

**Financial Statements of Subsidiary
Companies for the Financial Year ended
March 31, 2023**

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Lamitube Technologies Limited
Audited Financial Statements for the
financial year ended March 31, 2023

LAMITUBE TECHNOLOGIES LTD

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

Lamitube Technologies Ltd

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LAMITUBE TECHNOLOGIES LTD**Corporate data**

		Date appointed
Directors	:	
	Mr Denis Charles Tze Sek Sum	22 December 1998
	Mr Sandipan Sengupta	24 May 2016
	Mr Jairajsingh Damri	19 July 2016
	Mrs Shamila Abhay Karve	18 October 2019
Administrator and secretary	First Island Trust Company Ltd St James Court – Suite 308 St Denis Street Port Louis Republic of Mauritius	
Registered office	C/o First Island Trust Company Ltd St James Court – Suite 308 St Denis Street Port Louis Republic of Mauritius	
Business address	2 nd Floor, Hennessy Tower – Suite 205 Pope Hennessy Street, Port Louis Republic of Mauritius	
Foreign branch License Primary Address	Lamitube Technologies Ltd (DMCC Branch) Unit No: 3302-09 HDS Business Center Plot No: JLT-PH1-M1A Jumeira Lakes Towers, Dubai United Arab Emirates	
Auditors	:	
	Grant Thornton 9 th Floor, Ebene Tower 52, Cybercity Ebene 72201 Republic of Mauritius	
Bankers	:	
	ABSA Bank (Mauritius) Limited BCP Bank (Mauritius) DBS Bank Limited ICICI Bank Limited Emirates NBD Bank	

Lamitube Technologies Ltd

Commentary of the directors

The directors are pleased to present the audited financial statements of **Lamitube Technologies Ltd**, the “Company”, for the year ended 31 March 2023.

Incorporation

The Company was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 30 June 1998 as a private company with liability limited by shares.

Principal activities

The main activities of the Company are to acquire patents, hold investments in companies engaged in flexible packaging business and trading in packaging and other related materials.

The Company also provides management services to subsidiary and funding to underlying investee & group companies.

Results and dividends

The results for the year are shown on pages 10-11.

The directors have recommended the payment of a dividend of USD 8,250,000 for the year under review (2022: USD 12,500,000).

Directors

The present membership of the Board is set out on page 2.

Directors’ responsibilities with respect to the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (“IFRS”) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements of the Company.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are in accordance with International Financial Reporting Standards as modified by the Mauritius Companies Act 2001 in respect of consolidated financial statements (Note 7 to the financial statements) and comply with the requirements of the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office and will be automatically be re-appointed at the Annual Meeting.

Lamitube Technologies Ltd**Certificate from the Secretary to the member of Lamitube Technologies Ltd**

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Lamitube Technologies Ltd, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year 31 March 2023.



For First Island Trust Company Ltd
Company Secretary

Date: 11 May 2023

**Independent auditors' report
To the member of Lamitube Technologies Ltd**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Lamitube Technologies Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 9 to 45 give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence (Note 7 to the financial statements) and comply with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under Corporate Data, Commentary of the directors and Report from the Company's Secretary as required by the Mauritius Companies Act 2001 but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the 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 that fact. We have nothing to report in this regard.



Independent auditors' report (Contd) To the member of Lamitube Technologies Ltd

Report on the Audit of the Financial Statements (Contd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence (Note 7 to the financial statements) and comply with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing 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 financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.



Independent auditors' report (Contd) **To the member of Lamitube Technologies Ltd**

Report on the Audit of the Financial Statements (Contd)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.



Independent auditors' report (Contd) **To the member of Lamitube Technologies Ltd**

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.


Grant Thornton
Chartered Accountants


JUNAID HAJEE ABDOULA, FCCA
Licensed by FRC

Date: 11 MAY 2023

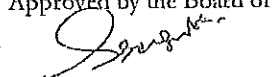
Ebene 72201, Republic of Mauritius

Lamitube Technologies Ltd

Statement of financial position as at 31 March

	Notes	2023 USD	2022 USD
Assets			
Non-current			
Investment in subsidiaries	7	116,007,115	116,096,397
Investment in associate	8	1	1
Financial assets at fair value through other comprehensive income	9	141,595	132,705
Right-of-use assets	11	57,329	9,689
Equipment	12	1,752	2,214
Non-current assets		116,207,792	116,241,006
Current			
Asset held for distribution to owners	10	-	500
Trade and other receivables	13	244,207	456,825
Cash and cash equivalents	14	413,816	3,065,739
Current assets		658,023	3,523,064
Total assets		116,865,815	119,764,070
Equity and liabilities			
Equity			
Stated capital	15.1	8,300,000	8,300,000
Retained earnings		90,287,103	86,528,537
Fair value reserves	15.3	(2,258,405)	(2,267,295)
Total equity		96,328,698	92,561,242
Liabilities			
Non-current			
Borrowings	17	12,750,000	20,250,000
Lease obligations	18	30,433	-
Non-current liabilities		12,780,433	20,250,000
Current			
Borrowings	17	7,500,000	6,750,000
Trade and other payables	16	228,890	193,742
Lease obligations	18	27,794	9,086
Current tax liabilities	19	-	-
Current liabilities		7,756,684	6,952,828
Total liabilities		20,537,117	27,202,828
Total equity and liabilities		116,865,815	119,764,070

Approved by the Board of Directors on 11 May 2023 and signed on its behalf by:



Director



Director

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Statement of profit or loss and other comprehensive income for the year ended 31 March

	Notes	2023 USD	2022 USD
Income			
Dividend income	20(i)	13,973,464	17,365,318
Management income	20(ii)	174,869	151,446
Interest income	20(iii)	42,061	16,048
Gain on redemption of shares		1,088,717	-
Net foreign exchange gain		1,622	70
Total income		15,280,733	17,532,882
Expenditure			
Interest on loans	17(ii)	1,065,056	541,804
Corporate guarantee fees		236,158	299,753
Professional fees		42,378	229,398
Office expenses		33,891	31,503
Salaries		139,298	125,777
Director's remuneration		26,351	27,424
Depreciation expense	11,12	14,997	9,790
Audit fees		20,123	17,175
Bank charges		7,081	5,954
Licence fees		7,974	7,975
Total expenditure		1,593,307	1,296,553
Operating profit		13,687,426	16,236,329
Net share of associate loss	8	-	(1,208,200)
Finance costs	18	(1,741)	(1,292)
Profit before tax		13,685,685	15,026,837
Tax expense	19	(1,677,119)	(1,834,567)
Profit for the year		12,008,566	13,192,270

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Statement of profit or loss and other comprehensive income for the year ended 31 March (Continued)

	Notes	2023 USD	2022 USD
Other comprehensive income for the year:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at FVOCI	9	8,890	(25,049)
<i>Items that will be reclassified subsequently to profit or loss</i>			
		-	-
Other comprehensive income for the year, net of tax		8,890	(25,049)
Total comprehensive income for the year		12,017,456	13,167,221

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Statement of changes in equity for the year ended
31 March

	Stated capital USD	Retained earnings USD	Fair value reserves USD	Total USD
At 1 April 2022	8,300,000	86,528,537	(2,267,295)	92,561,242
Dividend	-	(8,250,000)	-	(8,250,000)
Transactions with the shareholder	-	(8,250,000)	-	(8,250,000)
Profit for the year	-	12,008,566	-	12,008,566
Other comprehensive income for the year	-	-	8,890	8,890
Total comprehensive income for the year	-	12,008,566	8,890	12,017,456
At 31 March 2023	8,300,000	90,287,103	(2,258,405)	96,328,698
At 1 April 2021	8,300,000	85,836,267	(2,242,246)	91,894,021
Dividend	-	(12,500,000)	-	(12,500,000)
Transactions with the shareholder	-	(12,500,000)	-	(12,500,000)
Profit for the year	-	13,192,270	-	13,192,270
Other comprehensive loss for the year	-	-	(25,049)	(25,049)
Total comprehensive income for the year	-	13,192,270	(25,049)	13,167,221
At 31 March 2022	8,300,000	86,528,537	(2,267,295)	92,561,242

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Statement of cash flows for the year ended 31 March

	2023 USD	2022 USD
Operating activities		
Profit before tax	13,685,685	15,026,837
<i>Adjustment for:</i>		
Interest income	(42,061)	(16,048)
Interest expense	1,065,056	541,804
Depreciation expense	14,997	9,790
Dividend income	(13,973,464)	(17,365,318)
Gain on redemption of shares	(1,088,717)	-
Net share of associates' loss	-	1,208,200
Withholding and underlying tax suffered overseas	(1,677,119)	(1,834,628)
Total adjustments	(15,701,308)	(17,456,200)
<i>Changes in working capital:</i>		
Change in other receivables	212,618	26,562
Change in other payables	35,148	126,600
Total changes in working capital	247,766	153,162
Tax paid	-	(874)
Net cash flows used in operating activities	(1,767,857)	(2,277,075)
Investing activities		
Acquisition of equipment	-	(2,315)
Proceeds from redemption of shares	1,178,000	-
Disposal of investment	498	-
Interest received	42,061	16,048
Dividend received	13,973,464	17,365,318
Net cash flows generated from investing activities	15,194,023	17,379,051

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Statement of cash flows for the year ended
31 March

	Notes	2023 USD	2022 USD
Financing activities			
Proceeds from borrowings	22	(6,750,000)	-
Dividends paid		(8,250,000)	(12,500,000)
Lease obligations		(13,033)	(9,938)
Repayment of borrowings	22	-	(3,000,000)
Interest paid		(1,065,056)	(541,804)
Net cash used in financing activities		(16,078,089)	(16,051,742)
Net change in cash and cash equivalents		(2,651,923)	(949,766)
Cash and cash equivalents at the beginning of the year		3,065,739	4,015,505
Cash and cash equivalents, at the end of the year		413,816	3,065,739
Cash and cash equivalents made up of:			
Cash at bank (Note 14)		413,816	3,065,739
Non-cash transactions			
Right-of-use assets		(62,175)	-
Lease obligations		49,141	-

The notes on pages 15 to 45 form an integral part of these financial statements.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

1. General information and statement of compliance with IFRS

Lamitube Technologies Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 30 June 1998 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is C/o First Island Trust Company Ltd, Suite 308 – St James Court, St Denis Street, Port Louis, Republic of Mauritius.

The main activities of the Company are to acquire patents, hold investments in companies engaged in flexible packaging business and trading in packaging and other related materials.

The Company also provides management services to subsidiary and funding to underlying investee & group companies.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and comply with the requirements of the Mauritius Companies Act 2001.

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for the year beginning on 01 April 2022

In the current year, the following new and revised standards and interpretation issued by IASB became mandatory for the first time for the financial year beginning on 01 April 2022:

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 37	Onerous Contracts- Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IAS 16	Proceeds before intended use (Amendments to IAS 16)

Management has assessed the impact of these new and revised standards and interpretation and concluded that they have no major impact these financial statements.

2.2 Standards, amendments to existing standards and interpretation that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below.

IFRS 17	Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IFRS 17	Amendments to IFRS 17 Insurance Contracts including the Extension of the Temporary Exemption from Applying IFRS 9) (Amendments to IFRS 4)

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

2. Application of new and revised IFRS (Continued)

2.2 Standards, amendments to existing standards and interpretation that are not yet effective and have not been adopted early by the Company (Continued)

IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IFRS 16	Lease Liabilities as Current and Non-current (Amendments to IFRS 16)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)

Management has yet to assess the impact of the above standards and amendments on the Company's financial statements.

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Subsequent measurement of financial assets and liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instrument, are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.2 Financial instruments (Continued)

Classification and subsequent measurement of financial assets (Continued)

All income and expenses relating to financial assets that are recognised in statement of profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and most of trade and other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are accounted for at FVOCI if the assets meets the following conditions:

- they are held under a business model whose objective is 'hold to collect' the associated cash flow and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on principal amount outstanding.

The option to designate an equity instrument at FVOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in other comprehensive income (OCI) except for dividend income which is recognised in statement of profit or loss. All other gains and losses are recognised in OCI without reclassification on derecognition.

The Company holds investment in an unquoted company and the directors have used the net assets method to calculate the fair value of the investment.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. For the Company, trade and other receivables fall within the scope of the requirements.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.2 Financial instruments (Continued)

Impairment of financial assets (Continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables, and lease obligations.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in statement of profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit or loss are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 Investment in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity.

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.3 Investment in subsidiaries (Continued)

Investment in subsidiary is stated at cost less impairment charges in these financial statements. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

The valuation of investment may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

3.4 Investment in associate

Associates are those entities over which the Company is able to exert significant influence but which are neither subsidiaries nor joint ventures.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Company's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

The carrying amount of the investments in associates are increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associates, adjusted where necessary to ensure consistency with the accounting policies of the Company.

However, when the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

3.5 Asset held for distribution to owners

A non-current asset is classified as held for distribution to owners when the entity is committed to distribute the asset to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to distribute. Impairment losses on initial classification as held for distribution and subsequent gains or losses on remeasurement are recognised in statement of profit or loss.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.6 Consolidated financial statements

The Company being the holder of a Global Business Licence issued by the Financial Services Commission has taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly-owned subsidiary of EPL Limited (previously known as Essel Propack Limited), a company incorporated in the Republic of India.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.8 Equity and reserves

Stated capital is determined using the nominal value of shares that have been issued.

Retained earnings consist of all the current and prior year's results.

Fair value reserves comprise of unrealised gains and losses arising from the re-measurement of the financial assets at fair value through other comprehensive income.

3.9 Foreign currency

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.11 Impairment of assets

At each reporting date the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.12 Revenue recognition

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Interest income and management income is accounted on an accrual basis unless collectability is in doubt.

Dividend income and other income is recognised when the right to receive payment is established.

3.13 Expense recognition

All expenses are accounted for on the accrual basis.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the year in which they are incurred and reported in 'finance costs'.

3.15 Equipment

Equipment consists of computer equipment measured at cost less depreciation and any impairment losses. Depreciation is calculated on a straight-line-basis at 20% over a useful life of 5 years.

3.16 Leased assets

The Company as a lessee

For any new contracts entered into on or after 01 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.16 Leased assets (Continued)

The Company as a lessee (Continued)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is estimated to be a period varying from 12 – 24 months. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets and lease obligations have been disclosed as a separate line.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.17 Income taxes

Tax expense recognised in the statement of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting year, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided those rates are enacted or substantively enacted by the end of the reporting date.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. Deferred tax liabilities are always provided in full.

Deferred tax assets and liabilities are offset when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in statement of profit or loss.

3.18 Related party transactions

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Advances to suppliers for goods or services to be purchased are recognised in trade and other receivables

3.21 Trade receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

3.22 Comparatives

Where necessary, the comparatives have been adjusted to conform with changes in presentation in the current year.

3.23 Significant management judgements in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.23 Significant management judgements in applying accounting policies and estimation uncertainties (Continued)

Significant management judgement (Continued)

Deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investment in subsidiaries and associate

The determination of impairment of investment requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Share of (loss)/profit of associate

The share of (loss)/profit has been calculated using the unaudited financial statements of the associate. The directors have taken into consideration all aspect of the financials and concluded that the actual results will not be substantially different.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of financial assets

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

3. Summary of accounting policies (Continued)

3.23 Significant management judgements in applying accounting policies and estimation uncertainties (Continued)

Estimation uncertainties (Continued)

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, the directors must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows.

Classification of financial assets at fair value through other comprehensive income

Management has assessed the investments of the Company and has made an irrevocable adoption to designate one of its investment at fair value through other comprehensive income. Any changes in fair value will be recognised in other comprehensive income and never reclassify to statement of profit or loss in accordance with IFRS 9, Financial Instruments.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment. The carrying amounts are analysed in Note 12.

Going concern

The directors acknowledge the impact of COVID-19 on industries and markets. The directors have assessed that COVID-19 had no significant impact on the business operations and results for the year ended 31 March 2023. However, the long-term impact of COVID-19 on the Company's operations is still unclear and we are monitoring the situation closely and have adopted various measures to mitigate the risk involved such as business continuity planning so that it does not affect the going concern of the Company.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk

Risk management objectives and policies

The Company's activity exposes it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk liquidity risk and concentration risk. The Company's risk management is carried out under policies approved by the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The Company's financial assets and financial liabilities by category are summarised below.

Financial assets and financial liabilities

	2023	2022
	USD	USD
Financial assets		
Non-current		
Financial assets at fair value through other comprehensive income	141,595	132,705
Current		
Asset held for distribution to owners	-	500
Trade and other receivables*	232,959	388,970
Cash and cash equivalents	413,816	3,065,739
Total financial assets	788,370	3,587,914
Financial liabilities		
Non-current		
Borrowings	12,750,000	20,250,000
Current		
Borrowings	7,500,000	6,750,000
Trade and other payables	228,890	193,742
Lease obligations	58,227	9,086
Total financial liabilities	20,537,117	27,202,828

*Trade and other receivables exclude prepayments.

The most significant financial risks to which the Company is exposed are described below:

4.1 Market risk analysis

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from its currency exposures, primarily with respect to the Mauritian Rupee ("MUR"), the United Arab Emirates Dirham ("AED"), the Philippine Peso ("PHP"), and the Colombian Peso ("COP"). Consequently, the Company is exposed to the risk that the exchange rates of the United States Dollar ("USD") to the MUR, AED, PHP and COP may change in a manner which has a material effect on the reported value of the Company's assets and liabilities which are in MUR, AED, PHP, and COP.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.1 Market risk analysis (Continued)

Foreign currency sensitivity (Continued)

The Company manages its foreign currency exposures by forecasting its need for foreign currencies and retaining such amounts that will be necessary to settle purchases denominated in foreign currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into USD at the closing rate:

	Financial assets 2023 USD	Financial liabilities 2023 USD	Financial assets 2022 USD	Financial liabilities 2022 USD
MUR	4,299	58,688	5,014	9,552
AED	30,730	76,592	20,882	62,539
PHP	34,135	-	33,636	-
COP	141,595	-	133,205	-
	210,759	135,280	192,737	72,091

The table below illustrates the sensitivity of profit and equity in regards to the Company's financial instruments and the USD/MUR, USD/AED, USD/PHP and USD/COP exchange rates "all other things being equal".

It assumes the following percentage changes in the exchange rates for the year ended 31 March:

	% change	
	2023	2022
MUR	10%	10%
AED	-	-
PHP	7%	7%
COP	1%	1%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If exchange rates USD/MUR, USD/AED, USD/PHP and USD/COP vary during the year, it would have a minimal impact on the financial assets and liabilities.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.1 Market risk analysis (Continued)

Interest rate sensitivity

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 March 2023, the Company has interest bearing financial liabilities in the form of loan from related and bank loans. The Company is exposed to interest rate risk as it borrowed funds at floating interest rates. Interests on bank loans are based on the market rates. The Company is not exposed to interest rate risk on the loan from related party since they carry a fixed rate of interest.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. The analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rate on the financial liabilities had been 25 basis points higher/lower, the effect on profit for the year would have been **USD 50,625** (2022: USD 75,000) lower/higher.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023 USD	2022 USD
Financial assets		
Non-current		
Financial assets at fair value through other comprehensive Income	141,595	132,705
Current		
Asset held for distribution to owners	-	500
Trade and other receivables	232,959	388,970
Cash and cash equivalents	413,816	3,065,739
Total	788,370	3,587,914

The extent of the Company's exposure to credit risk in respect of the financial assets at fair values through other comprehensive income and asset held for distribution to owners approximates the carrying amount as at the reporting date.

The credit risk for the cash and cash equivalents is considered negligible, since the Company transacts with reputable banks.

In respect of the trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

None of the financial assets are secured by collateral or other credit enhancements.

Notes to the financial statements

For the year ended 31 March 2023

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium, and long-term funding and liquidity management requirements.

The following are the contractual maturities of financial liabilities:

31 March 2023	Carrying amount USD	Contractual Cash flows USD	Less than one year USD	More than one year USD
Borrowings	20,250,000	21,166,645	7,839,498	13,327,147
Trade and other payables	228,890	228,890	228,890	-
Lease obligations	58,227	63,915	31,958	31,957
	20,537,117	21,459,450	8,100,346	13,359,104

31 March 2022	Carrying amount USD	Contractual Cash flows USD	Less than one year USD	More than one year USD
Borrowings	27,000,000	29,424,464	7,356,116	22,068,348
Trade and other payables	193,742	193,742	193,742	-
Lease obligations	9,086	9,938	9,938	-
	27,202,828	29,628,144	7,559,796	22,068,348

4.4 Concentration risk

The Company has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However, the directors consider the investments to be strategic and the concentration risk is manageable.

Notes to the financial statements

For the year ended 31 March 2023

5. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to its shareholder and other stakeholders

By pricing products and services commensurately with the level of risk. The Company's overall strategy remains unchanged.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The gearing ratio of the Company is as follows:

	2023 USD	2022 USD
Debts (i)	20,308,227	27,009,086
Cash and cash equivalents	(413,816)	(3,065,739)
Net debt	19,894,411	23,943,347
Equity (ii)	96,328,698	92,561,242
Total capital	116,223,109	116,504,589
Gearing ratio	17%	21%

- (i) Debt is defined as long and short-term borrowings, as detailed in Note 17 and Note 18.
- (ii) Equity includes both capital and reserves.

6. Fair value measurement

6.1 Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the level of significance inputs used in fair value measurement, as follows:

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

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

6. Fair value measurement (Continued)

6.1 Fair value measurement of financial instruments (Continued)

The Company's financial assets at fair value through other comprehensive income and asset held for distribution to owners are classified under Level 3.

The hierarchy of the fair value measurement of the Company's financial assets and financial liabilities are as follows:

At 31 March 2023	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through other comprehensive income	-	-	141,595	141,595
Total	-	-	141,595	141,595

At 31 March 2022	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through other comprehensive income	-	-	132,705	132,705
Asset held for distribution to owners	-	-	500	500
Total	-	-	133,205	133,205

There has been no transfer among Levels at the reporting date.

Measurement of fair value

The investment classified as financial assets at fair value through other comprehensive income has been fair valued using the net assets method.

The investment classified as asset held for distribution to owners is recorded at cost since the cost of the investment to be a reflection of the fair value.

The reconciliation of the carrying amounts of financial instruments within Level 3 is detailed in Note 9 and Note 10.

The Company's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investment in subsidiaries, investment in associate, right of use assets, equipment and prepayments. At the reporting date, the Company's non-financial liabilities consist of current tax liabilities.

For non-financial assets, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

7. Investment in subsidiaries

7.1 Unquoted and at cost:

	31 March 2023 USD	31 March 2022 USD
At 01 April	116,096,397	116,096,397
Redemption during the year (Note (ii))	(89,282)	-
At 31 March	116,007,115	116,096,397

- (i) Management assessed the investments for any impairment and concluded that no impairment losses are to be recognised as at 31 March 2023.
- (ii) Upon the Company's amalgamation with Packtech Limited (Packtech) which was previously a 100% subsidiary of Lamitube Technologies Ltd, 21,137,000 equity shares of GBP 0.01 each and 4,800 redeemable preference shares of GBP 1,000 each in EPL Propack UK Limited were transferred to Lamitube Technologies Ltd. The 4,800 redeemable preference shares were transferred at a value of GBP 60.23 each upon the amalgamation as impairment charges were previously recognised by Packtech before the amalgamation. During the year 31 March 2021, as part of EPL Propack UK's capital reduction plan, 2,500 redeemable preference shares were redeemed resulting in a gain of USD 3,196,391. During the year 31 March 2023, as part of EPL Propack UK's capital reduction plan, 1,000 redeemable preference shares were redeemed resulting in a gain of USD 1,088,717.

Details of the investments in the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Type of share	% holdings	Carrying amounts	
				2023 USD	2022 USD
EPL Propack Philippines, Inc.	Philippines	Equity shares	99.99%	457,477	457,477
MTL de Panama S.A.	Panama	Equity shares	100%	3,555,134	3,555,134
EPL Propack de Mexico, S.A de C.V.	Mexico	'Serie B' equity shares	67%	3,900,269	3,900,269
EPL Propack de Mexico, S.A de C.V.		'Serie B' special shares	67%	2,600,000	2,600,000
EPL Packaging (Guangzhou) Limited	China	Equity shares	100%	24,665,491	24,665,491
EPL Propack UK Limited	United Kingdom	Equity shares	100%	2,173,016	2,173,016
EPL Propack UK Limited	United Kingdom	Preference shares	100%	116,067	205,349
LLC EPL Propack	Russia	Equity shares	100%	430,000	430,000
EPL Deutschland GmbH & Co., KG	Germany	Equity shares	100%	20,011,751	20,011,751
EPL Deutschland Management GmbH	Germany	Equity shares	100%	58,108	58,108
EPL Poland Sp. z o.o.	Poland	Equity shares	100%	58,039,802	58,039,802
Total				116,007,115	116,096,397

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Notes to the financial statements

For the year ended 31 March 2023

7. Investment in subsidiaries (Continued)

The investments in subsidiaries are stated at their recoverable amount which is a reflection of their fair values.

The directors have assessed the recoverable amount of the investments as at 31 March 2023 and concluded that no impairment losses are to be recognised (2022: Impairment loss of USD Nil).

- (iii) The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly owned subsidiary of EPL Limited (previously known as Essel Propack Limited). The registered office of EPL Limited is Top Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Republic of India.

8. Investment in associate

	31 March 2023 USD	31 March 2022 USD
Investment in P.T Lamipak Primula Indonesia	1	1

- (i) The carrying amount of the investment in P.T Lamipak Primula Indonesia using equity method is as follows:

	31 March 2023 USD	31 March 2022 USD
At 01 April	1	1,208,201
Share of loss (Note (iii))	-	(1,208,200)
At 31 March	1	1

- (ii) Details pertaining to the investment are as follows:

Name of investee company	Country of incorporation	Type of share	% holding	Carrying amount 31 March 2023 USD	Carrying amount 31 March 2022 USD
P.T Lamipak Primula Indonesia	Indonesia	Ordinary share	30%	1	1

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

8. Investment in associate (Continued)

(iii) Summarised financial information in respect of the associate is set below:

	31 March 2023 USD	31 March 2022 USD
Assets	28,945,055	25,510,348
Liabilities	(16,933,470)	(17,359,045)
Income	23,178,493	20,330,696
Expenses	(23,822,197)	(24,492,673)
Loss for the year	(643,704)	(4,161,977)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(643,704)	(4,161,977)
Attributable to the Company	-	(1,208,200)
Dividend received from the associate	-	-
Net share of loss	-	(1,208,200)

The share of loss attributable to the Company amounted to USD Nil (2022: USD 1,208,200) for the year 31 March 2023.

9. Financial assets at fair value through other comprehensive income

	31 March 2023 USD	31 March 2022 USD
At start of year	132,705	157,754
Net fair value gain/ (loss) on re-measurement	8,890	(25,049)
At end of year	141,595	132,705

(i) Details pertaining to the investment are as follows:

Name of investee company	Country of incorporation	Type of share	Number of shares	% holding
Laminate Packaging Colombia S.A.S	Republic of Colombia	Ordinary	100,000	6.88%

The investment is unquoted and has no active market. The directors have made an irrevocable election to account for the investment at fair value through other comprehensive income as per IFRS 9, Financial instruments.

The investment has been fair valued using the discounted cash flow model during the year.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

10. Assets held for distribution to owners

	31 March 2023 USD	31 March 2022 USD
At start of year	500	500
Disposal during the year	(500)	-
At end of year	-	500

Name of investee company	Country of incorporation	Type of share	Principal activity	% holding	Cost of investment	Cost of investment
					31 March 2023 USD	31 March 2022 USD
Tubopack de Colombia S.A.S	Republic of Colombia	Class A Shares	Production of packing tubes	0.24%	-	500

Tubopack de Colombia S.A.S was in liquidation process as at 31 March 2022. In compliance with IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, the cost of investment in Tubopak De Colombia S.A.S was transferred to assets held for distributions to owners. Subsequent to reclassification, the investment is measured at the lower of its cost and fair value less costs to sell. Tubopack de Colombia S.A.S was liquidated as at 30 June 2022, and an amount of USD 498 was received resulting in a loss of USD 2.

11. Right-of-use assets

	31 March 2023 USD	31 March 2022 USD
Cost		
At the beginning of the year	77,295	77,295
Additions during the year	62,175	-
Adjustment during the year	(75,680)	-
At the end of the year	63,790	77,295
Depreciation		
At the beginning of the year	67,606	57,917
Charge for the year	14,535	9,689
Adjustment during the year	(75,680)	-
At the end of the year	6,461	67,606
Net book values		
At the end of the year	57,329	9,689

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

11. Right-of-use assets (Continued)

Right of use asset comprises of the offices of the branch and the Company. The incremental borrowing rate is 10% for the Company's branch in Dubai and 7% for the Company's office in Mauritius. The Company's rental of office was for a period of 2 years starting from 01 April 2021 and was renewed for an additional period of 2 years during the year under review starting from 01 April 2023.

The branch's rental of office was for a period of 1 year starting from 01 April 2022 and was renewed for an additional period of 2 years during the year under review starting from 01 April 2023.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

12. Equipment

	31 March 2023 USD	31 March 2022 USD
Cost		
At the beginning of the year	2,315	-
Additions during the year	-	2,315
At the end of the year	2,315	2,315
Depreciation		
At the beginning of the year	101	-
Charge for the year	462	101
At the end of the year	563	101
Net book values		
At the end of the year	1,752	2,214

13. Trade and other receivables

	31 March 2023 USD	31 March 2022 USD
Receivables from related parties (Note (i))	217,256	388,970
Prepayments	11,248	67,855
Other receivables	15,703	-
Total	244,207	456,825

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

13. Trade and other receivables (Continued)

- (i) The amounts receivable from related parties comprises of **USD 34,135** (2022: USD 33,635) receivable from EPL Propack Philippines, Inc. and **USD 183,121** (2022: USD 355,335) receivable from MTL de Panama S.A. The amounts receivable from related parties are unsecured, repayable on demand and interest free with the exception of receivable from MTL de Panama S.A which is subject to interest at the rate of 6.75% and 3.25% on a principal amount of USD 175,000 and USD 100,000 respectively. Interest charged on loan receivable from MTL de Panama S.A for the year ended 31 March 2023 amounted to **USD 11,929** (2022: USD 15,272).
- (ii) The carrying amount of trade and other receivables is considered as a reasonable approximation of the fair values.
- (iii) The Company measures a loss allowance for receivables at an amount equal to lifetime ECL. No loss allowance has been recognised as all amounts are fully recoverable.

14. Cash and cash equivalents

	31 March 2023 USD	31 March 2022 USD
Cash at bank	413,816	3,065,739

The cash and cash equivalents of USD 413,816 represents management's best estimate and in their opinion is recoverable as at 31 March 2023. As such the company has not recognised an allowance for ECL for the year under review.

15. Equity

15.1 Stated capital

	31 March 2023 USD	31 March 2022 USD
<i>Issued and fully paid</i>		
Ordinary shares of USD 10 each	8,300,000	8,300,000

Unless otherwise specified in the terms of its issue, a share in the Company shall entitle its holder to:

- (i) one vote per share on all resolutions and matters falling to the determination or approval of shareholders under the Act and the Constitution of the Company;
- (ii) the right to an equal share of dividends as may be declared and paid by the Company; and
- (iii) the right to an equal share in the distribution of the surplus assets of the Company.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

15. Equity (Continued)

15.2 Dividends

	31 March 2023 USD	31 March 2022 USD
Proposed and paid dividends	8,250,000	12,500,000
Number of shares	830,000	830,000
Dividend per share	9.94	15.06

15.3 Fair value reserves

	31 March 2023 USD	31 March 2022 USD
At 01 April	(2,267,295)	(2,242,246)
Movement during the year	8,890	(25,049)
At 31 March	(2,258,405)	(2,267,295)

16. Trade and other payables

	31 March 2023 USD	31 March 2022 USD
Interest payables (Note (ii))	11,379	8,551
Accruals	217,511	185,191
Total	228,890	193,742

- (i) The carrying amount of trade and other payables is considered to be a reasonable approximation of the fair value.
- (ii) Interest payables comprises of interest payable on bank loans. Interest on bank loans is charged based on an aggregate of 1.6% and LIBOR.

17. Borrowings

	31 March 2023 USD	31 March 2022 USD
Non-current		
Bank loans	12,750,000	20,250,000
Current		
Bank loans	7,500,000	6,750,000
Total borrowings	20,250,000	27,000,000

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

17. Borrowings (Continued)

(i) Fair value

The fair value of the loans are approximately equal to its carrying amount.

(ii) Bank loans

The Company has bank loans secured by way of ESCROW of dividend receivable from the Company's subsidiary in China and the Corporate Guarantee of the holding company.

Interest on bank loans is charged based on an aggregate of 1.6% and LIBOR. The bank loans are repayable by 29 September 2025. Interest expense on the bank loans for the year ended 31 March 2023 amounted to USD 1,065,056 (2022: USD 541,804).

18. Lease obligations

Lease obligations are presented in the statement of financial position as follows:

	31 March 2023 USD	31 March 2022 USD
Non-current	30,433	-
Current	27,794	9,086
Total	58,227	9,086

Lease obligations are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The lease term is over a period of 2 years and the effective average borrowing rate is 10% for the Company's branch in Dubai and 7% for the Company's office in Mauritius. The lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

The remaining period of the lease contract is 2 years as from 01 April 2023.

Future minimum lease payments at 31 March 2023 were as follows:

	Within 1 year USD	1 – 5 years USD	Total USD
31 March 2023			
Lease payments	31,958	31,957	63,915
Finance charges	(4,164)	(1,524)	(5,688)
Net present values	27,794	30,433	58,227

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

18. Lease obligations (Continued)

	Within 1 year USD	1 – 5 years USD	Total USD
31 March 2022			
Lease payments	9,938	-	9,938
Finance charges	(852)	-	(852)
Net present values	9,086	-	9,086

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount as at 31 March 2023 USD	Depreciation expense for the year USD	Impairment USD
Office building	57,329	14,535	-

Interest expense for the year amounted to USD 1,741 (2022: USD 1,292).

19. Taxation

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Company had received its Category 1 Global Business Licence (“GBL1”) on or before 16th October 2017 and was grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 (“FA 2018”). As from 1st July 2021, the Company’s GBL1 licence was automatically converted to a Global Business Licence (“GBL”). The Company operated under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company’s foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income.

The Company’s GBL1 licence was converted to a GBL licence on 1st July 2021 and operates under the new tax regime. Under the new regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption is taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

At 31 March 2023 the Company had no income tax liability (2022: USD Nil).

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

19. Taxation (Continued)

Statement of profit or loss and other comprehensive income

	31 March 2023 USD	31 March 2022 USD
Income tax expense (Note 19 (a))	-	-
Overprovision of tax	-	(61)
Irrecoverable withholding and underlying tax suffered overseas (Note 19 (c))	1,677,119	1,834,628
Taxation	1,677,119	1,834,567

Statement of financial position

	31 March 2023 USD	31 March 2022 USD
Current tax liabilities		
Balance at start of year	-	935
Income tax expense (Note 19 (a))	-	-
Payment during the year	-	(874)
Overprovision of tax	-	(61)
Balance at end of year	-	-

(a) The reconciliation between the accounting loss and the tax charge is as follows:

	31 March 2023 USD	31 March 2022 USD
Profit before taxation	13,685,685	15,026,837
<i>Effect of:</i>		
Underlying tax suffered overseas	2,336,918	2,981,256
Expenses that are not deductible in determining taxable profit	182,235	1,439,310
Income that is exempt from taxation	(1,122,366)	(10,159)
Other deductibles	(15,130)	(9,987)
Profit as adjusted for tax purposes	15,067,342	19,427,257
 Tax calculated at 15%	 2,260,101	 2,914,089
<i>Effect of tax concessions:</i>		
Foreign tax credit	(2,260,101)	(2,914,089)
Income tax expense	-	-

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

19. Taxation (Continued)

(b) Deferred taxation

No deferred tax asset nor liability has been recognised as at 31 March 2023 and 31 March 2022.

(c) Irrecoverable withholding and underlying tax suffered overseas

	31 March 2023 USD	31 March 2022 USD
<i>Irrecoverable withholding and underlying tax:</i>		
Tax suffered on management fees received from EPL Propack Philippines, Inc.	43,717	35,538
Tax suffered on dividend income received from EPL Propack Philippines, Inc.	114,706	86,985
Tax suffered on dividend income received from EPL Packaging (Guangzhou) Limited at the rate of 10%	1,269,186	1,512,693
Tax suffered on dividend income received from EPL Deutschland GmbH & Co., KG, Dresden	249,510	199,412
Irrecoverable withholding and underlying tax	1,677,119	1,834,628

20. Income

- (i) Dividends amounting to **USD 12,691,856** (2022: USD 15,126,927), **USD 516,904** (2022: USD 1,658,490) and **USD 764,704** (2022: USD 579,901) were received from EPL Packaging (Guangzhou) Limited, EPL Deutschland GmbH & Co., KG and EPL Propack Philippines Inc. respectively during the year under review.
- (ii) Management income recognised during the year ended 31 March 2023 relates to management fees charged at the rate of 2% on the total annual net sale of EPL Propack Philippines Inc.
- (iii) Interest income recognised during the year ended 31 March 2023 comprise of **USD 11,929** (2022: USD 15,272) relating to interest charged on amount receivable from MTL de Panama S.A (Note 13 to the financial statements) and **USD 30,132** (2022: USD 776) relating to interest on fixed deposit.

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

21. Related party transactions

For the year ended 31 March 2023, the Company had transactions with its related parties. The nature, volume of transactions and the balances are as follows:

Related company	Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2023 USD	Debit/(credit) balances at 31 March 2022 USD
EPL Limited	Holding Company	Corporate Guarantee fee	236,158	-	-
EPL Propack Philippines, Inc.	Subsidiary	Receivable	500	34,135	33,635
		Management fees	174,869	-	-
		Dividend income	764,704	-	-
MTL de Panama S.A.	Subsidiary	Receivable	172,214	183,121	355,335
		Interest income	11,929		
EPL Packaging (Guangzhou) Limited	Subsidiary	Dividend income	12,691,855	-	-
EPL Deutschland GmbH & Co., KG	Subsidiary	Dividend income	516,904	-	-
Mr Denis Charles Tze Sek Sum	Director	Director's remuneration	26,351	-	-

- (i) The transactions with the related parties are carried out at arm's length.
- (ii) The terms and conditions are described in Notes 13, 16 and 20 to these financial statements.

22. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities:

	01 April 2022 USD	Interest USD	Non-cash movements USD	Total non-cash movements USD	Addition USD	Repayment USD	Total cash movements USD	31 March 2023 USD
Borrowings	27,000,000	-	-	-	-	(6,750,000)	(6,750,000)	20,250,000
Lease obligations	9,086	-	62,174	-	-	(13,033)	(13,033)	58,227
Total	27,009,086	-	62,174	-	-	(6,763,033)	(6,763,033)	20,308,227

Lamitube Technologies Ltd

Notes to the financial statements

For the year ended 31 March 2023

22. Changes in liabilities arising from financing activities (Continued)

	01 April 2021	Interest	Non-cash movements	Total non-cash movements	Addition	Repayment	Total cash movements	31 March 2022
	USD	USD	USD	USD	USD	USD	USD	USD
Borrowings	30,000,000	-	-	-	-	(3,000,000)	(3,000,000)	27,000,000
Lease obligations	19,024	-	-	-	-	(9,938)	(9,938)	9,086
Total	30,019,024	-	-	-	-	(3,009,938)	(3,009,938)	27,009,086

23. War in Ukraine

With the ongoing war in Ukraine, the world economy is likely to be negatively impacted due to an increase in the volatility of petrol prices, commodity prices, the forex market and disruption in international supply chain and logistics.

The directors are of the opinion that, at the time of publishing these financial statements, the extent of the impact of the above events on the financial performance of the company is not material and may not have significant impact on the future performance.

24. Events after the reporting date

There has been no post material reporting events which would require disclosure or adjustment to the 31 March 2023 financial statements.

25. Holding company

The directors consider EPL Limited, a public company incorporated in the Republic of India as the holding company.

Lamitube Technologies (Cyprus) Limited
Audited Financial Statements for the
financial year ended March 31, 2023

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2023

P.G. Economides & Co Limited
Chartered Certified Accountants

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

REPORT AND FINANCIAL STATEMENTS Year ended 31 March 2023

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LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Atlas Alpha Services Limited
Potassa Holdings Limited
Sunilkumar Ramniklal Upadhyay
Sandipan Sengupta

Company Secretary:

Totalserve Management Limited

Independent Auditors:

P.G. Economides & Co Limited
Chartered Certified Accountants
30, Gr. Xenopoulou Street
3106 Limassol, Cyprus

Registered office:

Totalserve House
17 Gr. Xenopoulou Street
3106 Limassol
Cyprus

Bankers:

Bank of Cyprus Public Company Ltd
ABSA Bank (Mauritius) Ltd
DBS Bank Singapore

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

MANAGEMENT REPORT

The Board of Directors presents its report and audited Report and financial statements of the Company for the year ended 31 March 2023.

Principal activity and nature of operations of the Company

The principal activity of the Company, is holding of investment and financial support to its subsidiaries through loans and / or equipment lease.

Review of current position, future developments and performance of the Company's business

The Company's results for the year are set out on page 4.

The Company's major stream of revenue is dividend income and rental income.

The Company's development to date, financial results and position as presented in the Report and financial statements are considered satisfactory.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company's ultimate parent EPL Limited (previously known as Essel Propack Limited), a Company incorporated and resident in India produced consolidated financial statements available for public use that comply with Ind-AS (converged IFRS). These consolidated financial statements can be obtained at the Top floor, Times Tower, Kamala City, Mumbai 400 013, India, at present on the Company's website.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 5, 6 and 26 of the financial statements.

Subsidiaries and Associates

The Company has manufacturing & trading presence in Egypt through its direct subsidiary. The subsidiary is in the business of production of plastic packaging material in form of multilayer plastic collapsible tubes used primarily for packaging of oral care, beauty & cosmetics, pharma & health, home and food categories.

The Company's subsidiary in Egypt continued to perform well, with good progress on the non-oral care category sales.

Dividends

On 20 May 2022 the Board of Directors approved the payment of an interim dividend of US\$1,000,000 (2022: US\$-NIL).

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 March 2023 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

MANAGEMENT REPORT

Independent Auditors

The Independent Auditors, P.G. Economides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Sunilkumar Ramniklal Upadhyay
Director

Ennassot, 11th May..... 2023



P.G. ECONOMIDES & CO LIMITED

30, Gr. Xenopoulou Street
3106 Limassol, Cyprus

P.O. Box 53117
3300 Limassol, Cyprus

Tel.: +357 25 559000

Fax: +357 25 559001

audit@pgeconomides.eu
www.pgeconomides.eu

Independent Auditor's Report

To the Members of Lamitube Technologies (Cyprus) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Lamitube Technologies (Cyprus) Limited (the "Company"), which are presented in pages 7 to 32 and comprise the statement of financial position as at 31 March 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Lamitube Technologies (Cyprus) Limited as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss and other comprehensive income in pages 33 to 40, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 that fact. We have nothing to report in this regard.



Independent Auditor's Report (continued)

To the Members of Lamitube Technologies (Cyprus) Limited

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

Independent Auditor's Report (continued)

To the Members of Lamitube Technologies (Cyprus) Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board of Directors 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.

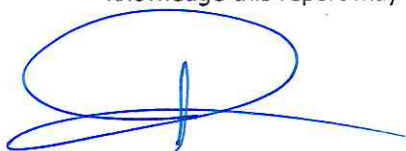
Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Androula Panteli
Certified Public Accountant and Registered Auditor
for and on behalf of

P.G. Economides & Co Limited
Chartered Certified Accountants

Limassol, 11 May 2023

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 March 2023

	Note	31.03.2023 US\$	31.03.2022 US\$
Revenue	7	183,900	270,311
Other operating income	8	-	66,847
Profit from investing activities	9	147,000	2,433,120
Administration expenses		(276,862)	(254,057)
Other expenses	10	(33,095)	(1,083)
Operating profit	11	20,943	2,515,138
Finance income	12	11,313	-
Finance costs	12	(7,355)	(2,359)
Net foreign exchange loss	13	(642)	(547)
Profit before tax		24,259	2,512,232
Tax	14	(61,024)	(197,761)
Net (loss)/profit for the year		(36,765)	2,314,471
Other comprehensive income		-	-
Total comprehensive income for the year		(36,765)	2,314,471

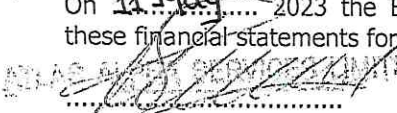
The notes on pages 11 to 32 form an integral part of these financial statements.

