

Rhodium Nederland B.V.,
Apeldoorn, the Netherlands

Draft Annual Report 2023/2024

Draft 8-4-2024

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To the board of directors of
Rhodius Nederland B.V.
Het Rietveld 55a
7321 CT Apeldoorn

Processed by	C.A. Groen AA
Reference	1037657
Date	April 8, 2024

Dear Sirs,

We hereby send you the report regarding the financial statements for the year 2023/2024 of your company.

1 INTRODUCTION

In accordance with your instructions we have compiled the annual account 2023/2024 of your company, including the balance sheet with a total value of the assets of € 656,245 and the profit and loss account with a post-tax result of € 34,445.

2 NO OPINION INCLUDED

Because the activities of the provided engagement have not yet been completed, we are not allowed to include an opinion in this report.

3 FISCAL POSITION

3.1 Taxable amount 2023/2024

The taxable amount for 2023/2024 has been calculated as follows:

	<u>2023/2024</u>	
	€	€
Result before taxes		<u>42,525</u>

Corporate income tax calculation

The corporate income tax due amounts to:

	<u>2023/2024</u>	
	€	€
19.0% of € 42,525		<u>8,080</u>

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1 BALANCE SHEET AS AT MARCH 31, 2024
(after appropriation of results)

	March 31, 2024		March 31, 2023	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets (1)				
Inventory		4,022		4,698
Current assets				
Trade and other receivables				
Receivables from group companies	536,639		558,852	
Taxes and social security charges	16,658		13,112	
Other receivables, prepayments and accrued income	8,600		7,106	
		561,897		579,070
Cash at bank and in hand (2)		90,326		21,531
		656,245		605,299

		March 31, 2024		March 31, 2023	
		€	€	€	€
EQUITY AND LIABILITIES					
Equity	(3)				
Issued capital		19,000		19,000	
Other reserves		542,147		507,699	
		561,147		526,699	
Current liabilities	(4)				
Trade creditors		14,577		7,019	
Amounts due to group companies		4,030		4,030	
Taxes and social security charges		16,978		8,984	
Other liabilities and deferred expenses		59,513		58,567	
		95,098		78,600	
		656,245		605,299	
		656,245		605,299	

2 PROFIT AND LOSS ACCOUNT FOR 2023/2024

		2023/2024		2023	
		€	€	€	€
Net turnover	(5)		574,478		165,601
Expenses					
Wages and salaries	(6)	310,423		76,066	
Social security charges	(7)	51,393		10,203	
Pension expenses	(8)	38,590		7,646	
Depreciation tangible fixed assets	(9)	2,247		523	
Other labour costs	(10)	17,368		2,383	
Accommodation expenses	(11)	19,104		4,269	
Office expenses	(12)	6,750		1,650	
Car expenses	(13)	54,483		12,645	
Selling and distribution expenses	(14)	1,948		732	
General expenses	(15)	46,901		13,352	
Total expenses			549,207		129,469
Operating result			25,271		36,132
Interest and similar income	(16)	17,737		1,388	
Interest and similar expenses	(17)	-483		-136	
Financial income and expenses			17,254		1,252
Result before tax			42,525		37,384
Taxation on result	(18)		-8,080		-7,102
Result after tax			34,445		30,282

3 NOTES TO THE FINANCIAL STATEMENTS

Activities

The activities of Rhodius Nederland B.V., with registered offices in Apeldoorn mainly consist of the following:

- The trade in abrasives and related products.

In 2023, the company's fiscal year was adjusted. In accordance with the new Articles of Association, the fiscal year ends on March 31. The comparative figures therefore refer to the shortened fiscal year from January 1 to March 31, 2023. For the foregoing reason, the comparative figures included in the financial statements are not properly comparable.

