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Wirtschaftsprüfer

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**HBL Germany GmbH
Zwickau**

Report

on the Audit of the Financial Statements as at
March 31, 2025



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Schneider + Partner GmbH · Schackstraße 1 · 80539 München

HBL Germany GmbH Zwickau

Audit Report on the Audit of the Financial Statements as at March 31, 2025

Schneider + Partner GmbH Wirtschaftsprüfungsgesellschaft · Steuerberatungsgesellschaft · Member of IGAL Intercontinental Grouping of Accountants and Lawyers

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CONTENTS

A.	AUDIT ASSIGNMENT	1
B.	Basic conclusions	3
1.	Situation of the company	3
C.	Subject matter, nature and scope of the audit	4
D.	Findings and notes to the financial statements	6
1.	Regularity of the accounts	6
1.1.	Accounting and other audited documents	6
1.2.	Annual financial statements	6
2.	Overall presentation of the financial statements	7
2.1.	Statements on the overall statement of the annual financial statements	7
2.2.	Main valuation principles, changes in the valuation principles, proceedings affecting the facts of the situation	7
2.3.	Analysis and explanation of main items in the financial statements	8
E.	Reproduction of the audit opinion and closing comment	11



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Attachments

Appendix 1 Balance sheet as of March 31, 2025

Appendix 2 Profit and loss account for the period from April 1, 2024 to March 31, 2025

Appendix 3 Notes to the financial statements

General engagement terms for German public auditors and public auditing companies - as of January 1, 2024

Note: Due to computational reasons rounding differences can occur

A. AUDIT ASSIGNMENT

The management of

HBL Germany GmbH, Zwickau

- hereinafter referred to as „Company“ -

has instructed us to audit the financial statements of HBL Germany GmbH for the year ending March 31, 2025 according to the provisions of art. 316 and following HGB (German Commercial Code), including the accounting and to provide a written report on the results of the audit.

The audit engagement, dated April 30, 2025 was based on a resolution approved by the shareholder's meeting held on March 31, 2025 in which we were appointed as auditors.

We confirm according to art. 321 (4a) HGB that we considered the applicable regulations for independence during our audit.

The Company is a small-sized corporation in accordance with the size criteria set out in Art. 267 (1) HGB.

We have enclosed the audited financial statements, consisting of balance sheet (Appendix 1), profit and loss account (Appendix 2) and the notes to the financial statements (Appendix 3).

The audit was performed in the time period from April 30, until May 6, 2025. The final analysis of the audit findings and the report was established in the Munich offices of our company.

We have also audited the financial statement as of March 31, 2024; reference is made to our audit report dated May 14, 2024.

We provide the following report in compliance with the principles of proper reporting for audits of financial statements set out in audit standard PS 450 of the Institut der Wirtschaftsprüfer in Deutschland e. V. (Institute of Public Auditors in Germany).

The fulfilment of our assignment and our responsibility - also in relation to third parties - are governed by the "General engagement terms for German public auditors and public auditing companies - as of January 1, 2024", which are attached to report.



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The audit was carried out in compliance with the general provisions of commercial law, especially §§ 317 and following, HGB, the principles of proper accounting and the principles for the proper execution of annual audits laid down in the IDW audit standards of the Institut der Wirtschaftsprüfer in Deutschland e. V.

B. Basic conclusions

1. **Situation of the company**

The Company has refrained from posting a management report. This is in compliance with the exemptions provided in §264 (1) HGB. For this reason we cannot explicitly, as per § 321 (1) HGB, issue any statement regarding the legal representatives' evaluation of the state of the Company, as it would otherwise appear in a report.

Throughout the course of the audit, we did not encounter any information that would make a report compulsory.

C. Subject matter, nature and scope of the audit

The subject of our audit were the accounting records and the financial statements (Appendix 1 to 3) for the year ending March 31, 2025, as well as the Company's compliance with the accounting provisions of the German Commercial Code.