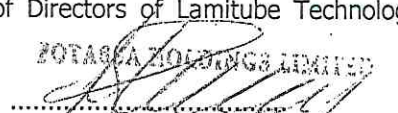
LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

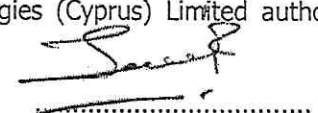
STATEMENT OF FINANCIAL POSITION 31 March 2023

	Note	2023 US\$	31.03.2022 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	16	647,646	879,844
Investments in subsidiaries	17	1,706,137	1,706,137
Financial assets at fair value through profit or loss	20	3,166,125	3,199,220
Non-current loans receivable	18	3,004,000	-
		<u>8,523,908</u>	<u>5,785,201</u>
Current assets			
Receivables	19	148,165	314
Cash at bank and in hand	21	430,903	1,347,213
		<u>579,068</u>	<u>1,347,527</u>
Total assets		<u>9,102,976</u>	<u>7,132,728</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4,300,000	4,300,000
Retained earnings		1,790,470	2,827,235
Total equity		<u>6,090,470</u>	<u>7,127,235</u>
Non-current liabilities			
Borrowings	23	2,625,000	-
		<u>2,625,000</u>	<u>-</u>
Current liabilities			
Trade and other payables	24	5,470	5,493
Borrowings	23	379,842	-
Current tax liabilities	25	2,194	-
		<u>387,506</u>	<u>5,493</u>
Total liabilities		<u>3,012,506</u>	<u>5,493</u>
Total equity and liabilities		<u>9,102,976</u>	<u>7,132,728</u>

On 11 May 2023 the Board of Directors of Lamitube Technologies (Cyprus) Limited authorised these financial statements for issue.


Atlas Alpha Services Limited
Director


Potassa Holdings Limited
Director


Sunilkumar Ramniklal Upadhyay
Director

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 March 2023

	Note	Share capital US\$	Retained earnings US\$	Total US\$
Balance at 1 April 2021		5,500,000	512,764	6,012,764
Comprehensive income				
Net profit for the year		-	2,314,471	2,314,471
Total comprehensive income for the year		-	2,314,471	2,314,471
Transactions with owners				
Reduction of share capital	22	(1,200,000)	-	(1,200,000)
Total transactions with owners		(1,200,000)	-	(1,200,000)
Balance at 31 March 2022/ 1 April 2022		4,300,000	2,827,235	7,127,235
Comprehensive income				
Net loss for the year		-	(36,765)	(36,765)
Total comprehensive income for the year		-	(36,765)	(36,765)
Transactions with owners				
Dividends	15	-	(1,000,000)	(1,000,000)
Total transactions with owners		-	(1,000,000)	(1,000,000)
Balance at 31 March 2023		4,300,000	1,790,470	6,090,470

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

CASH FLOW STATEMENT Year ended 31 March 2023

	Note	31.03.2023 US\$	31.03.2022 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		24,259	2,512,232
Adjustments for:			
Depreciation of property, plant and equipment	16	232,198	232,199
Unrealised exchange loss		642	547
Fair value losses/(gains) on financial assets at fair value through profit or loss		33,095	(66,847)
Dividend income	9	(147,000)	(2,433,120)
Interest income	12	(11,313)	-
Interest expense	12	4,842	19
		136,723	245,030
Changes in working capital:			
Increase in receivables		(147,851)	(314)
Decrease in trade and other payables		(23)	(961)
		(11,151)	243,755
Cash (used in)/generated from operations		(58,830)	(198,089)
Tax paid		(69,981)	45,666
Net cash (used in)/generated from operating activities		(69,981)	45,666
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		(3,004,000)	-
Interest received		11,313	-
Dividends received		147,000	2,433,120
		(2,845,687)	2,433,120
Net cash (used in)/generated from investing activities		(2,845,687)	2,433,120
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	(1,200,000)
Proceeds from borrowings		3,004,842	-
Unrealised exchange (loss)		(642)	(547)
Interest paid		(4,842)	(19)
Dividends paid		(1,000,000)	-
		1,999,358	(1,200,566)
Net cash generated from/(used in) financing activities		1,999,358	(1,200,566)
Net (decrease)/increase in cash and cash equivalents		(916,310)	1,278,220
Cash and cash equivalents at beginning of the year		1,347,213	68,993
Cash and cash equivalents at end of the year	21	430,903	1,347,213

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

1. Incorporation and principal activities

Country of incorporation

The Company Lamitube Technologies (Cyprus) Limited (the "Company") was incorporated in Cyprus on 22 April 2004 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Totalserve House, 17 Gr. Xenopoulou Street, 3106 Limassol, Cyprus.

Principal activity

The principal activity of the Company, is holding of investment and financial support to its subsidiaries through loans and / or equipment lease.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company's ultimate parent EPL Limited (previously known as Essel Propack Limited), a Company incorporated and resident in India produced consolidated financial statements available for public use that comply with Ind-AS (converged IFRS). These consolidated financial statements can be obtained at the Top floor, Times Tower, Kamala City, Mumbai 400 013, India, at present on the Company's website.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, if any, which is recognised as an expense in the period in which the impairment is identified.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Rental income**

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Revenue recognition (continued)

- **Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Machinery	11.64

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Share capital

Ordinary and preference shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

4. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management (continued)

5.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties (continued)

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

(iii) Financial assets at fair value through profit or loss

5.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

5.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management (continued)

5.4 Capital risk management

Capital includes equity shares and share premium, non cumulative optionally convertible redeemable preference shares

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

6. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

6. Critical accounting estimates and judgments (continued)

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

7. Revenue

Disaggregation of revenue

	31.03.2023	31.03.2022
	US\$	US\$
Rental income	<u>183,900</u>	<u>270,311</u>
	<u>183,900</u>	<u>270,311</u>

8. Other operating income

	31.03.2023	31.03.2022
	US\$	US\$
Fair value gains on financial assets at fair value through profit or loss	<u>-</u>	<u>66,847</u>
	<u>-</u>	<u>66,847</u>

9. Profit from investing activities

	31.03.2023	31.03.2022
	US\$	US\$
Dividend income	<u>147,000</u>	<u>2,433,120</u>
	<u>147,000</u>	<u>2,433,120</u>

10. Other expenses

	31.03.2023	31.03.2022
	US\$	US\$
Capital issue/reduction costs	-	1,083
Fair value losses on financial assets at fair value through profit or loss	<u>33,095</u>	<u>-</u>
	<u>33,095</u>	<u>1,083</u>

11. Operating profit

	31.03.2023	31.03.2022
	US\$	US\$
Operating profit is stated after charging the following items which form part of the administration expenses:		
Depreciation of property, plant and equipment (Note 16)	232,198	232,199
Auditors' remuneration	<u>5,177</u>	<u>5,284</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

12. Finance income/(costs)

	31.03.2023	31.03.2022
	US\$	US\$
Interest income	<u>11,313</u>	-
Finance income	<u>11,313</u>	-
Interest expense	(4,842)	(19)
Sundry finance expenses	<u>(2,513)</u>	<u>(2,340)</u>
Finance costs	<u>(7,355)</u>	<u>(2,359)</u>
Net finance income/(cost)	<u>3,958</u>	<u>(2,359)</u>

13. Net loss from foreign exchange transactions

	31.03.2023	31.03.2022
	US\$	US\$
Unrealised exchange loss	<u>(642)</u>	<u>(547)</u>
	<u>(642)</u>	<u>(547)</u>

The unrealised exchange loss arises from monetary assets and liabilities denominated in foreign currencies, translated to United States Dollars using the rate of exchange ruling at the reporting date.

14. Tax

	31.03.2023	31.03.2022
	US\$	US\$
Overseas tax	58,830	197,761
Defence contribution	<u>2,194</u>	-
Charge for the year	<u>61,024</u>	<u>197,761</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

The Company's chargeable income for the year amounted to US\$151,677 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

15. Dividends

	31.03.2023	31.03.2022
	US\$	US\$
Interim dividend paid	1,000,000	-
	<u>1,000,000</u>	<u>-</u>

On 20 May 2022 the Board of Directors approved the payment of an interim dividend of US\$1,000,000 (2022: US\$-NIL).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

16. Property, plant and equipment

	Plant and machinery US\$
Cost	
Balance at 1 April 2021	<u>2,100,000</u>
Balance at 31 March 2022/ 1 April 2022	<u>2,100,000</u>
Balance at 31 March 2023	<u>2,100,000</u>
Depreciation	
Balance at 1 April 2021	987,958
Charge for the year	<u>232,198</u>
Balance at 31 March 2022/ 1 April 2022	1,220,156
Charge for the year	<u>232,198</u>
Balance at 31 March 2023	<u>1,452,354</u>
Net book amount	
Balance at 31 March 2023	<u>647,646</u>
Balance at 31 March 2022	<u>879,844</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

17. Investment in subsidiary

	31.03.2023	31.03.2022
	US\$	US\$
Balance at 1 April	<u>1,706,137</u>	1,706,137
Balance at 31 March	<u>1,706,137</u>	<u>1,706,137</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2023 US\$	31.03.2022 US\$
Essel Propack Misr	Egypt		75	<u>1,706,137</u>	1,706,137
				<u>1,706,137</u>	<u>1,706,137</u>

18. Non-current loans receivable

	2023 US\$	31.03.2022 US\$
Loans to own subsidiaries (Note 27.3)	<u>3,004,000</u>	-
	<u>3,004,000</u>	<u>-</u>

The exposure of the Company to credit risk in relation to loans receivable is reported in note 5 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

Loans receivable Name	Currency	Principal Amount	Interest rate	Interest balance	Total	Maturity date
EPL Misr SAE	United States Dollars	3,000,000	8%	4,000	3,004,000	29/12/2027

19. Receivables

	31.03.2023 US\$	31.03.2022 US\$
Receivables from own subsidiaries (Note 27.2)	<u>147,120</u>	-
Accrued income	<u>1,045</u>	-
Other receivables	<u>-</u>	314
	<u>148,165</u>	<u>314</u>

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 5 of the financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

20. Financial assets at fair value through profit or loss

	31.03.2023	31.03.2022
	US\$	US\$
Balance at 1 April	3,199,220	3,132,373
Change in fair value	(33,095)	66,847
Balance at 31 March	3,166,125	3,199,220

21. Cash at bank and in hand

Cash balances are analysed as follows:

	31.03.2023	31.03.2022
	US\$	US\$
Cash at bank and in hand	430,903	1,347,213
	430,903	1,347,213

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

22. Share capital

	31.03.2023 Number of shares	31.03.2023 US\$	31.03.2022 Number of shares	31.03.2022 US\$
Authorised				
1,600 Ordinary shares of US\$1,000 each	1,600	1,600,000	1,600	1,600,000
8,437 Preference shares of US\$1,000 each	8,437	8,437,000	8,437	8,437,000
	10,037	10,037,000	10,037	10,037,000
Issued and fully paid				
<u>Ordinary shares</u>				
Balance at 1 April	1,600	1,600,000	1,600	1,600,000
Balance at 31 March	1,600	1,600,000	1,600	1,600,000
<u>Preference shares</u>				
Balance at 1 April Reduction of shares	2,700	2,700,000	3,900	3,900,000
Issue of shares	-	-	(1,200)	(1,200,000)
Balance at 31 March	2,700	2,700,000	2,700	2,700,000
Total at 31 March	4,300	4,300,000	4,300	4,300,000

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

23. Borrowings

	31.03.2023 US\$	31.03.2022 US\$
Current borrowings		
Bank loans	379,842	-
Non-current borrowings		
Bank loans	2,625,000	-
Total	<u>3,004,842</u>	<u>-</u>

Maturity of non-current borrowings:

	31.03.2023 US\$	31.03.2022 US\$
Within one year	379,842	-
Between one and five years	2,625,000	-
	<u>3,004,842</u>	<u>-</u>

The bank loans are secured as follows:

- Guarantees by EPL Limited

Loans payable

Name	Currency	Principal Amount	Interest rate	Interest balance	Total	Maturity date
DBS Bank Ltd, Singapore	United States Dollars	3,000,000	7.000%	4,842	3,004,842	29/09/2027

24. Trade and other payables

	31.03.2023 US\$	31.03.2022 US\$
Accruals	5,436	5,493
Other creditors	34	-
	<u>5,470</u>	<u>5,493</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

25. Current tax liabilities

	31.03.2022 US\$	31.03.2021 US\$
Special contribution for defence	2,194	-
	<u>2,194</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

26. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 March 2023 as it is considered as a non-adjusting event.

The Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for [please complete accordingly] in case the crisis becomes prolonged.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

27. Related party transactions

The following transactions were carried out with related parties:

27.1 Income / expenses from related party transactions

		31.03.2023	31.03.2022
	<u>Nature of transactions</u>	US\$	US\$
EPL Misr for Advances Packaging S.A.E.	Dividend income	-	2,212,693
EPL Misr for Advances Packaging S.A.E.	Rental income	183,900	270,311
Arista Tubes Inc.	Dividend income	147,000	220,427
EPL Misr for Advances Packaging S.A.E.	Interest income	4,000	-

27.2 Receivables from related parties (Note 19)

		31.03.2023	31.03.2022
<u>Name</u>	<u>Nature of transactions</u>	US\$	US\$
EPL Misr for Advances Packaging S.A.E.	Rental income	147,120	-
		147,120	-

27.3 Loans to related parties (Note 18)

	31.03.2023	31.03.2022
	US\$	US\$
EPL Misr for Advances Packaging S.A.E.	3,004,000	-
	3,004,000	-

28. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2023.

29. Commitments

Operating lease

The Company has entered into an operating lease arrangement with its subsidiary company on its property mentioned in note 12 . The lease is non-cancellable in nature and has terms of payment in 5 years on quarterly basis. The Company has not recognized any contingent rent as per terms of agreement considering prevailing market conditions. Future minimum rentals receivable under aforesaid lease arrangement as at 31 March 2023 are as follows :

	31.03.2023	31.03.2022
	US\$	US\$
Within one year	176,220	51,735
Between one and five years	234,960	-
	411,180	51,735

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

30. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

As explained in note 26 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Independent auditor's report on pages 4 to 6

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

DETAILED INCOME STATEMENT Year ended 31 March 2023

	Page	31.03.2023 US\$	31.03.2022 US\$
Revenue			
Rent receivable	34	<u>183,900</u>	270,311
Gross profit		183,900	270,311
Other operating income			
Fair value gains on financial assets at fair value through profit or loss		-	66,847
Dividend income		<u>147,000</u>	2,433,120
		330,900	2,770,278
Operating expenses			
Administration expenses	35	<u>(276,862)</u>	(254,057)
		54,038	2,516,221
Other operating expenses			
Capital issue/reduction costs		-	(1,083)
Fair value losses on financial assets at fair value through profit or loss		<u>(33,095)</u>	-
Operating profit		20,943	2,515,138
Finance income	36	11,313	-
Finance costs	36	(7,355)	(2,359)
Net loss from foreign exchange transactions	36	<u>(642)</u>	(547)
Net profit for the year before tax		<u>24,259</u>	<u>2,512,232</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

RENTAL INCOME

Year ended 31 March 2023

	31.03.2023 US\$	31.03.2022 US\$
Rental income		
Rent receivable	<u>183,900</u>	<u>270,311</u>
	<u>-</u>	<u>-</u>
Rent receivable	<u>183,900</u>	<u>270,311</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

OPERATING EXPENSES Year ended 31 March 2023

	31.03.2023	31.03.2022
	US\$	US\$
Administration expenses		
Municipality taxes	207	194
Annual levy	345	397
Auditors' remuneration	5,177	5,284
Other professional fees	32,411	9,689
Management fees	1,432	691
Representation fees	5,092	5,603
Depreciation	232,198	232,199
	276,862	254,057

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

FINANCE INCOME/COSTS
Year ended 31 March 2023

	31.03.2023 US\$	31.03.2022 US\$
Finance income		
Bank interest	7,313	-
Other interest income	<u>4,000</u>	<u>-</u>
	<u>11,313</u>	<u>-</u>
 Finance costs		
Interest expense		
Loan interest	4,842	-
Interest on taxes	-	19
Sundry finance expenses		
Bank charges	<u>2,513</u>	<u>2,340</u>
	<u>7,355</u>	<u>2,359</u>
 Net loss from foreign exchange transactions		
	31.03.2023 US\$	31.03.2022 US\$
Unrealised exchange loss	<u>(642)</u>	<u>(547)</u>
	<u>(642)</u>	<u>(547)</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES

Year ended 31 March 2023

Year	%	COST			ANNUAL ALLOWANCES				Net value 31-Mar-23 US\$
		Balance 01-Apr-22 US\$	Additions for the year US\$	Disposals for the year US\$	Balance 31-Mar-23 US\$	Balance 01-Apr-22 US\$	Charge for the year US\$	On disposals US\$	Balance 31-Mar-23 US\$
2016	20	2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000
		2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000

Plant and machinery

Second hand fully automatic side
seamer

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF DEFENCE CONTRIBUTION Year ended 31 March 2023

	Income US\$	Income €	Rate	Defence € c
INTEREST				
Interest that was not subject to deduction at source	<u>7,313</u>	<u>6,725</u>		
	<u>7,313</u>	<u>6,725</u>	30%	2,017.50
DEFENCE CONTRIBUTION DUE TO IRD				<u>2,017.50</u>

Apportionment to the relevant years of assessment

	2023 €	2022 €
Period 01-Apr-22 - 31/12/2022	-	965
Period 01/01/2023 - 31-Mar-23	<u>1,053</u>	<u>-</u>
	<u>1,053</u>	<u>965</u>
	<u>1,053</u>	<u>965</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF CORPORATION TAX Year ended 31 March 2023

	Page 33	US\$	US\$
Net profit per income statement			24,259
<u>Add:</u>			
Benefit from transactions falling under Article 33		1,992	
Depreciation		232,198	
Fair value losses on financial assets at fair value through profit or loss		33,095	
Unrealised foreign exchange loss		642	
Annual levy		345	
Other non-allowable expenses		<u>13,459</u>	
			<u>281,731</u>
			305,990
<u>Less:</u>			
Dividends received		147,000	
Interest income		<u>7,313</u>	
			<u>(154,313)</u>
Chargeable income for the year			151,677
			€
Converted into € at US\$ 1.087500 = €1			139,473
Apportionment to the relevant years of assessment		2023	2022
		€	€
Period 01-Apr-22 - 31/12/2022		-	104,605
Period 01/01/2023 - 31-Mar-23		<u>34,868</u>	-
		34,868	104,605
Period 01/01/2022 - 31-Mar-22		<u>-</u>	<u>(12,905)</u>
		<u>34,868</u>	91,700
Loss brought forward			<u>(461,306)</u>
Loss carried forward			<u>(369,606)</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2017	2018	2019	2020	2021	2022
	€	€	€	€	€	€
Profits/(losses) for the tax year	(42,687)	(179,569)	(90,791)	(87,077)	(61,182)	91,700
Gains Offset (€)	-	-	-	-	-	42,687
- Year						2017
Gains Offset (€)	-	-	-	-	-	49,013
- Year						2018
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward

(369,606)

MTL De Panama S.A.

**Audited Financial Statements for the
financial year ended March 31, 2023**

MTL DE PANAMA, S.A

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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MTL DE PANAMA, S.A
DIRECTORS' COMMENTARY
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their commentary, together with the audited financial statements of **MTL De Panama, S.A** (the 'Company') for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding company.

RESULTS AND DIVIDENDS

The results for the year are shown on page 5.

The directors did not recommend the payment of dividend for the year under review (2022: USD Nil).

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards (IFRS).

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

DIRECTORS

The following directors held office as at 31 March 2023.

Mr Pramod Menon
Mr Denis Sek Sum
Mr Anindya Bagchi

Mr Parag Chaturvedi resigned as the Company's director on 20 July 2022.

BY ORDER OF THE BOARD



DIRECTOR

Date: 11 May 2023

QAIYOOM DUSTAGHEER FCCA, MIPA(M)
3, MAHARATA STREET, PORT LOUIS, REPUBLIC OF MAURITIUS
TEL: (230) 5752 6345
EMAIL: dustagheerqaiyoom@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF MTL DE PANAMA, S.A

Opinion

I have audited the financial statements of **MTL De Panama, S.A** (the "Company"), which comprise the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 21.

In my opinion, these financial statements give a true and fair view of the financial position of **MTL De Panama, S.A** as at 31 March 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' commentary. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

QAIYOOM DUSTAGHEER FCCA, MIPA(M)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDER OF MTL DE PANAMA, S.A

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Matter

This report is made solely to the Company's shareholder. My audit work has been undertaken so that I might state to the Company's shareholder those matters that I am required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for my audit work, for this report, or for the opinions I have formed.



Qaiyoom Dustagheer FCCA, MIPA (M)
Licensed by the FRC

Date: 11 May 2023

MTL DE PANAMA, S.A
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 USD	2022 USD
Revenue		-	-
Expenses			
Accounting fees		100	4,500
Legal and professional fees		2,522	3,627
Audit fees		5,600	5,600
Interest on loan		11,929	15,272
Bank charges		1,366	80
		<u>21,517</u>	<u>29,079</u>
Operating loss		(21,517)	(29,079)
Share of profit in associate	8	34,777	225,562
Other payables written off		1,073,848	-
Investment written off on liquidation		(375,630)	-
Profit before taxation		<u>711,478</u>	<u>196,483</u>
Taxation	6	-	-
Profit for the year		<u>711,478</u>	<u>196,483</u>
Other comprehensive income for the year, net of taxation		-	-
Total comprehensive income for the year, net of taxation		<u>711,478</u>	<u>196,483</u>

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent auditor's report is on pages 3 to 4.

MTL DE PANAMA, S.A
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Investment in subsidiary	7	2,122,014	2,122,014
Investment in associate	8	3,975,325	3,940,548
		<u>6,097,339</u>	<u>6,062,562</u>
Current assets			
Assets held for distribution to owners	9	-	582,513
Cash and cash equivalents	10	27,106	19,608
		<u>27,106</u>	<u>602,121</u>
Total assets		<u>6,124,445</u>	<u>6,664,683</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	3,066,732	3,066,732
Accumulated reserve		2,868,556	2,157,078
Total equity		<u>5,935,288</u>	<u>5,223,810</u>
Current liabilities			
Borrowings	12	175,000	325,000
Other payable	13	14,157	1,115,873
		<u>189,157</u>	<u>1,440,873</u>
Total equity and liabilities		<u>6,124,445</u>	<u>6,664,683</u>

Approved by the Board of Directors on 11 May 2023 and signed on its behalf by:


 DIRECTOR


 DIRECTOR

The notes on pages 9 to 21 form an integral part of these financial statements.
 Independent auditor's report is on pages 3 to 4.

MTL DE PANAMA, S.A
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital USD	Accumulated reserves USD	Total equity USD
At 01 April 2021	3,066,732	1,960,595	5,027,327
Profit for the year	-	196,483	196,483
At 31 March 2022	3,066,732	2,157,078	5,223,810
Profit for the year	-	711,478	711,478
At 31 March 2023	3,066,732	2,868,556	5,935,288

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent auditor's report is on pages 3 to 4.

MTL DE PANAMA, S.A
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 USD	2022 USD
OPERATING ACTIVITIES		
Profit before taxation	711,478	196,483
Adjustments to reconcile profit before tax to net cash flows		
Adjustments:		
Share of profit in associate	(34,777)	(225,562)
Investment written off	375,630	-
Other payables written off	(1,073,848)	-
Working capital adjustments:		
(Decrease) / increase in other payables	(27,868)	28,711
Net cash flows used in operating activities	(49,385)	(368)
INVESTING ACTIVITY		
Proceeds from liquidation of investee	206,883	-
Net cash flows generated from investing activity	206,883	-
FINANCING ACTIVITIES		
Proceeds from borrowings	175,000	-
Repayment of borrowings	(325,000)	-
Net cash flows used in financing activities	(150,000)	-
Net movement in cash and cash equivalents	7,498	(368)
Cash and cash equivalents at beginning of year	19,608	19,976
Cash and cash equivalents at end of year (Note 10)	27,106	19,608

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent auditor's report is on pages 3 to 4.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated in Panama on the 25th July 1991. The corporate term is perpetual and it can be dissolved in accordance with the local law. The Company's registered office is Avenida Federico Boyd, Calle 18 y51, Edificio Scotia Plaza, Piso 11, Ciudad de Panama, Republic of Panama.

The principal activity of the Company is that of an investment holding company.

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 11 May 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

(b) Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention, and are denominated in United States Dollars (USD). The preparation of the financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The financial statements of the Company are expressed in United States dollars ("USD").

Management determines the functional currency of the Company to be USD. In making this judgement, management evaluates, among other factors, the regulatory and competitive environments and the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

(ii) Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

(d) New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 March 2022, except for the adoption of new standards effective as of 1 April 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued which is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the financial statements of the Company.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Financial instruments

a) Financial assets

i. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all the relevant information about how the business is managed, including:

- The documented strategy and the execution of this strategy in practice. This includes matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through sale of the assets.
- How the performance is evaluated and reported to the Company's management, the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has one business model:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Financial instruments (Continued)

a) Financial assets (Continued)

Business model assessment (Continued)

Assessment of whether contractual cash flows are SPPI.

For the purpose of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for the other basic lending risks and costs (e.g liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Company's claim to cash flows from specified assets (e.g non-recourse features); and
- Features that modify consideration of the time value of money (e.g periodical reset of interest rates)

iii. Financial assets at amortised cost

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include cash and cash equivalents.

iv. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Financial instruments (Continued)

a) Financial assets (Continued)

iv. Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

b) Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss: loans and borrowings, payables are derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of other payables and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables and borrowings.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, interest-bearing loans and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income. This category generally applies to interest-bearing loans and other payables.

iii. Other payables

Other payables are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Financial Instruments (Continued)

c) Impairment

Non-derivative financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

II. Investment in subsidiary

A subsidiary is an entity in which the Company has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company controls an investee if, and only if it has the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, any resulting gain or loss is recognised in the statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

III. Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The investment in associate has been accounted for under the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate and in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

IV. Assets held for distribution to owners

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to distribute. Impairment losses on initial classification as held for distribution and subsequent gains or losses on remeasurement are recognised in the statement of profit or loss and other comprehensive income.

Tubopack de Colombia S.A.S had lodged its request for liquidation to the Colombian authorities on 25 November 2019. The liquidation process has been completed on 30 June 2022.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

VI. Impairment for equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

VII. Equity

Share capital is determined using the nominal values of shares that have been issued.

Accumulated reserves include all current and prior results as disclosed in the statement of profit or loss and other comprehensive income.

VIII. Expenses recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

IX. Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

X. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year as a result of changes in accounting policy and disclosures.

4. NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated below:

Standards	Interpretations	Date issued by IASB	Effective date periods beginning on or after
IFRS 17 Insurance Contracts	Amendment to Insurance liabilities to be measured at a current fulfillment value.	18 May 2017	01 January 2023
IAS 1 Presentation of Financial Statements	Amendment to Classification of Liabilities as Current or Non-Current.	23 January 2020	01 January 2024
<u>Annual Improvement to IFRS 2018-2020</u>			
IFRS 17 Insurance Contracts	Amendments to recognition of insurance acquisition cash flows relating to expected contract renewals.	25 June 2020	01 January 2023
IFRS 4 Insurance contracts	Amendment to extension of the Temporary Exemption from Applying IFRS 9.	25 June 2020	01 January 2023
<u>Annual Improvement to IFRS 2021</u>			
IAS1 and IFRS Practice statement 2 - Disclosure	Amendment that an entity to disclose material accounting policies instead of significant accounting policies.	12 February 2021	01 January 2023
IAS 8 Estimates definition	Amendments clarify that a change in accounting estimate from new information or new development is not the correction of an error.	12 February 2021	01 January 2023

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED (CONTINUED)

Standards	Interpretations	Date issued by IASB	Effective date periods beginning on or after
<u>Annual Improvement to IFRS 2021 (Continued)</u>			
IAS 12 Deferred tax	Clarification that exemption does not apply if deductible and taxable differences are equal on initial recognition.	07 May 2021	01 January 2023
<u>Annual Improvement to IFRS 2022</u>			
IFRS 16 Lease liability in a Sale and Lease Back	Clarification how a seller-lessee subsequently measures sale and leaseback transactions that satisfies the requirements in IFRS 15 to be accounted for as a sale.	22 September 2022	01 January 2024
IAS 1 Non-current liabilities	Clarification on how conditions with which an entity must comply within 12 months after the reporting period that affect the classification of a liability.	31 October 2022	01 January 2024

The directors anticipate that the adoption of these standards on the above effective dates in future periods will have no material impact on the financial statements of the Company.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. TAXATION

According to the Panama's income tax law, the Company's income is not taxable for income tax purposes, due to the fact that its income is received from different foreign subsidiaries.

7. INVESTMENT IN SUBSIDIARY

	2023 USD	2022 USD
<u>Unquoted</u>		
Cost at beginning and end of year	<u>2,122,014</u>	<u>2,122,014</u>

The details of the investment in subsidiaries are as follows:

Name of company	Number of shares	Nominal value	% Held 2023	% Held 2022	Country of incorporation	Cost 2022 USD
Laminate Packaging Colombia S.A.S	1,352,814	COP 1,000	93.12%	93.12%	Colombia	<u>2,122,014</u>

Laminate Packaging Colombia S.A.S (Formerly known as Essel Colombia S.A.S) is incorporated under prevailing regulation of Colombia established in Free Zone (FTZ) which is engaged in production of laminated packing tubes and other production processes directly related to these activities.

The directors have reviewed the financial position of Laminate Packaging Colombia S.A.S and are of the opinion that the estimated recoverable amount of the investment is not less than its carrying value.

Consolidated Financial Statements

The Company has a subsidiary as disclosed in this note. The Company has taken advantage of the International Financial Reporting Standards 10, Separate Financial Statements, which dispenses it from the need to present consolidated financial statements, as its ultimate holding company, EPL Ltd (Formerly known as Essel Propack Limited), presents consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The registered office of Essel Propack Limited is P.O. Vasind, Taluka Shahapur, Dist Thane, Maharashtra 421 604, India.

8. INVESTMENT IN ASSOCIATE

	2023 USD	2022 USD
Balance at start of year	<u>3,940,548</u>	3,714,986
Share of profit in associate during the year	<u>34,777</u>	225,562
Balance at end of year	<u>3,975,325</u>	<u>3,940,548</u>

Name of company	Number of "Serie B" equity shares 2023	Number of "Serie B" equity shares 2022	Nominal value	% Held 2023	% Held 2022	Country of incorporation	2023 USD
EPL Propack De Mexico S.A de C.V (Formerly known as Essel de Mexico S.A de C.V)	37,175	37,175	MXN 1,000	33%	33%	Mexico	<u>3,975,325</u>

The Company has 49 Class B shares which corresponds to the minimum fixed capital, while it has 37,126 Class B shares which corresponds to the variable capital.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. ASSET HELD FOR DISTRIBUTION TO OWNERS

	2023 USD	2022 USD
Balance at beginning of year	582,513	582,513
Liquidation proceeds received	(206,883)	-
Investment written off during the year	(375,630)	-
Balance at end of year	-	582,513

The details of the investment is as follows:

Name of company	Number of shares	Nominal value	% Held		Country of incorporation	Cost 2023 USD
			2023	2022		
Tubopack de Colombia S.A.S	416,000	COP 1,000	Nil	99.76%	Colombia	Nil

10. CASH AND CASH EQUIVALENTS

	2023 USD	2022 USD
Cash at bank	27,106	19,608

The Company holds a USD account with ICICI Bank Limited.

11. SHARE CAPITAL

The share capital of the Company consists of 2 ordinary shares of no par value paid for a consideration of USD 3,066,732.

12. BORROWINGS

	2023 USD	2022 USD
Current		
Loan from related party (Note 15)	175,000	325,000

Loan of USD 225,000 and USD 100,000 payable to Lamitube technologies Ltd were repaid on 20 July 2022.

Loan of USD 175,000 from Lamitube technologies Ltd is unsecured and is repayable on 08 July 2023. The loan beared interest at:

- (i) 4% per annum from July 2022 to September 2022
- (ii) 6.25% per annum from October 2022 to December 2022
- (iii) 6.75% per annum from January 2023 onwards

13. OTHER PAYABLES

	2023 USD	2022 USD
Other payables from related entities (Note 15)	8,121	1,104,182
Accrued expenses	6,036	11,691
	14,157	1,115,873

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

A description of the significant risk factors is given below together with the risk management policies applicable. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. In its ordinary operations, the Company is exposed to various risks such as market risks, credit risks and liquidity risks.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company has interest-bearing liabilities which are at fixed interest rates and is therefore not exposed to the risks associated with the effects of fluctuations in interest rates.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Given that all the financial assets and financial liabilities are denominated in the United States Dollar ("USD"), the Company is not exposed to foreign exchange risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Cash and cash equivalents

The Company's cash and cash equivalents of USD 27,106 (2022: USD 19,608) represents its maximum credit exposure on these assets. The cash held with bank are highly rated.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the ageing analysis of the Company's financial liabilities.

	Less than 1 year 2023 USD	Over 1 year 2023 USD	Total 2023 USD
Liabilities			
Borrowings (Note 12)	175,000	-	175,000
Other payables (Note 13)	14,157	-	14,157
Total liabilities	189,157	-	189,157

Currency profile

All the financial assets and liabilities of the Company are denominated in USD.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair values

The carrying amount of cash and cash equivalents, other payables and borrowings approximate to their fair values.

For financial assets and liabilities not measured at fair value, their carrying amount approximate their fair value. Accordingly, no fair value hierarchy table has been disclosed.

Accounting classifications and fair values

The table below provides the reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total carrying amount USD
31 March 2023			
Cash and cash equivalents	27,106	-	27,106
	<u>27,106</u>	<u>-</u>	<u>27,106</u>
Other payables	-	14,157	14,157
Borrowings	-	175,000	175,000
	<u>-</u>	<u>189,157</u>	<u>189,157</u>
31 March 2022			
Cash and cash equivalents	19,608	-	19,608
	<u>19,608</u>	<u>-</u>	<u>19,608</u>
Other payables	-	1,115,873	1,115,873
Borrowings	-	325,000	325,000
	<u>-</u>	<u>1,440,873</u>	<u>1,440,873</u>

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is financed by equity.

Concentration risk

As at 31 March 2023, the Company held investments in Colombia and Mexico which involves certain considerations and risks. Future economic and political developments in those countries could affect the operations of the investee companies.

MTL DE PANAMA, S.A
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. RELATED PARTIES TRANSACTIONS

The following transactions were carried out with related parties on normal commercial terms and conditions and at market prices:

Name of companies	Type of relationships	Nature of transactions	Credit balance as at 01 April 2022 USD	Volume of transactions during the year ended 31 March 2023 USD	Credit balance as at 31 March 2023 USD
<u>Borrowings (Note 12)</u>					
Lamitube Technologies Ltd	Holding company	Loan payable	325,000	(150,000)	175,000
<u>Other payables (Note 13)</u>					
Lamitube Technologies Ltd	Holding company	Trade payable	10,000	(10,000)	-
Lamitube Technologies Ltd	Holding company	Interest on loan payable	20,334	(12,213)	8,121
Tubopack De Colombia S.A	Subsidiary	Other payable	1,073,848	(1,073,848)	-
			1,104,182	(1,096,061)	8,121

16. HOLDING COMPANY

The directors consider Lamitube Technologies Ltd, a company registered in the Republic of Mauritius as the holding company. The ultimate holding company is EPL Ltd (Formerly known as Essel Propack Limited), a company registered in India.

17. EVENTS AFTER THE REPORTING DATE

There has been no post material reporting events which would require disclosure or adjustment to the 31 March 2023 financial statements.

**EPL MISR for Advanced Packaging
S.A.E**

**Audited Financial Statements for the
financial year ended March 31, 2023**

Mostafa Shawki

EPL MISR FOR
ADVANCED PACKAGING
(S.A.E)
Financial statements
For the Year ended March 31, 2023
&
AUDITOR'S REPORT

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Income Statement for the Year ended March 31,2023	4
Statement of other comprehensive income for the Year ended March 31,2023	5
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Statement of Cash Flows for the Year ended March 31,2023	7
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INDEPENDENT AUDITORS' REPORT**To/ The Shareholders of EPL Misr for Advanced packaging (SAE)****Report on the Financial Statements**

We have audited the accompanying financial statements of **EPL Misr for Advanced packaging (SAE)** which comprise the balance sheet as of March 31, 2023, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Standards on Accounting and the requirements of relevant, local laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and the requirement of laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the professional's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

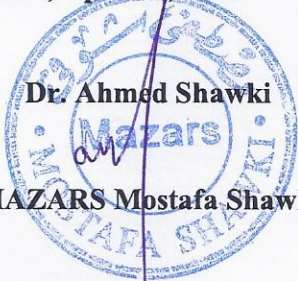
In our opinion, the financial statements present a fair view of all material respects and of the financial position of **EPL Misr for Advanced packaging (SAE)** as of March 31, 2023, and its financial performance and the cash flows for the year then ended in accordance with Egyptian Standards on Accounting and the requirements of relevant, local laws and regulations.

Report on Other Legal and Regulatory Requirements

The company maintains proper financial accounting records, which include all that is required by law and the statutes of the company, and the accompanying financial statements are in agreement therewith, and applies costing system that is adequate for its purpose and the company's management undertook the inventory physical count as of data of the financial statements in accordance with the norms of physical count practice.

The financial information presented in the Board of Directors' report, prepared in conformity with Law No. 159 for 1981, and its executive regulations, is in agreement with the company's records within the limits that such information is recorded therein.

Cairo, April 18, 2023

Dr. Ahmed Shawki

MAZARS Mostafa Shawki

EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
Financial Statements of March 31,2023
(Amounts Expressed in Egyptian pound)

Statement of financial position

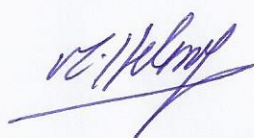
	<u>Notes</u>	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Assets			
Non-Current Assets			
Property, Plant and Equipment (Net)	(4)	16,936,664	13,695,963
Intangible Assets (Net)	(5)	50,717	94,150
Total Non-Current Assets		16,987,381	13,790,113
Current Assets			
Inventory	(6)	108,188,862	60,308,498
Accounts & Notes Receivable	(7)	100,690,433	80,386,298
Debtors & Other Debit Balances	(8)	11,935,460	8,119,799
Cash On Hand and at Banks	(9)	262,590,629	58,683,611
Total Current Assets		483,405,384	207,498,206
Total Assets		500,392,765	221,288,319
Owners' Equity			
Paid up Capital	(10)	15,000,000	15,000,000
Legal Reserve		7,500,000	7,500,000
Retained Earnings		10,200,000	10,200,000
Net Profit for the Year		46,985,002	59,180,527
Total Owners' Equity		79,685,002	91,880,527
Non-Current Liabilities			
Deferred Tax Liabilities	(11/2)	1,703,937	1,803,454
Total Non-Current Liabilities		1,703,937	1,803,454
Current Liabilities			
Provision		292,327	292,327
Income Tax	(11/1)	15,821,423	18,466,884
Credit Facilities	(12)	32,649,496	34,686,949
Accounts & Notes Payable	(13)	18,037,140	17,542,695
Loans form LTCL	(25)	92,850,000	--
Due to Related Parties	(14)	213,019,410	49,931,600
Creditors and Other Credit Balances	(15)	10,781,684	6,683,883
Dividend Payable		35,552,346	--
Total Current Liabilities		419,003,826	127,604,338
Total Owners' Equity and Non-Current Liabilities		500,392,765	221,288,319

- The accompanying notes from page (8) to (26) are an integral part of these financial statements.

Auditors' Report "Attached"

Head of Account

Mohamed Helmy




Chairman

Eng. Osama Mashhour



EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
Financial Statements of March 31,2023
(Amounts Expressed in Egyptian pound)

Income Statement

<u>Description</u>	<u>Notes</u>	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Operating Revenue	(16)	467,575,660	332,012,844
Operating Costs	(17)	(298,754,051)	(209,777,304)
Gross Profit		168,821,609	122,235,540
Selling & Distribution Expenses	(19)	(23,261,643)	(17,832,573)
General & Administrative Expenses	(20)	(29,843,514)	(23,581,558)
Finance Costs	(21)	(59,466,958)	(6,437,162)
Provision		--	(80,000)
ECL - Provision	(7)	(558,004)	--
Provision writes back	(7)	401,457	508,230
Other Income	(18)	8,971,766	3,927,196
Profit for the year before tax		65,064,713	78,739,673
Income tax & deferred tax	(11)	(15,721,906)	(18,109,258)
Tax difference of previous years		(2,357,805)	(1,449,888)
Net profit for the year		46,985,002	59,180,527

- The accompanying notes from page (8) to (26) are an integral part of these financial statements.

Auditors' Report "Attached"

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Chairman

Eng. Osama Mashhour



EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
Financial Statements of March 31,2023
(Amounts Expressed in Egyptian pound)

Statements of Comprehensive Income

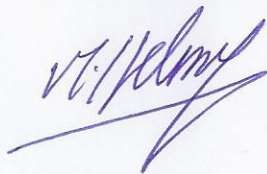
	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Net for the year	46,985,002	59,180,527
Other Comprehensive income	--	--
Total Other comprehensive income	--	--
Total Comprehensive Income for the year	<u>46,985,002</u>	<u>59,180,527</u>

- The accompanying notes from page (8) to (26) are an integral part of these financial statements.

Auditors' Report "Attached"

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EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
Financial Statements of March 31, 2023
(Amounts Expressed in Egyptian pound)

Statement of Change in Owners' Equity

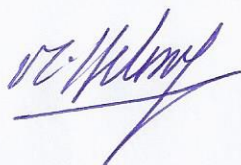
	<u>Paid-up</u> <u>capital</u>	<u>Legal</u> <u>reserve</u>	<u>Retained</u> <u>Earnings</u>	<u>Net profit</u> <u>for the</u> <u>period</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of 1 April 2021	15,000,000	7,500,000	10,200,000	52,184,708	84,884,708
Transferred to retained earnings	--	--	52,184,708	(52,184,708)	--
Dividends- according to the decision of the Assembly on June 16, 2021	--	--	(51,662,861)	--	(51,662,861)
Employee's training fund	--	--	(521,847)	--	(521,847)
Net profit for the period	--	--	--	59,180,527	59,180,527
Balance as of 31 March 2022	15,000,000	7,500,000	10,200,000	59,180,527	91,880,527
Balance as of 1 April 2022	15,000,000	7,500,000	10,200,000	59,180,527	91,880,527
Transferred to retained earnings	--	--	59,180,527	(59,180,527)	--
Dividends- according to the decision of the Assembly on May 18, 2022	--	--	(58,588,721)	--	(58,588,721)
Employee's training fund - according to the decision of the Assembly on May 18, 2022	--	--	(591,806)	--	(591,806)
Net profit for the year	--	--	--	46,985,002	46,985,002
Balance as of 31 March 2023	15,000,000	7,500,000	10,200,000	46,985,002	79,685,002

- The accompanying notes from page (8) to (26) are an integral part of these financial statements.

Auditors' Report "Attached"

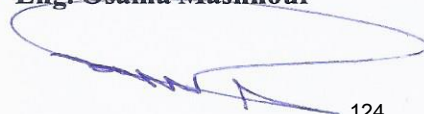
Head of Account

Mohamed Helmy




Chairman

Eng. Osama Mashhour



EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
Financial Statements of March 31,2023
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	<u>Statement of Cash Flows</u>	
	<u>Notes</u>	
	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Cash Flows from Operating activities		
Net profit before tax	65,064,713	78,739,673
Adjustments:		
Depreciation and amortization	3,074,334	3,033,001
Provision writes back	(401,457)	(508,230)
Provision	--	80,000
ECL - Provision	558,004	--
	68,295,594	81,344,444
Change in inventory	(47,880,364)	(13,267,510)
Change in accounts & notes receivable	(20,460,682)	(27,290,389)
Change in debtors & other debit balances	(3,815,661)	(2,688,576)
Change in accounts & notes payable	494,445	612,857
Change in due form related parties	--	2,002,147
Change in due to related parties	163,087,810	31,603,314
Change in creditors & other credit balances	3,505,995	(2,243,944)
Tax difference of previous years	(2,357,805)	(1,449,888)
Change in Income Tax	(18,466,884)	(16,655,483)
Net cash flows provided from operating activities	142,402,448	51,966,972
Cash Flows from investing activities:		
Payments to purchase property, plant, equipment, and Projects under construction	(6,271,602)	(331,491)
Payments to purchase Intangible Assets	--	(100,415)
Net cash flows (used in) investing activities	(6,271,602)	(431,906)
Cash Flows from financing activities:		
Paid dividend	(23,036,375)	(52,184,708)
Loans form LTCL	92,850,000	
Change in Credit Facilities	(2,037,453)	(339,734)
Net Cash Flows provided from (used in) Financing activities	67,776,172	(52,524,442)
Net change in cash & cash equivalent during the year	203,907,018	(989,376)
Cash and cash equivalent at the beginning of the year	58,683,611	59,672,987
Cash & cash equivalent at the end of the year	(22) 262,590,629	58,683,611

- The accompanying notes from page (8) to (26) are an integral part of these financial statements.