Registered office, legal form and registration number at the chamber of commerce

The registered address of Rhodius Nederland B.V. (statutory seat Apeldoorn, Chamber of Commerce file 08071299) is Het Rietveld 55A, 7321 CT in Apeldoorn.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statement have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Income and expenses are recognised in the financial year to which they relate. Profits are recognised when they have been realised. Liabilities and losses that originate before balance sheet date are recognised when they are known before the financial statements are prepared.

Pension obligations towards employees

The pension plans are financed through contributions to pension providers such as insurance companies, industry pension funds or company pension funds. The contribution payable to the pension provider is recognised as an expense in the profit and loss account. Based on the administration agreement it is assessed whether and, if so, which additional obligations exist. These additional obligations are included in a provision on the balance sheet. If the effect of the time value of money is material the obligation is valued at the present value. Discounting is based on interest rates of high-quality corporate bonds. A pension receivable (other than contributions) is included in the balance sheet when the company has the right of disposal over the pension receivable.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Receivables

Receivables are valued at nominal value, unless the cost price differs from the nominal value. In that case, receivables are valued at amortised cost. Differences between the cost price and the nominal value may be caused by (dis)agio or transaction costs. If necessary, impairments (including provisions for doubtful debts) are applied.

Cash at bank and in hand

Cash and cash equivalents are valued at nominal value.

Current liabilities

Liabilities are valued at nominal value, unless the original amount differs from the nominal value. In that case, liabilities are valued at amortised cost. Differences between the original amount and the nominal value may be caused by (dis)agio or transaction costs.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is determined as the revenue from business activities and other income less the expenses and other cost attributable to the financial year, taking into account the aforementioned valuation principles. Losses originating from events in the financial year are recognised as soon as they are foreseeable.

Amortisation and depreciation

Depreciation for tangible fixed assets is based on the estimated useful life of the assets and calculated as a fixed percentage of cost, taking into account any residual value. Book results on the sale of tangible fixed assets are included in depreciation cost.

Financial income and expenses*Interest income and interest expenses*

Financial income and expenses comprise interest income and expenses of loans for the current reporting period.

Taxes

Tax is calculated over the result before taxation according to the profit and loss account using current corporate income tax rates, taking into account permanent differences between taxable profit and the profit according to the financial statements.

Temporary differences between the calculated tax and the tax payable are recognised in a provision for deferred tax of a deferred tax asset, with the proviso that deferred tax assets are limited to the amount for which can be expected that there will be sufficient future taxable profit to realise the deferred tax asset.

Temporary differences may arise from deviations between the valuation of assets and liabilities in the financial statements and the valuation for tax purposes, and from offsettable losses for which, in anticipation of the future realisation, a tax gain has been recognised in the financial statements.

4 NOTES TO THE BALANCE SHEET AS PER MARCH 31, 2024

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Inventory	
	€	
Balance as of April 1, 2023		
Cost price		24,482
Cumulative impairments and depreciation		-19,784
		<u>4,698</u>
Movement		
Investments		1,571
Depreciation		-2,247
		<u>-676</u>
Balance as of March 31, 2024		
Cost price		26,053
Cumulative impairments and depreciation		-22,031
		<u>4,022</u>
Depreciation rates		%
Inventory		20
	3/31/2024	3/31/2023
	€	€
Receivables from group companies		
Rhodius Schleifwerkzeuge GmbH & Co KG	144,639	166,852
Konto Korrent Rhodius Schleifwerkzeuge GmbH & Co KG	392,000	392,000
	<u>536,639</u>	<u>558,852</u>
Taxes and social security charges		
Corporate income tax	15,209	9,506
VAT	1,449	3,606
	<u>16,658</u>	<u>13,112</u>

Other receivables, prepayments and accrued income

	<u>3/31/2024</u>	<u>3/31/2023</u>
	€	€
Prepayments and accrued income		
Deposit Regus	4,522	4,004
Other prepayments and accrued income	<u>4,078</u>	<u>3,102</u>
	<u>8,600</u>	<u>7,106</u>
2. Cash at bank and in hand		
Commerzbank, current account	<u>90,326</u>	<u>21,531</u>