The Company's management is responsible for the bookkeeping system, the preparation of the financial statements, and for the information provided to us. Our responsibility is to express an opinion on the financial statements and disclosures presented to us by the management during the performance of our audit.

The starting point for our audit was the financial statement for the previous fiscal year for the period April 1, 2023 to March 31, 2024, on which we expressed our opinion on May 14, 2024; those financial statements were approved by shareholders' resolution on March 31, 2025 without amendment.

The financial statement presented to us for audit for the 2024/2025 fiscal year was prepared by the Company.

The legal representatives or the persons provided us with all requested explanations, clarifications and documentary proofs.

Additionally the management board has given us a written confirmation, that in the accounting and the financial statements all assets, liabilities, risks and accruals are included, income and costs are completely recorded and all notes and off balance sheet liabilities have been disclosed.

Our audit was carried out in compliance with the general provision of commercial law, especially art. 316 and subs HGB, and the provisions of the articles of association supplementing them, regarding the financial statements, the principles of proper accounting and the principles of proper execution of annual audits laid down in the audit standards of the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW).

In this respect we have planned our audit procedures on a problem-based methodology – without, however, performing procedures specifically designed to detect fraud – such that we detect with a reasonable assurance misstatements materially affecting net assets, financial position and results of operation in the financial statements.

Within the scope of this annual audit, we obtained information about the external corporate environment, the legal background conditions, the client and supplier structure, the range of goods and services offered, the services obtained by the Company and the Company's IT environment. Specifically at the beginning of the audit we have developed a comprehensive understanding of the Company's external and internal corporate environment from a set of questions discussed with management.

In addition, the development of the Company over several years was analysed on the basis of the financial statements submitted as well as further internal and external information.

In addition, information provided by the legal representatives in relation to the main strategies and business risks was included in our considerations.

On the basis of the documents submitted and the information provided, we undertook a provisional evaluation of the systems and methods of accounting and preparation of the financial statements, taking into account the internal control system described. The internal control system implemented by the Company was analysed to determine whether the Company's monitoring environment, the risk assessment within the Company, the design of monitoring activities, the internal supervisory measures and the Company's information and communication systems contributed sufficiently to ensuring the truth and fairness of the accounts and compliance with laws and other regulations.

Based on the risk areas identified in the audit planning the following matters of emphasis were determined for our audit:

- Process of establishment of the financial statements
- Processes of valuation and cut-off of accounts receivables and sales revenues,
- Going concern

Based on a preliminary assessment of the internal control system, we determined the remaining audit procedures under consideration of materiality and cost-effectiveness principles. Accordingly, we performed both analytical and substantive audit tests on a sample basis, determined under consideration of the significance of the audit area and the organization of accounting procedures. Samples were selected to ensure, under consideration of the economic significance of each position in the financial statements, that sufficient coverage was obtained to verify compliance with statutory accounting requirements.

In auditing evidence of the Company's assets and liabilities we have, amongst other things, obtained bank confirmations, and obtained balance confirmations for selected trade receivables and trade payables accounts.

The nature, scope, and results of the individual audit tests performed by us are documented in our working papers.

D. Findings and notes to the financial statements

1. Regularity of the accounts

1.1. Accounting and other audited documents

The Company's financial and payroll accounting is maintained by the Company using the DATEV accounting software.

The Company's accounting-related internal control system (ICS) is appropriate for its business purpose and scope and allows for an orderly organization and control of relevant workflows.

The organization of the books and records and the accounting-related internal control system allow for the complete, accurate, timely, and orderly recognition and recording of business transactions. The primary books of accounts are appropriately organized and document flows are transparent. The books and records open correctly with the closing balances from the previous year's balance sheet audited by us, and were maintained in a proper manner throughout the fiscal year.

Data gathered from other audited documents are properly reflected in the books and records, the financial statements and the management report.

Overall, based on the results of our work, it can be concluded that the bookkeeping system and other audited documents (including record and document management, internal control system) comply with the legal requirements, generally accepted accounting standards, and the additional requirements of the Shareholders' Agreement.