Auditors' Report "Attached"

Head of Account

Mohamed Helmy

[Signature of Mohamed Helmy]



Chairman

Eng. Osama Mashhour

[Signature of Eng. Osama Mashhour]

Explanatory Notes of the Financial Statements

1- GENERAL INFORMATION

EPL Misr for Advanced Packaging has been established in April 2005 as a joint stock company in accordance to The Investment Law No, 8 for 1997 and its executive regulations, it has been registered in the commercial register under No 46287 on June 9th, 2010, and the company's main activities involve manufacturing of the Plastic Tubes & Aluminum Tubes.

On November 25,2020 the General Assembly of shareholders decided to amend the name of the company to EPL Misr for Advanced packaging S.A.E ; and it is still in the process of the final approval by General Authority for Investment (GAFI)

2- COMPANY'S OBJECTIVES

Establishing and operating a factory to manufacture laminated plastic tubes, aluminum tubes and all metal and plastic tubes, and the company has to obtain all the necessary licenses to operate.

3- SIGNIFICANT ACCOUNTING POLICIES

3/1- Bases of preparation of financial statements

3/1/1- Basis of measurement

The financial statements have been prepared under the going concern assumption on a historical cost basis.

3/1/2- Compliance with accounting standards and applicable laws

The financial statements of the company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

3/1/3-Functional currency and presentation currency

Financial statements are presented in Egyptian pound, which represents the functional currency of the company.

3/2- Recognition and Translation of Foreign Currency Transactions and Balances

The financial statements are prepared and presented in Egyptian pound.

Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the balance sheet date. All differences are recognized in the statement of income.

Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.

Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

3/3- Property, Plant and Equipment & Depreciation

Property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the

EPL MISR FOR ADVANCED PACKAGING (S.A.E.)
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carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of income as incurred.

Depreciation of an asset starts when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

Building	5%
Machinery & Equipment	10%
Tools	20%
Furniture & Office equipment	20%
Computers	33%

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the statement of income when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each balance sheet date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

3/4- Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and

any accumulated impairment losses.

Internally generated intangible assets are not capitalized and expenditure is reflected in the income

statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

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Intangible assets represent the computer programs and are amortized using the straight-line method

over their estimated useful lives as follows:

	<u>Number of years</u>	<u>Amortization rate</u>
software	3 years	33.33%

3/5- Inventory

The inventory is stated as of March 31, 2023 according to the following bases:

Raw materials and Spare Parts:

Are stated at cost (using the weighted average method) or net realizable value, whichever is lower.

Production Waste:

Are stated using the Average of selling prices of the auctions that are held during the year.

Work in Progress

Is stated using the manufacturing cost (till completing the last stage according to the statements of costs) or net realizable value, whichever is lower.

Finished Goods

Is stated using the manufacturing cost (according to the statements of costs) or Net Realizable value whichever is lower.

3/6- Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation.

3/7- Transactions with the Related Parties

Related Parties Transactions are treated as the same of transactions with other parties.

3/8- Debtors and Other Debit Balances

Debtors and other debit balances are recognized at nominal value, deducting the amounts that are probable to not be collected. The amounts are estimated when it is not probable to collect the entire accounts receivable and debtors are to be reduced by bad debts when determining those bad debts, and other debit balances are to be recognized at cost deducting the impairment losses. The initial recognition of trade receivables is at fair value and subsequently measured at amortized cost using the effective interest rate, deducting the impairment.

An Impairment of trade receivable is to be recognized when there are objective evidences that the company will not be able to collect all of the due amounts according to the original terms of the contract, taking in consideration the following factors, such as the financial difficulties of debtor, the likelihood of insolvency, bankruptcy or financial restructuring or not being committed to repay more than the credit periods.

The amount of impairment represents the difference between the book value and present value of future cash flows expected to be collected and discounted using the original effective interest rate applied when determining the amortized cost. The asset is to be reduced by the amount of impairment. Losses should be recognized at the income statement while recognizing any subsequent collections as an income at the income statement.

3/9- Creditors and Other Credit Balances

Creditors and other credit balances are recognized at the amounts will be paid in the future for goods and services provided whether there are invoices or not.

3/10- Legal Reserve

According to the corporate law No. 159 of 1981 and company's statue, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital, then the company stops transferring to this reserve.

3/11- Income and Deferred Tax

The income tax which is calculated on the profit includes the current and deferred tax is recognized in the income statement while the income tax related to the owners' equity is recognized in the owners' equity, the income tax is calculated on the taxable net profit using the current tax rate according to the laws and regulations at the date of financial statements in addition to the tax difference of the previous years.

The deferred tax arises from temporary differences between the amounts attributed to the assets or liabilities for tax bases and its carrying amount in the financial statements on accounting bases. The deferred tax is determined based on the method which is used to realize or adjust the present value of those assets or liabilities using current tax rates at the date of financial statements. The deferred tax is recognized as an asset when it is probable to use this asset to reduce future taxable profits and the deferred tax asset is reduced by the portion that will not generate tax in the next years.

3/12- Capital

Shares are classified within equity and premium is added, if any, to the legal reserve, and the expenses of issuance and registration of shares and the amounts collected from shareholders to cover such expenses are to be charged to the legal reserve account first, if those expenses exceed the premium of the same shares, the amount of surplus should be transferred to special reserve included in the owners' equity.

3/13- Revenue Recognition

- Revenue from sales is recognized when delivering goods to the customer or issuing invoice whichever is the first.
- Credit interest is recorded in the income statement according to accrual basis.

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3/14- Accounting Estimates

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

3/15- Dividends

Dividends are recognized as a liability at the period of issuing the decision of the general assembly meeting.

3/16- Cash flow statement

The statement of cash flows is prepared using the indirect method.

3/17- Cash and cash equivalents

For the purpose of preparing the cash flow statement, the cash and cash equivalents include cash on hand, current accounts at banks and time deposits with more than three months of maturity date.

4- Property, Plant and Equipment (Net)

	<u>Building</u>	<u>Machinery & Equipment</u>	<u>Office Equipment</u>	<u>Furniture & Fixture</u>	<u>Total</u>
	EGP	EGP	EGP	EGP	EGP
Cost as of 1 April 2022	5,042,374	58,601,188	3,363,717	270,723	67,278,002
Additions during the period	232,962	6,030,940	--	7,700	6,271,602
Costs as of 31 March 2023	5,275,336	64,632,128	3,363,717	278,423	73,549,604
Accumulated depreciation as of 1 April 2022	2,652,728	47,521,789	3,187,295	220,227	53,582,039
Depreciation during the period	260,031	2,657,348	94,330	19,192	3,030,901
Accumulated depreciation as of 31 March 2023	2,912,759	50,179,137	3,281,625	239,419	56,612,940
Net book value as of 31 March 2023	2,362,577	14,452,991	82,092	39,004	16,936,664
Net book value as of 31 March 2022	2,389,646	11,079,399	176,422	50,496	13,695,963

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5- INTANGIBLE ASSETS (NET)

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Cost as of 1 April2022	741,805	641,390
Addition	--	100,415
Cost on 31 March 2022	741,805	741,805
Accumulated Amortization as of 1April 2022	647,655	611,047
Amortization for the Period	43,433	36,608
Accumulated Amortization as of 31 March 2023	691,088	647,655
Net Book Value as of 31 March 2023	50,717	94,150

6- INVENTORY

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Raw Materials	65,380,155	33,272,644
Work in Progress	2,803,840	1,755,125
Finished Goods	3,565,337	2,358,694
Spare Parts & Other	9,011,240	7,348,024
Good in transit	27,428,290	15,574,011
	108,188,862	60,308,498

7- ACCOUNTS & NOTES RECEIVABLE

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Local Customers	86,864,890	66,313,879
Foreign Customers	11,633,589	10,996,015
Notes Receivable	2,749,958	3,477,860
Total Account Receivable	101,248,437	80,787,754
Less: impairment in account Receivable	--	(401,456)
Less: ECL Provision	(558,004)	--
Net Accounts Receivable	100,690,433	80,386,298

8- DEBTORS & OTHER DEBIT BALANCES

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Down Payments for Suppliers and Contactors	4,802,052	2,410,861
Withholding Tax	5,683,595	3,910,516
Margin on Letters of Guarantee	131,572	37,073
Prepaid Expenses	262,783	334,656
Deposits with Others	321,651	301,733
Other Debit Balances	733,807	1,124,960
	11,935,460	8,119,799

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9- CASH ON HAND AND AT BANKS

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Current Account-Local Currency	37,348,643	4,455,576
Current Accounts-Foreign Currencies	105,200,528	17,160,513
Bank Deposits	120,000,000	37,000,000
Cash on Hand	41,458	67,522
	<u>262,590,629</u>	<u>58,683,611</u>

10- CAPITAL

The Authorized Capital amounted to 25,000,000 EGP (Twenty-Five Million Egyptian Pounds), the total issued subscribed and paid- up- capital amounted to 15,000,000 EGP (Fifteen Million Egyptian Pounds) divided over 150,000 Shares (One Hundred and Fifty Thousand Shares), The Par Value of Each Share is100 EGP (One hundred Egyptian Pounds).

11- INCOME TAX

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Current income Tax (11/ 1)	15,821,423	18,466,884
Deferred Tax (11/ 2)	(99,517)	(357,626)
	<u>15,721,906</u>	<u>18,109,258</u>

11.1 Current Income Tax

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Net Profit Before Tax	62,706,908	77,289,785
<u>Adding/Deducting</u>		
Taxable Expenses	7,168,229	3,196,911
Depreciation Differences	442,300	1,588,342
Net Tax Profit	<u>70,317,437</u>	<u>82,075,038</u>
Tax Rate	22.5%	22.5%
Current Income Tax	15,821,423	18,466,884
Income Tax for the Year Ended 31 March2022	--	--
Current Income Tax	<u>15,821,423</u>	<u>18,466,884</u>

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11.2 Deferred Tax

The Deferred Tax liabilities are as Follows:

	<u>Balance as</u> <u>01 /04/2022</u>		<u>Movement during</u> <u>the Period</u>		<u>Balance as 31/03/2023</u>	
	<u>EGP</u> Assets	<u>EGP</u> Liabilities	<u>EGP</u> Assets	<u>EGP</u> Liabilities	<u>EGP</u> Assets	<u>EGP</u> Liabilities
Property, Plant and Equipment (Net)	--	1,803,454	(99,517)	--	--	1,703,937
	<u>--</u>	<u>1,803,454</u>	<u>(99,517)</u>	<u>--</u>	<u>--</u>	<u>1,703,937</u>

12- Credit Facilities

Credit Facilities are as follows:

The facility contract from QNB Bank with a maximum of 12,500,000 EGP (a debit current credit) provided that this credit is allocated to finance the purchase of raw materials, Customs and the company's working capital needs represented in salaries , gas , electricity and diesel. The company has the right to withdraw from this credit within the framework of the purpose of the initiative according to checks drawn on The bank or through transfers only, provided that the debit balance in addition to the returns , commissions and appendices in any case does not exceed the value of this credit and that its use is for the purpose designed for it and the period of this credit starts from 8-30-2020 until 31-7-2021 It is calculated on the amounts withdrawn from this credit , as well as on what may be due on the second party from time to time under this contract , a diminishing return according to the initiative of the Central Bank of Egypt aforementioned , which is estimated at a return of 8% annually. This is agreed upon that the return will be higher at the end of each month and is due Payment is monthly , all on a separate account under the same facility , provided that the volume of business and the revenues specified by us in our request to obtain the credit facility are not reduced , and on the other hand , the expected growth in the volume of our revenues has not been achieved in accordance with the expected and decided amount by us in the request to obtain the facility , and the return is valid day by day The year is 360 days According to the number of days that actually expire , and in the event of delay, the balance of arrears applies to a delay return of 1.5 % calculated as a bonus on the debt return rate that will be decided by the bank

A facility contract from QNB Bank with a maximum of 12,500,000 EGP (approving a debit current account) for the purpose of financing the company's working capital needs from local or foreign suppliers and financing salaries, wages and utilities in addition to financing government agencies' Payments and withdrawal from this credit is against receipts from us directly or by drawn checks. The bank, or according to instructions from us or any other method recognized by the bank, does not exceed the debit balance of this account, plus commissions, returns and appendices, a maximum amount of 12,500,000 pounds, and the period of this credit starts from 30-8-2020 until 31-7-2021 and is calculated on the amounts withdrawn. From this credit, as well as what we owe us from time to time according to the bank's books, a compound return at an annual rate of 0.5 is above the lending rate announced by the Central Bank, added with all expenses and commissions . To the original monthly basis, the return is valid one day and is

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calculated on the basis that the year is 360 days and according to the number of days that actually pass, the funds that are mortgaged or received or deposited with the bank include all our obligations and are considered a guarantee and insurance for the payment of all our obligations.

A credit facility from Commercial Bank with a value of 65,000,000 EGP (sixty-five million Egyptian pounds) , and it was agreed to use this facility) an amount of 25,000,000 Egyptian pounds (twenty-five million Egyptian pounds), and an overdraft facility (a current limit of 2).), The average of 25,000,000 Egyptian pounds (twenty-five million Egyptian pounds), the rate of return of 8% annually of the limit of documentary credits / tourism , import and export of documentary by perusal and / or import of documentary import with perusal and / or acceptance , Fees shall be 0.5% (half a percent) quarterly of the nominal value of each credit issued by the bank in additions to an acceptance commission of 0.25% (a quarter of a percent) of the nominal value in the case of acceptance documentary credits and are due once when documents are circulated. (1)Partial financing of the company's working capital requirements, which are limited to customs, taxes, public utilities, freight charges and monthly salaries, is underway, and the rate of return is 0.5% (half a percent) annually in addition to the lending rate announced by the Central Bank of Egypt, The purpose of a current limit (2) is payment limited to raw materials only in accordance with the laws of the Central Bank of Egypt in this regard, through checks approval by the bank's management), the rate of return 8 The account must show a balance of the company with the bank on an annual basis, with a delay interest of one percent (1%) annually, in addition to the interest rate applicable to those overdue amounts for the period from the maturity date until the date of actual payment of those late amounts.

It is a facilitation contract from Banque du Cairo with a maximum of 20,000,000 EGP through (a debit current account) for the purpose of purchasing local production requirements according to a list of suppliers approved by your bank, and the disbursement takes place by check and / or in favor of local suppliers – payment of customs dues, taxes , social insurance and electricity Governmental payments are financed with a maximum of 20% of the limit granted to us, and cash disbursement is not allowed, provided that the user's total of the existing documentary credits and collection documents is not more than the current debt to refinance the documentary credits and the current debt without guarantee is less than 20 million pounds , each withdrawal is paid up to a maximum of 120 days –Revenues of current activity, and we are entitled to withdraw from the credit facility account by all methods of withdrawal for the purposes for which the facility is designed. The credit facility period is from 1-11-2020 and ends on 21-10-2021, and applies to the financing / facility account. At the rate of 8%, and in the event of canceling the central bank's initiative, the corridor rate will be applied. Lending +a margin of 0.5% annually is calculated monthly and is payable every month. The commissions, expenses and fees determined by the tariff of standard banking services rates that are due on this credit facility shall be charged. It is agrees that the bank has the right In applying the commission for the highest debit balance /// (in thousand) per month, it is calculated on the highest debit balance in the facility account during the month, a compound delay return of 1% annually in excess of the agreed rate of return. Agreement yield. Guarantees: Includes all financial and commercial securities, cash deposits, Bank of Cairo certificates, precious metals, cash, goods and other funds of any kind that were currently deposited or to be deposited in the future with the bank. They are considered frozen or mortgaged, as the case may be, in favor of the bank to ensure all our obligations before it results

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from this credit facility.

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
QNB Bank-EGP	3,394,689	686,337
Bank DU Cairo-EGP	25,428	3,911,176
Attijariwafa Bank-EGP	29,229,379	30,089,436
	<u>32,649,496</u>	<u>34,686,949</u>

13- ACCOUNTS & NOTES PAYABLES

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Suppliers - Raw Materials	11,751,042	10,863,106
Suppliers — Others	4,344	81,913
Notes Payable- Short Term	6,281,754	6,597,676
	<u>18,037,140</u>	<u>17,542,695</u>

14- DUE TO RELATED PARTIES

	<u>31/3/2023</u>		<u>31/3/2022</u>	
	<u>Debit</u> <u>Balance</u> <u>EGP</u>	<u>Credit</u> <u>Balance</u> <u>EGP</u>	<u>Debit</u> <u>Balance</u> <u>EGP</u>	<u>Credit</u> <u>Balance</u> <u>EGP</u>
Essel Propack limited India	--	44,002,737	--	8,433,822
Essel packaging Guangzhou limited	--	164,339,509	--	41,497,778
Cypurus		4,677,164		
	<u>--</u>	<u>213,019,410</u>	<u>--</u>	<u>49,931,600</u>

The Following are the Movement and the nature of transaction during the Period.

	<u>Nature of</u> <u>relationship</u>	<u>Nature of</u> <u>the</u> <u>transaction</u>	<u>Translation</u>	
			<u>Debit</u> <u>EGP</u>	<u>Credit</u> <u>EGP</u>
Essel Prepack limited - India	Holding Company	Vendor	133,507,870	177,510,607
Essel Packaging Guangzhou limited	Associate	Vendor	540,023,941	704,363,450
Lamitube Technologies limited Cyprus	Related Party	Vendor	3,593,054	8,270,218
			<u>677,124,865</u>	<u>890,144,275</u>

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15- CREDITORS & OTHER CREDIT BALANCES

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Employee's training fund	3,115,885	2,524,080
Accrued expenses	739,929	529,864
Accrued salaries	4,184	10,997
Penalty fund	30,472	78,551
Solidarity contribution	1,191,369	839,850
Other credit balances	5,699,845	2,700,541
	<u>10,781,684</u>	<u>6,683,883</u>

16- OPERATING REVENUE

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Local sales	388,634,480	283,686,491
Export sales	78,941,180	48,326,353
	<u>467,575,660</u>	<u>332,012,844</u>

17- OPERATING COST

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Cost of raw materials (17/1)	257,274,173	173,008,346
Manufacturing depreciation	2,917,380	2,794,861
Operating expenses (17/2)	38,562,498	33,974,097
	<u>298,754,051</u>	<u>209,777,304</u>

17.1 Costs of Raw Material

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Opening balances (Raw Materials)	33,272,644	20,963,757
Adding: Purchases	291,637,043	186,366,008
Deducting: Ending Balance (raw materials)	(65,380,155)	(33,272,644)
Change in inventory	(2,255,359)	(1,048,775)
	<u>257,274,173</u>	<u>173,008,346</u>

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17.2 Operating Expenses

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Salaries & wages	13,672,062	10,809,580
Energy Expenses	6,298,267	5,983,111
Operating lease expenses	4,234,231	4,257,424
Lease of factory land	2,952,400	2,684,000
Other expenses	11,405,538	10,239,982
	<u>38,562,498</u>	<u>33,974,097</u>

18- OTHER INCOME

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Scrap Sales	1,797,231	1,224,136
Others	1,160,412	338,608
Bank interest	6,014,123	2,364,452
	<u>8,971,766</u>	<u>3,927,196</u>

19- SELLING & DISTRIBUTION EXPENSES

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Royalty	11,448,341	7,879,847
Carriage outward	10,272,419	8,156,308
Others selling expenses	1,540,883	1,796,418
	<u>23,261,643</u>	<u>17,832,573</u>

20- GENERAL & ADMINISTRATIVE EXPENSES

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Salaries & wages	16,308,596	11,769,288
Administrative depreciation	156,956	238,140
Solidarity contribution	1,191,369	839,850
Other expenses	12,186,593	10,734,280
	<u>29,843,514</u>	<u>23,581,558</u>

21- FINANCE COST

	<u>31/3/2023</u>	<u>31/3/2022</u>
	<u>EGP</u>	<u>EGP</u>
Bank Commissions and Interests	54,175,197	4,960,435
Foreign Exchange (Losses) Gains	5,291,761	1,476,727
	<u>59,466,958</u>	<u>6,437,162</u>

22- CASH & CASH EQUIVALENTS

	<u>31/3/2023</u> <u>EGP</u>	<u>31/3/2022</u> <u>EGP</u>
Cash on hand and at banks (Note 9)	262,590,629	58,683,611
	<u>262,590,629</u>	<u>58,683,611</u>

23- TAX POSITION

- Corporate Tax

- The company presents the tax returns regularly at the legal dates. The assessment for corporate has been completed till Financial Year 2014-15.
- The tax assessment for the financial years from 2015-16 to 2019-20 is going on and waiting for the result.

- Value Added Tax

The company is committed to the law of value added tax no .67 of 2017 has been effective since 8 September 2017 to replace the law of sales tax no. 11 of 1991 based on this, the company has been registered in the tax authority - value added tax.

The company regularly presents the monthly tax returns (VAT) at the legal dates. The assessment has been cleared till 2012.

- The tax assessment for the years from 2012-13 to 2019-20 is going on and waiting for the result

- Withholding Tax

- The Company is committed to withholding tax according to Law no. 91 of 2005 and pays the due tax according to the law.
- The assessment has been done till June 30, 2012.
- The assessment has been done 2019-20 and the tax were paid

- Payroll Tax

- The company is committed to pay the payroll tax at the legal dates to the tax authority.
- The assessment has been done 2019
- The annual settlement of employees has been submitted electronically for the year 2020 and 2021 and the tax has been paid.

Transactions with related Parties

The company reviews all transactions with related parties and submitted transfer pricing the study of related Parties in the end of September 2022 To tax authority.

24- Financial Instruments and Related risk Management

- The company's financial instruments are represented in the financial assets and liabilities, the financial assets include cash on hand, current accounts & and some of debtors and other debit balances and the financial liabilities include creditors and other credit balances.

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(Amounts Expressed in Egyptian pound)

- Note number (3) of the accompanying notes of the financial statements includes significant accounting policies used for recognition and measurement of the financial instruments and related revenues and expenses.

a. Credit Risk

Credit risk represents the failure of one of the parties to fulfill the obligations which leads to a financial loss for the company. The company is subject to credit risks related to the bank balances and other assets.

The company tries to reduce the credit risks of the bank deposits by dealing with reputable banks and clients and monitoring the current debit balances.

b. Foreign Currency Risk

The foreign exchange risk is represented in the fluctuation of foreign currency exchange rates which affects outflows and inflows in foreign currencies in addition to the revaluation of assets and liabilities in foreign currencies.

c. Fair Value of the Financial Instrument

The book value of financial assets and liabilities above mentioned does not have a material difference with the fair value of these financial instruments.

25- Significant events during the current period

A contract was concluded on 20/03/2023 between our company and Lamitube technologies Cyprus stipulating that the company would obtain a loan of \$8 million at an annual interest rate of 8%, which is the same as the borrowing rate. On 26/03/2023, an amount of \$3 million was received from the loan value.

26- Comparative figures

Comparative figures were reclassified to be in accordance with the current classifications of financial statements.

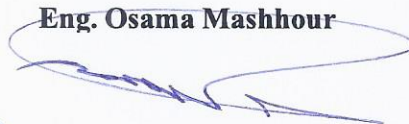
Head of Account

Mohamed Helmy



Chairman

Eng. Osama Mashhour



EPL Poland SP. Z.O.O

**Audited Financial Statements for the
financial year ended March 31, 2023**

“EPL Poland” Limited Liability Company

Financial statements for the financial period starting from
April 1st, 2022 and ending at March 31st, 2023

Prepared by:



Dokument podpisany
przez EWA GORNIAK
Data: 2023.04.21
10:16:13 CEST

Approved by:



Dokument
podpisany przez
MURUGAPPAN
RAMASAMY
Data: 2023.04.21
14:40:46 IST

President of Board



Dokument
podpisany przez
NESIAN
SELVAN
Data: 2023.04.21
10:33:49 CEST



Dokument
podpisany przez
SANDIPAN
SENGUPTA
Data:
2023.04.21
09:48:45 BST



Dokument
podpisany
przez ALAN
CONNER
Data:
2023.04.21
09:50:19 BST

Members of Board

Audited by:

Grant Thornton Polska Prosta Spółka Akcyjna
Entity entitled to audit financial statements,
Registered on the list of Authorized auditing Entities
Under Reg. No 4055

Jan Letkiewicz
Registration No. 9530



Signed by /
Podpisano przez:

JAN LETKIEWICZ

Date / Data:
2023-04-21
15:52

Międzyrzecz, 2023.04.21

INTRODUCTION TO THE FINANCIAL STATEMENTS

1. Reporting entity

1.1. Name and seat of the entity, registration authority and company's duration

Company's name:	„EPL Poland” spółka z ograniczoną odpowiedzialnością (limited liability company)
Company's address:	ul. Grobla 21, 61-858 Poznań
Basic scope of activity:	Production of plastic plates, sheets, tubes and profiles, PKD-2221Z
Name of registration authority:	District Court in Poznań, XXI Commercial Department of National Court Register (KRS)
Reg. No. in National Court Register – Entrepreneur's Register	0000257126; date of entry: 17-05-2006
Date of the Company's statute:	12-05-2006
Reporting period:	01-04-2022 to 31-03-2023 : 12 months
Financial year	Not the same as calendar year
Company's duration:	indefinite

1.2. The share capital of the Company

- ☐ The share capital of the Company until 21st of March 2016 amounted to PLN 138.360.000,00 and consisted of 6918 shares at PLN 20.000,00 each. On 22nd of March 2016, the Company increased the share capital to the amount of PLN 169.340.000,00 which consists of 8467 shares at PLN 20.000.00 each.
- ☐ On 6th of March 2017 Lamitube Technologies (Cyprus) Limited sold 100% EPL Poland sp. z o.o. shares to Lamitube Technologies Ltd.

1.3. Presentation of the financial statements

- ☐ The financial statements cover the period starting from April 1st, 2022 and ending at March 31st, 2023.
- ☐ The profit and loss account has been recognised by nature.

- ☐ The method of the statements preparation has not changed within the current year.

- ☐ The financial statements have been prepared with the assumption of “going concern”, which assumes that the company will continue its operation in the foreseeable future and with the scope of operations remaining substantially unchanged. No uncertainties exist with regard to the company’s ability to continue the operation as “going concern”.

2. The accounting principles (policy) applied

Accounting principles adopted to prepare the financial statements applicable to the period from April 1st, 2022 to March 31st, 2023, comply with the Accountancy Act dated September 29th, 1994, referred to as “the Act”.

- ☐ The assets and liabilities have been valued and financial results have been established with assumption of the company’s ability to continue as “going concern” in the foreseeable future and without the intention or necessity to limit or refrain from the current scope of activity.
- ☐ Foreign currency buy and sell transactions as well as receivables and liabilities in the currency account are valued at the currency buy or sell rate applied by the bank the company has the bank account with. The other transactions shall be stated at the average currency rate set by the National Polish Bank (NBP) at the transaction date. At the end of each month the current value in Polish zlotys of cash and cash equivalents accumulated onto the currency account is determined using the method “first in– first out” (FIFO).

2.1. Tangible and intangible assets

- ☐ Tangible and intangible assets are valued according to the acquisition price or manufacturing costs less amortization and impairment write-offs.
- ☐ Amortization on tangible and intangible assets is calculated according to the amortization schedule providing annual rates and write-offs’ amounts.
- ☐ Amortisation is calculated on a straight line basis.
- ☐ The amortisation rates applied are established based on the annual rates provided for by the act on corporate income tax dated February 15th, 1992 (Journal of Laws 2019 item 865 as amended) and take into account the useful life of fixed assets .
- ☐ Capital works in progress are valued according to the amount of total costs directly expensed on their acquisition or manufacturing less impairment losses.

2.2. Current and non-current receivables and liabilities

Receivables and liabilities are recognised in amounts due for payment.

2.3. Current assets valuation

- ☐ Within the financial year, the tangible current assets: materials and goods are valued at actual cost of purchase. The debit amount is determined through the detailed identification of the actual prices of the assets components that are strictly related to projects in question. Materials and goods value at the balance sheet date is calculated according to the acquisition price or manufacturing costs, not exceeding the net sales price as of the balance sheet date. Finished products value as of the balance sheet date is calculated according to their manufacturing costs, not exceeding the net sales price.

2.4. Financial instruments

- ☐ Any financial instruments noted.

3. Bookkeeping

The accounts were being maintained through the accounting software SAP. Items in the accounts are recognised by quantity and value. The "SAP" software carries out an automatic log of entries – a subsequent automatic system number and the entry date is attributed to every document, which enables tracking the chronology of the account entries. Company charts of accounts cover control accounts (eight digit account number).

4. Data protection

- ☐ The data is being gathered in the computer's memory and the files are backed-up periodically (the back-up is scheduled to be performed every month and at the end of each financial year). The SAP software provide an automatic back-up and restore data procedures. The SAP software allow the access to these users only that had previously been entered into the authorised data users list. Unauthorised users have no access to the data, as the data is protected by a system of passwords.

5. POST BALANCE SHEET EVENTS

- ☐ Between the balance sheet date and the date of signing the financial statements, no significant events took place, which could influence the material and financial situation of the company, not provided for in the balance sheet and profit and loss account.

ADDITIONAL INFORMATION AND EXPLANATIONS

- ☐ Detailed scope of changes in the value of groups of fixed assets, intangible and legal assets and long-term investments, including the balance of these assets at the beginning of the financial year, increases and decreases due to: revaluations, acquisitions, disposals, internal disposals and final balance, and for depreciated assets - similar presentation of balances and titles of changes in the current depreciation or amortization - Note no. 1 and Note No 2.

Below is a list of fixed assets depreciated by the unit, which are included in the books as a finance lease:

Asset no.	Asset description	Net amount as on 31.03.2023
10001264	Polska-Inks dispenser 28D0724/18	123 191,54
10001265	Polska-ABG DIGICON OMEGA 5444454296POL2	305 623,72
10001266	Polska-Digital Press HP Indigo 5444454296POL1	771 140,31
10001253	BMW x6 car leasing agreement 28/0059/21 PO SPICE	249 100,35
Total		1 449 055,92

- ☐ Amounts of revaluation write-offs on tangible assets separately for long-term non-financial assets and long-term financial assets carried out during the financial year –the item does not appear at the Entity.
- ☐ The amount of the costs of completed development works and the amount of goodwill, as well as an explanation of the period of their write-off - the item does not appear at the Entity.
- ☐ The value of land in perpetual usufruct - the item does not appear at the Entity.
- ☐ The value of non-depreciated or non-amortised fixed assets used on the basis of lease agreements, leases and other contracts (including leasing agreements) – Note No 3.
- ☐ Number and value of securities or rights held, including equity certificates, convertible debt securities, warrants and options, indicating the rights they confer - the item does not appear at the Entity.
- ☐ Liabilities to the state budget or local government units for obtaining the ownership of buildings and structures – the item does not appear at the Entity.
- ☐ Data on the ownership structure of the share capital and the number and nominal value of subscribed shares, including preference shares – Note No 4.

- ☐ Balance as at the beginning of the financial year, increases and use and the final balance of the spare, reserve capitals (funds), and revaluation capital (fund), unless the entity prepares a statement of changes in the equity capital (fund) – the item does not appear at the Entity
- ☐ Proposals on how to distribute profit or cover loss for the financial year – Note No 5.
- ☐ Short-term accruals at the beginning of the financial year, increases, decreases and end-of-year balance – Note No 6.
- ☐ Long-term accruals at the beginning of the financial year, increases, decreases and end-of-year balance – Note No 7.
- ☐ Data on revaluation write-downs on receivables, with indication of the balance at the beginning of the financial year, increases, use, dissolution and balance at the end of the financial year - the item does not appear at the Entity.
- ☐ Total amount of liabilities secured on the entity's assets with indication of the nature and form of such collateral is presented in below table:

Name of Bank	Value as on 31.03.2023	Nature of Security
ING Bank S.A. investemnt loan	3 027 295,08	Pledge in the machine, assignment of rights under insurance policy insuring the Real Estate
BNP Paribas investem loan	21 948 819,07	Pledge in the machine, assignment of rights under insurance policy insuring the Real Estate
ING Bank overdraft in EUR	5 745 443,48	Mortgage, assignment of rights under insurance policy insuring the Real Estate

- ☐ Total amount of contingent liabilities, including guarantees and sureties issued by the entity, including bills of exchange, not shown on the balance sheet, showing liabilities secured on the assets of the entity and the nature and form of such collateral; information on contingent liabilities in the field of pensions and similar benefits, and affiliated or associated entities, should be disclosed separately – the item does not appear at the Entity.
- ☐ Information on assets not being financial instruments valued at fair value – the item does not appear at the Entity.

- ☐ Material (types of activity and territorial (geographical markets) structure of net revenues from sale of goods and products, to the extent to which these types and markets materially differ from each other, taking into account the products sale and services provision organisation rules – Note no. 8 and Note no 9.
- ☐ The amount and explanation of the reasons for fixed assets revaluation write-offs – the item does not appear at the Entity.
- ☐ Information about write-downs updating inventory value as on March 31st, 2023– Note no. 22.
- ☐ Information on revenues, costs and results of discontinued operations in the financial year or planned for discontinuation in the following year – the item does not appear at the Entity.
- ☐ Settlement of the main items that differentiate the tax base from gross financial result - the entity act in the area of the Kostrzyńsko -Ślubicka Special Economic Zone based on the permit no. 118 from 25.08.2016, permit no. 216 from 17.02.2012, permit no. 266 from 23.06.2014 and permit no. 287 from 25.09.2015 and due this fact entity exempt from payment of corporate income tax on the production of plastic & laminate tubes and tubes scrap sales.
- ☐ Data on generic costs – note no. 15 and production costs for own needs – the item does not appear at the Entity.
- ☐ Cost of manufacturing fixed assets under construction, including interest and foreign exchange differences, which increased the cost of manufacturing fixed assets under construction in the financial year – the item does not appear at the Entity.
- ☐ Interest and foreign exchange differences that increased the purchase price of goods or production costs of products in the financial year – the item does not appear at the Entity.
- ☐ Expenditure incurred in the last year and planned for the following year for non-financial fixed assets – note no.21.
- ☐ Amount and nature of particular items of income or expense of extraordinary value or which occurred incidentally – the item does not appear at the Entity.
- ☐ Information on other operating revenues – Note No 10.
- ☐ Information on other operating costs – Note No 11.
- ☐ Information on financial revenues – Note No 12.
- ☐ Information on financial costs – Note No 13
- ☐ Exchange rates accepted for valuation of items denominated in foreign currencies:

Currency	Rate	Rate of exchange table
EUR	4,6755	064/A/NBP/2023
GBP	5,3107	064/A/NBP/2023
USD	4,2934	064/A/NBP/2023
CHF	4,6856	064/A/NBP/2023

- ☐ Average employment, divided into occupational groups – Note No 14.
- ☐ Information on joint ventures not subject to consolidation - the item does not appear at the Entity.
- ☐ List of companies (name, registered office), in which the entity holds at least 20% of shares in the capital or the total number of votes in the decision-making body of the company - the item does not appear at the Entity.
- ☐ Information about the cash structure adopted in the cash flow statement is presented in the table below:

	Value as on 31.03.2023
Cash in hand	0,00 PLN
Cash at the bank	1 575 862,34 PLN
Cash at VAT bank account	0,00 PLN
Total Cash	1 575 862,34 PLN

- ☐ Information on the nature and economic purpose of the contracts concluded by entity not included in the balance sheet to the extent necessary to assess their impact on the entity's financial position and financial result - the Entity concluded no such contracts.
- ☐ Information about transactions (including their amounts) entered into by an entity on terms other than market terms with related parties, which are defined as related parties as defined in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, along with information on the nature of the relationship with related parties and other transactional information necessary to understand their impact on the entity's financial position and financial result. Information about individual transactions may be grouped by their nature, except where information on individual transactions is necessary to assess their impact on the entity's financial position and financial result: does not apply to the Entity.
- ☐ Remuneration, including remuneration from profit, paid or payable to members of the management, supervisory or administrative bodies of commercial companies (for each group separately) for the financial year and all obligations arising from pensions and similar benefits to former members of those bodies or commitments contracted in connection with these pensions, indicating the total amount for each governing body category – Note No 16.
- ☐ Breakdown of loan liabilities into short – term and long-term as of 31.03.2023 – Note no. 17.
- ☐ The amounts of advances, credits, loans and similar benefits granted to members of the management, supervisory and administrative bodies of the entity, indicating their main terms, interest rates and any amounts repaid, written off or amortised, and liabilities pledged on their behalf as guarantees and sureties of all kinds, indicating the total amount for each of these governing bodies - the item does not appear at the Entity.

- ☐ Information on transactions with related entities - in the period 01.04.2022 – 31.03.2023 the entity made the following transactions with related entities: purchase and sale of goods and services, rental of machinery for production. - Note No 18 & Note No.19, Note no. 23 & Note no 24 included IC transaction balance as on 31.03.2023.
- ☐ Information about joint ventures that are not subject to consolidation - the item does not appear at the Entity.
- ☐ Remuneration of the audit company paid or due for period 01.04.2022-31.03.2023 – Note no. 20.
- ☐ Legal basis together with data justifying waiving consolidation - The Company is not the dominant entity in the capital group.
- ☐ Information about the data for the report drawn up for the period of the merger - does not apply to the Entity.

Part IV – Information allowing a proper assessment of the property and financial condition of the reporting entity, namely:

- 4.1. No material events related to previous years incurred;
- 4.2. No material events incurred after the balance sheet date, which have not been disclosed in the financial statements;
- 4.3. No changes of accounting policies were implemented within the financial year;
- 4.4. No uncertainty related to “going concern” exists.

The other issues mentioned in additional information and explanations in Exhibit 1 annexed to the Accountancy Act dated September 29th, 1994 (Journal of Laws 2023 item 120 as amended) have not incurred within the reporting period.

Pursuant to the art. 64 of the Accountancy Act dated September 29th, 1994 (Journal of Laws 2023 item 120 as amended), **the entity** is obliged to submit the financial statements for the financial year for auditing and is obliged to prepare the cash flow statement and statement of changes in the shareholders equity.

EPL Poland sp. z o.o.

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61-858 Poznań

Balance sheet - Assets	Balance sheet as at 31.03.2023	Balance sheet as at 31.03.2022
A. FIXED ASSETS	123 453 027,13	116 333 992,06
I. Intangible assets	41 291,66	66 994,78
1. Research and development costs	-	-
2. Goodwill	-	-
3. Other intangible assets	41 291,66	66 994,78
4. Payments on account of intangible assets	-	-
II. Tangible fixed assets	123 411 735,47	116 266 997,28
1. Fixed assets	118 173 785,53	114 346 446,38
a) land (incl. The right to perpetual usufruct of land	2 156 712,59	2 156 712,59
b) buildings, premises and engineering constructions	17 264 890,59	17 444 904,39
c) technical equipment and machinery	94 550 532,67	90 989 013,02
d) vehicles	249 100,35	366 536,76
e) other fixed assets	3 952 549,33	3 389 279,62
2. Assets under construction	1 753 096,99	343 276,14
3. Payments on account of assets under construction	3 484 852,95	1 577 274,76
III. Long-term receivables	-	-
1. From related parties	-	-
2. From third parties in which the entity has equity exposure	-	-
2. From third parties	-	-
IV. Long-term investments	-	-
1. Investment properties	-	-
2. Intangible assets	-	-
3. Long-term financial assets	-	-
a) in related parties	-	-
- shares	-	-
- other securities	-	-
- loans advances	-	-
- other long-term financial assets	-	-
b) in third parties in which the entity has equity exposure	-	-
- shares	-	-
- other securities	-	-
- loans advances	-	-
- other long-term financial assets	-	-
c) in third parties	-	-
- shares	-	-
- other securities	-	-
- loans advanced	-	-
- other long-term financial assets	-	-
4. Other long-term investments	-	-
V. Long-term prepayments	-	-
1. Deferred tax assets	-	-
2. Other prepayments	-	-
B. CURRENT ASSETS	96 925 209,07	89 358 917,65
I. Stocks	53 720 755,36	48 375 545,54
1. Raw materials	31 802 850,72	28 550 287,09
2. Semi-finished goods and work-in-progress	4 845 459,50	6 615 291,24
3. Finished goods	16 772 794,29	13 120 916,89
4. Merchandise	299 650,86	89 050,32
5. Pre-payments for goods and services supplies	-	-
II. Current receivables	40 918 888,81	35 863 995,28
1. Receivables from related parties	458 935,61	627 645,03
a) trade receivables falling due:	458 935,61	627 645,03
- up to 12 months	458 935,61	627 645,03
- after 12 months	-	-
b) other	-	-
2. Receivables from third parties in which the entity has equity exposure	-	-
a) trade receivables falling due:	-	-
- up to 12 months	-	-
- after 12 months	-	-
b) other	-	-
3. Receivables from third parties	40 459 953,20	35 236 350,25
a) trade receivables falling due:	35 716 768,30	30 864 683,27
- up to 12 months	35 716 768,30	30 864 683,27

Balance sheet - Assets	Balance sheet as at 31.03.2023	Balance sheet as at 31.03.2022
- after 12 months	-	-
b) tax, subsidy, customs duty, social security, health insurance and other benefits receivable	4 711 804,90	4 354 358,95
c) other receivables	31 380,00	17 308,03
d) receivable at court	-	-
III. Current investments	1 575 862,34	2 526 758,53
1. Current financial assets	1 575 862,34	2 526 758,53
a) in related parties	-	-
- shares	-	-
- other securities	-	-
- loans advanced	-	-
- other current financial assets	-	-
b) in third parties	-	-
- shares	-	-
- other securities	-	-
- loans advanced	-	-
- other current financial assets	-	-
c) cash, cash equivalents and other monetary assets	1 575 862,34	2 526 758,53
- cash in hand and at bank	1 575 862,34	2 526 758,53
- other cash equivalents	-	-
- other monetary assets	-	-
2. Other current investments	-	-
IV. Current prepayments	709 702,56	2 592 618,30
C. Due payment on share capital	0,00	0,00
D. Own shares (stocks)	0,00	0,00
TOTAL ASSETS :	220 378 236,20	205 692 909,71

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Balance sheet - Liabilities	Balance sheet as at 31.03.2023	Balance sheet as at 31.03.2022
A. SHAREHOLDERS' EQUITY	135 680 451,67	129 426 100,12
I. Share capital	169 340 000,00	169 340 000,00
II. Supplementary capital including:	-	-
- sale (initial) over nominal shares value surplus	-	-
III. Revaluation reserve capital including:	-	-
- fair value revaluation reserve capital	-	-
IV. Other capital reserves including:	-	-
- company's Articles of Association's based capital	-	-
- for own shares (stocks)	-	-
V. Accumulated profit (loss) carried forward	(39 913 899,88)	(51 282 945,45)
VI. Net profit (loss) for the period	6 254 351,55	11 369 045,57
VII. Deductions from net profit during the financial year (negative figure)	-	-
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	84 697 784,53	76 266 809,59
I. Provisions for liabilities	1 509 718,97	1 354 756,65
1. Provision for deferred income tax liability	-	-
2. Provision for retirement benefit and similar obligations	1 509 718,97	1 354 756,65
- long-term	168 802,29	188 091,85
- short-term	1 340 916,68	1 166 664,80
3. Other provisions	-	-
- long-term	-	-
- short-term	-	-
II. Long-term liabilities	17 624 980,35	17 288 292,61
1. To related parties	-	-
2. To third parties where entity has equity exposure	-	-
3. To third parties	17 624 980,35	17 288 292,61
a) credits and loans	17 071 356,17	16 184 234,66
b) issued debt securities	-	-
c) other financial liabilities	553 624,17	1 104 057,95
d) promissory notes payables	-	-
e) other	-	-
III. Current liabilities	57 223 030,86	51 209 671,21
1. To related parties	3 528 361,66	4 964 900,95
a) trade payables falling due:	3 528 361,66	4 964 900,95
- up to 12 months	3 528 361,66	4 964 900,95
- after 12 months	-	-
b) other	-	-
2. To third parties where entity has equity exposure	-	-
a) trade payables falling due:	-	-
- up to 12 months	-	-
- after 12 months	-	-
b) other	-	-
3. To third parties	53 694 669,20	46 244 770,26
a) credits and loans	13 666 786,16	12 336 878,33
b) issued debt securities	-	-
c) other financial liabilities	554 808,92	578 796,84
d) trade payables falling due:	38 294 497,12	32 246 933,52
- up to 12 months	38 294 497,12	32 246 933,52
- after 12 months	-	-
e) payments received on account of orders	-	-
f) bills of exchange payable	-	-
g) tax, customs duty, social security and other benefits payable	1 178 577,00	1 058 764,33
h) wages and salaries	-	-
i) other	-	23 397,24
3. Special funds	-	-
IV. Accruals	8 340 054,35	6 414 089,12
1. Negative goodwill	-	-
2. Other accruals	8 340 054,35	6 414 089,12
- long-term	-	-
- short-term	8 546 505,53	6 414 089,12
TOTAL LIABILITIES:	220 378 236,20	205 692 909,71