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3. Equity

	Issued capital	Other reserves	Total
	€	€	€
Balance as of April 1, 2023	19,000	507,702	526,702
Results	-	34,445	34,445
Balance as of March 31, 2024	19,000	542,147	561,147

	3/31/2024	3/31/2023
	€	€
Issued capital		
400 ordinary shares nominal €47.50	19,000	19,000
Other reserves		
Balance as of April 1	507,702	477,417
Allocation of financial year nett result	34,445	30,282
Balance as at March 31	542,147	507,699

4. Current liabilities

	3/31/2024	3/31/2023
	€	€
Trade creditors		
Creditors	14,577	7,019
Amounts due to group companies		
Rhodius Gebr. GmbH & Co KG	4,030	4,030
Taxes and social security charges		
Payroll tax	16,978	8,984
Other liabilities and deferred expenses		
Accrued liabilities	59,513	58,567
Accrued liabilities		
Holiday allowance liability	39,065	38,063
Audit and administration expenses	5,000	5,000
Bonuses	13,183	14,604
Miscellaneous other payables	2,265	900
	59,513	58,567

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2023/2024

	2023/2024	2023
	€	€
5. Net turnover		
Net turnover	574,478	165,601
Employee expenses		
<i>6. Wages and salaries</i>		
Gross wages	294,012	63,966
Movement of holiday/bonus liability	16,411	12,100
	310,423	76,066
<i>7. Social security charges</i>		
Social securities	51,393	10,203
<i>8. Pension expenses</i>		
Pension costs	38,590	7,646
Staff		
During the 2023/2024 financial year, the average number of employees, based on full-time equivalents, amounted to 5 (2023: 5).		
Amortisation and depreciation		
<i>9. Depreciation tangible fixed assets</i>		
Inventory	2,247	523
Other operating expenses		
<i>10. Other labour costs</i>		
Travelling expenses	509	-1,583
Expense allowances	8,972	2,592
Other labour costs	7,887	1,374
	17,368	2,383
<i>11. Accommodation expenses</i>		
Rent buildings	19,104	4,269
<i>12. Office expenses</i>		
Office supplies	526	195
Automation costs	983	368
Telephone	2,681	578
Postage	1,425	509
Contributions and subscriptions	1,135	-
	6,750	1,650
<i>13. Car expenses</i>		
Fuels	14,858	3,729
Lease costs	35,975	8,258
Other car expenses	3,650	658
	54,483	12,645

	<u>2023/2024</u>	<u>2023</u>
	€	€
14. <i>Selling and distribution expenses</i>		
Publicity and advertisement	54	732
Other cost of sales	<u>1,894</u>	<u>-</u>
	<u>1,948</u>	<u>732</u>
15. <i>General expenses</i>		
Audit and accounting fees	14,380	4,666
Insurance	2,020	410
Managementfee Gebr. Rhodius GmbH & Co KG	24,180	6,045
Travel expenses	335	70
Other general expenses	<u>5,986</u>	<u>2,161</u>
	<u>46,901</u>	<u>13,352</u>
Financial income and expenses		
16. <i>Interest and similar income</i>		
Interest Rhodius GmbH & Co KG	<u>17,737</u>	<u>1,388</u>
	<u>17,737</u>	<u>1,388</u>
17. <i>Interest and similar expenses</i>		
Bank charges	<u>-483</u>	<u>-136</u>
18. Taxation on result		
Corporate income tax	<u>-8,080</u>	<u>-7,102</u>

OTHER INFORMATION

1 Provisions of the Articles of Association relating to profit appropriation

According to article 34 of the articles of association the profit is at the shareholders' disposal, provided that the company is only allowed to make dividend distributions as far as equity exceeds the total of issued share capital, statutory and legal reserves.

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