1.2. Annual financial statements

The company is a small-sized corporation pursuant to § 267 (1) HGB. The attached annual financial statements for the fiscal year ended March 31, 2024 have been prepared in accordance with the accounting requirements of the Commercial Code as applicable to partnerships in the sense of § 264 a HGB and the additional requirements of the Shareholders' Agreement.

The Company has applied the simplification exemptions available to small-sized companies under § 276 and § 288 HGB.

The financial statements comply with the statutory regulations including the generally accepted accounting principles. The balance sheet and profit and loss account were properly developed from the accounting and other audited documents. The principles of recognition, presentation and valuation applicable for corporations were observed.

The balance sheet and income statement are properly derived from the bookkeeping records and other audited documents. The classification of the balance sheet (Appendix 1) follows the presentation method set out in art. 266 (2) and (3) HGB. The income statement (Appendix 2) is prepared using the total cost convention in accordance with art. 275 (2) HGB.

To the extent that a choice of presentational treatments of balance sheet or income statement disclosure items was available, the appropriate disclosure has primarily been made in the notes.

The notes to the financial statements (Appendix 3) contain the required disclosures concerning the individual items in the balance sheet and profit and loss account and include the other obligatory information correctly and completely.

Based on the results of our audit the annual financial statements comply with statutory requirements, generally accepted accounting standards and the additional requirements of the Shareholders' Agreement. The audit did not lead to any reservations.

2. Overall presentation of the financial statements

2.3. Statements on the overall statement of the annual financial statements

Our audit has shown that the annual financial statements comply in all material respects with the statutory legal requirements and that the overall financial statements are in accordance with the balance sheet, the income statement and the notes to the financial statements, taking into account generally accepted accounting principles or other authoritative accounting principles, the financial statements accounting principles give a true and fair view of the net assets, financial position and results of financial position and results of operations of the Company (Section 264 (2) HGB).

2.4. Main valuation principles, changes in the valuation principles, proceedings affecting the facts of the situation

As to the valuation principles, we refer to Section 1 in the notes to the financial statements (Appendix III).

2.5. Analysis and explanation of main items in the financial statements

	Book value 31.03.2025		Book value 31.03.2024		+ Increase - Decrease	
	T€	%	T€	%	T€	%
Assets						
Fixed assets						
Intangibles	0	0,0	0	0,0	0	0,0
Technical and office equipment	0	0,0	0	0,0	0	0,0
Long-term assets	0	0,0	0	0,0	0	0,0
Current assets						
Inventories	7	0,4	118	6,0	-110	-93,8
Trade receivables	1.607	83,6	1.760	89,0	-153	-8,7
Other assets	47	2,5	75	3,8	-27	-36,3
Cash-in-hand, bank balances	261	13,6	26	1,3	235	>100,0
Short term assets	1.923	100,0	1.979	100,0	-56	-2,8
Assets	1.923	100,0	1.979	100,0	-56	-2,8
Equity and liabilities						
Shareholders' equity						
Subscribed capital	25	1,3	25	1,3	0	0,0
Profit carried forward	-246	-12,8	-554	-28,0	308	-55,6
Net income	222	11,6	308	15,6	-86	-27,8
Equity	2	0,1	-221	-11,1	222	<-100,0
Liabilities						
Provisions	7	0,4	10	0,5	-2	-24,7
Trade payables	1.913	99,4	2.189	110,6	-276	-12,6
Other liabilities	1	0,1	1	0,1	0	4,5
Short-term liabilities	1.921	99,8	2.200	111,2	-278	-12,6
Equity and liabilities	1.923	99,9	1.979	100,0	-56	-2,8

2.3.1. Changes in net assets

The total assets have slightly decreased from 1,979 kEUR to 1,923 kEUR compared to March 31, 2024.

The **equity** of the Company increased compared to the financial year 2023/2024 (from -221 T€ to 2 T€). This increase is caused by the net annual profit totaling 222 T€. Because of the positive development the Company shows no deficit not covered by equity in 2024.