Profit and loss account for the period from 01.04.2022 to 31.03.2023 (comperative version)	01.04.2022- 31.03.2023	01.04.2021- 31.03.2022
A. Sales revenue and sales equivalents, incl.:	301 298 174,06	231 746 467,58
- from related parties	15 242 384,83	14 323 661,44
I. Net revenue from sale of finished goods	287 294 452,24	230 997 585,89
II. Change in inventories of finished goods and work-in-progress	(8 259 501,90)	(10 433 635,42)
III. Work performed by the enterprise and capitalised	-	-
IV. Net revenue from sale of merchandise and raw materials	22 263 223,72	11 182 517,11
B. COSTS OF OPERATING ACTIVITIES	295 123 455,14	220 207 857,33
I. Depreciation and amortisation	14 510 326,75	13 407 744,32
II. Raw materials and energy used	184 740 028,79	133 720 826,51
III. External services	30 654 910,25	22 682 586,97
IV. Taxes and charges, incl.:	715 064,49	677 816,83
- excise tax	-	-
V. Wages and salaries	34 703 427,50	31 709 848,94
VI. Social security and other employee benefits	8 093 617,56	7 229 214,34
- pensions	-	-
VII. Other expenses	3 189 292,41	2 162 114,83
VIII. Cost of merchandise and raw materials sold	18 516 787,39	8 617 704,59
C. PROFIT (LOSS) FROM SALES (A-B)	6 174 718,92	11 538 610,25
D. OTHER OPERATING INCOME	4 644 564,62	3 143 484,99
I. Gain from disposal of non-financial assets	-	0,60
II. Donations	1 726 049,05	683 706,92
III. Revaluation of non - financial assets	-	-
IV. Other operating income	2 918 515,57	2 459 777,47
E. OTHER OPERATING EXPENSES	2 010 576,21	2 022 755,71
I. Loss from disposal of non-financial assets	-	-
II. Revaluation of non-financial assets	-	-
III. Other operating expenses	2 010 576,21	2 022 755,71
F. PROFIT (LOSS) FROM OPERATING ACTIVITIES (C+D-E)	8 808 707,33	12 659 339,53
G. FINANCIAL REVENUE	148,85	0,07
I. Dividends and profit sharing, incl.:	-	-
a) from related parties, incl:	(0,00)	(0,00)
- where the entity has equity exposure	-	-
b) from third parties, incl	-	-
- where the entity has equity exposure	-	-
II. Interest, incl.:	148,85	0,07
- those received from related parties	(0,00)	(0,00)
III. Gain from disposal of investments	-	-
- in third parties	-	-
IV. Revaluation of investments	-	-
V. Other	-	-
H. FINANCIAL EXPENSES	1 817 058,63	1 066 923,03
I. Interest, incl.:	1 788 866,79	932 661,52
- those paid to related parties	-	-
II. Loss from disposal of investments	-	-
- in third parties	-	-
III. Revaluation of investments	-	-
IV. Other	28 191,84	134 261,51
I. PROFIT (LOSS) BEFORE TAX (F+G-H)	6 991 797,55	11 592 416,57
J. INCOME TAXES	737 446,00	223 371,00
K. OTHER OBLIGATORY APPROPRIATIONS OF PROFIT (LOSS)	-	-
L. NET PROFIT (LOSS) FOR THE PERIOD (I-J-K)	6 254 351,55	11 369 045,57

Cash flow statement the period from 01.04.2022 to 31.03.2023	01.04.2022 - 31.03.2023	01.04.2021 - 31.03.2022
A. Cash flows on operating activities		
I. Net Profit / (Loss)	6 254 351,55	11 369 045,57
II. Total adjustments	15 147 865,65	2 535 329,51
1. Depreciation	14 510 326,75	13 407 744,32
2. Exchange gains (losses)	213 413,50	(134 261,51)
3. Interest and profit sharing (dividend)	1 784 929,91	932 661,45
4. Profit (loss) on investments	-	0,60
5. Change in the balance of provisions	154 962,32	3 533,16
6. Change in the balance of inventory	(5 345 209,82)	(14 593 855,27)
7. Change in the balance of receivable	(4 893 328,91)	(767 060,27)
8. Change in the balance of short-term liabilities excluding credits and loans	4 707 439,75	5 236 999,06
9. Change in the balance of accruals and prepayments	4 015 332,15	(1 539 804,93)
10. Other adjustments	-	(10 627,10)
III. Net cash from operating activities (I±II)	21 402 217,20	13 904 375,08
B. Cash flows on investment activities		
I. Inflows	-	72 828,08
1. Disposal of intangible and tangible assets	-	72 828,08
2. Disposal of investments in real property and in intangible assets	-	-
3. From financial assets, including:	-	-
a) in related parties	-	-
b) in other entities	-	-
- sale of financial assets	-	-
- dividends and participation in profits	-	-
- repayment of long-term loan granted	-	-
- interests	-	-
- other inflows on financial assets	-	-
4. Other inflows on investment activities	-	-
II. Outflows	21 997 377,62	6 566 100,35
1. Purchase of intangible and tangible assets	21 997 377,62	6 566 100,35
2. Investments in real property and in intangible assets	-	-
3. For financial assets, including:	-	-
a) in related parties	-	-
b) in other entities	-	-
- purchase of financial assets	-	-
- long-term loans granted	-	-
4. Other outflows on investment activities	-	-
III. Net cash flows from investment activities (I-II)	(21 997 377,62)	(6 493 272,27)
C. Cash flows on financial activities		
I. Inflows	10 692 058,03	761 264,58
1. Net inflows from issuance of shares and from capital contributions	-	-
2. Credits and loans	10 692 058,03	761 264,58
3. Issuance of debt securities	-	-
4. Other inflows on financial activities	-	-
II. Outflows	11 047 793,79	7 420 480,48
1. Purchase of own shares	-	-
2. Dividend and other payments to shareholders	-	-
3. Profit distribution outflows other than payments to shareholders	-	-
4. Repayment of credits and loans	8 675 821,95	5 887 858,23
5. Redemption of debt securities	-	-
6. Payment of other financial liabilities	-	-
7. Payment of liabilities arising from financial leases	587 041,93	599 960,80
8. Interest	1 784 929,91	932 661,45
9. Other outflows from financial activities	-	-
III. Net cash from financial activities (I-II)	(355 735,76)	(6 659 215,90)
D. Total net cash flow (A.III±B.III±C.III)	(950 896,18)	751 886,91
E. Change in the carrying balance of cash, including:	-	-
- change in the balance of cash arising from exchange differences	-	-
F. Opening balance of cash	2 526 758,53	1 774 871,62
G. Closing balance of cash, (F±D), including:	1 575 862,34	2 526 758,53
- of limited disposability	-	-

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ul. Grobla 21
61-858 Poznań

Equity changes statement the period from 01.04.2022 to 31.03.2023	As at date 31.03.2023	As at date 31.03.2022
I. Opening balance of equity	129 426 100,12	118 057 054,55
- adjustments of fundamental errors and changes in accounting principles	-	-
- results from changes accounting policy	-	-
I.a. Opening balance of the equity after adjustments	129 426 100,12	118 057 054,55
1. Opening balance of share capital	169 340 000,00	169 340 000,00
1.1. Changes in share capital	-	-
a) increase (due to)	-	-
- issuance of shares	-	-
- contribution to capital	-	-
b) decrease (due to)	-	-
- redemption of shares	-	-
1.2. Closing balance of share capital	169 340 000,00	169 340 000,00
2. Opening balance of called up share capital	-	-
2.1. Changes in called up share capital	-	-
a) increase (due to)	-	-
b) decrease (due to)	-	-
2.2. Opening balance of called up share capital	-	-
3. Opening balance of own shares	-	-
3.1. Changes in own shares	-	-
a) increase	-	-
b) decrease	-	-
3.2. Closing balance of own shares	-	-
4. Opening balance of supplementary capital	-	-
4.1. Changes in supplementary capital	-	-
a) increase (due to)	-	-
- issue of shares above face value	-	-
- from profit distribution (statutory)	-	-
- from profit distribution (above the statutory minimum value)	-	-
b) decrease (due to)	-	-
- loss coverage	-	-
4.2. Closing balance of supplementary capital	-	-
5. Opening balance of revaluation reserve	-	-
5.1. Changes in revaluation reserve	-	-
a) increase (due to)	-	-

Equity changes statement the period from 01.04.2022 to 31.03.2023	As at date 31.03.2023	As at date 31.03.2022
b) decrease (due to)	-	-
- sales of tangible fixed assets	-	-
5.2. Closing balance of revaluation reserve	-	-
6. Opening balance of other reserve capitals	-	-
6.1. Changes in other reserve capitals	-	-
a) increase (due to)	-	-
b) decrease (due to)	-	-
6.2. Closing balance of other reserve capitals	-	-
7. Opening balance of previous years' profit (loss)	(39 913 899,88)	(51 282 945,45)
7.1. Opening balance of previous years' profit	-	-
-adjustemnts of fundamental errors	-	-
- results from changes in accounting policy	-	-
7.2. Opening balance of previous years' profit after adjustemnts	-	-
7.3. Zmiany zysku z lat ubieglych	-	-
a) increase (due to)	-	-
- distribution of previous years' profit	-	-
b) decrease (due to)	-	-
7.4. Closing balance of previous years' profit	-	-
7.5. Opening balance of previous years' loss	39 913 899,88	51 282 945,45
-adjustemnts of fundamental errors	-	-
- results from changes in accounting policy	-	-
7.6. Opening balance of previous years' loss after adjustments	39 913 899,88	51 282 945,45
7.7. Changes in losses from previous years	-	-
a) increase (due to)	-	-
- previous years' loss brought forward	-	-
b) decrease (due to)	-	-
7.8. Closing balance of previous years' loss	39 913 899,88	51 282 945,45
7.9. Closing balance of previous years' profit (loss)	(39 913 899,88)	(51 282 945,45)
8. Net result	6 254 351,55	11 369 045,57
a) net profit	6 254 351,55	11 369 045,57
b) net loss	-	-
c) write-offs on profit (negative value)	-	-
II. Closing balance of equity	135 680 451,67	129 426 100,12
III. Equity including proposed profit distribution (loss coverage)	135 680 451,67	129 426 100,12

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period		01.04.2022-31.03.2023	Place and date of preparation: Międzyrzecz, 21.04.2023

Note no. 1							
DETAILED SCOPE OF VALUE CHANGES OF THE INTANGIBLE ASSETS GROUPS DISCLOSED BY NATURE IN THE PERIOD FROM 01.04.2022 TO 31.03.2023							
Item	Description	Cost of finished R&D works	Value of the company	Other intangible assets			Total
				Permits, patents and licences	Software (licences)	Other	
1.	Gross value - as of 01.04.2022	-	-	-	2 045 551.69	-	2 045 551.69
2.	Additions to gross value (titles)	-	-	-	5 120.62	-	5 120.62
2.1.	- purchase	-	-	-	5 120.62	-	5 120.62
2.2.	- contribution in kind, values received free of	-	-	-	-	-	-
2.3.	- revaluation	-	-	-	-	-	-
2.4.	- leasing	-	-	-	-	-	-
3.	Charges to gross value (titles):	-	-	-	-	-	-
3.1.	- sales	-	-	-	-	-	-
3.2.	- liquidation	-	-	-	-	-	-
3.3.	- revaluation	-	-	-	-	-	-
3.4.	- other	-	-	-	-	-	-
4.	Gross value - internal transfers	-	-	-	-	-	-
5.	Gross value - as of 31.03.2023	-	-	-	2 050 672.31	-	2 050 672.31
6.	Amortisation - as of 01.04.2022	-	-	-	1 978 556.91	-	1 978 556.91
7.	Additions to amortisation (titles):	-	-	-	30 823.74	-	30 823.74
7.1.	- amortisation/depreciation write-offs	-	-	-	30 823.74	-	30 823.74
7.2.	- revaluation	-	-	-	-	-	-
7.3.	- leasing	-	-	-	-	-	-
8.	Charges to amortisation (titles):	-	-	-	-	-	-
8.1.	- sales	-	-	-	-	-	-
8.2.	- liquidation	-	-	-	-	-	-
8.3.	- revaluation	-	-	-	-	-	-
8.4.	- other	-	-	-	-	-	-
9.	Amortisation - internal transfers	-	-	-	-	-	-
10.	Amortisation - as of 31.03.2023	-	-	-	2 009 380.65	-	2 009 380.65
11.	Net value - as of 01.04.2022	-	-	-	66 994.78	-	66 994.78
12.	Net value - as of 31.03.2023	-	-	-	41 291.66	-	41 291.66

Name of the company (entity):	EPL Poland sp. z o.o.		
Reporting period	01.04.2022-31.03.2023	Place and date of preparation:	Międzyrzecz, 21.04.2023

Note no. 2 DETAILED SCOPE OF VALUE CHANGES OF THE TANGIBLE ASSETS GROUPS DISCLOSED BY NATURE IN THE PERIOD FROM 01.04.2022 TO 31.03.2023							
Item	Description	Land (incl. Perpetual usufruct right)	Buildings, premises and land and water engineering	Equipment and machinery	Transportation means	Other tangible assets	Total
1.	Gross value - as of 01.04.2022	2 156 712,59	26 702 202,44	182 032 384,91	461 491,70	7 871 629,22	219 224 420,86
2.	Additions to gross value (titles)	-	498 272,67	16 051 882,66	-	1 756 686,83	18 306 842,16
2.1.	- purchase	-	498 272,67	16 051 882,66	-	1 756 686,83	18 306 842,16
2.2.	- contribution in kind, values received free of	-	-	-	-	-	-
2.3.	- revaluation	-	-	-	-	-	-
2.4.	- leasing	-	-	-	-	-	-
3.	Charges to gross value (titles):	-	-	-	-	-	-
3.1.	- sales	-	-	-	-	-	-
3.2.	- liquidation	-	-	-	-	-	-
3.3.	- revaluation	-	-	-	-	-	-
3.4.	- other	-	-	-	-	-	-
4.	Gross value - internal transfers	-	-	-	-	-	-
5.	Gross value - as of 31.03.2023	2 156 712,59	27 200 475,11	198 084 267,57	461 491,70	9 628 316,05	237 531 263,02
6.	Amortisation - as of 01.04.2022	-	9 257 298,05	91 043 371,89	94 954,94	4 482 349,60	104 877 974,48
7.	Additions to amortisation (titles):	-	678 286,47	12 490 363,01	117 436,41	1 193 417,12	14 479 503,01
7.1.	- amortisation/depreciation write-offs	-	678 286,47	12 490 363,01	117 436,41	1 193 417,12	14 479 503,01
7.2.	- revaluation	-	-	-	-	-	-
7.3.	- leasing	-	-	-	-	-	-
8.	Charges to amortisation (titles):	-	-	-	-	-	-
8.1.	- sales	-	-	-	-	-	-
8.2.	- liquidation	-	-	-	-	-	-
8.3.	- revaluation	-	-	-	-	-	-
8.4.	- other	-	-	-	-	-	-
9.	Amortisation - internal transfers	-	-	-	-	-	-
10.	Amortisation - as of 31.03.2023	-	9 935 584,52	103 533 734,90	212 391,35	5 675 766,72	119 357 477,49
11.	Net value - as of 01.04.2022	2 156 712,59	17 444 904,39	90 989 013,02	366 536,76	3 389 279,62	114 346 446,38
12.	Net value - as of 31.03.2023	2 156 712,59	17 264 890,59	94 550 532,67	249 100,35	3 952 549,33	118 173 785,53

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period		01.04.2022-31.03.2023	Place and date of preparation: Międzyrzecz, 21.04.2023

Note no. 3			
VALUE OF FIXED ASSETS NOT SUBJECT TO AMORTISATION OR DEPRECIATION, OPERATED ON RENTAL AGREEMENTS AND OTHER (INCLUDING LEASE AGREEMENTS) AS OF 31.03.2023			
Item	Description	Value - as of 31.03.2023	Value - as of 31.03.2022
1.	Passenger car TOYOTA Avenis Wagon 1.8 nr. umowy 28/0627/16 PO8V644	0,00 PLN	72 357,72 PLN
2.	Passenger car NISSAN QASHQAI nr. Umowy 28/0351/17 PO2AP27	0,00 PLN	75 797,56 PLN
3.	Passenger car NISSAN QASHQAI nr. Umowy 28/0350/17 PO1AP89	75 797,56 PLN	75 797,56 PLN
4.	Passenger car TOYOTA Avenis Wagon 1.8 nr. umowy 28/0667/17 PO4CS96	77 235,77 PLN	77 235,77 PLN
5.	Passenger car Honda CRV 15 nr. umowy 17/029908 (UL) FG5001H	0,00 PLN	108 699,18 PLN
6.	Passenger car HYUNDAI Tucson nr. umowy 28/0932/17 PO3ER31	85 772,36 PLN	85 772,36 PLN
7.	Passenger car HONDA HR-V Elegance 1.5 nr. umowy 17/031046 FG4495H	0,00 PLN	73 951,22 PLN
8.	Passenger car Toyota AURIS nr. Umowy 18/001183 FG6654H	66 666,60 PLN	66 666,60 PLN
9.	Passenger car Nissan X-Trail nr. Umowy 28/0047/18 PO9EY77	83 739,02 PLN	83 739,02 PLN
10.	Passenger car Ford Mondeo , nr. Umowy 28/0876/17 PO1FF35	80 731,71 PLN	80 731,71 PLN
11.	Passenger car Suzuki SX4 , nr. Umowy 18/001191 FG7842H	0,00 PLN	66 666,67 PLN
12.	Passenger car SKODA SUPERB, nr. umowy 28/0146/18 PO7FG41	82 926,83 PLN	82 926,83 PLN
13.	Passenger car Toyota Corolla , nr. Umowy 18/003462 FG7428H	0,00 PLN	67 271,54 PLN
14.	Passenger car HONDA HR-V Elegance 1.5 nr. umowy 17/005610 FG7779H	70 528,46 PLN	70 528,46 PLN
15.	Passenger car TOYOTA COROLLA nr. umowy 28/0152/23 PZ 3R187	79 639,02 PLN	79 639,02 PLN
16.	Passenger car SEAT Leon nr. umowy 18/0811/18 PO9HM55	102 541,46 PLN	75 609,76 PLN
17.	Passenger car HONDA HR-V umowa nr. 28/0041/19 FG8460J	82 520,33 PLN	82 520,33 PLN
18.	Passenger car KIA SPORTAGE nr. umowy 28/0095/20 PO 3NT91	96 666,67 PLN	96 666,67 PLN
19.	Passenger car BMW 520D - nr. umowy 28/0094/20 PO6NL42	204 308,14 PLN	204 308,14 PLN
20.	Passenger car TOYOTA YARIS - nr. umowy 28/0096/20 FZ2955N	62 186,18 PLN	62 186,18 PLN
21.	Passenger car TOYOTA COROLLA - nr. umowy 28/0004/20	0,00 PLN	82 926,83 PLN
22.	Passenger car RANGE ROVER EVOQUE 19 PO 7RE21	117 886,18 PLN	117 886,18 PLN
23.	Passenger car TOYOTA AVENSIS 1.8 umowa nr. 28/0180/19 PO2KA53	73 170,74 PLN	73 170,74 PLN
24.	Passenger car BMW 330i xDrive umowa nr. 28/0102/21 PO 4UG89	117 886,18 PLN	117 886,18 PLN
25.	Passenger car SEAT TERRACO umowa nr. 28/0103/21 PO4SJ11	111 074,83 PLN	111 074,83 PLN
26.	Passenger car TOYOTA COROLLA - nr. umowy 28/0241/18 PO 4FS19	66 656,91 PLN	66 656,91 PLN
27.	Passenger car KIA Xceed 19 - nr. umowy 28/1034/22 PO 2086P	87 235,77 PLN	66 657,91 PLN
Total		1 825 170,72	2 258 673,97

Name of the company (entity):	EPL Poland sp. z o.o.		
Reporting period	01.04.2022-31.03.2023	Place and date of preparation:	Międzyrzecz, 21.04.2023

Note no. 4 INFORMATION ON THE STATED CAPITAL OWNERSHIP STRUCTURE AND NUMBER AND PAR VALUE OF THE SHARES SUBSCRIBED AS OF 31.03.2023						
Item	Name of the shareholder (if an individual) Name of the company, its legal form and headquarters (if legal entity)	Number of stocks (shares) as of 31.03.2023		Par value of stock (share)	Statute equity as of 31.03.2023	A share in state equity as of 31.03.2023
		total, incl.	priority shares			
1.	Lamitube Technologies Limited	8 467	-	20 000	169 340 000,00	100,00%
Total		8 467	-	X	169 340 000,00	100,00%

Name of the company (entity):	EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation: Międzyrzecz, 21.04.2023

Note no. 5		
Loss /Profit coverage proposals		
Item	Description	Value
1.	Allocation of profit to cover losses from previous periods	6 254 351.55
2.		-
	Total	6 254 351.55

Name of the company (entity):	EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation: Międzyrzecz, 21.04.2023

Note no. 6					
CURRENT PREPAYMENTS IN THE PERIOD OF 01.04.2022 TO 31.03.2023					
12	Description (items of prepaid expenses and deferred income)	Balance sheet value as of 01.04.2022	Additions in the period from 01.04.2022 to 31.03.2023	Charges in the period from 01.04.2022 to 31.03.2023	Balance sheet value as of 31.03.2023
1.	All risks insurance	146 008,73	546 766,54	548 071,06	144 704,21
2.	Initial lease fee - contracts	137 994,74	38 136,89	72 138,95	103 992,68
3.	Provisions related to loans	5 149,97	32 600,00	27 599,64	10 150,33
4.	Other	2 209 766,72	530 871,26	2 368 497,51	372 140,48
6.	IT costs	87 013,81	51 531,20	65 258,02	73 286,99
7.	Subscriptions	6 684,32	11 272,98	12 529,44	5 427,87
	Total	2 592 618,30	1 211 178,87	3 094 094,61	709 702,56

Name of the company (entity):	EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation: Międzyrzecz, 21.04.2023

Note no. 7 ACCUALS IN THE PERIOD OF 01.04.2022 TO 30.06.2022					
Item	Description (items of prepaid expenses and deferred income)	Balance sheet value as of 01.04.2022	Additions in the period from 01.04.2022 to 31.03.2023	Charges in the period from 01.04.2022 to 31.03.2023	Balance sheet value as of 31.03.2023
1.	Provision for audit	76 500,00	51 200,00	76 500,00	51 200,00
2.	Provision for salary for 12.2022	2 708 469,77	3 089 753,16	2 708 469,77	3 089 753,16
3.	Heating for 12.2022	17 000,00	57 000,00	17 000,00	57 000,00
4.	Provision for factoring charges ING for 12.2022	35 022,00	138 865,26	35 022,00	138 865,26
5.	Water Charges accrual 12.2022	5 500,00	12 000,00	5 500,00	12 000,00
6.	Company Income Tax provision	245 693,00	741 879,00	245 693,00	741 879,00
7.	Provision for external warehouse for 12.2022	280 000,00	400 000,00	280 000,00	400 000,00
8.	Provision for courier TNT costs for 12.2022	6 812,64	-	6 812,64	-
9.	Provision for legal fees for 12.2022	4 000,00	4 000,00	4 000,00	4 000,00
10.	Provision for transport tubes	531 048,39	699 836,00	531 048,39	699 836,00
11.	Provision for artwor costs which will be invoice for customers	(139 865,00)	(164 309,00)	(139 865,00)	(164 309,00)
12.	Provision for power energy for 12.2022	270 000,00	605 000,00	270 000,00	605 000,00
13.	Provision for leasing HP machine	59 496,77	(29 938,67)	59 496,77	(29 938,67)
14.	Others	420 466,57	374 283,27	420 466,57	374 283,27
15.	Provision for PFRON 12.2022	17 000,00	25 000,00	17 000,00	25 000,00
16.	Provision for loan interest for 12.2022	16 227,64	66 958,61	16 227,64	66 958,61
17.	Provision for overtime 12.2022	261 360,00	122 074,94	261 360,00	122 074,94
18.	Provision for variable pay	1 599 357,34	2 352 902,96	1 599 357,34	2 352 902,96
19.	Provision for IT costs	-	-	-	-
Total		6 414 089,12	8 546 505,53	6 414 089,12	8 546 505,53

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation	Międzyrzecz, 21.04.2023

Note no. 8			
NET TRADE OPERATING REVENUE - MATERIAL AND TERRITORIAL STRUCTURE FOR THE PERIOD FROM 01.04.2022 TO 31.03.2023			
Item	Description	Value in the period 01.04.2022 to 31.03.2023	Value in the period 01.04.2021 to 31.03.2022
1.	Net revenue from the sales of products (material structure)		
1.1.	Tubes	282 809 008,77	227 121 439,75
2.	Net revenues from the sale of services (material structure)	282 809 008,77	227 121 439,75
2.1	Artwork services	4 485 443,47	3 876 146,14
2.2	Rental	3 888 530,74	2 743 725,57
2.3	Other	194 349,60	170 194,32
3.	Net revenue from the sales of goods (material structure)	402 563,13	962 226,25
		9 046 838,28	2 447 614,55
4.	Net revenue from the sales of materials (material structure)	9 046 838,28	2 447 614,55
4.1	Sales of waste	13 216 385,44	8 734 902,56
4.2	Sales of material	95 906,40	77 356,06
		13 120 479,04	8 657 546,50
	Net revenue from the sales of products (and services)	287 294 452,24	230 997 585,89
	Net revenue from the sales of goods and materials	22 263 223,72	11 182 517,11

Note no. 9			
NET OPERATING REVENUE FROM THE SALES OF PRODUCTS (SERVICES) - MATERIAL AND TERRITORIAL STRUCTURE FOR THE PERIOD FROM 01.04.2022 TO 31.03.2023			
Item	Description	Value in the period 01.04.2022 to 31.03.2023	Value in the period 01.04.2021 to 31.03.2022
1.	Sales of finished goods	287 294 452,24	230 997 585,89
	Net revenue from the sales of products (and services), incl.:		
	Revenue from the sales of products (services) from domestic customers	287 294 452,24	230 997 585,89
	Revenue from the sales of products (services) from foreign customers	21 550 575,22	27 611 261,19
		265 743 877,02	203 386 324,70

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation	Międzyrzecz, 21.04.2023

Note no. 10			
OTHER OPERATING REVENUE IN THE PERIOD FROM 01.04.2022 TO 31.03.2023			
Item	Description	Value in the period 01.04.2022 to 31.03.2023	Value in the period 01.04.2021 to 31.03.2022
1.	Profit from sales of non-financial fixed assets	-	0,60
1.1.	- profit from sale of non-financial fixed assets (positive amount)	-	0,60
1.2.	- profit from sale of non-financial fixed assets (negative amount)	-	-
2.	Donations	1 726 049,05	683 706,92
2.1.	- EU project no. POIR.01.01.01-00-1296/20-00	1 932 500,23	683 706,92
2.2.	- provision for depreciation related to asset financed from EU project	(206 451,18)	-
3.	Other operating revenue	2 918 515,57	2 459 777,47
3.1.	- waste sales	-	-
3.2.	- other operating revenue	2 918 515,57	2 459 777,47
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
Other operating revenue in total		4 644 564,62	3 143 484,99

Name of the company (entity):	EPL Poland sp. z o.o.		
Reporting period	01.04.2022-31.03.2023	Place and date of preparation	Międzyrzecz, 21.04.2023

Note no. 11			
OTHER OPERATING EXPENSES IN THE PERIOD FROM 01.04.2022 TO 31.03.2023			
Item	Description	Value in the period 01.04.2022 to 31.03.2023	Value in the period 01.04.2021 to 31.03.2022
1.	Loss from the sale of non-financial fixed assets	-	-
1.1.	- revenue from the sale of non-financial fixed assets (negative amount)	-	-
1.2.	- value of non-financial fixed assets sold (positive amount)	-	-
2.	Revaluation of non-financial assets	-	-
2.1.	- allowances for the revaluation of receivables	-	-
2.2.	- allowances for the revaluation of inventories	-	-
3.	Other operating expenses	2 010 576,21	2 022 755,71
3.1.	- provision for bad debts	-	-
3.2.	- other costs	2 010 576,21	2 022 755,71
Other operating expenses in total		2 010 576,21	2 022 755,71

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period	01.04.2022-31.03.2023	Place and date of preparation	Międzyrzecz, 21.04.2023

Note no. 13			
FINANCIAL EXPENSES IN THE PERIOD 01.04.2022 TO 31.03.2023			
Item	Description	Value in the period 01.04.2022 to 31.03.2023	Value in the period 01.04.2021 to 31.03.2022
1.	Interest	1 788 866,79	932 661,52
1.1.	Statutory interest	-	-
1.2.	Bank interest	1 784 929,91	922 211,71
1.3.	Statutory interest	-	-
1.4.	Other interest	3 936,88	10 449,81
2.	Loss from the sale of investment	-	-
3.	Investment revaluation	-	-
4.	Other	28 191,84	134 261,51
4.1.	Foreign exchange differences resulting from the balance sheet valuation	670 727,94	322 753,42
4.2.	Realised foreign exchange differences	(642 536,10)	(188 491,91)
Total financial expenses		1 817 058,63	1 066 923,03

Name of the company (entity):		EPL Poland sp. z o.o.	
Reporting period		Place and date of preparation:	Międzyrzecz, 21.04.2023
Note no 14			
EMPLOYMENT (DIVIDED BY CATEGORY) AS ON 31.03.2023			
Item	Description	Employment as on 31.03.2023	Employment as on 31.03.2022
1. White collars		90	93
2. Blue collars		329	303
Total		419	396

Note no 15			
OPERATING EXPENSES AND COSTS OF MANUFACTURING PRODUCTS FOR OWN NEEDS AS ON 31.03.2023			
Lp	Description	Value as on 31.03.2023	Value as on 31.03.2022
1. Depreciation		14 510 326,75	13 407 744,32
2. Raw materials and energy used		184 740 028,79	133 720 826,51
3. External services		30 654 910,25	22 682 586,97
4. Taxes and charges		715 064,49	677 816,83
5. Wages and salaries		34 703 427,50	31 709 848,94
6. Social security and other employee benefits		8 093 617,56	7 229 214,34
7. Other expenses		3 189 292,41	2 162 114,83
8. Cost of merchandise and raw materials sold		18 516 787,39	8 617 704,59
Total operating expenses		295 123 455,14	220 207 857,33
Costs of manufacturing products for own needs		-	-

Note no 16			
REMUNERATION (INCLUDING REMUNERATION OF PROFITS) OF PERSONS IN BOARD MANAGEMENT PAID AS ON 31.03.2023			
Lp	Description	Value as on 31.03.2023	Value as on 31.03.2022
1.	Remuneration Members of Board	1 146 051,54	1 163 560,42
2.	Social Tax Memebrrs of Baord	91 274,29	134 079,30
Total		1 237 325,83	1 297 639,72

Note no. 17							
BREAKDOWN OF CREDIT LIABILITIES INTO SHORT-TERM AND LONG-TERM AS OF 31.03.2023							
Item	Description	Balance sheet value at the end of the period - short-term liabilities	Balance sheet value at the end of the period - long-term liabilities	Part of the liability that is due falls in the period (from the balance sheet date)			
				up to 1 year	over 1 year up to 3 years	over 3 year up to 5 years	over 5 years
1.	Long Term Investemnt Loan Liabilities	7 904 757,98	17 071 356,17	7 904 757,98	9 754 925,80	7 316 430,37	-
2.	Overdraft Liabilities	5 745 443,48	-	5 745 443,48	-	-	-
3.	Others - company credit cards	16 584,71	-	16 584,71	-	-	-
	Total	13 666 786,17	17 071 356,17	13 666 786,17	9 754 925,80	7 316 430,37	-

Note no. 18 INFORMATION ABOUT INTER COMPANY TRANSACTIONS - SALES FOR 01.04.2022-31.03.2023									
Item	Name of entity	Total Sales	Material	Finish Goods	Rental	Fix Assets	Project service fees	Lawyer service fees	Others
1.	EPL America, LLC	115 505,36	115 505,36	-	-	-	-	-	-
2.	EPL Deutschland GmbH & Co. KG	11 937 615,58	3 541 065,58	8 371 407,73	-	-	16 492,33	-	8 649,94
3.	EPL Propack UK Limited	2 819 475,20	-	2 766 360,72	-	-	53 114,48	-	-
4.	EPL Ltd.	170 450,91	66 137,28	-	-	-	58 407,65	45 905,98	-
5.	EPL Colombia	194 349,60	-	-	194 349,60	-	-	-	-
6.	EPL Brasil LTDA.	4 399,02	-	-	-	-	-	-	4 399,02
7.	EPL Propack Philippines, Inc.	589,16	-	-	-	-	-	-	589,16
	Total	15 242 384,83	3 722 708,22	11 137 768,45	194 349,60	-	128 014,46	45 905,98	13 638,12

Note no. 19 INFORMATION ABOUT INTER COMPANY TRANSACTIONS - PURCHASE FOR 01.04.2022-31.03.2023									
Lp.	Name of entity	Total Purchase	Materials	Finish Goods	Fix Asset	Services			
						IT	Marketing and advertising	Management	Others
1.	EPL America LLC	734 771,50	657 851,15	-	76 920,35	-	-	-	-
2.	EPL Deutschland GmbH & Co. KG	16 458 147,45	14 951 073,86	1 319 157,67	-	-	187 915,92	-	-
3.	EPL PACKAGING (GUANGZHOU) LIMITE	2 249 501,84	2 246 442,35	-	-	-	-	-	3 059,49
4.	EPL Propack UK Limited	4 322 873,71	-	-	-	-	-	4 322 873,71	-
5.	EPL LIMITED - WADA PLANT	15 383 716,33	14 226 786,81	321 755,87	-	835 173,65	-	-	-
6.	Creative stylo packs pvt ltd (EPL Ltd.)	321 604,26	-	321 604,26	-	-	-	-	-
	Total	39 470 615,09	32 082 154,17	1 962 517,80	76 920,35	835 173,65	187 915,92	4 322 873,71	3 059,49

Note no. 20					
REMUNERATION OF THE AUDIT COMPANY, PAID OR DUE FOR 01.04.2022 - 31.03.2023					
Lp.	Description	Remuneration total	Remuneration paid	Remuneration due	
1.	Statutory audit within the meaning of Article 2 paragraph 1 of the Act on Auditors	46 000,00	25 851,54	20 148,46	
2.	Other attestation services	56 000,00	39 798,20	16 201,80	
3.	Tax advisory services	-	-	-	
4.	Other services	-	-	-	
	Total	102 000,00	65 649,74	36 350,26	

Note no. 21					
INFORMATION ON EXPENDITURE ON NON-FINANCIAL FIXED ASSETS INCURRED IN THE AUDITED YEAR AND PLANNED FOR THE NEXT YEAR					
Item	Description	Incurred	Planned		
1.	Expenditure on non-financial assets, including				
2.	Buildings, premises and land and water engineering	498 272,67	3 312 000,00		
3.	Equipment and machinery	16 051 882,66	17 020 440,00		
4.	Transportation means	-	-		
5.	Other tangible assets	1 761 807,45	4 656 450,00		
6.	Capital work in progress	3 317 399,04	-		
6.	Expenditure on environmental protection	-	-		
	Razem	21 629 361,82	24 988 890,00		

Note no. 22					
WRITE-DOWNS UPDATING INVENTORY VALUE as on 31.03.2023					
Lp	Description	As on 31.03.2023			Balance sheet value of inventories
		Gross amount	Write-downs amount	Balance sheet value of inventories	
1.	Raw materials	32 268 590,91	465 740,19	31 802 850,72	28 550 287,09
2.	Semi-finished goods and work-in-progress	5 116 623,58	271 164,08	4 845 459,50	6 615 291,24
3.	Finished goods	17 545 826,90	773 032,61	16 772 794,29	13 120 916,89
4.	Merchandise	299 650,86	-	299 650,86	89 050,32
5.	Pre-payments for goods and services supplies	-	-	-	-
	Total	55 230 692,25	1 509 936,89	53 720 755,36	48 375 545,54

Nota nr 23									
INTERCOMPANY RECEIVABLES BALANCE AS ON 31.03.2023									
Item	Name of entity	Balance as on 31.03.2023	Raw Materials	Finished Goods	Renatl	Ex.rate valuation difference as on 31.03.2023	Project service fees	Lawyer service fees	Others
1.	EPL America, LLC	-	-	-	-	-	-	-	-
2.	EPL Deutschland GmbH & Co. KG	242 016,88	242 903,64	-	-	886,76	-	-	-
3.	EPL Propack UK Limited	97 953,84	-	97 546,05	-	407,79	-	-	-
4.	EPL Ltd.	103 508,65	-	-	-	804,98	58 407,65	45 905,98	-
5.	EPL Colombia	15 456,24	-	-	15 962,76	506,52	-	-	-
6.	EPL Brasil LTDA.	-	-	-	-	-	-	-	-
7.	EPL Propack Philippines, Inc.	-	-	-	-	-	-	-	-
	Razem	458 935,61	242 903,64	97 546,05	15 962,76	1 790,47	58 407,65	45 905,98	-

Nota nr 24									
INTERCOMPANY PAYABLES BALANCE AS ON 31.03.2023									
Item	Name of entity	Balance as on 31.03.2023	Raw Materials	Finished Goods	Ex.rate valuation difference as on 31.03.2023	Services			
						IT	Marketing and advertising	Management	Others
1.	EPL America LLC	23 046,97	23 380,86	-	-	333,89	-	-	-
2.	EPL Deutschland GmbH & Co. KG	670 605,77	528 306,74	105 971,87	-	1 689,98	38 017,14	-	-
3.	EPL PACKAGING (GUANGZHOU) LIMITED	323 650,78	324 302,25	-	-	651,47	-	-	-
4.	EPL Propack UK Limited	335 553,73	-	-	-	1 266,49	-	336 820,22	-
5.	EPL LIMITED - WADA PLANT	2 072 046,71	1 827 689,82	-	-	15 839,32	260 196,21	-	-
6.	Creative stylo packs pvt ltd (EPL Ltd.)	103 457,70	-	103 457,70	-	-	-	-	-
	Razem	3 528 361,66	2 703 679,67	209 429,57	19 781,15	260 196,21	38 017,14	336 820,22	-

**EPL Deutschland GmbH & Co.KG,
Dresden**

**Audited Financial Statements for the
financial year ended March 31, 2023**

EPL Deutschland GmbH & Co. KG, Dresden

Report on the Audit of the Annual Financial
Statements and the Management Report
for the Financial Year ended March 31, 2023

convenience translation

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Appendices

Appendices

Appendix 1	Balance sheet as at March 31, 2023
Appendix 2	Statement of profit and loss for the financial year 2022/2023
Appendix 3	Notes to the annual financial statements 2022/2023
Appendix 4	Management report for the financial year 2022/2023
Appendix 5	General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften as of January 1, 2017

With regard to using rounded amounts and percentages, we would like to point out that rounding differences might occur due to commercial rounding practices.

1. Audit engagement

By resolution of the ordinary shareholders' meeting on July 21, 2022 of

EPL Deutschland GmbH & Co. KG (hereafter "EPL" or "the Company")

we have been elected as auditor for the financial year 2022/2023. The executive directors appointed us to audit the annual financial statements together with the bookkeeping system and the management report for the financial year from April 1, 2022 to March 31, 2023.

Pursuant to Section 316 Paragraph 1 HGB [Handelsgesetzbuch: German Commercial Code] our audit is a statutory audit as required by Sections 316 et seq. HGB.

Pursuant to Section 321 Paragraph 4a HGB we confirm that we observed the applicable regulations on auditor's independence in our audit.

Our report is addressed to EPL Deutschland GmbH & Co. KG.

Execution of our engagement and our responsibility, also in relation to third parties, are governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Audit Firms] as of January 1, 2017 (see Appendix 5). The extent of our liability is determined by section 323 paragraph 2 HGB. In relation to third parties, number 1 section 2 and number 9 of these General Engagement Terms are decisive.

2. Basic findings

Statement on the assessment of the Company's economic situation by the executive directors

The following statements contained in the management report prepared by the Company's executive directors are, from our point of view, of particular importance for the assessment of the Company's economic position and future development with its material opportunities and risks:

Economic position and business performance:

1. Sales revenues in the financial year improved significantly compared to the previous year and totalled EUR 42,466 thousand (previous year: EUR 39,521 thousand).
2. Gross profit in the reporting year also improved compared to the previous year and compared to forecast, despite the significant increase in the cost of materials, and amounted to EUR 18,020 thousand (previous year: EUR 16,945 thousand) as a result of positive effects from the product mix and the significant reduction in the merchandise business.
3. In expenses, the Company reports a planned increase in personnel costs of 4.7 % (EUR 356 thousand; previous year: EUR 429 thousand) and an increase in other operating expenses to EUR 6,877 thousand (previous year: EUR 6,581 thousand).
4. Investments in fixed assets at acquisition and manufacturing costs in the financial year totalled EUR 931 thousand (previous year: EUR 889 thousand). It was not possible to achieve the level of investments as forecast. The primary investments made here were to expand and make improvements to existing manufacturing equipment.

These key statements on the economic position and on the business performance have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 4.

Future development with its material opportunities and risks

1. [The executive directors comment in particular on market risks and explain that] the laminated tube market in Europe continues to be highly competitive. This particularly applies to prices, as well as to product and service quality.
2. A significant number of new projects with existing customers, as well as cooperation with new customers, provide turnover stability for the forthcoming year.
3. Particular opportunities for the Company are based on its high level of technological experience in laminated tube manufacturing and laminate printing, its highly motivated managers and specialists with their

comprehensive knowledge and experience, and the wide spectrum of its services.

4. The primary goal for EPL Deutschland in 2023/2024 remains its strategic positioning towards customers who are highly demanding in terms of sustainability, product finishing and the range of services required.
5. Based on current information [the executive directors of EPL Deutschland] expect a net profit for the year 2023/2024 at a level significantly higher than in the reporting period just ended, and additionally [they] expect a stabilisation of the positive development of the Company in the coming years.

These key statements on opportunities and risks of the future development of the Company have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 4.

Summarised assessment

On the basis of the assessment of the economic position of the Company which we have been able to derive from the knowledge obtained in our audit of the annual financial statements and the management report, we have come to the assessment that the executive directors' presentation and assessment of the position of the Company, in particular regarding the going concern and the future development of the Company with its material opportunities and risks reflected in the annual financial statements and in the management report, is appropriate.

3. Reproduction of the Auditor's Report

On the basis of the final result of our audit, we have issued the independent auditor's report as reproduced below:



Reproduction of the
auditor's report

Independent Auditor's Report

To the EPL Deutschland GmbH & Co. KG, Dresden

Audit Opinions

We have audited the annual financial statements of EPL Deutschland GmbH & Co. KG, Dresden which comprise the balance sheet at March 31, 2023, the statement of profit or loss for the financial year from April 1, 2022 to March 31, 2023, and notes to the annual financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of EPL Deutschland GmbH & Co. KG, Dresden for the financial year from April 1, 2022 to March 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2023 and of its financial performance for the financial year from April 1, 2022 to March 31, 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities 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 on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB, and that the annual financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Leipzig, April 28, 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Sebastian Koch
Wirtschaftsprüfer
[German Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer
[German Public Auditor]



On publication or further submission of the annual financial statements and/or the management report in a form other than that audited by us (including translations into other languages), a further statement will be required from us if our auditor's report is cited or reference is made to our audit; we refer hereby in particular to section 328 HGB.

4. Subject, nature and extent of the audit

4.1. Subject of the audit

Subject of our audit were the annual financial statements of EPL Deutschland GmbH & Co. KG – which comprise the balance sheet as at March 31, 2023, the statement of profit or loss for the financial year from April 1, 2022 to March 31, 2023, and the notes to the annual financial statements, including the presentation of the recognition and measurement policies – together with the bookkeeping system and the management report of the Company for the financial year from April 1, 2022 to March 31, 2023.

The German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB, including the relevant regulations of the GmbHG [Gesetz betreffend die Gesellschaften mit beschränkter Haftung: German Limited Liability Company Act], were the applicable financial reporting framework for our audit of the annual financial statements and the management report.

Regarding the responsibilities of the executive directors and of the supervisory board of the Company related to the preparation of the annual financial statements and the management report respectively to the overseeing of the Company's financial reporting process for the preparation of the annual financial statements and the management report, we refer to the explanations given in our auditor's report which is reproduced in section 3 of this report. The responsibility of the executive directors also includes responsibility for the Company's bookkeeping.

Our objective is to assess the annual financial statements, including the bookkeeping and the management report, as well as the disclosures made within the course of an audit performed in compliance with German Generally Accepted Standards for Financial Statement Audits. Our respective responsibilities are explained in the section "Audit opinions" and in the section "Auditor's responsibilities for the audit of the annual financial statements and of the management report" of our auditor's report.

The audit of compliance with other regulations is only relevant to the audit of financial statements insofar as these regulations normally have an impact on the annual financial statements or the management report.

According to section 317 paragraph 4a HGB, an examination as to whether the ability of the Company to continue as a going concern or whether the effectiveness and efficiency of the Company's management can be guaranteed is not required to be included in the audit.

4.2. Nature and extent of the audit

We conducted our audit in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits

promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany] (IDW).

