under warranty provisions or provisions for litigation and legal fees)	*241,228*

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;

- **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, Pfaudler Normag Systems 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 19.2 million as March 31, 2024, in the course of its ordinary business, e.g. for received advanced payment or payment periods.

NOTE 15 - SUBSEQUENT EVENTS

As described in Note 3 of these Notes to the Consolidated Financial Statements, during the first Quarter for fiscal year 2024/25 new circumstances revealed that the respective parameters of the conditional purchase price in connection with the acquisition of Mixel Group were missed although the fulfillment was originally anticipated to be highly likely during the one-year measurement period in March 2023.

This adjustment was driven by final negotiations of the condition purchase pruce with the former owner of Mixel Group. These negotiations were made in July 2024. Accordingly the adjustment did not fulfill the criteria of being an adjusting subsequent event to the financial data of fiscal year 2023/24.

As per the regulations of IFRS 3 this -post measurement period- unforeseen development will result in an adjustment of the anticipated provision in fiscal year 2024/25 and lead accordingly to an effect in the Consolidated Statement of Income in fiscal year 2024/25.

Apart of this there are no further Subsequent Events to report as per the date of the management approval of the consolidated financial statements on August 01, 2024.

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, 2023 to March 31, 2024**	**April 01, 2022 to March 31, 2023**
in USD		
Audit Services	-919,227	-841,511
Audit-related Services	-558,067	-370,478
Tax Consulting Services	-446,497	-378,012
Other Services	-25,403	-8,430
Total	**-1,949,194**	**-1,598,431**