The **trade payables** include mainly liabilities to affiliated companies (HBL Power Systems Ltd, India) (1,913 T€).



2.3.2. Changes in financial position

The purpose of the cash flow statement is to provide supplementary information about the Company's investment and financing activities. Cash at year end are presented starting with the net income for the period, which is then adjusted for non-cash items and payments made and received with respect to investing and financing activities.

The cash flow statement was drawn up in accordance with German Accounting Standards No. 2 - 10 (DRS 2-10). Cash and cash equivalents include cash-in-hand, central bank balances, bank balances and cheques.

	2024/2025	2023/2024
	T€	T€
Net income for the period before extraordinary items	222	308
Increase of provisions	-2	-3
Increase in inventories, trade receivable and other assets not attributable to investing or financing activities	291	-1.054
increase in trade payables and other liabilities not attributable to investing or financing activities	-276	646
Cash-flow from operating activities	235	-103
Net change in cash funds	235	-103
Cash funds at the beginning of period	26	129
Cash funds at the end of period	261	26



2.3.3. Statement of operation results

The following statement represents the results of operation for the financial year compared with the previous year derived from the income statement (Appendix 2):

	2024/2025		2023/2024		+Increase/-Decrease	
	T€	%	T€	%	T€	%
Operating income						
Revenue	5.675	100,0	5.120	100,0	554	10,8
Other operating income	19	0,3	146	2,9	-127	-86,9
Material costs	-5.380	-94,8	-4.890	-95,5	-490	10,0
Operating income	314	5,5	377	7,4	-63	-16,6
Operating expenses						
Personnel expenses	-51	-0,9	-48	-0,9	-3	5,5
Depreciation	0	0,0	0	0,0	0	0,0
Other operating expenses	-41	-0,7	-35	-0,7	-6	17,3
Other taxes	0	0,0	0	0,0	0	-
Operating expenses	-92	-1,6	-84	-1,6	-9	10,5
Operating result	222	3,9	294	5,7	-72	-24,4
Net interest	0	0,0	15	0,3	-14	0,0
Income before taxes	222	3,9	308	6,0	-86	-27,8
Income taxes	0	0,0	0	0,0	0	0,0
Net income	222	3,9	308	6,0	-86	-27,8

Revenue increased by T€ 554 compared to the previous year. This is mainly due to the increase in revenue outside the European Union (T€ 3,641, previous year T€ 2,582).

The material usage ratio remained virtually unchanged at 95% compared with the previous year.

The increase in other operating expenses is mainly attributable to the rise in advertising costs.

E. Reproduction of the audit opinion and closing comment

“Audit Opinion of the independent Auditors

Audit opinions

We have audited the annual financial statements of HBL Germany GmbH, Zwickau, comprising the balance sheet as at March 31, 2025 and the income statement for the fiscal year April 1, 2024 to March 31, 2025, and the notes to the financial statements, together with a description of the accounting policies used.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as of March 31, 2025 and of its results of operations for the fiscal year from April 1, 2024 to March 31, 2025 in accordance with German principles of proper accounting and German commercial law.

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our audit opinion. We are independent of the company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

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

The legal representatives are responsible for the preparation and fair presentation of the annual financial statements in accordance with German principles of proper accounting and in all material respects comply with the requirements of German commercial law applicable to corporations, and for the presentation of a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have a responsibility to report matters relating to the continuing operation of the entity, if relevant. In addition, they are responsible for accounting for the continuation of operations on the basis of the accounting principle, unless there are factual or legal grounds to the contrary.

Responsibility of the auditor for the audit of the annual financial statements

Our objective is to obtain reasonable assurance whether the annual financial statements as a whole are free from material misstatement, whether intentional or unintentional, and to express an opinion that includes our audit opinion on the annual financial statements.

Sufficient assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they would individually or collectively influence the economic decisions of users made on the basis of these annual financial statements.