Regarding the objectives of our audit and the essential principles of conducting our audit, we refer to the explanations given in the section “Auditor’s responsibilities for the audit of the annual financial statements and of the management report” of our auditor’s report.

The audit was planned and performed by taking a risk-oriented approach. Within this approach, we exercise professional judgement and maintain professional scepticism throughout the audit, recognising that circumstances may exist that cause the annual financial statements or the management report to be audited to contain material misstatements.

Within our risk-oriented audit approach we have identified and assessed the risk of material misstatements in the annual financial statements and the management report, whether due to fraud and error (= misstatement risk), in order to determine the nature, timing and extent of further audit procedures that are necessary to obtain sufficient appropriate audit evidence to provide a basis for our audit opinions. This was based on an understanding of the Company and its environment, the relevant financial reporting framework and the internal controls relevant to the preparation of the annual financial statements and the arrangements and measures (systems) for the preparation of the management report.

Based on the risk assessment, we determined the following critical assertions and matters:

- The existence of the reported revenues
- The existence and measurement of inventories
- The measurement of trade receivables

Our audit programme determining the nature, timing and extent of further audit procedures to be performed was designed to address these critical assertions and matters. To the extent that we relied on the effectiveness of controls for the purpose of determining substantive audit procedures, or where this was necessary, we used both tests of controls and substantive audit procedures, consisting of tests of detail and analytical procedures, and otherwise only substantive audit procedures. Tests of detail and – where relevant – tests of controls were performed on the basis of testing every item, the selection of specific items or (representative) sampling techniques.

Starting point for our audit were the annual financial statements and the management report for the previous financial year, on which we issued unqualified audit opinions. The annual financial statements were approved on July 21, 2022.

As part of our tests of details of trade receivables we obtained confirmations of balances from customers. The selection of the scope of the items to be tested was based on our risk assessment, the evaluation of the accounting-related internal control system as well as the nature and extent of the transactions subject to audit, using audit sampling.

As part of our tests of detail we have obtained confirmations on the Company's bank deposits, claims and obligations from credit institutions. Regarding litigations and claims involving the Company, we obtained confirmations from external legal counsels of the Company.

At selected locations we attended and observed the performance of the extended physical inventory counting conducted on March 25, 2023.

We performed our audit work with interruptions from January to April 28, 2023.

The executive directors and named contact persons provided us with all explanations and supporting documents requested. The executive directors confirmed in writing the completeness of the annual financial statements and the management report presented to us.

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5. Findings and explanations on the financial reporting

5.1. Compliance of the financial reporting

5.1.1. Bookkeeping and other audited documents

In our opinion, on the basis of the knowledge obtained in the audit, the bookkeeping complies, in all material respects, with the statutory provisions throughout the reporting period. The information drawn from the other audited documents is, in all material respects, properly reflected in the books and records, the annual financial statements and the management report.

5.1.2. Annual financial statements

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of EPL Deutschland GmbH & Co. KG for the financial year from April 1, 2022 to March 31, 2023 comply, in all material respects, with the requirements of German commercial law applicable to commercial partnerships with limited liability in terms of section 264a HGB.

In our opinion, on the basis of the knowledge obtained in the audit:

- the balance sheet and the income statement were duly derived from the books and records and from the further audited documents,
- in all material respects, the legal requirements regarding classifications, recognition and measurement have been observed, and
- in all material respects, the disclosures made in the notes to the financial statements are complete and accurate.

With reference to section 286 HGB, the Company limited the reporting in the notes to the annual financial statements and omitted some disclosures. We confirm that the legal requirements for omitting the respective disclosures have been fulfilled.

5.1.3. Management report

In our opinion, on the basis of the knowledge obtained in our audit, the management report of EPL Deutschland GmbH & Co. KG for the financial year from April 1, 2022 to March 31, 2023 complies, in all material respects, with the legal requirements.

5.2. Overall financial statements presentation

5.2.1. Statement on the overall financial statements presentation

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of EPL Deutschland GmbH & Co. KG give a true and fair view of its assets, liabilities, financial position as at March 31, 2023 and financial performance for the financial year from April 1, 2022 to March 31, 2023 in compliance with German Legally Required Accounting Principles.

5.2.2. Valuation principles and transactions with a significant impact

5.2.2.1. Material valuation principles

The recognition and measurement methods and further material valuation principles are presented in the notes to the annual financial statements attached as Appendix 3. Compared with the previous year, no changes of recognition and measurement methods were made.

5.2.2.2. Transactions with significant impact

In our assessment, on the basis of the knowledge obtained in our audit, no transactions with significant impact on the overall presentation of the annual financial statements occurred.

6. Concluding remarks

Key audit partners in terms of the German Professional Statute for German public accountants and German sworn auditors (Berufssatzung WP/vBP) are WP Niclas Rauscher – being primarily responsible for the engagement (engagement partner) – and WP Sebastian Koch as additionally responsible key audit partner.

We provide this report concerning the audit of the annual financial statements and the management report of EPL Deutschland GmbH & Co. KG, Dresden for the financial year from April 1, 2022 to March 31, 2023 in accordance with the legal requirements and the generally accepted standards for preparing long-form audit reports (IDW AuS 450 (revised) (10.2021)).

The auditor's report issued by us is repeated in section 3 of this report.

Leipzig, April 28, 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Sebastian Koch
Wirtschaftsprüfer
[German Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer
[German Public Auditor]

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Appendix 1

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Balance sheet

ASSETS	31.3.2023		31.3.2022		EQUITY AND LIABILITIES	31.3.2023		31.3.2022	
	EUR	EUR	EUR	EUR		EUR	EUR	EUR	EUR
A. Fixed assets					A. Equity				
I. Intangible assets					I. Limited partners' capital share accounts		2,500,000.00		2,500,000.00
1. Franchises, industrial and similar rights and assets and licences in such rights and assets	51,659.09		53,128.10		II. Revenue reserves		8,639,635.32		8,302,977.58
2. Payments on account	155,821.28	207,480.37	27,680.00	80,808.10	III. Retained profits carried forward		1,191,803.44		841,644.35
II. Property, plant and equipment							12,331,438.76		11,644,621.93
1. Land, land rights and buildings including buildings on third-party land	1,714,868.87		1,844,068.64		B. Deferred income account for investment grants and subsidies received for fixed assets		433,737.95		640,361.45
2. Plant and machinery	3,357,963.63		4,579,752.71		C. Provisions				
3. Other equipment, furniture and fittings	1,133,629.18		1,041,547.57		1. Tax provisions	239,022.39		167,293.17	
4. Payments on account and assets under construction	492,834.87	6,699,296.55	316,407.67	7,781,776.59	2. Other provisions	1,458,651.64		1,261,133.36	
		6,906,776.92		7,862,584.69	D. Liabilities		1,697,674.03		1,428,426.55
B. Current assets					1. Liabilities to banks	654,166.61		1,964,166.65	
I. Inventories					2. Payments received on account of orders	10,798.56		32,962.70	
1. Raw materials, consumables and supplies	3,221,555.62		4,256,836.54		3. Trade payables	1,298,675.68		2,180,688.71	
2. Work in process	519,865.03		950,175.48		4. Liabilities to affiliated companies	1,303,925.19		1,139,155.48	
3. Finished goods and merchandise	2,443,718.12	6,185,138.77	1,838,029.22	7,045,041.24	5. Liabilities to shareholders	18,111.80		16,304.17	
II. Receivables and other assets					6. Other liabilities	525,414.85		716,305.82	
1. Trade receivables	2,557,897.67		3,233,580.27		- thereof for taxes: EUR 59,481.78 (previous year: EUR 71,208.01)				
2. Receivables from affiliated companies	163,437.35		149,429.12		- thereof for social security: EUR 11,924.95 (previous year: EUR 23,338.60)				
3. Other assets	548,896.01		559,756.05		E. Deferred income		3,811,092.69		6,049,583.53
		3,270,231.03		3,942,765.44			0.00		1,556.49
III. Cash-in-hand and bank balances		1,796,281.28		783,805.87					
		11,251,651.08		11,771,612.55					
C. Prepaid expenses		115,515.43		130,352.71					
		18,273,943.43		19,764,549.95			18,273,943.43		19,764,549.95

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Appendix 2

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Statement of profit or loss

	2022/2023		2021/2022	
	EUR	EUR	EUR	EUR
1. Sales revenues		42,466,154.16		39,521,020.57
2. Increase in inventory of finished and unfinished goods		177,568.52		656,329.53
3. Other operating income		647,212.73		450,366.75
- thereof from currency translation:				
EUR 2,025.61 (previous year: EUR 411.05)				
4. Cost of materials				
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-24,251,114.87		-22,768,372.84	
b) Cost of purchased services	-1,019,560.94		-913,853.40	
		-25,270,675.81		-23,682,226.24
5. Personnel expenses				
a) Wages and salaries	-6,619,443.15		-6,303,372.91	
b) Social security, pension and other benefit costs	-1,269,428.12		-1,229,537.40	
		-7,888,871.27		-7,532,910.31
6. Amortisation, depreciation and write-downs of intangible fixed assets and property, plant and equipment		-1,886,929.42		-1,928,959.85
7. Other operating expenses		-6,877,359.89		-6,581,245.25
- thereof from currency translation:				
EUR 16,399.02 (previous year: EUR 21,310.84)				
8. Other interest and similar income		2,590.85		1,439.59
- thereof from discounting of provisions:				
EUR 2,590.85 (previous year: EUR 1,439.29)				
9. Interest and similar expenses		-110,316.01		-55,438.26
- thereof from the unwinding of discounting on provisions:				
EUR 4,626.06 (previous year: EUR 3,200.22)				
10. Income taxes		-40,079.38		2,128.50
11. Net income after tax		1,219,294.48		850,505.03
12. Other taxes		-27,491.04		-8,860.68
13. Net income for the year		1,191,803.44		841,644.35
14. Retained profits brought forward		841,644.35		2,400,196.52
15. Transfers to revenue reserves		-336,657.74		-960,078.61
16. Amounts credited to partners' accounts		-504,986.61		-1,440,117.91
17. Retained profits carried forward		1,191,803.44		841,644.35

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Appendix 3

EPL Deutschland GmbH & Co. KG, Dresden

Notes to the annual financial statements for the financial year 2022/2023

EPL Deutschland GmbH & Co. KG (hereafter “EPL Deutschland”, “the business” or “the Company”) has a non-calendar financial year (from April 1 to March 31). These annual financial statements for the 2022/2023 financial year are for the period from April 1, 2022 to March 31, 2023 (referred to hereafter as the “financial year”, “reporting period” or “reporting year”). The comparative figures for the previous year are for the period from April 1, 2021 to March 31, 2022.

The registered office of the Company is in Dresden. EPL Deutschland is registered at the commercial register of the Dresden district court under the registration number HRA 5605.

1. Disclosures and explanations of special characteristics, in particular regarding classification, of the annual financial statements

In accordance with Section 264 a HGB (HGB: German Commercial Code) the Company qualifies as a medium-sized partnership company based on the size criteria set out in Section 267 Paragraph 3 HGB.

The classification of positions in the balance sheet and income statement and the accounting policies and valuation methods applied are in accordance with section 264 a HGB, applied in analogy to the rules under commercial law as applicable to large corporations. The statement of profit or loss has been prepared under the total cost convention in accordance with section 275 paragraph 2 HGB. The additional requirements for annual financial statements set out in the shareholders' agreement were observed.

Instead of “subscribed capital” the Company presents the limited partners' capital share accounts (section 264c paragraph 2 HGB).

As in the previous year, investment subsidies and investment grants awarded by the Sächsische Aufbaubank – Förderbank – Dresden (“SAB”: the central development agency of the Free State of Saxony) under the joint Federal Government/Länder scheme for improving regional economic structures in Germany have been recorded as deferred income in a special reserves account, and are subsequently released to income over the useful lives of the assets subsidised. In financial years until and including 2009 the investment grants were shown as direct deductions from the acquisition and manufacturing costs of the assets subsidised.

Other accounting and measurement policies applied in preparing the financial statements for the financial year just ended are unchanged compared to those applied in preparing the financial statements for the previous financial year ended March 31, 2022.

2. General information on accounting and valuation methods

Description of accounting and valuation methods

The annual financial statements of EPL Deutschland were prepared on the basis of accounting and valuation policies required by the Commercial Code. The specific accounting and valuation methods applied were as follows.

Intangible fixed assets are valued at their acquisition costs, less amortisation recorded on a straight-line basis.

Items of property, plant and equipment are valued at their acquisition or manufacturing costs and – to the extent that their useful lives are finite – reduced by depreciation. Systematic depreciation is recorded on a straight-line basis over the expected useful economic lives of the assets.

Investment grants and subsidies are recorded in a **special deferred income reserve account**. The special deferred income reserve for investment grants and subsidies is released to income over the expected useful economic lives of the subsidised assets.

Inventories are valued at acquisition or manufacturing costs, or, if lower, at net realisable value. Manufacturing costs include material costs as well as production wage costs, material and production overheads and a share of fixed asset depreciation. General administration costs, selling costs and borrowing costs are not included in manufacturing costs. Allowances are made for risks arising from excess inventory levels.

Receivables and other assets are valued at their nominal amounts. Appropriate allowance is made for known collection risks. Allowances for known risks are made by recording specific bad debt allowances. To allow for general default risks a general bad debt provision is recorded of 1 % of the net trade receivables balance, after deduction of specific provisions.

Cash on hand, bank balances and cheques are recorded at their nominal amounts.

Prepaid expenses represent expenditures made prior to the balance sheet date, to the extent that they relate to expenses for specific periods of time subsequent to the balance sheet date.

Provisions are recorded using prudent commercial judgement to make appropriate allowance for the fulfilment amount of known risks and uncertain liabilities, under consideration of expected price and cost increases. Provisions for taxes are recognised in accordance with the applicable laws.

Provisions with a maturity of more than twelve months are discounted using a discount rate which represents the average market rate of interest applying over the last seven financial years for obligations with a similar maturity. For this purpose, interest rates were determined by reference to discount rates published by the Deutsche Bundesbank in accordance with the Provisions Discounting Regulation (Rückstellungsabzinsungsverordnung – RückAbzinsV).

Liabilities are recorded at their fulfilment amounts.

Assets and liabilities **denominated in foreign currencies** are converted using the average spot rate applicable at the financial year end. Section 253 paragraph 1 sentence 1 HGB and section 252 paragraph 1 no. 4 phrase 2 HGB were not applied to items with a maturity of one year or less.

3. Disclosures and explanatory notes on individual items in the balance sheet and income statement

Investments in **fixed assets** totalled EUR 931 thousand (previous year: EUR 889 thousand). The changes in fixed assets are presented separately in the statement of movements on fixed assets.

As in the previous year, **receivables and other assets** have a remaining maturity of up to one year. The receivables from affiliated companies (EUR 163 thousand; previous year: EUR 149 thousand) wholly consist of receivables for goods and services. In addition, an item is recorded with other assets amounting to EUR 94 thousand (previous year: EUR 49 thousand) for which the legal right to the asset is first established subsequent to the balance sheet date. This asset consists of bonus entitlements payable to the Company by suppliers under contractual arrangements; these claims will be finalised at the end of the calendar year.

Other assets include an amount of EUR 218 thousand (previous year: EUR 275 thousand) representing retentions on receivables at the balance sheet date withheld from the amounts paid as security for the factor (5 % of the nominal value of the respective receivables).

Capital shares of EUR 2,500 thousand comprise the following:

The general partner is EPL Deutschland Management GmbH, Dresden. The Company's issued share capital is EUR 50 thousand. EPL Deutschland Management GmbH is not required to contribute to share capital and does not participate in the Company's results or share in its assets.

The sole limited partner is Lamitube Technologies Ltd., Port Louis, Mauritius, which has a shareholding of EUR 2,500,000.00 thousand (previous year: EUR 2,500,000.00).

The shareholders' agreement provides that the utilisation of the profit for the preceding financial year, which in turn results in the profits for the year being presented within retained profits, is subject to a shareholders' resolution on the application of profits.

Other provisions primarily include provisions for employee-related costs (EUR 583 thousand; previous year: EUR 473 thousand), customer bonuses (EUR 367 thousand; previous year: EUR 288 thousand), outstanding supplier invoices (EUR 340 thousand; previous year: EUR 269 thousand), warranty obligations, including for claims received (EUR 32 thousand; previous year: EUR 42 thousand), provisions for onerous contracts (EUR 14 thousand; previous year: EUR 109 thousand), the costs of annual financial statements (EUR 27 thousand; previous year: EUR 16 thousand) and consultancy costs (EUR 40 thousand; previous year: EUR 23 thousand).

Maturity analysis

	Total	Thereof maturing:		
		Within one year	After more than one year	Thereof: after five years
	EUR tsd.	EUR tsd.	EUR tsd.	EUR tsd.
Liabilities to banks (Previous year)	654 (1,964)	360 (1,310)	294 (654)	0 (0)
Payments received on account of orders (Previous year)	11 (33)	11 (33)	0 (0)	0 (0)
Trade payables (Previous year)	1,299 (2,181)	1,299 (2,181)	0 (0)	0 (0)
Liabilities to affiliated companies (Previous year)	1,304 (1,139)	1,304 (1,139)	0 (0)	0 (0)
Liabilities to shareholders (Previous year)	18 (16)	18 (16)	0 (0)	0 (0)
Other liabilities (Previous year)	525 (716)	509 (509)	16 (207)	0 (0)
Total (Previous year)	3,811 (6,050)	3,501 (5,188)	310 (862)	0 (0)

Liabilities to banks include EUR 404 thousand (previous year: EUR 1,214 thousand) to the Ostsächsische Sparkasse Dresden, Dresden. In the reporting year these include EUR 404 thousand (previous year: EUR 514 thousand) wholly relating to long-term loans which are secured in full by charges over fixed assets.

The Company has liabilities of EUR 250 thousand (previous year: EUR 750 thousand) payable to the Commerzbank AG, Frankfurt am Main. In the financial year these wholly relate to a long-term loan which is secured by charges over fixed assets.

As in the previous year, there are no loan liabilities to the Deutsche Bank AG, Frankfurt am Main at the balance sheet date. As in the previous year, there are no loan liabilities to the UniCredit Bank AG, Munich at the balance sheet date

The Company has provided negative assurances to the above-named banks in respect of the Company's liabilities for working capital lines of credit concerning its rights over inventories or trade accounts receivables.

Under these assurances the Company may not transfer these rights to third parties or assign any other rights over such inventories and/or trade accounts receivables to third parties, with the exception of factoring arrangements entered into for receivables.

Liabilities to shareholders amount to EUR 18 thousand at the balance sheet date (previous year: EUR 16 thousand). These primarily relate to goods and services provided by the general partner.

Liabilities to affiliated companies wholly relate to trade payables and amount to EUR 1,304 thousand (previous year: EUR 1,139 thousand).

Other liabilities include a liability to UniCredit Leasing GmbH, Hamburg under a lease purchase arrangement for the purchase of an item of manufacturing equipment amounting to EUR 204 thousand (previous year: EUR 389 thousand).

Sales revenues

Sales revenues total EUR 42,466 thousand and are analysed by geographic markets and by sector as follows:

	Apr. 1, 2022 – Mar. 31, 2023		Apr. 1, 2021 – Mar. 31, 2022	
	EUR tsd.	%	EUR tsd.	%
Domestic	18,235	43%	16,883	43%
EU	17,149	40%	16,772	42%
Other countries	2,612	6%	2,578	7%
Sub-total: Sales revenues – tubes	37,996	89%	36,233	92%
Other sales revenues	4,470	11%	3,288	8%
Sub-total: revenues	42,466	100%	39,521	100%

Income from investment grants and subsidies

Other operating income included in gross margin includes income from the release of investment grants and subsidies totalling EUR 206 thousand (previous year: EUR 231 thousand).

Income taxes

Income taxes for the reporting year total, on a net basis, an expense of EUR 40 thousand, of which EUR 35 thousand is attributable to additions to provisions for back taxes for earlier years. In the previous year income taxes, on a net basis, resulted in an income of EUR 2 thousand, due to tax refunds.

Proposed application of results

The directors propose that the retained profits at March 31, 2023, amounting to EUR 1,192 thousand, shall be carried forward.

4. Other statutory disclosures

Contingent liabilities, off balance sheet transactions and other financial commitments

Since the financial year 2014/2015 the Company has been party to agreements with factoring companies (banks) which provide for the revolving sale of certain customer receivables balances (non-recourse and recourse factoring). Of the agreed credit limit, an amount of **EUR** 4,259 thousand (previous year: EUR 3,139 thousand) was utilised at the balance sheet date. These arrangements strengthen the Company's liquidity and financing options.

The Company's other financial commitments under section 285 no. 3a HGB consist of commitments under leasing and/or rental arrangements amounting to EUR 123 thousand (previous year: EUR 134 thousand).

The Company has received investment grants up until the balance sheet date totalling EUR 3,810 thousand (previous year: EUR 3,810 thousand) awarded by the Sächsische Aufbaubank – Förderbank – Dresden (subsidy bank, a public institution) under the joint Federal Government/Länder scheme for improving regional economic structures in Germany. These have been recorded in a deferred income account. The approval of the grants is subject to later amendment or revocation, in particular if the funds are not used for the intended purpose. As the retention period restricting the Company's use of the funds has expired and the funds have been used for the approved purpose of purchasing assets that qualify for the subsidy scheme, there is no known risk of the Company being required to repay the subsidies received.

There were no further contingent liabilities in the sense of section 251 HGB at the balance sheet date.

Disclosures concerning members of the Company's management bodies

The Company is managed by the general partner, EPL Deutschland Management Gesellschaft mit beschränkter Haftung, Dresden. The general partner reports subscribed capital of EUR 50 thousand.

The management responsibilities of EPL Deutschland Management Gesellschaft mit beschränkter Haftung, Dresden for the financial year were performed by the Managing Director Dipl.-Wirt.-Ing. Matthias Lütke-meier, Siebenlehn.

The Company's Supervisory Board comprised the following persons in the financial year:

- Alan Conner (Reigate, Great Britain), President Europe Region, EPL Limited Group (Chair of the Supervisory Board)
- Murgapaan Ramasamy, Mumbai/India, Chief Operating Officer, EPL Limited
- Sandipan Sengupta, Reigate/Great Britain, Regional Finance Controller Europe, EPL Limited Group.

Total Director's remuneration and remuneration of the Supervisory Board

EPL Deutschland Management GmbH, Dresden, as director and general partner, receives compensation for management expenses incurred in addition to compensation for its acceptance of liability. The Company has taken advantage of the provision exempting it from the disclosure of details of the Director's remuneration in accordance with section 286 paragraph 4 HGB. Members of the Supervisory Board have not received any remuneration for their activities in the financial year.

Average number of employees

	Apr. 1, 2022 – Mar. 31, 2023	Apr. 1, 2021 – Mar. 31, 2022
Staff	57	55
Workers	124	120
	181	175

Events subsequent to the balance sheet date

There have been no significant events subsequent to the end of the financial year.

Auditor's remuneration

The amounts recognised for auditor's remuneration for services provided totalled EUR 34 thousand in the reporting period (previous year: EUR 23 thousand). This comprises fees for the audit of financial statements of EUR 18 thousand (previous year: EUR 16 thousand) and fees for other assurance services of EUR 16 thousand (previous year: EUR 7 thousand).

Group affiliation

As a wholly-owned subsidiary of Lamitube Technologies Limited, Port Louis/Mauritius, EPL Deutschland is an affiliate of EPL Limited, Mumbai, India. The consolidated financial statements of EPL Limited, Mumbai, India are published on the BSE Ltd., Mumbai/India and on the National Stock Exchange of India Ltd., Mumbai/India.

The Blackstone Group Inc., registered in Delaware with its administration located in New York, controls EPL Limited, Mumbai/India through Epsilon BidCo Pte. Ltd., Singapore. The Blackstone Group Inc. is listed on the New York Stock Exchange (NYSE, symbol "BX").

Dresden, April 28, 2023

Matthias Lütke-meier,
Managing Director
EPL Deutschland Management GmbH, Dresden

EPL Deutschland GmbH & Co. KG
Annual financial statements for the financial year from April 1, 2022 to March 31, 2023
Statement of changes in fixed assets

	Changes in acquisition and production costs					Change in amortisation, depreciation and write-downs				Net book value	
	Opening balance 1.04.2022	Additions	Reclassification	Disposals	Closing balance 31.03.2023	Opening balance 1.04.2022	Additions	Disposals	Closing balance 31.03.2023	As at 31.03.2023	As at 31.03.2022
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets											
1. Franchises, industrial and similar rights and assets and licences in such rights and assets	1,544,230.72	13,050.00	16,650.00	0.00	1,573,930.72	1,491,102.62	31,169.01	0.00	1,522,271.63	51,659.09	53,128.10
2. Payments on account	27,680.00	144,791.28	-16,650.00	0.00	155,821.28	0.00	0.00	0.00	0.00	155,821.28	27,680.00
	1,571,910.72	157,841.28	0.00	0.00	1,729,752.00	1,491,102.62	31,169.01	0.00	1,522,271.63	207,480.37	80,808.10
II. Property, plant and equipment											
1. Land, land rights and buildings including buildings on third-party land	4,464,100.63	42,748.59	0.00	0.00	4,506,849.22	2,620,031.99	171,948.36	0.00	2,791,980.35	1,714,868.87	1,844,068.64
2. Plant and machinery	24,612,788.08	67,245.17	13,277.34	0.00	24,693,310.59	20,033,035.37	1,302,311.59	0.00	21,335,346.96	3,357,963.63	4,579,752.71
3. Other equipment, furniture and fittings	5,651,844.77	413,931.90	59,661.17	52,924.94	6,072,512.90	4,610,297.20	381,500.46	52,913.94	4,938,883.72	1,133,629.18	1,041,547.57
4. Payments on account and assets under construction	316,407.67	249,365.71	-72,938.51	0.00	492,834.87	0.00	0.00	0.00	0.00	492,834.87	316,407.67
	35,045,141.15	773,291.37	0.00	52,924.94	35,765,507.58	27,263,364.56	1,855,760.41	52,913.94	29,066,211.03	6,699,296.55	7,781,776.59
Total fixed assets	36,617,051.87	931,132.65	0.00	52,924.94	37,495,259.58	28,754,467.18	1,886,929.42	52,913.94	30,588,482.66	6,906,776.92	7,862,584.69

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Appendix 4

EPL Deutschland GmbH & Co. KG, Dresden

Management report for the financial year

2022/2023

EPL Deutschland GmbH & Co. KG (hereafter “EPL Deutschland”, “the business” or “the Company”) has a non-calendar financial year (from April 1 to March 31). These annual financial statements for the 2021/2022 financial year are for the period from April 1, 2022 to March 31, 2023 (referred to hereafter as the “financial year”, “reporting period” or “reporting year”). The comparative figures for the previous year are for the period from April 1, 2021 to March 31, 2022.

1. Strategic guidelines

The Company is a wholly-owned subsidiary of Lamitube Technologies Ltd., Port Louis/Mauritius, and accordingly it is included on a fully consolidated basis in the consolidated financial statements of EPL Limited (formerly: ESSEL Propack Ltd.), Mumbai, India. EPL Limited is a market leader worldwide for the production of laminated tubes and is represented in the cosmetic, dental hygiene, foodstuff, pharmacy and household chemicals markets. In doing so the Group is strictly pursuing the objective to be the most sustainable packaging company in the world.

EPL Deutschland sees itself as a sustainable, competent and innovative supplier for demanding customers in Germany and in Europe, and sets standards for the market with its high-quality laminated tubes and finishing.

Our strategic orientation has remained unchanged in the reporting period, with a focus on the manufacturing and sale of laminated tubes with a high level of niche specialisation and high value added. In doing so, EPL Deutschland is building on a broad customer base, concentrating on delivery service and quality.

EPL Deutschland expects further positive stimulus for the Company’s own future development in the German and European markets as a result of its capabilities and EPL Limited’s excellent position as a world market leader.

2. Economic environment

Once again the Company has succeeded in meeting its objective of being sustainable and profitable in an economic environment that continues to be difficult.

While the market for laminated tubes in Europe remains attractive, it continues to be a highly competitive marketplace. There is competition both within the laminated tubes sector as well as with manufacturers of other types of tubes and with manufacturers providing other packaging solutions. As an affiliated company of EPL Limited, which has operations worldwide, our Company can also provide global solutions for our customers, which sets us apart from other competitors.

As a manufacturer of primary packaging for products that are needed on a daily basis, the negative effects of the COVID-19 pandemic and the Ukraine conflict on demand remained manageable. Our strategic long-term customer and supplier relationships have also continued to be robust.

Sales volumes have fallen again slightly compared to the previous year. While production volumes were stable compared with the previous year, it was possible, as planned, to make significant reductions in external purchases of merchandise from affiliated companies.

It was possible to largely offset the significant increase in prices of raw materials and the inflation-driven increase in overhead costs by the strict implementation of measures to make use of cost reduction opportunities and by passing on cost increases to our customers. The result for the financial year improved accordingly compared with the weak result in the previous year.

The continued very high level of material prices, combined with the expected continued inflationary effects on overhead costs, will again make it necessary in the new financial year to pass on price increases to the Company's customers, but also to make strict use of cost reduction opportunities and take measures to improve efficiency.

3. Results of operations

Sales revenues in the financial year improved significantly compared to the previous year and totalled EUR 42,466 thousand (previous year: EUR 39,521 thousand). Gross profit in the reporting year also improved compared to the previous year and compared to forecast, despite the significant increase in the cost of materials, and amounted to EUR 18,020 thousand (previous year: EUR 16,945 thousand) as a result of positive effects from the product mix and the significant reduction in the merchandise business.

In expenses, the Company reports a planned increase in personnel costs of 4.7 % (EUR 356 thousand; previous year: EUR 429 thousand) and an increase in other operating expenses to EUR 6,877 thousand (previous year: EUR 6,581 thousand). Amortisation and depreciation of EUR 1,887 thousand (previous year: EUR 1,929 thousand) fell slightly as a result of careful investment activity in both the financial year just ended and the previous year. Financing costs of EUR 110 thousand (previous year: EUR 55 thousand) were significantly higher. This was primarily due to the increase in interest costs, both for current loans as well as on the sales of receivables (factoring arrangements).

The results for the financial year from April 1, 2022 to March 31, 2023, amounting to a profit of EUR 1,192 thousand, are positive compared to both the previous year (EUR 842 thousand) and the planning for the financial year (EUR 902 thousand).

4. Financial position and results of operations

The balance sheet total fell by EUR 1,491 thousand compared to the previous year, from EUR 19,765 thousand to EUR 18,274 thousand.

Within this, the net book value of property, plant and equipment fell by EUR 1,083 thousand to EUR 6,699 thousand (previous year: EUR 7,782 thousand) as a result of the continued cautious level of new investments made.

Current assets were slightly lower than in the previous year (by EUR 520 thousand). Included in this total were decreases in inventories of finished goods, work in process and raw materials (EUR 860 thousand lower) as well as decreases in receivables and other assets (EUR 673 thousand lower). Cash funds at the balance sheet date were EUR 1,012 thousand higher than in the previous year at EUR 1,796 thousand (previous year: EUR 784 thousand) due to the significant increase in the volume of receivables sold under the factoring arrangements and the improvement in earnings.

The Company's net asset and financial position remains solid. Default losses were largely avoided in the financial year by the use of existing risk minimisation instruments.

The acquisition cost of investments in fixed assets in the financial year totalled EUR 931 thousand (previous year: EUR 889 thousand). It was not possible to achieve the level of investments as forecast. The primary investments made here were to expand and make improvements to existing manufacturing equipment.

Liabilities to banks were lower than in the previous year at EUR 654 thousand (previous year: EUR 1,964 thousand). The contractually agreed repayments were made in line with plan at all times. A liability amounting to EUR 204 thousand (previous year: EUR 389 thousand) under a lease-purchase agreement for the acquisition of an item of manufacturing equipment is reported within other liabilities.

Compared to the previous year end – taking account of the deferred income account, reduced by the associated income tax effect – the Company's equity ratio has changed from 61.6 % to 69.5 %.

The simplified operating cash flow (net profit plus depreciation and amortisation, less release of deferred income) amounted to EUR 2,872 thousand (previous year: EUR 2,539 thousand) and was used to repay loans and settle liabilities to suppliers.

We have short-term credit and current account facilities available from our primary banks totalling EUR 2,250 thousand (previous year: EUR 2,250 thousand). The amounts drawn down under these facilities totalled EUR 0 thousand (previous year: EUR 700 thousand) at the balance sheet date.

5. Human resources development

The Company had 183 employees at the end of the financial year (previous year: 178).

Binding employees to the Company for the long term and filling vacancies quickly will continue to have a significant influence on the Company's success in the future, and as a result this will be the driver of EPL Deutschland's personnel policies. For this reason, the Company pays particular attention to measures to provide our specialist employees with qualifications and further education. There is no conspicuous level of staff turnover.

The increase in internal flexibility of working hours is used rigorously with a view to promoting a healthy balance of work and family life, and also to address fluctuations in order levels.

6. Opportunities and risks of future development

In connection with its business of the production and sale of laminated tubes, EPL Deutschland is subject to a number of risks that are inseparable from its entrepreneurial activities.

Risk policies include making optimal use of commercial opportunities, and accepting risks related to those opportunities only when added value can be created by seizing those opportunities.

Particular opportunities for the Company are based on its high level of technological experience in laminated tube manufacturing and laminate printing, its highly motivated managers and specialists with their comprehensive knowledge and experience, and the wide spectrum of its services.

EPL Deutschland's risk management is an integrated part of the Company's monthly analysis of results and business process controlling. The regular reporting of all business-relevant data and a structured internal audit process ensure that risk principles are applied, and that measures are adopted promptly to address issues as they arise.

The formulation of the Company's business strategy and its primary values, as well as their strict implementation, ensure an improved direction for the Company and its business processes.

6.1. Elements of the risk management system

Using the monthly reporting system, opportunities and risks are recognised early, analysed and evaluated, and appropriate countermeasures are taken.

These measures include the recording, observing and managing of internal processes with the help of internal reporting systems, the management and control systems, and a systematic planning process. Further elements include the comprehensive EPL Limited, Mumbai, India management team reporting which is part of the Group's reporting process, and the supervision and control that is provided by the Supervisory Board.

The Company has insurance policies covering potential liability and damages claims. The adequacy of these policies is reviewed regularly and amended as appropriate. This is intended to ensure that the financial losses incurred when risks occur are limited.

However, despite the risk prevention measures taken, the risk that the Company's earnings position might be affected negatively by loss events or claims made by market participants cannot be wholly excluded.

6.2. Significant risks observed by the risk management system

Market risks

The laminated tube market in Europe continues to be highly competitive. This particularly applies to prices, as well as to product and service quality.

Cooperation with brand manufacturers and with suppliers to discount chains ensures high volumes and enables long-term planning. On the other hand, they also demand margin concessions. Supply-side overcapacity in particular, as well as price pressure from new plants and market participants, increase the risks to earnings.

A significant number of new projects with existing customers, as well as cooperation with new customers, provide turnover stability for the forthcoming year.

Our activities in the dental hygiene, cosmetic, household chemicals, pharmaceuticals and foodstuffs industries enable us to even out seasonal fluctuations. The objective is to achieve a broad basis and to take advantage of lucrative niches.

There are a relatively small number of laminated tube providers in Europe. The product and the manufacturing process are generally well known. Differentiation is achieved by being able to amend the external design of the tube, as well as in the cost and reliability of delivery. Barriers to market entry primarily lie in the high levels of investment required, market knowledge, and in achieving economies of scale.

EPL Deutschland considers itself well positioned in this environment. The Company can benefit from access to multinational customers as a result of cooperation within the globally-active EPL Limited Group.

Performance risks

The Company has insured itself against the usual risks of loss, and reviews its insurance cover regularly. In addition, we continually work on improving sustainability, fire prevention, work safety and hygiene in order to guarantee and improve the reliability of our products and processes.

We have alternative suppliers available to supply critical raw materials at short notice. These consist of both external suppliers and, to some extent, suppliers within the EPL Limited Group. Price movements on raw material markets are monitored closely and taken into account appropriately in calculating sales prices. Raw material prices, which initially continued to rise sharply during the reporting year, have stabilised at a high level in the final quarter of the financial year, but will require continued effective countermeasures in the future. In order to minimise the associated risk we continue to aim to enter into long-term supply agreements with our suppliers and agreements with price adjustment clauses with our customers, which will enable us to hedge the risk arising from changes to raw material prices and increases in overhead costs.

Human resources risks lie in a potential increase in the fluctuation of qualified staff due to demographic changes and associated improvements in regional employment opportunities. The objective is to ensure that the Company can retain key staff for the long term, and to have backup management available for critical positions.

The reliability of the plant is ensured by regular maintenance procedures. In addition, the manufacturers of plant and equipment have service teams that are permanently on call in case of emergency.

Cost structure risks

We aim to adjust our product and customer portfolio to reflect the cost structure and the Company's technical capabilities, and to use cost-saving measures to counter cost increases. This will also play a decisive role in future project and investment decisions.

Personnel costs represent the largest component of fixed costs. Most employees are employed on permanent contracts. The Company's system for the long-term retention of key staff and members of the sales team is reviewed regularly.

In addition, we plan to stabilise the current cost structure, despite the growing complexity levels driven by the increased processing, quality and service demands of customers and increasing inflation, and to compensate increases in some cost areas with savings in others. We are using a systematic approach to identify and implement potential cost savings. Variances from budgets are analysed on a monthly basis and appropriate measures are taken to address issues as they arise.

Financial structure risks

In order to ensure our independence we work with four banks, with whom we have short-term credit lines/current accounts totalling EUR 2,250 thousand. Again in the new financial year we plan ongoing management of the financial resources available, thereby ensuring the continued stability of the Company's liquidity position.

We aim to ensure that we match the duration of financing used for investment purposes with the useful lives of the respective assets.

For the new financial year we expect a stabilisation of interest costs at a higher level than that seen in the previous year.

Geopolitical risks

At the current time it remains impossible to make a complete assessment of the medium to long-term consequences of the Ukraine war on supply chains, energy supplies, interest and currency trends, inflation and geopolitical stability. However, the Company has no business relationships with customers or suppliers from Russia or Ukraine, and does not consider itself to be affected directly.

7. New products

The Company does not perform any research and development work to develop new technologies internally. However, we can take advantage of agreements entered into to use the know-how of EPL Limited.

We develop new and innovative products and product characteristics through close cooperation with our customers and suppliers. Investments in such projects are usually minor or are borne by the supplier.

The high proportion of new products in total sales is driven by the increased demand for sustainable product solutions and by the diversification in our customer base. These trends will continue in the future.

8. Outlook for the financial year from April 1, 2023 to March 31, 2024

The primary goal for EPL Deutschland in 2023/2024 remains its strategic positioning towards customers who are highly demanding in terms of sustainability, product finishing and the range of services required.

On the basis of our planning and current order intake, we expect that sales volumes in the financial year 2023/2024 will be lower than in the reporting year just ended. We continue to aim for a balanced product mix between standard products and high-value tubes. We do not expect a significant change in our export quota. We plan to compensate for the expected high price levels for raw materials by making adjustments to sales prices. Accordingly, we expect a significant improvement in gross results compared to the reporting year just ended.

We plan a significant increase in our investment activity, primarily in expanding the capabilities of the Company's existing manufacturing equipment.

In view of planned customer projects we continue to assess the Company's market position to be excellent. At the same time, all forward-looking statements continue to be subject to developments in the geopolitical situation. Based on current information, we expect a net profit for the year 2023/2024 at a level significantly higher than in the reporting period just ended, and additionally we expect a stabilisation of these positive development for the Company in the coming years.

Dresden, April 28, 2023

Matthias Lütke-meier, Managing Director
EPL Deutschland Management GmbH, Dresden

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Appendix 5

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*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 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 expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these 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 written agreement.

(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 provided as well as the explanations and statements, in a written statement drafted 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 writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. 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 written consent, 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 the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims 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, the liability of the German Public Auditor for claims for damages of any other kind, 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*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) 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.

(5) An individual case of damages within the meaning of paragraph 2 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. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written 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.

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, 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 written consent 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 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, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, 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.

(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, valuation assessments for property units, wealth tax, 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, capital transactions 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.

EPL Propack UK Limited
Audited Financial Statements for the
financial year ended March 31, 2023

**Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 March 2023
for
EPL Propack UK Limited**

EPL Propack UK Limited

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EPL Propack UK Limited

Company Information for the Year Ended 31 March 2023

DIRECTOR: A Conner

REGISTERED OFFICE: Castle Court
41 London Road
Reigate
Surrey
RH2 9RJ

REGISTERED NUMBER: 02864279 (England and Wales)

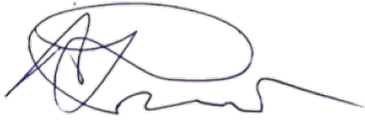
AUDITORS: Pawley & Malyon Limited (Statutory Auditor)
14 Austin Friars
London
EC2N 2HE

EPL Propack UK Limited

Strategic Report
for the Year Ended 31 March 2023

The director presents his strategic report for the year ended 31 March 2023.

ON BEHALF OF THE BOARD:

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke.

A Conner - Director

2 May 2023

EPL Propack UK Limited

Report of the Director for the Year Ended 31 March 2023

The director presents his report with the financial statements of the company for the year ended 31 March 2023.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2023.

DIRECTORS

A Conner has held office during the whole of the period from 1 April 2022 to the date of this report.

Other changes in directors holding office are as follows:

P Chaturvedi - resigned 15 August 2022

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

EPL Propack UK Limited

Report of the Director for the Year Ended 31 March 2023

AUDITORS

The auditors, Pawley & Malyon Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke.

A Conner - Director

2 May 2023

Report of the Independent Auditors to the Members of EPL Propack UK Limited

Opinion

We have audited the financial statements of EPL Propack UK Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Report of the Independent Auditors to the Members of EPL Propack UK Limited

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company'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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Report of the Independent Auditors to the Members of EPL Propack UK Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to EPL Propack UK Limited and determined that the most significant are those that relate to the reporting framework (FRS102, Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruption practices.

We understood how EPL Propack UK Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary.