During the audit, we exercise our best judgment and maintain a critical attitude. In addition

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the annual financial statements, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the termination of internal control.
- we understand the internal control system relevant to the audit of the financial statements and the procedures and measures relevant to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as the reasonableness of accounting estimates made and related disclosures made.
- we draw conclusions about the appropriateness of the accounting principles applied by the legal representatives for the continuation of the company's activities and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to express an

opinion on the related statements in the financial statements or, if the information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances could cause the Company to cease operating.

- we express an opinion on the overall presentation, the structure and the content of the annual financial statements, including the disclosures, as well as on whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we identify during our audit.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements (and supplementary provisions of the Shareholders' Agreement) and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the principles of proper accounting.”



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We issue the above audit report in accordance with the statutory requirements and in accordance with generally accepted audit standards (IDW PS 450).

The audit opinion reproduced here may only be used separately from this audit report with our prior approval. The publication or reproduction of these financial statements and/or the management report in any form not consistent with the version on which we have issued our opinion (including foreign language translations) requires the issue of a new opinion by us, in advance, if our audit opinion is quoted or if reference is made to our audit; we refer to Art. 328 HGB.

The audit report above is submitted according to the legal provisions and the Standards of proper reporting set out in audit standard PS 450.

Any use of the above duplicated audit opinion without this audit report needs our consent prior of the use. Prior to any publication or distribution of the financial statements in a copy, which deviates from the audited form a further opinion of us is needed, if reference is made to our audit or our audit opinion. Reference to para 328 HGB (German Commercial Code) is made.

Munich, May 6, 2025

Schneider + Partner GmbH
Wirtschaftsprüfungsgesellschaft
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DocuSigned by:

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Wirtschaftsprüfer

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Metka Jasper

Wirtschaftsprüferin

[German Public Accountant]

HBL Germany GmbH, Germany, Zwickau
Balance Sheet
As at March 31, 2025

	03-31-2025		03-31-2024	
	EUR	EUR	EUR	EUR
Assets				
A. <u>Tangible assets</u>				
Other equipment, operating and office equipment		36,35		158,15
		36,35		158,15
B. <u>Current assets</u>				
I. <u>Inventories</u>				
1. Finished goods and merchandise	7.274,63		93.676,79	
2. Prepayments for Inventories	0,00		24.054,59	
		7.274,63		117.731,38
II. <u>Receivables and other assets</u>				
1. Trade receivables	1.607.153,23		1.760.316,48	
2. Receivables from affiliated companies	0,00		0,00	
3. Other receivables and other assets	47.491,85	1.654.645,08	74.574,27	1.834.890,75
III. Cash-in-hand, central bank balances, bank balances and cheques				
		261.201,96		26.100,05
		1.923.121,67		1.978.722,18
C. <u>Deficit not covered by equity</u>				
		0,00		220.763,76
Total assets				
		1.923.158,02		2.199.644,09

HBL Germany GmbH, Germany, Zwickau
Balance Sheet
As at March 31, 2025

	03-31-2025		03-31-2024	
	EUR	EUR	EUR	EUR
Liabilities				
A. <u>Shareholders' equity</u>				
I. <u>Subscribed capital</u>	25.000,00		25.000,00	
II. <u>Loss carry forward</u>	-245.763,76		-553.871,35	
III. <u>Net gain for the financial year</u>	222.424,09		308.107,59	
IV. <u>Deficit not covered by equity</u> <u>(reported in equity)</u>	0,00		220.763,76	
		1.660,33		0,00
B. <u>Provisions</u>				
Other provisions	7.340,50	7.340,50	9.753,30	9.753,30
C. <u>Liabilities</u>				
1. Payments received on account of orders	0,00		25.539,45	
2. Trade payables	803,51		198,91	
3. Liabilities from affiliated companies	1.912.183,44		2.163.032,44	
4. Other liabilities	1.170,24		1.119,99	
		1.914.157,19		2.189.890,79
Total liabilities		1.923.158,02		2.199.644,09

HBL Germany GmbH, Germany, Zwickau

Income statement
For the year ended March 31, 2025

	2024 / 2025		2023 / 2024	
	EUR	EUR	EUR	EUR
1. Sales		5.674.795,38		5.120.372,60
2. Increase or decrease in stock of finished goods and work in progress		-1.330,62		-537.986,49
3. Other operating income of which EUR 9.159,91 (previous year: EUR 7.303,14) relating to income from currency translation		19.206,85		146.392,55
4. Cost of purchased materials and services				
a) Cost of raw materials, consumables and of purchased merchandise	-5.378.239,66		-4.351.595,94	
		-5.378.239,66		-4.351.595,94
5. Personnel expenses				
a) Wages and salaries	-40.535,00		-38.940,00	
b) Social security, post-employment and other employee benefit costs	-10.287,00		-9.234,45	
		-50.822,00		-48.174,45
6. Depreciation and amortization on intangible assets and on property, plant and equipment		-121,80		-121,80
7. Other operating expenses of which EUR 9.150,82 (previous year: EUR 8.637,41) relating to expenses from currency translation		-41.460,81		-35.357,72
8. Financial result		396,75		14.578,84
9. Result before tax		222.424,09		308.107,59
10. Other taxes		0,00		0,00
11. Net gain for the year		222.424,09		308.107,59

HBL Germany GmbH, Zwickau

Notes as of March 31, 2025

(Translation)

HBL Germany GmbH is classified as a small-sized company in terms of Section 267 of the German Commercial Code (hereinafter referred to HGB). The present financial statements comply with Sections 242 et seqq. and 264 et seqq. of the HGB and the German Companies Act.

The Income statement is presented in the nature of expense format.

Valuation concept is based on the assumption of going concern. Trade payables are due to the sole shareholder HBL Power Systems Ltd., a listed company which is headquartered in Hyderabad (india).

I. Valuation methods

Intangible fixed assets are accounted for at acquisition costs net of regular depreciation which is based on the useful life of the individual items.

Tangible fixed assets are accounted for at acquisition costs net of regular depreciation which in accordance with para 253 (3) HGB is based on the useful life of the individual items under applicable straight-line method.

Inventory is accounted for under the lower of cost or market concept. The underlying quantity structure is retroactively calculated from the post balance sheet purchases; the result is reconciled with quantity per books.

Receivables are accounted for under a lower of nominal values or free of future loss concept which is achieved by depreciation for bad debt risks.

Expected post balance sheet date outflows of economic resources of the company which are caused by past circumstances are accounted for as reserves conditional upon circumstances providing reasonable means of estimation.

Payables are accounted for at redemption amounts.

II. **Foreign currency translation methods**

Liabilities in foreign currencies are recognized at their buying rates on the day of acquisition. Accounts receivables in foreign currencies are recognized at their offered rates on the day they incurred. Items denominated in a foreign currency are measured at the mean rate of exchange on the balance sheet date.

III. **Balance sheet details**

Accounts receivables trade

Accounts receivables are basically accounted for in accordance with written customers' confirmations.

All receivables are due within one year.

Liabilities

All liabilities are due within one year.

Reserves

Reserves contain audit costs and outstanding invoices.

IV. **Other financial obligations**

At March 31, 2025 the company has other financial obligations in the amount of 1k.

V. Other disclosures

Number of employees

During the fiscal year the company had one employee.

Disclosures on the Board of Directors

Since May 2014 Mr. Robert Herritty was the sole Managing Director of the company.

Disclosures on the parental company and consolidated statements

The company is included in the consolidated statements of the shareholding HBL Power Systems Ltd., headquartered in Hyderabad, India.

Proposal for the appropriation of the annual result

The Managing Director of the company proposes to carry forward the profit of fiscal year 2024/25 into the new fiscal year 2025/26.