We assessed the susceptibility of EPL Propack UK Limited's Financial Statements to material misstatement, including how fraud might occur, by using internal and external information to perform a risk assessment. We considered the risk of fraud through management override and, in response, we incorporated reviews of manual journal entries into our audit approach. We also considered the possibility of fraudulent or corrupt payments made through third parties. Where instances of risk behaviour patterns were identified, we performed additional audit procedures to address each identified risk. These procedures included the testing of transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

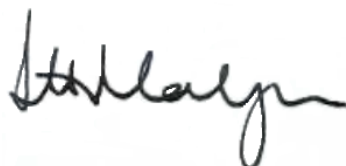
Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business and company management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of EPL Propack UK Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David H Malyon (Senior Statutory Auditor)
for and on behalf of Pawley & Malyon Limited (Statutory Auditor)
14 Austin Friars
London
EC2N 2HE

4 May 2023

EPL Propack UK Limited

Income Statement for the Year Ended 31 March 2023

		31/3/23		31/3/22	
	Notes	£	£	£	£
TURNOVER			1,409,442		1,288,445
Cost of sales			<u>540,425</u>		<u>428,829</u>
GROSS PROFIT			869,017		859,616
Distribution costs		3,013		79	
Administrative expenses		<u>156,961</u>		<u>164,534</u>	
			<u>159,974</u>		<u>164,613</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION			709,043		695,003
Tax on profit	6		<u>134,718</u>		<u>(279,428)</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>574,325</u></u>		<u><u>974,431</u></u>

The notes form part of these financial statements

EPL Propack UK Limited

**Other Comprehensive Income
for the Year Ended 31 March 2023**

		31/3/23	31/3/22
	Notes	£	£
PROFIT FOR THE YEAR		574,325	974,431
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>574,325</u></u>	<u><u>974,431</u></u>

The notes form part of these financial statements

Balance Sheet
31 March 2023

		31/3/23	31/3/22
	Notes	£	£
FIXED ASSETS			
Tangible assets	7	390	1,004
CURRENT ASSETS			
Stocks	8	-	7,153
Debtors	9	454,695	506,230
Cash at bank		<u>680,554</u>	<u>1,025,688</u>
		1,135,249	1,539,071
CREDITORS			
Amounts falling due within one year	1 0	<u>101,394</u>	<u>80,155</u>
NET CURRENT ASSETS		<u>1,033,855</u>	<u>1,458,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,034,245</u>	<u>1,459,920</u>
CAPITAL AND RESERVES			
Called up share capital	11	3,270,593	4,270,593
Capital redemption reserve	12	1,000	1,000
Retained earnings	12	<u>(2,237,348)</u>	<u>(2,811,673)</u>
SHAREHOLDERS' FUNDS		<u>1,034,245</u>	<u>1,459,920</u>

The financial statements were approved by the director and authorised for issue on 2 May 2023 and were signed by:



A Conner - Director

EPL Propack UK Limited

**Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	4,270,593	(3,786,104)	1,000	485,489
Changes in equity				
Total comprehensive income	<u>-</u>	<u>974,431</u>	<u>-</u>	<u>974,431</u>
Balance at 31 March 2022	<u>4,270,593</u>	<u>(2,811,673)</u>	<u>1,000</u>	<u>1,459,920</u>
Changes in equity				
Reduction in share capital	(1,000,000)	-	-	(1,000,000)
Total comprehensive income	<u>-</u>	<u>574,325</u>	<u>-</u>	<u>574,325</u>
Balance at 31 March 2023	<u><u>3,270,593</u></u>	<u><u>(2,237,348)</u></u>	<u><u>1,000</u></u>	<u><u>1,034,245</u></u>

The notes form part of these financial statements

EPL Propack UK Limited

Cash Flow Statement for the Year Ended 31 March 2023

		31/3/23	31/3/22
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	520,148	934,035
Tax paid		<u>134,718</u>	<u>(279,807)</u>
Net cash from operating activities		<u>654,866</u>	<u>654,228</u>
Cash flows from financing activities			
Share buyback		<u>(1,000,000)</u>	<u>-</u>
Net cash from financing activities		<u>(1,000,000)</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		(345,134)	654,228
Cash and cash equivalents at beginning of year	2	1,025,688	371,460
Cash and cash equivalents at end of year	2	<u>680,554</u>	<u>1,025,688</u>

The notes form part of these financial statements

EPL Propack UK Limited

Notes to the Cash Flow Statement for the Year Ended 31 March 2023

1. Reconciliation of profit before taxation to cash generated from operations

	31/3/23	31/3/22
	£	£
Profit before taxation	709,043	695,003
Depreciation charges	614	646
Increase in group debtors	(35,336)	(37,177)
Increase in group creditors	<u>1,335</u>	<u>804</u>
	675,656	659,276
Decrease/(increase) in stocks	7,153	(7,153)
(Increase)/decrease in trade and other debtors	(182,565)	256,706
Increase in trade and other creditors	<u>19,904</u>	<u>25,206</u>
Cash generated from operations	<u><u>520,148</u></u>	<u><u>934,035</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	<u><u>680,554</u></u>	<u><u>1,025,688</u></u>

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	<u><u>1,025,688</u></u>	<u><u>371,460</u></u>

3. Analysis of changes in net funds

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	<u>1,025,688</u>	<u>(345,134)</u>	<u>680,554</u>
	<u>1,025,688</u>	<u>(345,134)</u>	<u>680,554</u>
Total	<u><u>1,025,688</u></u>	<u><u>(345,134)</u></u>	<u><u>680,554</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. Statutory information

EPL Propack UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on the going concern basis. The company is reliant on the continuing financial support from the group and the ultimate parent company, Essel Propack Limited, has confirmed this support for a period greater than 12 months from the approval of these financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

EPL Propack UK Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

3. Accounting policies - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

4. Employees and directors

	31/3/23	31/3/22
	£	£
Wages and salaries	<u>46,502</u>	<u>50,354</u>

The average number of employees during the year was as follows:

	31/3/23	31/3/22
Administration	<u>5</u>	<u>5</u>

	31/3/23	31/3/22
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. Operating profit

The operating profit is stated after charging/(crediting):

	31/3/23	31/3/22
	£	£
Depreciation - owned assets	614	646
Auditing of accounts	17,040	13,248
Foreign exchange differences	<u>(597)</u>	<u>5,729</u>

EPL Propack UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

6. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31/3/23	31/3/22
	£	£
Deferred tax	<u>134,718</u>	<u>(279,428)</u>
Tax on profit	<u>134,718</u>	<u>(279,428)</u>

7. Tangible fixed assets

Cost

At 1 April 2022

and 31 March 2023

**Computer
equipment
£**

32,338

Depreciation

At 1 April 2022

Charge for year

31,334

614

At 31 March 2023

31,948

Net book value

At 31 March 2023

390

At 31 March 2022

1,004

8. Stocks

Finished goods

31/3/23

£

-

31/3/22

£

7,153

9. Debtors

Amounts falling due within one year:

Trade debtors

Amounts owed by group undertakings

Other debtors

Prepayments

31/3/23

£

100,550

198,536

1,864

9,035

309,985

31/3/22

£

53,306

163,200

-

10,296

226,802

EPL Propack UK Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

9. Debtors - continued

	31/3/23	31/3/22
	£	£
Amounts falling due after more than one year:		
Deferred tax	<u>144,710</u>	<u>279,428</u>
Aggregate amounts	<u>454,695</u>	<u>506,230</u>

10. Creditors: amounts falling due within one year

	31/3/23	31/3/22
	£	£
Amounts owed to group undertakings	2,609	1,274
Social security and other taxes	20,005	24,436
VAT	43,385	28,576
Accrued expenses	<u>35,395</u>	<u>25,869</u>
	<u>101,394</u>	<u>80,155</u>

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/3/23	31/3/22
			£	£
197,059,300	Ordinary	1p	1,970,593	1,970,593
1,300	Preference	£1000	<u>1,300,000</u>	<u>2,300,000</u>
			<u>3,270,593</u>	<u>4,270,593</u>

All dividends will be at the discretion of the company and upon winding up the preference shares rank pari passu with the ordinary shares.

The Preference Shares shall be redeemed at par at any time in whole or in part at the election of the company.

The holders of the Preference Shares shall not be entitled to receive notice of meetings or to attend and vote at general meetings of the Company.

EPL Propack UK Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

12. Reserves

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2022	(2,811,673)	1,000	(2,810,673)
Profit for the year	<u>574,325</u>	<u> </u>	<u>574,325</u>
At 31 March 2023	<u>(2,237,348)</u>	<u>1,000</u>	<u>(2,236,348)</u>

13. Ultimate controlling party

The immediate holding company is Lamitube Technologies Limited (Mauritius). The ultimate parent undertaking is The Blackstone Group Inc, an investment company based in New York. The consolidated accounts of Blackstone are available from The United States Securities and Exchange Commission.

EPL Propack UK Limited

Trading and Profit and Loss Account for the Year Ended 31 March 2023

	31/3/23		31/3/22	
	£	£	£	£
Turnover				
Sales	645,980		508,032	
Other income	<u>763,462</u>		<u>780,413</u>	
		1,409,442		1,288,445
Cost of sales				
Raw materials	531,059		428,829	
Plastic levy	<u>9,366</u>		<u>-</u>	
		<u>540,425</u>		<u>428,829</u>
GROSS PROFIT		869,017		859,616
Expenditure				
Travel and entertaining	3,013		79	
Rent	41,221		38,358	
Insurance	1,268		1,764	
Wages and salaries	46,502		50,354	
Telephone	2,448		3,037	
Post and stationery	2,344		1,034	
Repairs and maintenance	10		250	
Artwork	9,903		2,961	
Computer costs	3,974		5,674	
Sundry expenses	1		-	
Subscriptions	285		40	
Legal and professional fees	32,734		40,425	
Auditors' remuneration	17,040		13,248	
Foreign exchange (gains) / losses	(597)		5,729	
Depreciation of tangible fixed assets				
Computer equipment	614		646	
Entertainment	<u>-</u>		<u>294</u>	
		<u>160,760</u>		<u>163,893</u>
		708,257		695,723
Finance costs				
Bank charges		<u>(786)</u>		<u>720</u>
NET PROFIT		<u>709,043</u>		<u>695,003</u>

This page does not form part of the statutory financial statements

**EPL Deutschland Management GmbH,
Dresden**

**Audited Financial Statements for the
financial year ended March 31, 2023**

J a h r e s a b s c h l u s s

zum 31. März 2023

der

EPL Deutschland Management GmbH,

Dresden

EPL Deutschland Management GmbH, Dresden
Bilanz zum 31. März 2023

A k t i v a

	Stand am 31.03.2023 €	Stand am 31.03.2022 T€
A. Umlaufvermögen		
I. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen gegen verbundene Unternehmen	18.111,80	16
2. Sonstige Vermögensgegenstände	6.000,00	6
- davon gegenüber verbundenen Unternehmen: € 6.000,00 (Vorjahr: T€ 6) -	<u> </u>	<u> </u>
	24.111,80	22
II. Kassenbestand, Guthaben bei Kreditinstituten	<u>59.238,43</u>	<u>59</u>
	<u>83.350,23</u>	<u>81</u>
B. Rechnungsabgrenzungsposten	107,25	0
	<u> </u>	<u> </u>
	<u>83.457,48</u>	<u>81</u>

P a s s i v a

	Stand am 31.03.2023 €	Stand am 31.03.2022 T€
A. Eigenkapital		
I. Gezeichnetes Kapital	50.000,00	50
II. Gewinnvortrag	19.947,78	19
III. Jahresüberschuss	<u>1.338,64</u>	<u>1</u>
	<u>71.286,42</u>	<u>70</u>
B. Rückstellungen		
1. Steuerrückstellungen	0,00	0
2. Sonstige Rückstellungen	<u>7.000,00</u>	<u>7</u>
	7.000,00	7
C. Verbindlichkeiten		
Sonstige Verbindlichkeiten	5.171,06	4
- davon aus Steuern: € 2.161,36 (Vorjahr: T€ 2) -		
	<u> </u>	<u> </u>
	<u>83.457,48</u>	<u>81</u>

Die Gesellschaft wird unter der Nummer HRB 22931 beim Amtsgericht Dresden geführt.

**EPL Deutschland Management GmbH,
Dresden**

Gewinn- und Verlustrechnung

für die Zeit vom 1. April 2022 bis 31. März 2023

	€	€	2021/22 T€
1. Umsatzerlöse		172.569,81	171
2. Sonstige betriebliche Erträge		2.651,45	6
3. Personalaufwand			
a) Löhne und Gehälter	-149.146,44		-150
b) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	<u>-14.481,39</u>	-163.627,83	-14
4. Sonstige betriebliche Aufwendungen		-10.321,79	-10
5. Zinsen und ähnliche Erträge		67,00	0
6. Zinsen und ähnliche Aufwendungen		0,00	0
7. Steuern vom Einkommen und vom Ertrag		<u>0,00</u>	<u>0</u>
8. Ergebnis nach Steuern		1.338,64	3
9. sonstige Steuern		<u>0,00</u>	<u>-2</u>
10. Jahresüberschuss		<u><u>1.338,64</u></u>	<u><u>1</u></u>

Nach dem Ergebnis unserer Prüfung erteilen wir dem Jahresabschluss zum 31. März 2023 der EPL Deutschland Management GmbH, Dresden, den folgenden

Bestätigungsvermerk des unabhängigen Abschlussprüfers

An die EPL Deutschland Management GmbH, Dresden

Prüfungsurteil

Wir haben den Jahresabschluss der EPL Deutschland Management GmbH, Dresden – bestehend aus der Bilanz zum 31. März 2023 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023 – geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. März 2023 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrundeliegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Leipzig, den 25. April 2023

Roser GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



Bischoff
Wirtschaftsprüferin



Scheinpflug
Wirtschaftsprüfer

Translation from the original German financial statements into English

Report on the audit

of the annual financial statements as of 31 March 2023

of

EPL Deutschland Management GmbH,

Dresden

EPL Deutschland Management GmbH, Dresden
Balance sheet as at 31 March 2023

ASSETS

	As at 31/3/2023 €	As at 31/3/2022 k€
A. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	18,111.80	16
2. Other assets	6,000.00	6
- of which to affiliated companies: € 6,000.00 (prior year: k€ 6) -		
	<u>24,111.80</u>	<u>22</u>
II. Cash on hand and bank balances	<u>59,238.43</u>	<u>59</u>
	<u>83,350.23</u>	<u>81</u>
B. Prepaid expenses and deferred charges	107.25	0
	<u>83,457.48</u>	<u>81</u>

EQUITY AND LIABILITIES

	As at 31/3/2023 €	As at 31/3/2022 k€
A. Equity		
I. Subscribed capital	50,000.00	50
II. Retained profits carried forward	19,947.78	19
III. Net income for the year	<u>1,338.64</u>	<u>1</u>
	<u>71,286.42</u>	<u>70</u>
B. Provisions		
1. Accruals for tax	0.00	0
2. Other accruals	<u>7,000.00</u>	<u>7</u>
	7,000.00	<u>7</u>
C. Accounts payable		
Other liabilities	5,171.06	4
- of which from taxes: € 2,161.36 (prior year: k€ 2) -		
	<u>83,457.48</u>	<u>81</u>

The company is registered under register number HRB 22931 at the Dresden district court.

**EPL Deutschland Management GmbH,
Dresden**

Income Statement

from 1 April 2022 to 31 March 2023

	€	€	2021/22 k€
1. Sales		172,569.81	171
2. Other income		2,651.45	6
3. Personnel expenses			
a) Wages and salaries	-149,146.44		-150
b) Social security, pension and other benefits	<u>-14,481.39</u>	-163,627.83	-14
4. Other operating expenses		-10,321.79	-10
5. Interest and similar income		67.00	0
6. Interest and similar expenses		0.00	0
7. Taxes on income		<u>0.00</u>	<u>0</u>
8. Net income after taxes		1,338.64	3
9. Other taxes		<u>0.00</u>	<u>-2</u>
10. Net income for the year		<u><u>1,338.64</u></u>	<u><u>1</u></u>

In accordance with the result of our audit, we issue the financial statements as at 31 March 2023 of EPL Deutschland Management GmbH, Dresden, the following

Independent Auditor's Report

To the EPL Deutschland Management GmbH, Dresden

Report on the Audit of the annual Financial Statements

Audit Opinion

We have audited the annual financial statements of EPL Deutschland Management GmbH, Dresden, comprising the balance sheet as at 31 March 2023 and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities 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.

Responsibilities of the Executive Directors for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary 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 executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our [audit] opinions on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. Moreover, we

- identify and assess the risks of material misstatement of the annual financial, 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 [audit] opinions. 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 controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an [audit] opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

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.

Leipzig, 25 April 2023

Roser GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
(German certified audit firm)

Bischoff
Wirtschaftsprüferin
(German certified auditor)

Scheinpflug
Wirtschaftsprüfer
(German certified auditor)

EPL Propack Phillippines, Inc.
Audited Financial Statements for the
financial year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
EPL Propack Philippines, Inc.
(formerly known as Essel Propack Philippines, Inc.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EPL Propack Philippines, Inc. (formerly known as Essel Propack Philippines, Inc.) [the Company], a wholly-owned subsidiary of Lamitube Technologies Limited, which comprise the statements of financial position as at March 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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 financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

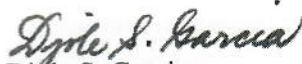
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Supplementary Information Required under Revenue Regulations 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 34-2020 and 15-2010 in Note 20 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of EPL Propack Philippines, Inc. (*formerly known as Essel Propack Philippines, Inc.*). The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.


Dyole S. Garcia

Partner

CPA Certificate No. 0097907

Tax Identification No. 201-960-347

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 97907-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-102-2021, September 16, 2021, valid until September 15, 2024

PTR No. 9564626, January 3, 2023, Makati City

April 20, 2023



EPL PROPACK PHILIPPINES, INC.
(formerly known as Essel Propack Philippines, Inc.)
[A Wholly-Owned Subsidiary of Lamitube Technologies Limited]

BALANCE SHEETS

	March 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Note 4)	₱2,495,219	₱8,400,515
Receivables (Note 5)	172,982,248	149,158,146
Inventories (Note 6)	112,462,484	72,022,299
Other current assets (Note 7)	13,911,833	7,044,277
Total Current Assets	301,851,784	236,625,237
Noncurrent Assets		
Property and equipment (Note 8)	27,542,145	34,323,365
Deferred income tax assets - net (Note 16)	4,845,448	5,304,524
Other noncurrent assets (Note 9)	2,549,895	4,695,379
Total Noncurrent Assets	34,937,488	44,323,268
TOTAL ASSETS	₱336,789,272	₱280,948,505
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 10 and 17)	₱118,511,219	₱87,904,382
Dividends payable (Notes 17 and 19)	52,900,691	42,855,000
Income tax payable	5,429,783	5,586,274
Total Current Liabilities	176,841,693	136,345,656
Noncurrent Liabilities		
Pension liabilities (Note 11)	15,835,522	16,583,558
Total Liabilities	192,677,215	152,929,214
Equity		
Capital stock - ₱100 par value		
Authorized - 400,000 shares		
Issued - 375,593 shares	37,559,300	37,559,300
Retained earnings (Note 19)	106,552,757	90,459,991
Total Equity	144,112,057	128,019,291
TOTAL LIABILITIES AND EQUITY	₱336,789,272	₱280,948,505

See accompanying Notes to Financial Statements.

EPL PROPACK PHILIPPINES, INC.
(formerly known as Essel Propack Philippines, Inc.)
[A Wholly-Owned Subsidiary of Lamitube Technologies Limited]

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31	
	2023	2022
NET SALES	₱515,727,127	₱413,237,215
COST OF SALES (Notes 12 and 17)	(362,999,927)	(290,913,326)
GROSS PROFIT	152,727,200	122,323,889
DISTRIBUTION AND SELLING EXPENSES (Note 13)	(13,839,002)	(9,779,187)
GENERAL AND ADMINISTRATIVE EXPENSES (Notes 14 and 17)	(44,011,475)	(41,289,583)
OTHER INCOME (CHARGES)		
Foreign exchange loss - net	(888,089)	(3,631,322)
Interest income (Note 4)	11,363	16,998
Others – net	(1,473,153)	2,575,808
INCOME BEFORE INCOME TAX	92,526,844	70,216,603
PROVISION FOR INCOME TAX (Note 16)		
Current	23,074,312	17,240,493
Deferred	459,075	75,349
	23,533,387	17,315,842
NET INCOME	68,993,457	52,900,761
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱68,993,457	₱52,900,761

See accompanying Notes to Financial Statements.



EPL PROPACK PHILIPPINES, INC.
(formerly known as Essel Propack Philippines, Inc.)
[A Wholly-Owned Subsidiary of Lamitube Technologies Limited]

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	Capital Stock	Retained Earnings (Note 19)	Total
BALANCES AT MARCH 31, 2021	₱37,559,300	₱80,414,230	₱117,973,530
Total comprehensive income for the year	—	52,900,761	52,900,761
Cash dividends - ₱114.10 per share (Note 19)	—	(42,855,000)	(42,855,000)
BALANCES AT MARCH 31, 2022	₱37,559,300	₱90,459,991	₱128,019,291
Total comprehensive income for the year	—	68,993,457	68,993,457
Cash dividends - ₱140.85 per share (Note 19)	—	(52,900,691)	(52,900,691)
BALANCES AT MARCH 31, 2023	₱37,559,300	₱106,552,757	₱144,112,057

See accompanying Notes to Financial Statements.



EPL PROPACK PHILIPPINES, INC.
(formerly known as Essel Propack Philippines, Inc.)
[A Wholly-Owned Subsidiary of Lamitube Technologies Limited]
STATEMENTS OF CASH FLOWS

	Years Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱92,526,844	₱70,216,603
Adjustments for:		
Depreciation and amortization (Notes 8, 9, 12 and 14)	10,485,947	10,569,574
Unrealized foreign exchange loss (gain)	(908,347)	996,506
Movement in pension liabilities (Note 11)	(748,036)	86,026
Interest income (Note 4)	(11,363)	(16,998)
Operating income before working capital changes	101,345,045	81,851,711
Decrease (increase) in:		
Receivables	(23,911,425)	(18,070,366)
Inventories	(40,440,185)	(6,019,150)
Other current assets	(6,867,555)	2,304,186
Increase (decrease) in accounts payable and accrued expenses	31,600,078	(9,738,515)
Net cash generated from operations	61,725,958	50,327,866
Income tax paid, including creditable withholding tax	(23,230,803)	(15,513,442)
Interest received	11,363	16,998
Net cash from operating activities	38,506,518	34,831,422
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 8)	(3,574,113)	(3,094,705)
Computer software (Note 9)	—	(49,634)
Decrease in other noncurrent assets	2,014,870	20,428
Net cash used in investing activities	(1,559,243)	(3,123,911)
CASH FLOWS USED IN FINANCING ACTIVITY		
Payments of cash dividends (Note 19)	(42,855,000)	(29,335,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,429	(305,915)
NET INCREASE (DECREASE) IN CASH	(5,905,296)	2,066,596
CASH AT BEGINNING OF YEAR	8,400,515	6,333,919
CASH AT END OF YEAR (Note 4)	₱2,495,219	₱8,400,515

See accompanying Notes to Financial Statements.



EPL PROPACK PHILIPPINES, INC.

(formerly known as Essel Propack Philippines, Inc.)

[A Wholly-Owned Subsidiary of Lamitube Technologies Limited]

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

Corporate Information

EPL Propack Philippines, Inc. *(formerly known as Essel Propack Philippines, Inc.)* [the Company] was incorporated in the Philippines and is a wholly-owned subsidiary of Lamitube Technologies Limited (Lamitube), a company incorporated in Mauritius. Its parent company is EPL Limited [formerly known as EPL Propack Limited (EPL)], a company incorporated in India and is listed in Bombay Stock Exchange and National Stock Exchange. The Company was registered with the Philippine Securities and Exchange Commission (SEC) on March 27, 1992 for the purpose of engaging in the business of manufacturing, importing, exporting, buying, selling, or otherwise dealing in, at wholesale of laminated plastic tubes and other packaging products, and goods of similar nature, and all equipment, materials, supplies used or employed in or related to the manufacture of finished products.

The Company's ultimate parent is Blackstone Inc., an alternative investment management company based in New York City, New York and is listed in the New York Stock Exchange.

On October 19, 2020, the Board of Directors approved to change the Company's corporate name from "Essel Propack Philippines, Inc." to "EPL Propack Philippines, Inc." On July 17, 2021, the Philippine SEC approved the amended articles of incorporation and by-laws.

The Company's registered office address is Building No. 11, Phase 2, Vita Compound, 108 Marcos Alvarez Avenue, Bo. Talon I, Las Piñas City.

Authorization for Issuance of the Financial Statements

The financial statements of the Company were approved and authorized for issuance by the Board of Directors (BOD) on April 20, 2023.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation

The financial statements of the Company have been prepared using the historical cost basis and are presented in Philippine peso, the Company's functional and presentation currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

Cash

Cash includes cash on hand and in banks.

Receivables

Trade receivables, which are based on normal credit terms and do not bear interest, are recognized and carried at original invoice amounts. Other receivables are recognized at face value. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest rate method. At the end of each reporting period, the carrying amounts of trade and other



receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

If there is an objective evidence that an impairment loss on trade and other receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the impairment loss shall be recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

Raw materials and spare parts and supplies	Determined using moving-average method based on purchase cost of inventories and other directly attributable costs.
Work-in-process	Cost includes direct materials and a proportion of direct labor and factory overhead determined using moving-average method.
Finished goods	Cost includes direct materials, direct labor and factory overhead determined using moving average method.

NRV is the (a) selling price less the costs necessary to make the sale for finished goods, (b) estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale for work-in-process and (c) current replacement cost for raw materials and spare parts and supplies.

Prepaid Expenses and Creditable Withholding Taxes (CWT)

Prepaid expenses are expenses paid in advance and recorded as asset before they are utilized. This account consists of prepaid real property taxes, prepaid insurance premiums and other prepaid items. Prepaid real property taxes, prepaid insurance premiums and other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source, subject to the rules on Philippine income taxation.

Prepayments and CWTs that are expected to be realized for no more than 12 months after the reporting period are classified as current assets; otherwise, these are classified as other noncurrent assets.

Duty Drawback Claims

Duty drawback claims pertain to refund for tariffs and customs payment for imported inventories and are expected to be converted to tax credit certificates. Allowance for probable losses is recognized for the expected unrecoverable portion.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property



and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation commences once the property and equipment are available for use and is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Machinery and equipment	3-10
Office furniture, fixtures and equipment	5

Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

Assets under installation is comprised of property and equipment that are not yet ready for their intended use as of balance sheet date.

The assets' estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited to or charged against profit and loss.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Computer Software and Licensing Fees

The Company amortizes computer software and licensing fees shown under "Other noncurrent assets" account in the balance sheet using the straight-line method over 10 years, the estimated useful life of the computer software and licensing fees.

Impairment of Nonfinancial Assets

At each reporting date, the Company assesses whether there is an indication that the nonfinancial assets may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount of these assets is the greater of fair value less costs to sell and value-in-use. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of impairment loss is recognized immediately in profit or loss.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established.



Pension Benefits Cost

The Company has a funded, noncontributory defined benefit pension plan covering substantially all its regular employees (main plan) and an unfunded, noncontributory defined benefit pension plan covering its officers (supplemental plan). Pension benefits cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning the employee's projected salaries. Actuarial gains and losses are recognized in profit or loss for the period.

The amount recognized as pension liability is the net of the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets at balance sheet date out of which the obligations are to be settled directly.

Operating Lease

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating lease. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Capital Stock

Capital stock is measured at par value for all shares issued and outstanding. Incremental costs incurred that are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained Earnings

Retained earnings represent the cumulative balance of net income and effects of changes in accounting policy, net of dividend distributions.

Dividend Distributions

Dividends are recognized as a liability and deducted from equity when approved by the BOD of the Company. Dividends for the year that are approved after the reporting period are dealt with as an event after the balance sheet date.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods, shown as "Net sales", is recognized when the significant risks and rewards of ownership of goods have passed to the buyer, which is at the time the goods are delivered to the customers, in case of domestic sales. For export sales, ownership is passed to the buyer upon shipment of the goods regardless of receipt by the customers. Net sales is measured at the fair value of the consideration received or receivable, taking into account the amount of rebates, discounts, returns and VAT.

Interest income

Interest income is recognized as the interest accrues using the effective interest rate method.

Cost and Expenses

Cost and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability, other than those relating to distributions to equity participants, has arisen that can be measured reliably.



Cost of sales

Cost of sales is recognized when the related goods are sold.

Distribution and selling and general and administrative expenses

These expenses consist of expenses incurred to sell and distribute the Company's products and expenses of administering the business which are not directly associated with the generation of revenue. These expenses are expensed as incurred.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Current income tax for the current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as "Income tax payable" in the balance sheet. If the amount already paid in respect of the current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of "Other current assets" in the balance sheet.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences can be utilized.

The net carrying amount of deferred income tax assets is reviewed at balance sheet date and is adjusted to reflect the current assessment of future taxable profits. Any adjustment is recognized in profit or loss. Deferred income tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

Value-added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of the "Accounts payable and accrued expenses" account in the balance sheet. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the balance sheet to the extent of the recoverable amount.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded using the applicable exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the applicable rate of exchange at balance sheet date. Foreign exchange gains or losses are recognized in profit or loss.



Events After the Balance Sheet Date

Post year-end events that provide additional information about the Company's position at balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Management's Use of Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS for SMEs requires the Company to exercise judgments and make estimates that affect the amounts reported in the financial statements and accompanying notes. The judgments and estimates used in the financial statements are based upon evaluation of relevant facts and circumstances as of balance sheet date. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the financial statements of the Company as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following presents a summary of these significant judgments and estimates:

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on amounts recognized in the financial statements.

Assessment whether the lease agreement is a finance or operating lease

Management assesses at the inception of the lease whether the arrangement is a finance or operating lease based on who bears substantially all the risks and rewards incidental to the ownership of the leased item.

The Company as a lessee has entered into a lease contract on its factory and administrative office where it has determined that the risks and rewards related to the property are retained by the lessor. As such, the agreement is accounted for as operating lease.

Total rent expense amounted to ₱8,442,784 and ₱8,040,757 for 2023 and 2022, respectively (see Notes 12 and 14).

Impairment of property and equipment and computer software and licensing fees

The Company performs an asset impairment test when there are indicators that the carrying values of property and equipment and computer software and licensing fees may not be recoverable. This requires an estimation of the recoverable amount of the asset which is the greater of its fair value less cost to sell or its value-in-use. Fair value less cost to sell is determined based on the fair value of the assets. Value-in-use requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of the assets and requires the Company to make estimates and assumptions that can materially affect the financial statements. As of March 31, 2023, and 2022, there are no indicators of impairment noted on the Company's property and equipment and computer software and licensing fees.

Estimates

The key assumptions concerning future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed on the next page:



Estimation of allowance for doubtful accounts and allowance for rebates

Provisions are made for specific and group of accounts where objective evidence of impairment exists. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts, such as the length of relationship with the debtor/customer, credit status of debtor based on third party reports and historical experience. Allowance for doubtful accounts amounted to ₱577,775 and ₱805,119 as of March 31, 2023 and 2022, respectively.

Provisions are made for rebates expected to be returned to the customers. The level of this allowance is evaluated at each balance sheet date based on the expected deduction against future billings to customers. Allowance for rebates amounted to ₱725,379 of March 31, 2023 (nil as of March 31, 2022).

The carrying value of receivables amounted to ₱172,982,247 and ₱149,158,146 as of March 31, 2023 and 2022, respectively (see Note 5).

Estimation of allowance for inventory obsolescence

Provisions are made for inventories specifically identified to be slow-moving or non-moving. The level of allowance is evaluated by management based on factors affecting the salability of goods such as such as demand of the products, competitor's market position, and laws and regulations, among others.

Allowance for inventory obsolescence amounted to ₱2,789,653 and ₱2,401,657 as of March 31, 2023 and March 31, 2022, respectively. The carrying value of inventories amounted to ₱112,462,484 and ₱72,022,299 as of March 31, 2023 and 2022, respectively (see Note 6).

Estimation of allowance for probable losses

Provisions are made for duty drawback claims which are not expected to be recovered. The level of allowance is evaluated by management based on historical experience of duty drawback claims not converted to tax credit certificates. Allowance for probable losses amounted to ₱222,935 as of March 31, 2023 and 2022. The carrying value of duty drawback claims amounted to ₱891,741 as of March 31, 2023 and 2022 (see Note 9).

Estimation of the useful lives of property and equipment and computer software and licensing fees

The useful life of each item of property and equipment and computer software and licensing fees is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on the technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear and technical obsolescence or other limits on the use of the asset.

There is no change in the useful lives of the property and equipment and computer software and licensing fees in 2023 and 2022. The carrying value of property and equipment amounted to ₱27,542,145 and ₱34,323,365 as of March 31, 2023 and 2022, respectively (see Note 8). The carrying value of computer software and licensing fees is ₱40,634 and ₱171,248 as of March 31, 2023 and 2022, respectively (see Note 9).

Recognition of deferred income tax assets

The Company reviews the carrying amount of deferred income tax assets at each balance sheet date and reduces them to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Gross deferred income tax assets amounted to ₱5,072,535 and ₱5,304,524 as of March 31, 2023 and 2022, respectively (see Note 16).



Estimation of pension benefits cost and obligation

The determination of the Company's pension benefits cost and obligation is dependent on management's selection of certain assumptions used by actuary in calculating such amounts. Those assumptions are described in Note 11 and include among others, discount rate, rate of return on plan assets and rate of salary increase. While the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's pension benefits cost and obligation. Net pension benefits cost amounted to ₱1,523,862 in 2023 and ₱2,086,026 in 2022. Net pension liabilities amounted to ₱15,835,522 and ₱16,583,558 as of March 31, 2023 and 2022, respectively (see Note 11).

4. **Cash**

	2023	2022
Cash on hand	₱9,131	₱21,746
Cash in banks	2,486,088	8,378,769
	₱2,495,219	₱8,400,515

Cash in banks earn interest at the respective bank deposit rates. Interest income amounted to ₱11,363 in 2023 and ₱16,998 in 2022.

5. **Receivables**

	2023	2022
Trade	₱173,343,855	₱149,298,784
Advances to officers and employees	61,583	22,000
Others	154,585	642,481
	173,560,023	149,963,265
Allowance for doubtful accounts	(577,775)	(805,119)
	₱172,982,248	₱149,158,146

Trade receivables are noninterest-bearing and are generally on a 15 to 90-day credit term.

Movements in allowance for doubtful accounts as follow:

	2023	2022
Balance at beginning of year	₱805,119	₱637,775
Provision (Note 14)	—	167,344
Reversal (Note 14)	(227,344)	—
Balance at end of year	₱577,775	₱805,119



Movements in allowance for rebates as follow:

	2023	2022
Balance at beginning of year	P-	P696,285
Provision	3,304,048	-
Reversal	(2,578,669)	(696,285)
Balance at end of year	P725,379	P-

Provision for allowance for rebates is recorded as deduction from "Sales" in the statement of comprehensive income.

6. Inventories

	2023	2022
At cost:		
Spare parts and supplies	P-	P7,613,585
At NRV:		
Work-in-process	1,187,221	1,428,348
Spare parts and supplies	10,166,841	-
Finished goods	32,716,752	15,792,863
Raw Materials	68,391,670	47,187,503
At the lower of cost and NRV	P112,462,484	P72,022,299

Cost of inventories carried at NRV amounted to P115,252,137 and P66,810,371 as of March 31, 2023 and 2022, respectively.

Total amount of inventories charged to cost of sales amounted to P295,872,464 in 2023 and P230,514,489 in 2022 (see Note 12).

Movement in the allowance for inventory obsolescence is as follows:

	Finished Goods	Raw Materials	Work-in-process	Spare Parts	Total
Balances at March 31, 2021	P2,492,963	P876,809	P-	P-	P3,369,772
Provisions for the year (Note 14)	310,699	2,081,370	9,588	-	2,401,656
Reversals for the year (Note 14)	(2,492,963)	(876,809)	-	-	(3,369,771)
Balances at March 31, 2022	P310,699	P2,081,370	P9,588	P-	P2,401,657
Provisions for the year (Note 14)	3,427,594	2,377,634	67,502	119,895	5,992,626
Reversals for the year (Note 14)	(2,182,263)	(3,403,190)	(19,176)	-	(5,604,630)
Balances at March 31, 2023	P1,556,030	P1,055,814	P57,914	P119,895	P2,789,653



7. Other Current Assets

	2023	2022
Prepaid expenses	₱5,638,547	₱3,051,755
Advances to suppliers	6,795,249	2,280,521
Current portion of deferred input VAT	1,363,451	1,597,415
Tax credit certificates	114,586	114,586
	₱ 13,911,833	₱7,044,277

Advances to suppliers represent advanced payment made for the purchase of inventories and supplies.

8. Property and Equipment

As of March 31, 2023:

	Asset Under Installation	Machinery and Equipment	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Total
Cost					
Beginning balance	₱-	₱192,484,505	₱2,986,273	₱6,147,510	₱201,618,288
Additions	-	3,109,769	-	464,344	3,574,113
Disposal	-	(47,500)	-	(54,464)	(101,964)
Reclassification (Note 9)	-	-	-	-	-
Ending balance	-	195,546,774	2,986,273	6,557,389	205,090,436
Accumulated Depreciation and Amortization					
Beginning balance	-	159,947,237	2,986,273	4,361,413	167,294,923
Depreciation and amortization (Notes 12 and 14)	-	9,743,327	-	612,006	10,355,333
Disposal	-	(47,500)	-	(54,464)	(101,964)
Ending balance	-	169,643,064	2,986,273	4,918,955	177,548,292
Net Book Value	₱-	25,903,710	₱-	₱1,638,434	₱27,542,145

As of March 31, 2022:

	Asset Under Installation	Machinery and Equipment	Leasehold Improvements	Office Furniture, Fixtures and Equipment	Total
Cost					
Beginning balance	₱2,560,704	₱187,360,558	₱2,986,273	₱5,616,048	₱198,523,583
Additions	-	2,563,243	-	531,462	3,094,705
Reclassification	(2,560,704)	2,560,704	-	-	-
Ending balance	-	192,484,505	2,986,273	6,147,510	201,618,288
Accumulated Depreciation and Amortization					
Beginning balance	-	150,209,807	2,986,273	3,739,743	156,935,823
Depreciation and amortization (Notes 12 and 14)	-	9,737,430	-	621,670	10,359,100
Ending balance	-	159,947,237	2,986,273	4,361,413	167,294,923
Net Book Value	₱-	₱32,537,268	₱-	₱1,786,097	₱34,323,365

9. Other Noncurrent Assets

	2023	2022
Duty drawback claims	₱1,114,676	₱1,114,676
Advances to suppliers	1,024,473	—
Refundable lease and utility deposits (Note 18)	458,184	3,376,667
Noncurrent portion of deferred input VAT	134,863	255,723
Computer software and licensing fees	40,634	171,248
	2,772,830	4,918,314
Less allowance for probable losses	222,935	222,935
	₱2,549,895	₱4,695,379

Advances to suppliers represent advanced payment made for leasehold improvements.

Refundable lease and utility deposits represent security deposit for the lease of the warehouse and deposit upon application to avail electricity service. The effect of discounting the refundable lease and utility deposits is immaterial and therefore recorded at face value.

The movements in the carrying value of computer software and licensing fees follow:

	2023	2022
Cost		
Beginning balance	₱8,724,179	₱8,674,545
Additions	—	49,634
Ending Balance	8,724,179	8,724,179
Accumulated Amortization		
Beginning balance	8,552,931	8,342,457
Amortization (Notes 12 and 14)	130,614	210,474
Ending balance	8,683,545	8,552,931
Net Book Value	₱40,634	₱171,248

10. Accounts Payable and Accrued Expenses

	2023	2022
Trade:		
Related party (Note 17)	₱83,281,611	₱61,137,422
Third parties	13,162,626	9,673,785
Accrued expenses:		
Salaries and other employee benefits	7,943,843	7,308,734
Professional fees	1,167,793	925,564
Utilities	451,979	392,579
Software maintenance (Note 17)	—	164,064
Others	2,655,187	788,508
Due to related parties (Note 17)	2,490,136	2,700,857
Nontrade payables	628,984	1,247,055
Output VAT payable	2,697,494	2,079,638
Payable to government agencies	2,719,140	715,968
Others	1,312,426	770,208
	₱118,511,219	₱87,904,382

Trade payables are noninterest-bearing and are normally settled on a 150-day credit term.



Accrued expenses pertain to the accruals for personnel expenses, repairs and maintenance, professional fees, communication, and utilities. Others mainly represent loss on forward contracts, trucking and shipping charges. These are noninterest-bearing and are normally settled within one year.

Nontrade payables consist of payable to lessors, professionals and other utility service providers.

11. Pension Plan

The Company has a funded, noncontributory defined benefit pension plan covering substantially all its regular employees (main plan) and an unfunded, noncontributory defined benefit pension plan covering officers (supplemental plan). The benefits are based on the years of service and compensation of the employees. The tables below summarize the components of net pension benefits cost recognized in profit or loss and the funding status and amounts recognized in the balance sheets for the respective pension plans.

The components of net pension benefits cost recognized in profit or loss are as follows:

	Main Plan		Supplemental Plan		Total	
	2023	2022	2023	2022	2023	2022
Current service cost	₱3,008,477	₱2,872,420	₱152,170	₱179,243	₱3,160,647	₱3,051,663
Interest cost	907,511	616,875	31,865	19,537	939,376	636,412
Net actuarial loss (gain)	(2,376,262)	(1,607,347)	(199,899)	5,298	(2,576,161)	(1,602,049)
Net pension benefits cost	₱1,539,726	₱1,881,948	(₱15,864)	₱204,078	₱1,523,862	₱2,086,026

Pension liabilities as of March 31 are as follows:

	Main Plan		Supplemental Plan		Total	
	2023	2022	2023	2022	2023	2022
Present value of defined benefit obligation	₱31,434,013	₱30,969,140	₱646,443	₱662,307	₱32,080,456	₱31,631,447
Fair value of plan assets	(16,244,934)	(15,047,889)	—	—	(16,244,934)	(15,047,889)
Pension liabilities	₱15,189,079	₱15,921,251	₱646,443	₱662,307	₱15,835,522	₱16,583,558

Changes in the present value of the defined benefit obligation are as follows:

	Main Plan		Supplemental Plan		Total	
	2023	2022	2023	2022	2023	2022
Balances at beginning of year	₱30,969,140	₱28,528,610	₱662,307	₱458,229	₱31,631,447	₱28,986,839
Current service cost	3,008,477	2,872,420	152,170	179,243	3,160,647	3,051,663
Interest cost	1,685,929	1,369,977	31,865	19,537	1,717,794	1,389,514
Benefits paid from Company operating funds	(271,898)	—	—	—	(271,898)	—
Benefits paid from Retirement Fund	(897,899)	—	—	—	(897,899)	—
Actuarial loss (gain) for the year:						
Experience adjustments	(496,894)	844,652	(184,393)	20,289	(681,287)	864,941
Changes in assumptions	(2,562,842)	(2,646,519)	(15,506)	(14,991)	(2,578,348)	(2,661,510)
Balances at end of year	₱31,434,013	₱30,969,140	₱646,443	₱662,307	₱32,080,456	₱31,631,447



Changes in the fair value of plan assets are as follows:

	Main Plan		Supplemental Plan		Total	
	2023	2022	2023	2022	2023	2022
Balances at beginning of year	₱15,047,889	₱12,489,307	₱—	₱—	₱15,047,889	₱12,489,307
Interest income	778,418	753,102	—	—	778,418	753,102
Gains (losses) on return on plan assets	(683,474)	(194,520)	—	—	(683,474)	(194,520)
Contributions	2,000,000	2,000,000	—	—	2,000,000	2,000,000
Benefits paid	(897,899)	—	—	—	(897,899)	—
Balances at end of year	₱16,244,934	₱15,047,889	₱—	₱—	₱16,244,934	₱15,047,889

Actual return on plan assets amounted to ₱94,944 in 2023 and ₱558,582 in 2022. The overall expected return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Movement in pension liabilities follows:

	Main Plan		Supplemental Plan		Total	
	2023	2022	2023	2022	2023	2022
Balances at beginning of year	₱15,921,251	₱16,039,303	₱662,307	₱458,229	₱16,583,558	₱16,497,532
Net pension benefits cost (gain) for the year	1,539,726	1,881,948	(15,864)	204,078	1,523,862	2,086,026
Benefits paid from Company operating funds	(271,898)	—	—	—	(271,898)	—
Contributions	(2,000,000)	(2,000,000)	—	—	(2,000,000)	(2,000,000)
Balances at end of year	₱15,189,079	₱15,921,251	₱646,443	₱662,307	₱15,835,522	₱16,583,558

The categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2023	2022
Cash	26.82%	36.32%
Loans receivable	31.91%	25.82%
Investment in unit investment trust fund	17.00%	16.09%
Equity securities	17.19%	14.44%
Investment in fixed income securities	7.07%	7.33%
		100.00%

The Company's plan assets consist of loans receivable from plan holders under the Company's Employee Loan Facility Program which started in October 2010. Under the Program, all qualified employees are eligible for loan availment with interest rate of 6% per annum subject to regular repricing. The latest actuarial valuation of the plan is as of March 31, 2023.



The principal actuarial assumptions used to determine pension benefits cost as of April 1 are as follows:

	2022	2021
Discount rate	5.70%	4.88%
Salary increase rate	6.00%	6.00%

The discount rate used as of March 31, 2023 is 6.54%.

The present value of defined benefit obligation, fair value of plan assets and experience adjustments of main plan for the current period and previous years are as follows:

	2023	2022
Present value of defined benefit obligation	(₱31,434,013)	(₱30,969,140)
Fair value of plan assets	16,244,934	15,047,889
Net liability	(15,189,079)	(15,921,251)
Actuarial loss (gain) on experience adjustments on:		
Defined benefit obligation	(496,894)	844,652
Plan assets	683,474	194,520

The present value of defined benefit obligation and experience adjustments of the supplemental plan for the current period and previous years are as follows:

	2023	2022
Present value of defined benefit obligation	646,443	₱662,307
Actuarial loss on experience adjustments on defined benefit obligation	(184,393)	20,289

12. Cost of Sales

	2023	2022
Raw materials used and changes in inventories (Notes 6 and 17)	₱295,872,464	₱230,514,489
Personnel costs (Note 15)	29,291,730	26,317,275
Depreciation and amortization (Notes 8 and 9)	10,076,401	10,112,405
Utilities	9,128,019	6,254,852
Rent (Note 18)	7,945,390	7,567,048
Repairs and maintenance	5,995,819	7,109,329
Others	4,690,104	3,037,928
	₱362,999,927	₱290,913,326



13. Distribution and Selling Expenses

	2023	2022
Freight (Note 17)	₱10,794,911	₱8,152,675
Marketing	1,755,178	992,895
Foreign travel	617,488	—
Transportation and local travel	614,934	614,685
Entertainment, amusement and recreation	56,491	18,932
	₱13,839,002	₱9,779,187

14. General and Administrative Expenses

	2023	2022
Personnel costs (Note 15)	₱16,182,589	₱16,792,883
Management fees (Note 17)	9,667,152	7,594,044
Taxes and licenses	5,112,276	5,211,424
Repairs and maintenance (Note 17)	3,200,850	2,579,955
Professional fees	2,266,087	3,441,371
Outside services	1,933,633	1,832,591
Rent (Note 18)	497,394	473,709
Depreciation and amortization (Notes 8 and 9)	409,546	457,169
Provision for (reversal of) inventory obsolescence (Note 6)	387,996	(968,115)
Supplies	359,271	286,086
Utilities	308,479	599,108
Provision for (reversal of) doubtful accounts (Note 5)	(227,344)	167,344
Training and development	103,063	85,360
Others	3,810,483	2,736,654
	₱44,011,475	₱41,289,583

Depreciation and amortization consist of:

	2023	2022
Property and equipment (Note 8)	₱10,355,333	₱10,359,100
Computer software and licensing fees (Note 9)	130,614	210,474
	₱10,485,947	₱10,569,574

Depreciation and amortization as a function of expense follows:

	2023	2022
Cost of sales (Note 12)	₱10,076,401	₱10,112,405
General and administrative expenses (Note 14)	409,546	457,169
	₱10,485,947	₱10,569,574



15. Personnel Costs

	2023	2022
Cost of sales (Note 12):		
Direct labor	₱16,004,940	₱13,593,685
Bonus and other employee benefits	10,844,360	10,123,487
Pension benefits cost (Note 11)	902,423	1,235,334
SSS, Philhealth and HDMF contributions	1,540,007	1,364,769
	29,291,730	26,317,275
General and administrative expenses (Note 14):		
Salaries and allowances	9,332,555	8,976,663
Bonus and other employee benefits	5,851,408	6,609,029
Pension benefits cost (Note 11)	621,439	850,692
SSS, Philhealth and HDMF contributions	377,187	356,499
	16,182,589	16,792,883
	₱45,474,319	₱43,110,158

The aggregate compensation and benefits paid to the Company's key management personnel are disclosed in Note 17.

16. Income Taxes

- a. The provision for income tax consists of:

	2023	2022
Current	₱23,074,312	₱17,240,493
Deferred	459,075	75,349
	₱23,533,387	₱17,315,842

- b. The reconciliation of the income before income tax at statutory income tax rate of 25% in 2023 and 2022 and the provision for income tax as shown in profit or loss are as follows:

	2023	2022
Provision for income tax at statutory tax rate	₱23,131,711	₱17,554,151
Adjustments for:		
Nontaxable income	404,517	(234,059)
Interest income subjected to final tax	(2,841)	(4,250)
Effect of change in income tax rate	—	—
Nondeductible expenses	—	—
Provision for income tax	₱23,533,387	₱17,315,842



- c. The components of the Company's net deferred income tax assets are as follows:

	2023	2022
Deferred tax assets:		
Pension liabilities (Note 11)	₱3,958,881	₱4,145,890
Provision for obsolete inventory (Note 6)	697,413	600,414
Unrealized foreign exchange loss	—	249,128
Provision for doubtful debts (Note 5)	144,444	201,280
Allowance for probable losses (Note 9)	55,734	55,734
Unamortized funded past service cost	34,718	52,078
Allowance for rebates (Note 5)	181,345	—
	5,072,535	5,304,524
Deferred tax liability on unrealized foreign exchange gain	(227,087)	—
	₱4,845,448	₱5,304,524

17. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders.

- a. The Company's significant transactions with related parties and related outstanding balances are as follows:

	Year	Transactions					
		Purchases (Note 12) [i]	Allocated Costs (Note 14) [ii]	Repairs and Maintenance (Note 14) [ii]	Others (Notes 6, 13) [iii]	Management Service (Note 14) [iv]	Dividends Declared (Note 19)
EPL Limited	2023	₱3,599,128	₱447,006	₱2,071,850	₱—	₱—	₱—
(Immediate Parent)	2022	7,008,193	523,097	1,902,494	—	—	—
Lamitube Technologies	2023	—	—	—	—	9,667,152	52,900,691
(Immediate Parent)	2022	—	—	—	—	7,594,044	42,855,000
EPL Packaging (Guangzhou)	2023	120,802,997	—	—	640,262	—	—
Limited [EPGL]	2022	58,143,526	—	—	—	—	—
(fellow subsidiary)	2023	94,502,764	—	—	—	—	—
EPL Packaging (Jiangsu)	2022	76,032,312	—	—	—	—	—
Limited [EPJL]	2023	—	—	—	292,099	—	—
(fellow subsidiary)	2022	—	—	—	—	—	—
EPL PROPACK DE	2023	—	—	—	6,357	—	—
MEXICO, S.A. de C.V.	2022	—	—	—	—	—	—
(fellow subsidiary)	2023	—	—	—	—	—	—
EPL Poland sp.z o.o.u	2022	—	—	—	—	—	—
(fellow subsidiary)	2023	₱218,904,889	₱447,006	₱2,071,850	₱938,718	₱9,667,152	₱52,900,691
	2022	₱141,184,031	₱523,097	₱1,902,494	₱—	₱7,594,044	₱42,855,000

Balances					
	Year	Trade Payables (Note 10) [i]	Due to Related Parties (Note 10) [ii, iv, and v]	Accrued Expense (Note 10) [i]	Dividends Payable (Note 19)
EPL Limited	2023	P-	P634,575	P-	P-
(Immediate Parent)	2022	506,613	960,544	164,064	-
Lamitube Technologies	2023	-	1,855,561	-	44,965,587
(Immediate Parent)	2022	-	1,740,314	-	36,426,750
EPL Packaging (Guangzhou) Limited [EPGL]	2023	46,812,357	-	-	-
(fellow subsidiary)	2022	30,070,463	-	-	-
EPL Packaging (Jiangsu) Limited [EPJL]	2023	36,469,254	-	-	-
(fellow subsidiary)	2022	30,560,346	-	-	-
EPL America, LLC	2023	-	-	-	-
[EAL] (fellow subsidiary)	2022	-	-	-	-
	2023	P83,281,611	P2,490,136	P-	P 44,965,587
	2022	P61,137,422	P2,700,857	P164,064	P36,426,750

- i. Purchase of inventories and services (e.g., proofing cost charges) from EPL Limited (formerly EPL Propack Limited), EPGL (formerly EPL Packaging (Guangzhou) Ltd.) and EPJL (formerly EPL Packaging (Jiangsu) Limited). Payables are noninterest-bearing and on a 150-day credit term.
- ii. These pertains to service fees, cost allocation for the maintenance of SAP system for the group and other cost allocations incurred by EPL Limited. Due to related parties are noninterest-bearing and payable in 30 days.
- iii. These mainly pertains to service fee for proofing, freight charges and purchase of spare parts. Due to related parties are noninterest-bearing and payable in 30 days.
- iv. Management service agreement (Agreement) with Lamitube dated June 2002, which provides for an automatic yearly renewal unless terminated. Under the Agreement, Lamitube provides the management and support services in consideration of a management fee equivalent to a certain percentage of the Company's net sales per year. Due to related parties are noninterest-bearing and payable in 90 days.
- v. Due to related parties include outstanding sorting charges and labor costs done in the Philippines.

- b. Total compensation paid to key management personnel amounted to ₱13,604,639 in 2023 and ₱9,735,611 in 2022.

18. Lease Commitment

The Company leases a land where its factory and administrative office are located and a warehouse in Las Piñas. Rent expense for the factory amounted to and ₱4,144,947 in 2023 and ₱3,947,574 in 2022 (see Notes 12 and 14).

The Company leases an additional warehouse for storage of its raw materials and finished goods. The rent expense for the additional lease of warehouse amounted to and ₱4,297,837 in 2023 and ₱4,093,183 in 2022 (see Notes 12 and 14).

Shown below is the maturity analysis of the undiscounted lease payments as of March 31:

	2023	2022
Within one year	₱6,566,618	₱8,442,794
After one year but not more than five years	–	6,566,618
	₱6,566,618	₱15,009,412

19. Retained Earnings

On March 28, 2023 the BOD approved the cash dividend declaration amounting to ₱52,900,691 or ₱140.85 per share to all stockholders of record. Of the total, ₱12,000,000 will be paid in September 2023, ₱12,000,000 will be paid in November 2023, another ₱ 12,000,000 will be paid in January 2024 and the remaining ₱16,900,691 will be paid in March 2024.

On March 17, 2022 the BOD approved the cash dividend declaration amounting to ₱42,855,000 or ₱114.10 per share to all stockholders of record. Of the total, ₱10,000,000 was paid in September 2022, ₱10,000,000 was paid in November 2022, another ₱10,000,000 was paid in January 2023 and the remaining ₱12,855,000 was paid in March 2023.

The Company plans to declare dividends in fiscal year 2024 out of the unappropriated retained earnings.

20. Supplementary Information Required Under Revenue Regulations No. 34-2020 and 15-2010

Revenue Regulations No. 34-2020

The Company is not covered by the requirements and procedures for related party transactions specifically on the submission of the Information Return on Transactions with Related Party (BIR Form No. 1709) provided under Section 2 of Revenue Regulations No. 19-2020, as amended by Revenue Regulations No. 34 - 2020.

Revenue Regulations No. 15-2010

On November 25, 2010, the Bureau of Internal Revenue issued Revenue Regulations (RR) 15-2010 amending certain provisions of RR 21-2002, as amended and implementing Section 6 (H) of the Tax Code of 1997 which authorize the Commissioner of Internal Revenue to prescribe additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying the tax returns. These regulations require that additional disclosures in the



notes to financial statements shall be made to include information on taxes, duties and license fees paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes in fiscal year 2023:

a. Value-added tax (VAT)

The Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

i. Net sales and output VAT declared in the Company's VAT returns filed for fiscal year 2023:

	Net Sales/Receipts	Output VAT
VATable sales:		
Sale of goods	₱499,852,349	₱59,982,282
Zero-rated sale of goods	10,297,823	—
	510,150,172	59,982,282
Other VATable income	6,624,643	794,957
	₱516,774,815	₱60,777,239

Zero-rated sales pertain to sales to companies outside the Philippines.

ii. Input VAT

The following table shows the sources of input VAT claimed:

	Base Amount	Input VAT
Balance at April 1	₱—	₱—
Current year's purchases/payments for:		
Services - local and rendered by non-resident	43,054,143	5,166,497
Capital goods amortization for the year	3,490,047	418,806
Goods other than capital goods	344,600,935	41,352,112
Capital goods not subject to amortization	486,223	58,347
Input VAT on purchases and payments	391,631,348	46,995,762
Less input VAT on tax credit certificate used	—	—
Total input VAT	391,631,348	46,995,762
Less input VAT claimed as deduction against output VAT	391,631,348	46,995,762
Balance at March 31	₱—	₱—

VAT payments from April 2022 to March 2023 amounted to ₱13,163,621.

b. Landed cost

Details of the Company's importations are shown below:

Landed cost of imports	₱301,966,479
Customs duties	7,695,799



c. Other taxes and licenses

The following are the components of the Company's taxes and licenses:

Real property taxes	₱2,629,476
Business permits and licenses	2,470,800
Community tax certificate	10,500
Other taxes	1,500
	<u>₱5,112,276</u>

d. Withholding taxes

The following are the categories of the Company's withholding taxes:

	Payments	Outstanding Balance
Final taxes	₱1,821,304	₱213,668
Compensation and employee benefits	3,892,617	213,472
Expanded withholding taxes	9,759,321	245,775
	<u>₱15,473,242</u>	<u>₱672,915</u>

e. Tax Assessments

As of March 31, 2023, the Company has no tax deficiency assessment or tax case under preliminary investigation, litigation and/or prosecution in courts or bodies outside BIR.



EPL Packaging (Guangzhou) Limited
Audited Financial Statements for the
financial year ended March 31, 2023

EPL Packaging (Guangzhou) Limited

Financial Statements

For the period ended March 31, 2023



EPL Packaging (Guangzhou) Limited
Financial Statements
For the period ended March 31, 2023

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Independent Auditor's Report **To the Shareholder of EPL Packaging (Guangzhou) Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EPL Packaging (Guangzhou) Limited (the “Company”), which comprise the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at the end of reporting period, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics as issued by International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Independent Auditor's Report (continued)**To the Shareholder of EPL Packaging (Guangzhou) Limited (continued)****Report on the Audit of the Financial Statements (continued)****Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

Grant Thornton Zhongtong Certified Public Accountants LLP

Grant Thornton Zhongtong Certified Public Accountants LLP

Peter Fu
Guangzhou, PRC
April 21, 2023

EPL Packaging (Guangzhou) Limited
Financial Statements

Statement of financial position
For the period ended March 31, 2023

		2023-3-31	2022-3-31
	Note	RMB	RMB
GROSS BLOCK OF FIXED ASSETS		833,629,413.04	786,551,499.30
TOTAL ACCUMULATED DEPRECIATION		-624,996,759.44	-595,380,007.17
NET BLOCK		208,632,653.60	191,171,492.13
CAPITAL WORK IN PROGRESS		3,370,606.75	8,415,381.26
CAPITAL ADVANCES		8,442,484.38	26,416,822.71
TOTAL FIXED ASSETS	1	220,445,744.73	226,003,696.10
NON CURRENT INVESTMENTS	2	65,000,000.00	65,000,000.00
TRADE RECEIVABLE EXCLUDING INTER COMPANY	3	144,295,553.82	150,726,588.40
PROVISION FOR BAD DEBTS (EXTERNAL)	3	-1,999,478.37	-1,554,308.15
TRADE RECEIVABLE FOR INTER CO.GOODS SOLD	3/23.(1)	60,200,063.59	31,468,745.28
OTHER RECEIVABLE INTER COMPANY	4/23.(2)	20,436.31	-
INVENTORIES	5	92,612,120.66	100,419,494.87
CASH & BANK BALANCE	6	54,385,236.55	59,003,984.52
PREPAID EXPENSE AND OTHER RECEIVABLES	7	9,417,428.44	7,458,951.17
VAT ADVANCES (NET OF VAT PAYABLE)	8	14,827.69	51,427.91
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	9	-219,183.33	786,816.88
TOTAL CURRENT ASSETS		358,727,005.36	348,361,700.88
TOTAL ASSETS		644,172,750.09	639,365,396.98
EQUITY CAPITAL	10	-230,261,712.34	-230,261,712.34
RESERVES & SURPLUSES	11	-118,068,194.14	-118,068,194.14
RETAINED EARNINGS PREVIOUS YEAR	12	-17,399,184.16	-11,473,571.60
CURRENT YEAR PROFIT	12	-86,712,274.23	-91,745,399.64
DIVIDENDS PAYABLE		-	-
TOTAL SHAREHOLDERS FUNDS		-452,441,364.87	-451,548,877.72
DEFERRED TAX BALANCE	13	2,173,448.43	2,498,279.79
LOANS			-
OTHER LONG TERM LIABILITY(EXCL INT CO	14	-8,257,693.43	-6,630,181.68
LEASE LIABILITIES (NON CURRENT)		-16,543,106.41	-20,467,468.32
CREDITORS FOR CAPITAL GOODS	15	-698,729.23	32,083.00
TRADE CREDITORS FOR GOODS	15	-96,565,831.77	-97,617,037.79
TRADE CREDITORS FOR GOODS FOR INTER COMPANY		-	-
TRADE CREDITORS (EXCLUDING INTER CO.)	15	-1,080,450.87	-993,257.43
OTHER INTER CO. CREDITORS	23.(3)	-8,556,200.31	-14,692,139.95
VAT PAYABLE		-2,817,145.54	-1,406,880.64
ACCRUED EXPENSES	16	-57,505,339.31	-50,744,499.57
CURRENT LIABILITIES		-167,223,697.03	-165,421,732.38
INCOME TAX PAYABLE		-1,880,336.78	2,204,583.33
PROPOSED DIVIDEND		-	-
PROVISIONS		-1,880,336.78	2,204,583.33
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		-644,172,750.09	-639,365,396.98

The accompanying notes from 1 to 23 form an integrated part of these financial statements.

EPL Packaging (Guangzhou) Limited
Financial Statements

Statement of comprehensive income
For the period ended March 31, 2023

		FY2023	FY2022
	Note	RMB	RMB
GROSS SALES	17	-651,972,576.06	-670,218,874.82
SALES RETURNS, REBATES, CREDIT, CLAIMS	17	13,282,058.21	11,418,680.31
NET SALES	17	-638,690,517.85	-658,800,194.51
MATERIAL COST	18	278,050,944.54	271,817,820.01
INC / (DEC) IN FG WIP	18	6,322,739.61	16,623,478.00
MATERIAL COST	18	284,373,684.15	288,441,298.01
VARIABLE COST	19	43,479,652.55	61,506,742.67
MANUFACTURING EXPENSES	20	41,711,029.42	41,247,699.58
PERSONNEL COST	21	120,260,755.63	117,845,285.41
ADMINISTRATIVE EXPENSES	22	15,513,902.93	15,905,310.67
SELLING & DISTRIBUTION EXPENSES		2,861,053.77	2,176,347.92
INTER COMPANY INCOME		-49,558.40	-19,469.03
INTER COMPANY EXPENSES		9,597,800.66	9,603,551.47
TOTAL OPERATING LEASE		3,465.08	72,015.87
TOTAL OPERATING COST BEFORE FOREX		189,898,449.09	186,830,741.89
EBIDTA (BEFORE FOREX GAIN / LOSS)		-120,938,732.06	-122,021,411.94
FOREX GAIN/LOSS ON TRADE REC / PAYABL		-1,321,693.14	272,494.25
EBIDTA (AFTER FOREX GAIN / LOSS)		-122,260,425.20	-121,748,917.69
NET EXTERNAL FINANCE COST		2,184,984.79	630,637.61
TOTAL DEPRECIATION		32,234,206.22	31,898,027.11
NON OPERATING INCOME/EXPENSE-NET		-8,820,213.04	-9,371,976.89
PROFIT BEFORE TAX		-96,661,447.23	-98,592,229.86
INCOME TAX		9,949,173.00	6,846,830.22
PROFIT AFTER TAX		-86,712,274.23	-91,745,399.64

The accompanying notes from 1 to 23 form an integrated part of these financial statements.

EPL Packaging (Guangzhou) Limited
Financial Statements

Statement of changes in equity
For the period ended March 31, 2023

	Share capital	Other reserves	Retained profits	Total
	RMB	RMB	RMB	RMB
Balance at 1 April 2021	230,261,712.34	118,068,194.14	108,707,066.05	457,036,972.53
(I) Profit for the year	-	-	91,745,399.64	91,745,399.64
(II) Appropriation of profits				
Less: Distributions to shareholders	-	-	97,233,494.45	97,233,494.45
Balance at 31 March 2022	230,261,712.34	118,068,194.14	103,218,971.24	451,548,877.72
Balance at 1 April 2022	230,261,712.34	118,068,194.14	103,218,971.24	451,548,877.72
(I) Profit for the year	-	-	86,712,274.23	86,712,274.23
(II) Appropriation of profits				
Less: Distributions to shareholders	-	-	85,819,787.08	85,819,787.08
Balance at 31 March 2023	230,261,712.34	118,068,194.14	104,111,458.39	452,441,364.87

The accompanying notes from 1 to 23 form an integrated part of these financial statements.

EPL Packaging (Guangzhou) Limited
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Statement of cash flows
For the period ended March 31, 2023

	FY2023	FY2022
	RMB	RMB
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	687,583,135.94	715,687,126.52
Refund of taxes	8,594,931.10	1,146,188.68
Cash received relating to other operating activities	4,654,311.18	3,832,518.64
Sub-total of cash inflows	700,832,378.22	720,665,833.84
Cash paid for goods and services	440,597,041.16	457,518,486.94
Cash paid to and on behalf of employees	113,017,489.96	115,439,333.00
Taxes payments	25,032,243.58	32,584,130.20
Cash paid relating to other operating activities	16,916,593.01	15,766,775.41
Sub-total of cash outflows	595,563,367.71	621,308,725.55
Net cash flows from operating activities	105,269,010.51	99,357,108.29
II. Cash flows from investing activities		
Cash received from investment gains	7,727,702.11	8,020,909.20
Cash received relating to other investing activities	-	3,257,344.97
Sub-total of cash inflows	7,727,702.11	11,278,254.17
Cash paid relating to other investing activities	1,189,807.19	-
Sub-total of cash outflows	1,189,807.19	-
Net cash flows from investing activities	6,537,894.92	11,278,254.17
III. Cash flows from financing activities		
Sub-total of cash inflows	-	-
Payment for fixed assets procurement	21,764,354.61	46,373,844.63
Payment for dividends, profit distributions or interest	86,919,407.24	97,233,494.45
Cash paid for other financing activities	8,422,383.63	6,575,545.27
Sub-total of cash outflows	117,106,145.48	150,182,884.35
Net cash flows from financing activities	-117,106,145.48	-150,182,884.35
IV. Effect of foreign exchange rate changes on cash and cash equivalents	680,492.08	-1,099,728.39
V. Net increase in cash and cash equivalents	-4,618,747.97	-40,647,250.28
Add: Cash and cash equivalents at the beginning of the period	59,003,984.52	99,651,234.80
VI. Cash and cash equivalent at the end of the period	54,385,236.55	59,003,984.52

EPL Packaging (Guangzhou) Limited

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Notes to the financial statements

For the period ended March 31, 2023

I. GENERAL INFORMATION

EPL Packaging (Guangzhou) Limited (“the Company”) is a limited liability company incorporated and domiciled in China, and registered on July 21, 1997. The Company’s license number is 91440116618479922Y.

The Company is a wholly-owned subsidiary of Lamitube Technologies Limited (the “Parent Company”), and ultimate parent company is EPL Limited (the “Ultimate Parent Company”).

The operation scope includes: producing, processing the new pharmaceutical packaging materials, new composite hose and composite sheet, packaging and decorating printed matter (with a valid license for printing operations management), sales of the products; engaged in plastic products, rubber products, chemical products, pipe making machine and its accessories, printing machine, import and export of the screen printing plate, wholesale and commission agency (excluding auction) business (no shop operating, not involving the state-run trade management of goods, if involving quota, goods on license management, applying according to the state regulations); import and export of the technology; researching, developing, transferring, consulting and providing technical services related with the technology of the products, and new and high technology; and providing the after-sales services.

II. STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Functional currency

The Company and domestic subsidiaries use Renminbi (“RMB”) as their functional currency. The financial statements of the Company have been prepared in RMB.

2. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

3. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates [or rates determined under a systematic and rational method that approximate the spot exchange rates] on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss.

EPL Packaging (Guangzhou) Limited

Financial Statements

Notes to the financial statements

For the period ended March 31, 2023

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding “retained earnings”, are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as “Effect of foreign exchange rate changes on cash and cash equivalents” in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders’ equity of balance sheet.

The translation differences accumulated in shareholders’ equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

4. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Company becomes a party to the contractual provisions of a financial instrument.

If one of the following criteria is met, a financial asset is derecognised:

- ① The contractual rights to the cash flows from the financial asset expire; or
- ② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in “Transfer of financial assets”.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized.

If the financial assets are traded regularly, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Company classifies financial assets as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss at initial recognition on the basis of both the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

EPL Packaging (Guangzhou) Limited

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Notes to the financial statements

For the period ended March 31, 2023

The Company classifies the financial assets that meet the following conditions and are not designated as measured at fair value through profit or loss as financial assets measured at amortized cost:

- The Company's business model of managing the financial assets aims at collecting contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the financial assets are derecognized, amortized according to the effective interest method or impaired.

Financial assets measured at fair value through other comprehensive income

The Company classifies the financial assets that simultaneously meet the following conditions and are not specified as measured at fair value through profit or loss as financial assets measured at fair value through other comprehensive income:

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, this type of financial assets are subsequently measured at fair value. The interest, loss allowance or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

Financial assets measured at fair value through profit or loss

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After the initial recognition, this kind of financial asset is subsequently measured at fair value, and the gains or losses (including interest and dividend income) generated are recorded into the current profit or loss, unless the financial asset is part of the hedging relationship.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines whether the cash flow from the financial assets under management of the Company is derived from the receipt of contractual cash flows, the sale of financial assets or a combination of both. The Company determines its business model for managing financial assets on the basis of objective facts and the specific business objectives for the management of financial assets determined by key management personnel.

The Company assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of financial assets

EPL Packaging (Guangzhou) Limited

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Notes to the financial statements

For the period ended March 31, 2023

at initial recognition. Interest includes consideration for the time value of money, the credit risk associated with the amount of principal outstanding over a given period, and other basic lending risks and costs, as well as a profit margin. In addition, the Company assesses contractual terms that may cause a change in the time distribution or amount of the contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

Only when the Company changes the business model of managing financial assets, all affected related financial assets shall be reclassified on the first day of the first reporting period after the change of the business model, otherwise the financial assets shall not be reclassified after the initial recognition.

Financial assets are measured at fair value at the time of initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recorded into current profit or loss; for other classes of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or provision of services, which do not contain or do not take into account the material financing component, the Company is entitled to collect the consideration amount as expected as the initial recognition amount.

(3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Company are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognized amounts.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into current profit or loss.

Financial liabilities measured at amortized cost

For other financial liabilities, the effective interest rate method shall be adopted, the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into current profit or loss.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① A contractual obligation to deliver cash or other financial assets to other parties.
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ A non-derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.
- ④ A derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

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An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of a financial liability.

If a financial instrument has to be settled with or can be settled with the Company's own equity instruments in the future, consideration needs to be given to whether the Company's own equity instruments used to settle the instrument is to be used as a substitute for cash or other financial assets, or to give the holder of the instrument the remaining interest in the issuer's assets after deduction of all liabilities. If it is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments include forward foreign exchange contracts. The initial measurement is based on the fair value of the date of signing the derivative transaction contract, and the subsequent measurement is based on its fair value. A derivative with a positive fair value is recognised as an asset; a negative fair value is recognized as a liability. Any gains or losses resulting from changes in fair value that do not conform to the provisions of hedge accounting shall be directly recorded into the current profit or loss.

(5) Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note III.5.

(6) Impairment of financial assets

On the basis of expected credit losses, the Company conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value and accounted for in other comprehensive income;

Measurement of expected credit losses

The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Company calculates the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received and recognizes the expected credit loss, taking into account reasonable and supportable information concerning past events, current conditions and forecast of future economic conditions, with the respective risks of a default occurring as the weights.

The Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the financial instrument is in the first stage and the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses; if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit losses have occurred, the financial instrument is in the second stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses; if credit

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Notes to the financial statements

For the period ended March 31, 2023

losses have occurred to a financial instrument since its initial recognition, it is in the third stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss allowance at an amount equal to 12-month expected credit losses.

The term "lifetime expected credit losses" refers to the expected credit losses resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit losses within the next 12 months refer to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the balance sheet date (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of lifetime expected credit losses.

When measuring expected credit losses, the Company shall take into account the longest contract period (including the option to renew the contract) for which it is exposed to credit risk.

The Company calculates interest income on the basis of the Book value before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the third stage, the interest income is calculated on the basis of the amortized cost of the Book value less the impairment provision and the effective interest rate.

5. Fair value measurement

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.

The Company measures related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market; in the absence of a principal market, assuming the assets or liabilities are exchanged in an orderly transaction in the most advantageous market. Principal market (or the most advantageous market) is the market that the Company can normally enter into a transaction on measurement date. The Company adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities with active markets, the Company uses the quoted prices in active markets as their fair value. Otherwise, the Company uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits using the asset in its best way or by selling it to another market participant that would best use the asset.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Fair value level for assets and liabilities measured or disclosed at fair value in the financial statements are determined according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At the balance sheet date, the Company revalue assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

EPL Packaging (Guangzhou) Limited

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Notes to the financial statements

For the period ended March 31, 2023

6. Inventories

(1) Classification

Inventories include raw materials, work in progress, consumables, packaging materials, finished goods, issuing goods, development costs, and product developments.

(2) Measurement method of cost of inventories

Raw materials, packaging material accounting weighted average method; semi-finished goods accounting standard cost method, and carried forward the cost differences at the end of the month, adjust the standard cost to the actual cost.

(3) Basis for determining the net realisable value and method for provision for obsolete inventories

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

Any excess of the cost over the net realisable value of inventories is recognized as a provision for obsolete inventories, and is recognized in profit or loss. The Company usually recognises provision for decline in value of inventories by a single (type, group) inventory item. If the factors caused the value of inventory previously written-down have disappeared, the provision for decline in value of inventories previously made is reversed.

(4) Inventory count system

The Company maintains a perpetual inventory system.

7. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influence.

(1) Determination of initial investment cost

The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost is the combination cost.

A long-term equity investment acquired other than through a business combination: A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Company acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For a long-term equity investment which is accounted for using the cost method, Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid

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For the period ended March 31, 2023

in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

Under the equity method, the Company recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Company. Changes in the Company's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognized directly in the Company's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. The difference between the fair value and carrying amount of the previously-held equity investment, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

When the Company can no longer exercise joint control or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of the loss of joint control or significant influence. Any other comprehensive income previously recognized under the equity method shall be accounted for on the same basis as would have been required if the Company had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to original equity investment is transferred to profit or loss for the current period.

When the Company can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22- Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

When the Company can no longer exercise control over an investee due to new capital injection by other investors, and the Company can exercise joint control or significant influence over an investee, the Company recognizes its share of the investee's new added net assets using new shareholding percentage. The difference between its new share of the investee's new added net assets and its decreased shareholding percentage of the original investment is recognized in profit or loss. And the Company adjusts to the equity method using the new shareholding percentage as if it uses the equity method since it obtains the investment.

EPL Packaging (Guangzhou) Limited

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Notes to the financial statements

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Unrealised profits and losses resulting from transactions between the Company and its associates or joint ventures are eliminated to the extent of the Company's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Company and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

(3) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III. 11 for the Company's method of asset impairment.

8. Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed asset are initially measured at cost.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and Building	20.00	10.00	4.50
Electronic Equipment	10.00	10.00	9.00
Auxiliary Equipment	5.00	10.00	18.00
Furniture and Tools	5.00	10.00	18.00
Office Equipment	5.00	10.00	18.00

For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

9. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed asset when it is ready for its intended use.

For the impairment of construction in progress, please refer to Note III. 11.

10. Intangible assets

Intangible assets include software, land use right, patent right etc.

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Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortisation method shall reflect the pattern in which the asset's economic benefits are expected to be realised. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortised.

Amortisation method for intangible assets with finite useful lives is as follows:

Categories	Useful life (years)	Amortisation methods	Remarks
Software	5.00-10.00	Straight-line method	
Land Use Right	49.00	Straight-line method	
Patent Right	10.00	Straight-line method	

The Company shall review the useful life and amortisation method of an intangible asset with a finite useful life at least at each year end. Changes of useful life and amortisation method shall be accounted for as a change in accounting estimate.

An intangible asset shall be derecognised in profit or loss when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III. 11.

11. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, productive biological assets measured using a cost model, right-of-use assets, intangible assets, goodwill, proven oil and gas mining rights and wells and related facilities, etc. (Excluding inventories, investment property measured using a fair value model, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company determines the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to asset group, the carrying amount of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if impairment indication exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted for asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then impairment test is conducted for asset group or portfolio of asset group containing goodwill by comparing

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its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

12. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Company recognized its amortised cost in profit or loss for the current period.

13. Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied:

- (1) the Company has a present obligation;
- (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) the amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

14. Revenue

(1) General principle

① Sale of goods

The Company recognizes revenue when it has fulfilled its contractual performance obligation, that is, when the customer acquires control of the relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to each single performance obligation according to the relative proportion of the stand-alone selling prices of goods or services committed by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

If one of the following conditions is met, the Company satisfies a performance obligation over time; otherwise, the Company satisfies a performance obligation at a point in time:

- ① The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.
- ② The customer can control the goods under construction during the performance of the Company.

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③ The goods produced by the Company during the performance of the contract do not have alternative use, and the Company has the right to collect payment for the accumulated part of the performance completed to date during the whole period of the contract.

For the performance obligations performed over time, the Company shall recognize the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Company is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined.

For performance obligations performed at a point in time, the Company recognizes revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Company will take into account the following indicators:

- ① The Company has a present right to payment for the good or service, that is, the customer is presently obliged to pay for the good or service.
- ② The Company has transferred the legal title of the good to the customer, that is, the customer has the legal title to the good.
- ③ The Company has transferred physical possession of the good to the customer, that is, the customer has physical possession of the good.
- ④ The Company has transferred the significant risks and rewards of ownership of the good to the customer, that is, the customer has obtained the significant risks and rewards of ownership of the good.
- ⑤ The customer has accepted the good or service.
- ⑥ Other indicators that the customer has obtained control of the good.

15. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to transactions or items recognised directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be

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available against which deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);
- (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

16. Leases

(1) Identification of leases

At inception of a contract, the Company, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Company considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Company acts as the lessee

At the commencement date, the Company recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, see Note III.17.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

17. Right-of-use assets

(1) Criteria for the recognition of right-of-use assets

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The Company's right-of-use assets refer to the Company's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Company as the lessee; the costs which the Company, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, shall recognise and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Company uses the straight line method of depreciation. Where the Company, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III.11 for the impairment test method of the right-of-use assets and the loss allowance.

IV. TAXATION

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
VAT	Taxable income	13.00、6.00
City Maintenance And Construction Tax	Turnover tax payable	7.00
Corporate Income Tax	Taxable profits	15.00

2. Tax preferential treatments and approval documents

In accordance with the new Corporate Income Tax Law of the People's Republic of China and its implementation regulations of January 1, 2008, High-tech enterprises can enjoy relevant tax preferences.

The company had obtained the certification of high-tech enterprises in 2021, which will be valid until the year 2023. For the calendar year 2022, the company can enjoy the tax preference of paying corporate income tax at the tax rate of 15%.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. FIXED ASSETS

Item	As at 31/3/2023	As at 31/3/2022
Fixed Assets	167,437,027.37	153,510,559.94
Intangible Assets	6,003,130.24	6,438,858.17
Long Term Deferred Expense	11,252,878.15	5,569,788.85
Right-of-use Assets	23,939,617.84	25,652,285.17

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Item	As at 31/3/2023	As at 31/3/2022
Capital Work In Progress	3,370,606.75	8,415,381.26
Capital Advances	8,442,484.38	26,416,822.71
Total	220,445,744.73	226,003,696.10

① Fixed assets

Item	Building	Office Equipment	Equipment	Furniture & Fixture	Plant & Machinery	Total
I. Cost						
1. Balance as at 31/3/2022	23,384,197.92	6,189,642.34	72,887,571.38	1,760,294.43	616,400,905.05	720,622,611.12
2. Additions during the year						
(1) Purchases	-	755,433.41	6,431,045.66	50,254.42	24,618,270.64	31,855,004.13
(2) Transfers from construction in progress	-	155,860.89	3,038,535.38	39,010.00	-	3,233,406.27
3. Decrease during the year						
(1) Disposals or written-offs	-	149,111.03	170,300.86	-	-	319,411.89
4. Balance as at 31/3/2023	23,384,197.92	6,951,825.61	82,186,851.56	1,849,558.85	641,019,175.69	755,391,609.63
II. Accumulated depreciation:						
1. Balance as at 31/3/2022	20,353,966.28	4,205,326.51	43,636,269.85	402,042.86	498,514,445.68	567,112,051.18
2. Charge for the year						
(1) Provision	358,682.30	503,924.07	8,675,518.67	293,916.04	11,297,960.56	21,130,001.64
3. Reductions for the year						
(1) Disposal or written-offs	-	134,199.84	153,270.72	-	-	287,470.56
4. Balance as at 31/3/2023	20,712,648.58	4,575,050.74	52,158,517.80	695,958.90	509,812,406.24	587,954,582.26
III. Carrying amount						
1. As at 31/3/2023	2,671,549.34	2,376,774.87	30,028,333.76	1,153,599.95	131,206,769.45	167,437,027.37
2. As at 31/3/2022	3,030,231.64	1,984,315.83	29,251,301.53	1,358,251.57	117,886,459.37	153,510,559.94

② Intangible assets

Item	Software	Land lease	Patent	Total
I. Cost				
1. Balance as at 31/3/2022	11,593,303.55	3,748,718.47	1,451,984.58	16,794,006.60
2. Additions during the year				
(1) Purchases	298,053.98	-	-	298,053.98
3. Decrease during the year				
(1) Disposals or written-offs	-	-	-	-
4. Balance as at 31/3/2023	11,891,357.53	3,748,718.47	1,451,984.58	17,092,060.58
II. Accumulated depreciation:				
1. Balance as at 31/3/2022	8,517,488.91	1,510,962.98	326,696.54	10,355,148.43
2. Charge for the year				

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Item	Software	Land lease	Patent	Total
(1)Provision	512,078.99	76,504.46	145,198.46	733,781.91
3.Reductions for the year				
(1)Disposal or written-offs	-	-	-	-
4.Balance as at 31/3/2023	9,029,567.90	1,587,467.44	471,895.00	11,088,930.34
III. Carrying amount				
1.As at 31/3/2023	2,861,789.63	2,161,251.03	980,089.58	6,003,130.24
2.As at 31/3/2022	3,075,814.64	2,237,755.49	1,125,288.04	6,438,858.17

③ Long term deferred expense

Item	Lease building improvement	Machine Overhauling	Total
I .Cost			
1.Balance as at 31/3/2022	13,507,377.53	6,557,079.18	20,064,456.71
2.Additions during the year	27,587.58	7,665,481.74	7,693,069.32
3.Decrease during the year	856,743.64	-	856,743.64
4.Balance as at 31/3/2023	12,678,221.47	14,222,560.92	26,900,782.39
II. Accumulated amortization:			
1.Balance as at 31/3/2022	10,772,130.15	3,722,537.71	14,494,667.86
2.Amortization for the year	830,218.22	1,179,761.80	2,009,980.02
3.Reductions for the year	856,743.64	-	856,743.64
4.Balance as at 31/3/2023	10,745,604.73	4,902,299.51	15,647,904.24
III. Carrying amount			
1.As at 31/3/2023	1,932,616.74	9,320,261.41	11,252,878.15
2.As at 31/3/2022	2,735,247.38	2,834,541.47	5,569,788.85

④ Right-of-use assets

Item	Building	Equipment	Total
I . Cost			
1.Balance as at 31/3/2022	27,100,668.54	1,969,756.33	29,070,424.87
2.Additions during the year			
(1)Rented	882,504.53	6,953,176.52	7,835,681.05
3. Decrease during the year			
(1)Other less	1,235,658.60	1,425,486.88	2,661,145.48
4.Balance as at 31/3/2023	26,747,514.47	7,497,445.97	34,244,960.44
II. Accumulated depreciation:			
1.Balance as at 31/3/2022	3,038,873.20	379,266.50	3,418,139.70
2.Charge for the year			
(1)Provision	6,132,053.26	2,228,389.39	8,360,442.65

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Item	Building	Equipment	Total
3.Reductions for the year			
(1)Other less	1,235,658.60	237,581.15	1,473,239.75
4.Balance as at 31/3/2023	7,935,267.86	2,370,074.74	10,305,342.60
III. Carrying amount			
1.As at 31/3/2023	18,812,246.61	5,127,371.23	23,939,617.84
2.As at 31/3/2022	24,061,795.34	1,590,489.83	25,652,285.17

2. NON CURRENT INVESTMENTS

Item	As at 31/3/2023	As at 31/3/2022
EPL Packaging (Jiangsu) Limited	65,000,000.00	65,000,000.00

3. TRADE RECEIVABLE

Item	As at 31/3/2023	As at 31/3/2022
Related Party	60,200,063.59	31,468,745.28
Non-related Party	144,295,553.82	150,726,588.40
Less: Provision For Bad Debts	-1,999,478.37	-1,554,308.15
Total	202,496,139.04	180,641,025.53

4. OTHER RECEIVABLE INTER COMPANY

Item	As at 31/3/2023	As at 31/3/2022
Related Party	20,436.31	-

5. INVENTORIES

Item	As at 31/3/2023	As at 31/3/2022
Raw Material-Main Material	24,168,505.66	29,719,225.46
Raw Material-Goods In Transit	12,094,149.04	20,461,389.32
Raw Material-Consumable Material	9,099,486.45	8,144,692.58
Work In Process	28,215,623.13	28,651,511.25
Finished Goods	21,966,275.64	14,450,640.86
Provisions	-2,931,919.26	-1,007,964.60
Total	92,612,120.66	100,419,494.87

6. CASH & BANK BALANCE

Item	As at 31/3/2023	As at 31/3/2022
Cash In Hand	25,589.24	15,289.24
Cash At Bank	54,359,647.31	58,988,695.28
Total	54,385,236.55	59,003,984.52

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7. PREPAID EXPENSE AND OTHER RECEIVABLES

Item	As at 31/3/2023	As at 31/3/2022
Prepaid Expense And Other Receivables	9,417,428.44	7,458,951.17

8. VAT ADVANCES (NET OF VAT PAYABLE)

Item	As at 31/3/2023	As at 31/3/2022
VAT Advances (Net of VAT Payable)	14,827.69	51,427.91

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Item	As at 31/3/2023	As at 31/3/2022
Financial assets at fair value through profit or loss- forward contracts	-219,183.33	786,816.88

10. EQUITY CAPITAL

Item	As at 31/3/2023	As at 31/3/2022
Lamitube Technologies Limited	-230,261,712.34	-230,261,712.34

11. RESERVES & SURPLUSES

Item	As at 31/3/2023	As at 31/3/2022
Surplus Reserve	-118,068,194.14	-118,068,194.14

12. RETAINED EARNINGS

Item	Year ended 31/3/2023	Year ended 31/3/2022
Retained earnings _Opening balance	-103,218,971.24	-108,707,066.05
Add: Net profits for the year attributable to shareholders of the Company	-86,712,274.23	-91,745,399.64
Less: Appropriation for surplus reserve	-	-
Cash dividends	85,819,787.08	97,233,494.45
Retained earnings _Ending balance	-104,111,458.39	-103,218,971.24

13. DEFERRED TAX BALANCE

Item	As at 31/3/2023	As at 31/3/2022
Deferred Tax Assets	4,636,507.19	4,996,983.06
Deferred Tax Liability	-2,463,058.76	-2,498,703.27
Total	2,173,448.43	2,498,279.79

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14. OTHER LONG TERM LIABILITY

Item	As at 31/3/2023	As at 31/3/2022
Deferred Income	-8,257,693.43	-6,630,181.68

15. TRADE CREDITORS

Item	As at 31/3/2023	As at 31/3/2022
Creditors For Capital Goods	-698,729.23	32,083.00
Trade Creditors For Goods	-96,565,831.77	-97,617,037.79
Trade Creditors (Excluding Inter Co.)	-1,080,450.87	-993,257.43
Total	-98,345,011.87	-98,578,212.22

16. ACCRUED EXPENSES

Item	As at 31/3/2023	As at 31/3/2022
Accrued Payroll	-19,595,040.35	-15,592,193.24
Other Payable	-36,755,266.24	-33,912,428.17
Taxes Payable	-1,155,032.72	-1,239,878.16
Total	-57,505,339.31	-50,744,499.57

17. SALES

Item	FY2023	FY2022
Sales Revenue	-639,621,529.41	-645,662,409.88
Sales Revenue Scrap	-6,422,392.26	-7,389,779.23
Sales Revenue Traded Goods	-3,212,019.34	-115,181.79
Sales Revenue Others	-2,716,635.05	-17,051,503.92
Gross Sales	-651,972,576.06	-670,218,874.82
Sales Returns, Rebates, Credit, Claims	13,282,058.21	11,418,680.31
Net Sales	-638,690,517.85	-658,800,194.51

18. MATERIAL COST

Item	FY2023	FY2022
Raw Material - Cost	268,200,078.59	262,219,531.80
Raw Material - Material Sales	-1,670,632.58	-4,036,039.01
Raw Material - Provision For Slow Moving	2,465,131.89	195,817.09
Raw Material - Traded Goods	1,891,570.63	437,484.16
Raw Material - New Product Development	7,164,796.01	13,001,025.97
Increase / (Decrease) In FG/WIP	6,322,739.61	16,623,478.00
Total	284,373,684.15	288,441,298.01

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19. VARIABLE COST

Item	FY2023	FY2022
Packing Material	20,024,614.95	21,759,985.59
Freight on Transport of Finished Good	20,565,858.76	36,817,513.95
Sales Commission /Incentive	2,863,432.02	2,904,847.08
Tax on Exports	25,746.82	24,396.05
Total	43,479,652.55	61,506,742.67

20. MANUFACTURING EXPENSES

Item	FY2023	FY2022
Energy & Utilities (Power & Fuel)	11,742,611.20	10,013,225.59
Stores & Spares	8,389,752.34	6,886,735.50
Cost of Outsourcing	5,608,024.62	6,233,961.02
Other Manufacturing Expenses	9,484,278.36	10,999,759.37
Repairs & Maintenance Manufacturing	6,486,362.90	7,114,018.10
Total	41,711,029.42	41,247,699.58

21. PERSONNEL COST

Item	FY2023	FY2022
Direct Personnel Cost	26,126,836.10	25,430,547.59
Indirect Personnel Cost	66,513,691.75	65,135,427.22
Over Time Charges	19,240,116.70	18,921,984.60
Welfare Expenses	8,380,111.08	8,357,326.00
Total	120,260,755.63	117,845,285.41

22. ADMINISTRATIVE EXPENSES

Item	FY2023	FY2022
Travelling and Conveyance Exp.- Domestic	2,211,604.89	2,210,447.11
Travelling and Conveyance Exp.- International	181,770.96	4,904.28
Communication Expense	1,099,564.38	1,073,590.17
Professional & Consultancy Charges	1,466,363.55	1,755,262.97
Insurance	354,537.74	314,969.90
Information Technology Expenses	2,628,811.03	2,626,916.57
Taxes (Other than Income Tax)	4,083,167.83	4,663,427.67
Other Office Expenses	3,191,197.46	3,152,372.34
Repairs & Maintenance Admin	296,885.09	103,419.66
Total	15,513,902.93	15,905,310.67

EPL Packaging (Guangzhou) Limited

Financial Statements

Notes to the financial statements

For the period ended March 31, 2023

23. RELATED PARTIES BALANCE

(1) TRADE RECEIVABLE FOR INTER CO.GOODS SOLD

Related party	As at 31/3/2023	As at 31/3/2022
EPL Propack Philippines, Inc.	5,899,379.07	3,674,029.69
EPL MISR for Advanced Packaging S.A.E	36,487,618.88	14,377,972.57
Laminate Packaging Colombia SAS.	4,415,566.27	7,060,347.58
EPL Propack De Mexico, S.A. DE C.V	10,332,240.88	3,772,743.13
EPL America, LLC.	1,693,443.88	646,280.28
EPL Deutschland Gmbh & Co. KG, Dresden	777,592.30	1,123,943.20
EPL Limited	77,803.59	-
EPL Poland Sp. Z o.o	516,418.72	813,428.83
Total	60,200,063.59	31,468,745.28

(2) OTHER RECEIVABLE INTER COMPANY

Related party	As at 31/3/2023	As at 31/3/2022
EPL Limited	6,871.70	-
EPL Propack De Mexico, S.A. DE C.V	327.02	-
EPL America, LLC.	3,084.77	-
EPL Propack Philippines, Inc.	10,152.82	-
Total	20,436.31	-

(3) OTHER INTER CO. CREDITORS(Royalty/Exp)

Related party	As at 31/3/2023	As at 31/3/2022
EPL America, LLC.	-	-204.56
EPL Limited	-534,005.72	-272,474.61
EPL Limited (Royalty)	-2,113,288.62	-1,866,092.39
EPL Packaging (Jiangsu) Limited	-5,908,905.97	-12,553,368.39
Total	-8,556,200.31	-14,692,139.95

X. COMMITMENTS AND CONTINGENCIES

As at March 31, 2023, there is no material commitment to be disclosed.