Zwickau, April 30, 2025

Robert Herritty
Managing Director

HBL GERMANY GMBH

ZWICKAU

STATEMENT OF CHANGES IN FIXED ASSETS FOR THE FISCAL YEAR 2024/2025

	Acquisition and production cost				Accumulated amortization, depreciation and write-downs				Net book values	
	04-01-2024 EUR	Additions EUR	Disposals EUR	03-31-2025 EUR	Stand 04-01-2024 EUR	Additions EUR	Disposals EUR	Stand 03-31-2025 EUR	Stand 03-31-2025 EUR	Stand 303-31-2023 EUR
<u>Tangible assets</u>										
Other equipment, operating and office equipment	822,40	0,00	0,00	822,40	664,25	121,80	0,00	786,05	36,35	158,15
	822,40	0,00	0,00	822,40	664,25	121,80	0,00	786,05	36,35	158,15
	22.444,00	0,00	0,00	22.444,00	22.285,85	121,80	0,00	22.407,65	36,35	158,15

Audit Opinion

Independent Auditor's Report

Audit opinions

We have audited the annual financial statements of HBL Germany GmbH, Zwickau, comprising the balance sheet as at March 31, 2025 and the income statement for the fiscal year April 1, 2024 to March 31, 2025, and the notes to the financial statements, together with a description of the accounting policies used.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as of March 31, 2025 and of its results of operations for the fiscal year from April 1, 2024 to March 31, 2025 in accordance with German principles of proper accounting and German commercial law.

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with §317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the section "Responsibility of the auditor for the audit of the annual financial statements and the management report" of our audit opinion. We are independent of the company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

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

The legal representatives are responsible for the preparation and fair presentation of the annual financial statements in accordance with German principles of proper accounting and in all material respects comply with the requirements of German commercial law applicable to corporations, and for the presentation of a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls that they have determined to be

necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have a responsibility to report matters relating to the continuing operation of the entity, if relevant. In addition, they are responsible for accounting for the continuation of operations on the basis of the accounting principle, unless there are factual or legal grounds to the contrary.

Responsibility of the auditor for the audit of the annual financial statements

Our objective is to obtain reasonable assurance whether the annual financial statements as a whole are free from material misstatement, whether intentional or unintentional, and to express an opinion that includes our audit opinion on the annual financial statements.

Sufficient assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they would individually or collectively influence the economic decisions of users made on the basis of these annual financial statements.

During the audit, we exercise our best judgment and maintain a critical attitude. In addition

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the annual financial statements, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the termination of internal control.
- we understand the internal control system relevant to the audit of the financial statements and the procedures and measures relevant to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as the reasonableness of accounting estimates made and related disclosures made.

- we draw conclusions about the appropriateness of the accounting principles applied by the legal representatives for the continuation of the company's activities and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to express an opinion on the related statements in the financial statements or, if the information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances could cause the Company to cease operating.
- we express an opinion on the overall presentation, the structure and the content of the annual financial statements, including the disclosures, as well as on whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we identify during our audit.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements (and supplementary provisions of the Shareholders' Agreement) and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the principles of proper accounting.

Munich, May 6, 2025

Schneider + Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft


DocuSigned by:



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Christian Seeberg
Wirtschaftsprüfer
[German Public Accountant]

DocuSigned by:



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Metka Jasper
Wirtschaftsprüferin
[German Public Accountant]



General Engagement Terms

for

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

as of January 1, 2024

1. Scope of application

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

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

2. Scope and execution of the engagement

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

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

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

3. The obligations of the engaging party to cooperate

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

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

4. Ensuring independence

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

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

5. Reporting and oral information

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

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

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

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

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

7. Deficiency rectification

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

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

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

8. Confidentiality towards third parties, and data protection

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

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

9. Liability

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

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

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

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

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

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

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

10. Supplementary provisions for audit engagements

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

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

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

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

11. Supplementary provisions for assistance in tax matters

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

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

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

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

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

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

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

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

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

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

12. Electronic communication

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

13. Remuneration

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

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

14. Dispute Settlement

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

15. Applicable law

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