XI. POST BALANCE SHEET DATE EVENTS

As at April 21, 2023, there is no events after the balance sheet date to be disclosed.

EPL Packaging (Guangzhou) Limited

April 21, 2023

EPL Packaging (Jiangsu) Limited
Audited Financial Statements for the
financial year ended March 31, 2023

EPL Packaging (Jiangsu) Limited
Audit Report and Financial Statements
From April 1, 2022 To March 31, 2023

Audit Report

CXK (2023) No.029

To: EPL Packaging (Jiangsu) Limited

We have audited the accompanying financial statements of EPL Packaging (Jiangsu) Limited. (hereinafter referred to as "the company") attached, which comprise the balance sheet as at March 31, 2023, income statement, cash-flow statement and statement of changes in owner's equity for the year then ended, and notes to the financial statements.

Management's Responsibilities for the Financial Statements

The preparation and fair presentation of financial statements are the responsibility of the management of the company. This responsibility includes: (1) preparing the financial statements according to the accounting standards for business enterprises issued by the Ministry of Finance, and making the financial statements present fairly, (2) designing, implementing and maintaining necessary internal control to make financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China's Auditing Standards for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Audit Report (Continued)

CXK (2023) No.029

Audit Opinion

In our opinion, the financial statements comply with the requirement of the Accounting Standards for Business Enterprises and present fairly, in all material respects, the financial position of the company as at March 31, 2023 and the results of operations and its cash flows of the company for the year then ended.

Changshu Xinlian Certified Public Accountants



China CPA:



China CPA:



Changshu China

Report Date: April 8, 2023

Balance Sheet

Fiscal Year Ended March 31, 2023

Company Name: EPL Packaging (Jiangsu) Limited.

Currency Unit: RMB

ITEMS	AT BEG. OF YEAR	AT END OF YEAR
Cash & Bank Balance	4,736,655.97	14,360,428.91
Trade Recievable Excludking Inter Com	21,487,053.16	22,753,501.73
Trade Recievable For Inter Co.Goods S	3,733,883.89	4,603,831.88
Other Recievable Inter Company	12,553,368.39	5,908,905.97
Inventories	6,731,623.35	4,472,124.59
Prepaid Expense Other Reciv,Loans Adv	874,101.77	749,716.66
Vat Advances (Net Of Vat Payable)	1,409.08	743.24
Total Current Assets	50,118,095.61	52,849,252.98
Gross Block Of Fixed Assets	99,558,603.08	100,506,513.48
Total Accumulated Depreciation	53,448,680.05	62,606,983.58
Net Block	46,109,923.03	37,899,529.90
Capital Work In Progress	229,636.90	-
Capital Advances	-	-
Total Fixed Assets	46,339,559.93	37,899,529.90
Total Assets	96,457,655.54	90,748,782.88
Creditors For Capital Goods	4,900.00	-
Trade Creditors For Goods	7,528,289.78	6,500,158.95
Trade Creditors For Goods For Inter C	-	-
Trade Creditors(Excluding Inter Co.)	8,165.99	29,414.19
Other Inter Co. Creditors(Royalty/Exp	59,710.97	74,513.57
Vat Payable	670,333.27	642,350.68
Accrued Tax Expenses	6,201,742.63	6,425,130.47
Current Liabilities	14,473,142.64	13,671,567.86
Deferred Tax Assets	-	-
Deferred Tax Liability	265513.6	130,779.69
Deferred Tax Balance (Net)	265,513.60	130,779.69
Lease Liabilities (Non Current)	4690265.35	3,163,358.48
Non Current Liabilities	4690265.35	3,163,358.48
Provision For Income Tax	499,353.14	413,606.17
Provisions	499,353.14	413,606.17
Equity Capital	65,000,000.00	65,000,000.00
Reserves & Surpluses	2,413,428.54	3,272,062.11
Retained Earnings Previous Year	1,235,331.44	529,616.59
Current Year Profit	7,880,620.83	4,567,791.98
Dividends Payable (Appropriation Of P	-	-
Total Shareholders Funds	76,529,380.81	73,369,470.68
Total Liabilities	96,457,655.54	90,748,782.88

Income Statement

Fiscal Year Ended March 31, 2023

Company Name: EPL Packaging (Jiangsu) Limited.

Currency Unit: RMB

ITEMS	CURRENT YEAR	LAST YEAR
Net Sales	101,114,201.09	116,687,319.18
Material Cost	57,805,327.28	67,326,995.39
Variable Cost	6,149,038.45	7,044,252.10
Contribution	37,159,835.36	42,316,071.69
Manufacturing Expenses	6,454,843.20	7,257,694.03
Personnel Cost	12,948,954.51	12,854,454.23
Administrative Expenses	2,072,600.49	2,149,494.84
Selling And Distribution Expenses	11,166.06	16,185.87
Inter Company Income		-
Perating Lease		-
Ebidta (Before Forex Gain / Loss)	15,672,271.10	20,038,242.72
Forex Gain/Loss On Trade Rec/Payable	-43,549.90	16,933.44
Ebidta (After Forex Gain / Loss)	15,715,821.00	20,021,309.28
Net External Company Finance Cost	298,889.54	305,512.73
Total Depreciation	9,309,173.34	9,163,958.16
Non Operating Income/Expense-Net	-17,310.53	24,769.34
Profit Before Tax	6,125,068.65	10,527,069.05
Total Income Tax	1,557,276.67	2,646,448.22
Profit After Tax	4,567,791.98	7,880,620.83

Cash-Flow Statement

Fiscal Year Ended March 31, 2023

Company Name: EPL Packaging (Jiangsu) Limited.

Currency Unit: RMB

ITEM	CURRENT YEAR	LAST YEAR	ITEM	CURRENT YEAR	LAST YEAR
1. Cashflows From Operating Activities			Cash paid to acquire investments		
Cash received from sale of goods or rendering of services	106,604,422.97	100,349,319.92	Net cash paid by subsidiaries and other business units		
Refund of tax and levies	161,314.60	156,769.71	Other cash payments relating to investing activities		
Other cash received relating to operating activities	64,983.98	120,060.53	Subtotal of cash outflows	2,604,636.57	3,346,326.84
Subtotal of cash inflows	106,830,721.55	100,626,150.16	Net cash flows from investing activities	-2,604,636.57	-3,346,326.84
Cash paid for goods and services	64,196,118.44	75,618,046.00	3. Cashflows From Financing Activities		
Cash paid to and on behalf employees	12,220,194.90	12,957,424.37	Cash received from capital contribution		
Payments of all types of taxes	6,007,672.50	6,164,253.65	Cash received from borrowings		
Other cash paid relating to operating activities	4,450,624.09	2,302,081.63	Other cash received relating to financing activities		
Subtotal of cash outflows	86,874,609.93	97,041,805.65	Subtotal of cash inflows		
Net cashflows from operating activities	19,956,111.62	3,584,344.51	Cash repayments of amounts borrowed		
2. Cashflows From Investing Activities			Cash payments for interest expenses and distribution of dividends or profit	7,727,702.11	8,020,909.20
Cash received from disposal of investments			Other cash payments relating to financing activities		
Cash received from returns on investments			Subtotal of cash outflows	7,727,702.11	8,020,909.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			Net cashflows from financing activities	-7,727,702.11	-8,020,909.20
Net cash received from disposal of subsidiaries and other business units			4. Effect Of Foreign Exchanges Rate Change On Cash		
Cash received relating to investing activities			5. Net Increase/(Decrease) In Csh And Cash Equivalents	9,623,772.94	-7,782,891.53
Subtotal of cash inflows			Plus: Cash equivalents at beginning of year	4,736,655.97	12,519,547.50
Cash paid to acquire fixed assets, intangible assets and other	2,604,636.57	3,346,326.84	6. Cash equivalents at end of year	14,360,428.91	4,736,655.97



Statement Of Changes In Owner's Equity

Fiscal Year Ended March 31, 2023

Company Name: EPL Packaging (Jiangsu) Limited.

常州华联会计师事务所
Currency Unit: RMB

	SHARE CAPITAL	OTHER RESERVES	RETAINED PROFITS	TOTAL
Balance at 1 April 2021	65,000,000.00	1,522,216.41	10,147,452.77	76,669,669.18
(I) Profit for the year			7,880,620.83	7,880,620.83
(II) Appropriation of profits		891,212.13	-8,912,121.33	-8,020,909.20
Less: Distributions to shareholders			8,020,909.20	8,020,909.20
Balance at 31 March 2022	65,000,000.00	2,413,428.54	9,115,952.27	76,529,380.81
Balance at 1 April 2022	65,000,000.00	2,413,428.54	9,115,952.27	76,529,380.81
(I) Profit for the year			4,567,791.98	4,567,791.98
(II) Appropriation of profits		858,633.57	-8,586,335.68	-7,727,702.11
Less: Distributions to shareholders			7,727,702.11	7,727,702.11
Balance at 31 March 2023	65,000,000.00	3,272,062.11	5,097,408.57	73,369,470.68

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY

1. Brief Introduction

EPL Packaging (Jiangsu) Limited.(hereinafter referred to as "the company") established by EPL Packaging (Guangzhou) Limited. on June 9, 2014. The number of the License is 91320581302261417T. The registered capital of the company was RMB65,000,000 .

2. Explanations of Failure to Accord with Accounting Premise

There is no status failing to accord with accounting premise in the company.



3. Material Accounting Policies and Accounting Estimates

(1) Accounting Systems

The company enforces Enterprise Accounting Systems.

(2) Accounting Period

The fiscal year of the company is from April 1 To March 31 on the India Gregorian calendar basis.

(3) Accounting Basis and Costing Principles

The company use accrual basis as the accounting basis, and original cost as the costing principle.

(4) Standard Currency and Foreign Currency Exchange

The company employs RMB as its standard currency of account. All foreign currency transactions, occurring during the statement period, are exchanged and charged up at the market exchange rate (medium rate) published by the People's Bank of China on the first day of the month when the transactions occur. At the end of period, all the balances of foreign currency are adjusted according to the market exchange rate on Balance Sheet date, the exchange loss/income from which is charged to current loss/income or other relevant items.

(5) Definition of Cash Equivalents

All investments simultaneously settling for four terms, namely short-term (mature within 3 months from the purchase date), high liquidity, aptness to be transformed to foreseeable amounts of cash, as well as very low risk of variation in value, are defined as cash equivalents.

(6) Inventory Costing Method

The merchandise inventory of the company mainly covers raw materials and finished goods in stock and in transit, which are recorded at the basis of the actual costs.

(7) Recording Method of Fixed-Assets

The fixed assets of the company are valued at actual cost. The standard of Fixed assets: property, plant, and equipment related to production and operation, with higher unit value and useful life of over one year.

The depreciation of fixed assets is computed in straight-line method, and the depreciation rate is computed based on category, estimated useful life, and the estimated rate of salvage value (%). The useful life and annual depreciation rate are listed below:

Fixed Assets Category	Useful Life (Year)	Annual Depreciation Rate	Rate of Salvage Value
Machinery	10	9%	10%
Equipments	5	18%	10%
Electronic & Office Facilities	5	18%	10%
Lease Assets	4.75/2	21%/50%	0%

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

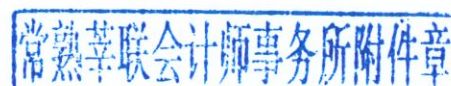
UNIT: CNY

(8) Recording Method of Intangible assets

The intangible assets of this company refer to non-currency and intangible long-term assets, the purpose of possessing it is to serve for producing goods, providing services, lease, or management. The intangible assets of this company mainly include software.

The intangible asset is recorded at the actual cost when purchased .

The intangible asset is evenly charged to overhead within its useful life from the date of putting to use. The useful life of software is 10 years.



(9) Lease

Lease refers to a contract in which the lessor transfers the right to use assets to the lessee for consideration within a certain period of time. As the lessee, the company recognizes the right to use assets on the beginning date of the lease term, and recognizes the lease liabilities according to the present value of the unpaid lease payments. Lease payments include fixed payments and payments to be made when it is reasonably determined that the option to purchase or terminate the lease will be exercised. The variable rent determined according to a certain proportion of sales is not included in the lease payment and is included in the current profit and loss when it actually occurs. The right to use assets of the company include rented houses and buildings、transformer and forklift. The right of use assets are initially measured according to the cost, which includes the initial measurement amount of lease liabilities, lease payments paid on or before the beginning of the lease term, initial direct expenses, etc., and deducting the received lease incentives. If the company can reasonably determine the ownership of the leased asset at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased asset; If it is impossible to reasonably determine whether the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining service life of the leased asset. When the recoverable amount is lower than the book value of the right to use assets, the company will write down its book value to the recoverable amount. For short-term leases with a lease term of no more than 12 months and low value asset leases with a lower value when a single asset is new, the company chooses not to recognize the right to use assets and lease liabilities, and the relevant rental expenses are included in the current profit and loss or the cost of relevant assets according to the straight-line method in each period of the lease term.

(10) Accounting For Provision For Devaluation of Assets

The Company regularly reviews the book value of all assets (Including inventory fixed assets, intangible assets and other assets), in order to evaluate whether the recoverable amount has fallen to less than book value. When a matter or changes indicate that the book value may not be able to recover, these assets will be required to carry out impairment testing. If there is impairment and the book value will be lower than its recoverable amount, and the reduced value is asset impairment losses.

Recoverable amount is the higher one between net sales and the present value of expected future cash flow formed in assets' continuing use and disposal at the end of its useful life.

(11) Recording Method of Construction in Progress

The construction in progress of the company is recorded on the basis of costs actually occurred and transferred to fixed assets when arriving at the state can be put to use.

(12) Recognition of revenue

The company sales is recorded on accrual basis and recognized when the main risk of property and rewards have been transferred to purchase neither retaining continuous management power usually related to the property nor exerting controls on the sold merchandise, the economic interest related to the transactions has flowed in the company, as well as the revenue and costs can be reliably measured.

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY

(13) Accounting for Corporation Income Tax

The business income tax is deferred income taxes method.

4. Main Taxes

The company refers following taxes.

(1) Business Income Tax

Business Income Tax rate of 25%.



(2) Value-Added Tax

The company is a common tax payer, with 13% of VAT on Sales and 6% on service.

(3) Individual Income Tax

The individual income tax of the company is totally burdened with the employees, and deducted from the wages and paid by the company.

5. Notes of Main Items of Accounting Statements

(1) Cash & Bank Balance

Items

Cash in Bank

	Ending Balance	
	At Beg. of Year	At End of Year
	4,736,655.97	14,360,428.91

(2) Trade Receivable Excluding Inter Company

Including:

Shanghai Jahwa Abt Associates Inc

Suzhou Colori Cosmetics Manufacturing Co., Ltd

Hangzhou Nameizhikang Technology Company Limited

	Ending Balance	
	At Beg. of Year	At End of Year
	7,477,675.56	8,735,785.24
	4,375,872.02	5,779,187.44
	4,568,289.24	1,955,115.33

(3) Trade Receivable For Inter Company Goods

Including:

Essel Propack Philippines, Inc.

	Ending Balance	
	At Beg. of Year	At End of Year
	3,733,883.89	4,603,831.88

(4) Other Receivable Inter Company

Including:

EPL Packaging (Guangzhou) Limited

	Ending Balance	
	At Beg. of Year	At End of Year
	12,553,368.39	5,908,905.97

(5) Inventory

Items

Goods in transit

Raw Materials

Spares & Consumables

Semi-Finish Goods

Finished Goods in Stock

Packing materials

Inventory impairment

Totals

	Ending Balance	
	At Beg. of Year	At End of Year
	204,965.08	463,004.41
	1,689,160.63	1,251,984.27
	505,248.96	479,337.47
	1,426,700.33	795,436.54
	2,817,245.79	1,419,746.47
	129,588.29	114,877.90
	-41,285.73	-52,262.47
	6,731,623.35	4,472,124.59

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY



(6) Prepaid Expense Other Reciv, Loans Adv

Items	Ending Balance	
	At Beg. of Year	At End of Year
Advance for Exps	226,044.33	86,400.00
Advances for Purchases	139,032.59	0.00
Deposits With Others	67,350.00	140,050.00
Foreign Curr Adj	23.43	0.00
L&Adv-OtherRel.Party	-	0.00
Other Receivables	2,491.90	217.75
Prepaid Exps	534,242.47	524,048.91
Staff Advances	-95,082.95	-1,000.00
Totals	874,101.77	749,716.66

(7) Gross Block Of Fixed Assets

Category	Ending Balance			
	At Beg. of Year	Increase	Decrease	At End of Year
Machinery	72,481,746.86	0.00	0.00	72,481,746.86
Equipments	9,185,992.97	462,724.35	31,610.26	9,617,107.06
Electronic & Office Facilities	746,862.20	56,839.84	76,566.26	727,135.78
Lease Assets	7,725,357.49	362,109.29	55,223.46	8,032,243.32
software	162,872.09	0.00	0.00	162,872.09
LT defer	9,255,771.47	0.00	0.00	9,255,771.47
Mac Enhance	0.00	229,636.90	0.00	229,636.90
Totals	99,558,603.08	1,111,310.38	163,399.98	100,506,513.48

Total Accumulated Depreciation

Category	At Beg. of Year	Increase	Decrease	At End of Year
Machinery	38,365,887.21	6,521,736.60	0.00	44,887,623.81
Equipments	3,703,280.89	923,374.34	28,449.22	4,598,206.01
Electronic & Office Facilities	364,153.20	127,610.83	67,197.13	424,566.90
Lease Assets	1,658,943.83	1,716,337.07	55,223.46	3,320,057.44
software	100,643.45	16,287.22	0.00	116,930.67
LT defer	9,255,771.47	0.00	0.00	9,255,771.47
Mac Enhance	0.00	3,827.28	0.00	3,827.28
Totals	53,448,680.05	9,309,173.34	150,869.81	62,606,983.58
Net Block	46,109,923.03			37,899,529.90

(8) Capital Work In Progress

Items	Ending Balance			
	At Beg. of Year	Increase	Transfer	At End of Year
Equipment project	229,636.90	519,564.19	749,201.09	0.00

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY

(9) Trade Creditors For Goods		Ending Balance		6,500,158.95
	Items	At Beg. of Year	At End of Year	
	Realeffect-APGoods	543.19	0.00	
	Account Payable-Exp	972,889.05	857,239.54	
	Account Payable-Goods	5,126,257.93	3,735,182.21	
	Vendor Clearing (GR/IR)	1,428,599.61	1,907,737.20	
	Totals	7,528,289.78	6,500,158.95	

(10) Other Inter Co. Creditors(Royalty/Exp)		Ending Balance		74,513.57
	Items	At Beg. of Year	At End of Year	
Including:				
	EPL Limited	59,710.97	74,513.57	

(11) Vat Payable		Ending Balance		642,350.68
	Items	At Beg. of Year	At End of Year	
	VAT	670,333.27	642,350.68	

(12) Accrued Tax Expenses		Ending Balance		6,425,130.47
	Items	At Beg. of Year	At End of Year	
	Salary、Welfare Payable	2,282,565.83	3,037,088.23	
	Outstanding Liabilit	2,272,374.62	1,457,324.12	
	Other Liabilities	1,543,067.14	1,802,312.36	
	Taxes Payable- Stamp Tax	1,738.03	22,917.28	
	Taxes Payable-Individ	13,479.48	8,177.57	
	Taxes Payable- Other	88,517.53	97,310.91	
	Totals	6,201,742.63	6,425,130.47	

(13) Provision for Income Tax		Ending Balance		413,606.17
	Items	At Beg. of Year	At End of Year	
	Income Tax	499,353.14	413,606.17	

(14) Deferred Tax Liability		Ending Balance		130,779.69
	Items	At Beg. of Year	At End of Year	
	Deferred Tax Liability	265,513.60	130,779.69	

(15) Lease Liabilities (Non Current)		Ending Balance		3,163,358.48
	Items	At Beg. of Year	At End of Year	
	Factory Rental	4,493,004.41	2,939,862.70	
	Transformer Rental	197,260.94	129,071.78	
	Shuttle Rental	0.00	94,424.00	
	Totals	4,690,265.35	3,163,358.48	

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY

(16) Equity Capital		Ending Balance	65,000,000.00
	Investor	Registered capital	At End of Year
	EPL Packaging (Guangzhou) Limited	<u>65,000,000.00</u>	<u>65,000,000.00</u>

(17) Business Income		Current accumulation	101,114,201.09
	Items	Last Year	Current Year
	Sales Revenue	116,467,275.34	101,102,016.70
	Sales Revenue Scrap	391,229.85	528,196.95
	Trade Income	0.00	93,100.88
	Sales Revenue Others	903,334.85	103,030.08
	Sales Returns, Rebates, Credit Claims E	-1,074,520.86	-712,143.52
	Totals	<u>116,687,319.18</u>	<u>101,114,201.09</u>

(18) Manufacturing Expenses		Current accumulation	6,454,843.20
	Items	Last Year	Current Year
	Energy & Utilities (Power & Fuel)	1,360,761.69	1,327,750.02
	Stores & Spares	1,127,948.31	1,048,291.52
	Factory Rent	0.00	0.00
	Cost fo Outsourcing	2,689,704.55	2,144,647.62
	Other Manufacturing Expenses	577,261.62	571,380.22
	Repairs&Maintenance Manufacturing	1,502,017.86	1,362,773.82
	Totals	<u>7,257,694.03</u>	<u>6,454,843.20</u>

(19) Personnel Cost		Current accumulation	12,948,954.51
	Items	Last Year	Current Year
	Direct Personnel Cost	3,384,237.46	3,142,533.75
	Indirect Personnel Cost	6,442,500.86	7,330,981.64
	Over Time Charges	2,163,464.95	1,732,413.52
	Welfare Expenses	864,250.96	743,025.60
	Totals	<u>12,854,454.23</u>	<u>12,948,954.51</u>

(20) Administrative Expenses		Current accumulation	2,072,600.49
	Items	Last Year	Current Year
	Travelling and Conveyance Exp.-Domest	455,901.51	334,806.21
	Communication Expense (Tel/Fax/E-Mail	187,584.99	205,978.11
	Professional & Consultancy Charges	12,486.72	29,079.25
	Insurance	76,949.93	73,923.02
	Information Technology Expenses	261,976.26	270,281.51
	Taxes (Other than Income Tax)	471,645.51	481,216.17
	Other Office Expenses	679,803.51	673,870.47
	Repairs & Maintenance Admin	3,146.41	3,445.75
	Totals	<u>2,149,494.84</u>	<u>2,072,600.49</u>

EPL Packaging (Jiangsu) Limited.

Footnotes of Accounting Statements for the year 2022.04-2023.03

UNIT: CNY

6. Disclosure of Related Party Relationships and Transactions

(1) Related Party Relationships

Related Party	Relation
EPL Limited	Direct control
EPL Packaging (Guangzhou) Limited	Direct control
Essel Propack Philippine, INC.	under common control
EPL Packaging (Guangzhou) Limited Hefei branch office	under common control
EPL Packaging (Guangzhou) Limited Tianjin branch office	under common control

(2) Related Party Transactions

(a) The substantial transactions from related party as follows:

Related Party	Content	Amount
EPL Limited	Purchase	\$34,311.65
EPL Packaging (Guangzhou) Limited	Sale	5,931,284.08
EPL Packaging (Guangzhou) Limited	Purchase	38,595,102.73
Essel Propack Philippine, INC.	Sale-LmTub	9,206,287.75
Essel Propack Philippine, INC.	Sale-Lam	684,671.13
EPL Packaging (Guangzhou) LTD Hefei branch	Sale	12,914,895.88
EPL Packaging (Guangzhou) LTD Tianjin branch	Sale	100,148.50
EPL Packaging (Guangzhou) LTD KF branch	Purchase	<u>10,309.78</u>

(b) The balance of related party as follows:

Related Party	Accounts receivable	Accounts Payable
EPL Limited		\$10,843.54
EPL Packaging (Guangzhou) Limited	5,908,905.97	
Essel Propack Philippine, INC.	<u>4,603,831.88</u>	

常熟莘联会计师事务所附件章

Laminate Packaging Colombia S.A.S
Audited Financial Statements for the
financial year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF LAMINATE PACKAGING COLOMBIA S.A.S.

Report on the Special Purpose Financial Statements for the year ended March 31, 2023

Opinion

We have audited the accompanying financial statements of LAMINATE PACKAGING COLOMBIA S.A.S. ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss, the statement of changes in equity and the statement of cash flows and for the year then ended and notes to financial statements and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with accounting principles generally accepted in Colombia, of the state of affairs of the Company as at March 31, 2023.

The special purpose financial statements as of March 31, 2022 are included for comparative purposes only.

Basis for opinion

We conducted our audit of the financial statements in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the independence standards laid down by the International Federation of Accountants ("IFAC") that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the generally accepted accounting principles, including the International Accounting Standards (IAS) and the accounting policies.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

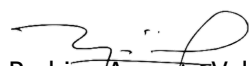
Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 ISAs 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 financial statements.

Restriction on Distribution and Use

The financial statements have been prepared for inclusion in the consolidated financial statements of Parent Company. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Parent Company and should not be distributed to or used by parties other than the Company or the Parent Company.

Russell Bedford MCA Audit S.A.S.
Member of Russell Bedford International



Rodrigo Augusto Valencia Llanos
Partner

April 20, 2023
Cali Colombia

LAMINATE PACKAGING COLOMBIA S.A.S.
Notes to the Financial Statements
For the year ended 31 March 2023
(Expressed in thousands of Colombian Pesos)

LAMINATE PACKAGING COLOMBIA S.A.S

**Financial Statement and
Report of independents auditor
For the years ended 31 March 2023 and March 31, 2022**

LAMINATE PACKAGING COLOMBIA S.A.S
Statement of financial position
At March 31, 2023
(With comparatives figures as a March 31 2022)
(Amount expressed in thousands of Colombian Pesos)

	Note	mar-23	mar-22
Assets			
Current assets			
Cash and cash equivalents	10	441.467	552.602
Commercial debtors and other accounts receivable	11	10.199.341	10.762.158
Inventories	12	14.629.965	13.007.326
Current taxes assets	13	3.946.330	2.711.354
Current non-financial assets	13	1.696.139	565.780
Total current assets		30.913.242	27.599.220
Non-current assets			
Property, plant and equipment	14	13.194.431	11.234.642
Deferred taxes assets		272.130	-
Total non-current assets		13.466.561	11.234.642
Total assets		44.379.803	38.833.862
Liabilities			
Current liabilities			
Borrowings	15	17.289.469	14.519.396
Commercial creditors and other accounts payable	16	15.409.294	11.793.548
Current taxes liabilities	17	714.933	410.568
Benefits to employees	18	528.902	443.584
Provisions	19	1.062.331	1.782.708
Current non-financial liabilities		20.000	0
Total current liabilities		35.024.929	28.949.804
Non-current liabilities			
Borrowings	15	0	2.740.146
Total non-current liabilities		0	2.740.146
Total liabilities		35.024.929	31.689.950
Equity			
Subscribed and paid capital	20	1.452.814	1.452.814
Share premium		14.403.684	14.403.684
Accrued results		(8.712.586)	(7.364.163)
Result of the year		2.210.962	(1.348.423)
Total equity imputable to properties		9.354.874	7.143.912
Total liabilities and equity		44.379.803	38.833.862


Carl Michael Leib B.
Legal Representative


Luis Gabriel Castillo I.
Finance Manager

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LAMINATE PACKAGING COLOMBIA S.A.S
Statement of income
At March 31, 2023
(With comparatives figures as March 31, 2022)
(Amount expressed in thousands of Colombian Pesos)

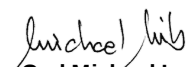
	Note	mar-23	mar-22
Income			
Revenue from operations	21	54.118.204	38.355.095
Cost of sales	22	42.861.694	31.630.212
Gross Profit		11.256.510	6.724.883
Expenses			
Distribution costs	23	2.471.329	2.473.686
Administrative expenses	24	3.488.291	2.868.194
Other expenses	25	1.508.938	1.618.686
Other income	26	1.756.778	1.100.481
Results from operating activities		5.544.730	864.798
Finance income		(7.426)	
Finance costs	27	3.072.039	2.337.223
Profit (Loss) before taxes		2.480.117	(1.472.425)
Prov. for Tax-Curren		417.275	-
Deferred tax		(148.128)	124.002
Tax expense		269.147	124.002
Profit (Loss) from continuing activities		2.210.970	(1.348.423)


Carl Michael Leib B.
Legal Representative


Luis Gabriel Castillo I.
Finance Manager

LAMINATE PACKAGING COLOMBIA S.A.S
Statement of Changes in Equity
For the year ended March 31, 2023
(With comparatives figures as of the year ended at March 31, 2022)
(Expressed in thousands of Colombian Pesos)

	Subscribed and paid capital	Share premium	Results of the year	Accrued results	Total Equity
Balances as of March 31 2021	1.452.814	14.403.684	(1.762.753)	(5.601.410)	8.492.335
Result of the period	-	-	(1.348.423)	-	(1.348.423)
Increase of subscribed and paid capital	-	-	1.762.753	(1.762.753)	-
Balances as of March 31 2022	1.452.814	14.403.684	(1.348.423)	(7.364.163)	7.143.912
Result of the period	-	-	2.210.962	-	2.210.962
Reclassification: result of the period	-	-	(1.348.423)	1.348.423	-
Balances as of March 31 2023	1.452.814	14.403.684	(485.884)	(6.015.740)	9.354.874


Carl Michael Leib B.
Legal Representative


Luis Gabriel Castillo I.
Finance Manager

LAMINATE PACKAGING COLOMBIA S.A.S.
Statement of cash flows
For the year ended March 31, 2023
(With comparatives figures as of the year ended at March 31 2022)
(Expressed in thousands of Colombian Pesos)

	2023	2022
Cash flows from operating activities		
Results of the year	2.210.962	-1.348.423
Depreciation	2.725.212	2.712.835
Provision Inventory Obsolescence	241.287	199.474
Provision accounts receivable of commercial origin	35.637	25.149
Acquisition of property, plant and equipment (lease warehouse)	-3.791.398	0
Deferred taxes assets	-272.130	0
Net cash generated by operations	1.149.570	1.589.035
Inventories	-1.863.926	-4.643.078
Commercial debtors and other accounts receivable	527.180	-1.479.445
Commercial creditors and other accounts payable	3.615.744	448.320
Currents taxes assets	-1.234.976	263.380
Current non-financial assets	-1.130.359	-95.102
Benefits to employees	85.318	39.489
Currents taxes liabilities	304.365	42.331
Currents non-financial liabilities	20.000	-21.285
Provision liabilities	-720.377	997.307
Net cash provided by (used in) operating activities	752.539	-2.859.048
Cash flow form investing activities		
Acquisition of property, plant and equipment	-893.601	-1.160.648
Net cash provided by (used in) investing activities	-893.601	-1.160.648
Cash flows from financing activities		
Loans and obligations	29.927	2.911.580
Increase subscribed capital and paid capital	0	0
Share premium	0	0
Net cash provided by (used in) financing activities	29.927	2.911.580
Net decrease of cash and cash equivalents	-111.135	-1.108.116
Cash and cash equivalents at 1 April	552.602	1.660.718
Cash and cash equivalents at 31 March	441.467	552.602


Carl Michael Leib B.
Legal Representative


Luis Gabriel Castillo I.
Finance Manager

Notes to the Financial Statements
March 31, 2023
(With comparatives figures as a March 2022)
(Expressed in thousand Colombian Pesos)

1. General Information

LAMINATE PACKAGING COLOMBIA S.A.S. ("the Company"). was incorporated by public deed No.38777. dated January 08, 2016. with an Indefinite term of duration. Previously named ESSEL COLOMBIA S.A.S., the name change was made on October 20, 2020 by decision of the corporate. The address of its registered office and main place of business is km 24 via Cali - Santander de Quilichao Parque Industrial Parque Sur Zona Franca bodega 9A - Villarica (Cauca). Its main business purpose is the manufacture, distribution, processing and printing of plastic and laminated tubes, ordinary or collapsible packaging. The Company's domicile is in Villa Rica, department of Cauca. LAMINATE PACKAGING COLOMBIA, is an entity controlled by MTL Panamá S.A. with a 93% participation and Lamitube Technologies LTD with a 7% participation and its ultimate parent company is EPL PROPACK LTD located in India.

2. Basis of preparation

The consolidated financial statements of the Entity have been prepared on the historical cost basis, except for (certain financial instruments, property, plant and equipment, investment properties, etc.) which are valued at revalued amounts or at their fair values at the end of each period, as explained in the accounting policies included below. Historical cost: historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value: fair value is defined as 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 valuation date, regardless of whether that price is observable or estimated using another valuation technique directly. In estimating the fair value of an asset or liability, the Entity considers 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 in such a manner, except for share-based payment transactions that are within the scope of IFRS 2, lease transactions that are within the scope of IFRS 16, and valuations that have some similarities to fair value but are not fair value, such as net realizable value under IAS 2 or value in use under IAS 36.

The Entity has defined by its bylaws to make a cut-off of its accounts, prepare and disseminate general purpose financial statements once a year, on December 31, 2022. For legal purposes in Colombia, the main financial statements are the consolidated financial statements, which are expressed in Colombian pesos, as this is the presentation or reporting currency for all purposes. The functional currency is the Colombian peso, which corresponds to the currency of the main economic environment in which the Entity operates. Foreign operations are included in compliance with the policies set forth in note 3.

Classification of current and non-current assets and liabilities

In the statement of financial position, assets and liabilities are classified according to their maturities as current, those maturing in twelve months or less, and non-current, those maturing in more than one year.

3. Application of the standards incorporated in Colombia as of January 1, 2021

There were no new standards or amendments effective for the year 2022.

The following interpretations and amendments issued by the IASB were incorporated by Executive Order 938 of 2021 and are effective as of January 1, 2023. The Group has not early implemented them and does not expect adoption to have a material impact on the consolidated financial statements in future periods, except as specifically noted below.

- IAS 1 to classify a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the date of the reporting period.
- IAS 16 with respect to products obtained before their intended use.
- IAS 37 with respect to the cost of compliance.
- IFRS 9, IFRS 7, IAS 39 regarding the reform of the benchmark interest rate
- IFRS 3 with respect to assets acquired, liabilities assumed and contingent liabilities.
- Annual improvements to IFRS 2018-2020: IFRS 1 regarding a subsidiary that adopts IFRS for the first time. IFRS 9 regarding write-off of financial liabilities. IAS 41 regarding taxes on fair value measurement. IFRS 4 regarding the temporary exemption for the insurer to apply IAS 39 for annual periods beginning before 1/1/2023.
- Phase 2 of the reform of the benchmark interest rate: amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4.
- IFRS 16 regarding the practical expedient on income concessions related to Covid-19 after June 30, 2021, the Group has applied the amendments in advance of the effective date. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rental is a lease modification. A lessee that makes this election should account for any change in rental payments resulting from the granting of COVID-19 related rentals by applying IFRS 16 as if the change were not a modification to the lease. The practical expedient applies only to rental awards that occur as a direct consequence related to COVID-19 and only if the following conditions are met: (i) The change in lease payments results in consideration that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) Any reduction in lease payments only affects payments due on or before June 30, 2022 (a rent concession satisfies this condition if it results in a reduction in payments before June 30, 2022 or increases lease payments that extend beyond June 30, 2022); and (iii) There is no substantive change in any other term or condition of the lease.

The following interpretations and amendments issued by the IASB were approved by Decree 1611 of 2022 effective January 1, 2024. The Group has not implemented them in advance and has not yet determined the possible impact they may have once implemented. IAS 1 regarding disclosure of accounting policies.

- IAS 8 regarding the definition of accounting estimates. IAS 12 with respect to deferred taxes related to assets and liabilities generated in a single transaction.

The following standards and amendments issued by the IASB have not yet been approved or are not yet effective for implementation in Colombia. The Group has not implemented them in advance and has not yet determined the possible impact they may have once implemented.

- IFRS 17 regarding insurance contracts.
- IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture.

4. Measurement bases

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued or fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

5. Business in progress

The financial statements of Laminate Packaging Colombia S.A.S. are prepared under the assumption of its continuity in the foreseeable future. In this sense, there are no material uncertainties related to events or conditions that may cast significant doubt on the possibility of the Entity's continued operation.

Future projections are good for the company. With the vaccination process and health regulations for the year 2022, the company and the region have returned to normality in the business environment. We will continue tirelessly with the projections for growth in exports, maximizing the advantages of being in the free trade zone and seeking a better mix between domestic and export sales.

6. Reporting period

The Company has defined by statutes to cut its accounts, prepare and disseminate general purpose financial statements once a year, on December 31. The reported period is from January 1, 2022 to December 31, 2022 and its respective comparison with the year 2021. .

7. Accounting policies

The main accounting policies applied in the preparation of the financial statements are detailed below and have been consistently applied in the preparation of the financial statements, in accordance with the Accounting and Financial Information Standards accepted in Colombia (NCIF), unless otherwise stated.

7.1. Foreign currency transactions

7.1.1. Functional currency and presentation currency

The items included in the financial statements are presented in Colombian pesos, which is the Company's functional currency. All information is presented in thousands of pesos and has been rounded to the nearest unit.

7.1.2. Transactions and balances

Transactions in foreign currencies are converted to the functional currency using the exchange rates in effect on the dates of the transactions. Foreign currency gains or losses arising from these transactions and from translation at year-end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

7.1.3. Hedge policy

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives with respect to foreign currency risk, as fair value hedges, cash flow hedges, or hedges of the net investment in a foreign operation. A hedge of the foreign currency risk of a firm commitment may be accounted for as a cash flow hedge.

At the inception of the hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedging transactions. In addition, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when hedging relationships meet the following hedge effectiveness requirements:

- i. there is an economic relationship between the hedged item and the hedging instrument
- ii. the effect of the credit risk does not dominate the changes in value resulting from this economic relationship; and
- iii. the hedging relationship is the same as that resulting from the amount of the hedged item that the Company actually hedges and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

If a hedging relationship no longer meets the hedge effectiveness requirement related to the hedging relationship, but the risk management objective for that designated hedging relationship remains the same, the Company adjusts the hedging relationship's hedge ratio (i.e., rebalances the hedge) to meet the qualifying criteria again.

The Company designates the entire change in fair value of a forward contract (includes forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The company's policy is to cover one hundred percent of purchases abroad, limited by the credit capacity granted by banks and in line with fully covering operations in foreign currency, reducing exchange risk.

7.2. Financial instruments

7.2.1 Financial assets

7.2.1.2 Classification and valuation of financial assets

All regular purchases or sales of financial assets are recognized and derecognized on a trade date. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the term established by regulation or by the market.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

- b) The contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.*
- c) Debt instruments that meet the following conditions are subsequently measured at fair value recognized in other comprehensive income:*
- d) The financial asset is held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets; and*
- e) The contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.*
- f) By default, all other financial assets are subsequently measured at fair value through profit or loss.*
- g) Notwithstanding the foregoing, the Company may make the following irrevocable election at the time of initial recognition of a financial asset:*
- h) The Company may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met, and*
- i) The Company may irrevocably designate a debt investment that meets the amortized cost or fair value criteria recognized in other comprehensive income measured at fair value through profit or loss if doing so would eliminate or significantly reduce an accounting mismatch.*

7.2.1.3 Amortized cost and effective interest method:

The effective interest method is a way to calculate the amortized cost of a debt instrument and to allocate interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the debt instrument or, if shorter, to the gross carrying amount of the debt instrument on initial recognition.

For credit-impaired financial assets purchased or originated, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition less principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any tolerable losses. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any allowance for losses.

Interest income is recognized using the effective interest method for debt instruments subsequently measured at amortized cost and at fair value recognized in other comprehensive income. For financial instruments other than credit-impaired financial assets acquired or originated, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently suffered any credit impairment (see 6.3.1.3.).

For financial assets that are subsequently impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For acquired or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset upon initial recognition. The calculation does not revert to the gross basis, even if the credit risk of the financial asset subsequently improves, so that the financial asset is no longer credit-impaired.

7.2.1.4 Impairment of the value of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or fair value through other comprehensive income. The measurement of the allowance for losses depends on the Company's assessment at the end of each reporting period as to whether the credit risk of the financial instrument has increased significantly since initial recognition, based on reasonably and reliably available information, without undue cost or effort to obtain the information.

When there has not been a significant increase in the exposure to credit risk since initial recognition, a 12-month allowance for expected credit losses is estimated. This represents a portion of the expected credit losses over the life of the asset that is attributable to a predetermined event that is possible within the next 12 months. When a financial asset has become credit impaired or when it is determined that the credit risk has increased significantly, the allowance for losses is based on the expected lifetime credit losses of the asset. The amount of expected credit loss recognized is measured based on the probability-weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the allowance for losses is recognized within other comprehensive income. In all other cases, the allowance for losses is recognized in income.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

a significant actual or expected deterioration in the external (if available) or internal credit rating of the financial instrument;

- significant deterioration in external market credit risk indicators for a particular financial instrument, for example, a significant increase in the credit spread, credit default for the debtor of interest rate swap prices, or the time or extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or anticipated adverse changes in business, financial or economic conditions that are expected to cause a significant decline in the debtor's ability to meet its debt obligations;
- a significant actual or expected deterioration in the debtor's operating results;
- significant increases in credit risk in other financial instruments of the same debtor;
- an actual or expected material adverse change in the debtor's regulatory, economic or technological environment that results in a significant decrease in the debtor's ability to meet its debt obligations.

Regardless of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Company has reasonable and reliable information to the contrary.

Notwithstanding the above, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk at the reporting date. A financial instrument is determined to have a low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a high capacity to meet its contractual cash flow obligations in the short term and iii) adverse changes in economic performance

and business conditions over the longer term may, but do not necessarily, reduce the borrower's ability to meet its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether a significant increase in credit risk has occurred and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount is past due.

7.2.1.5 Write-off of financial assets

Financial assets are derecognized from the statement of financial position when the rights to receive cash flows expire or are transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying amount is derecognized.

When financial assets classified as available for sale are sold or impaired, the fair value adjustments accumulated in equity are transferred to the statement of income.

7.3 Accounts receivable:

Accounts receivable are non-derivative financial assets that give right to fixed or determinable payments and are not quoted in an active market. They are presented in current assets. Accounts receivable include trade and other receivables.

Trade accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade accounts receivable are generally due for settlement within 75 days.

The company has applied the simplified approach to measure expected credit losses, which uses an expected credit loss allowance over the life of the asset. Performing individual reviews, communications with the commercial area, with the client and based on professional judgment.

7.4 Derivative financial instruments

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and subsequently remeasured at fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to hedge the Company's exposure to variability in cash flows that is attributable to particular risks associated with a recognized asset or liability or a firm commitment that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income through the cash flow hedge reserve in equity, while the ineffective portion is recognized in income. Amounts taken to equity are transferred out of equity and are included in the measurement of the hedged transaction when the forecast transaction occurs.

If the hedging instrument is sold, terminated, expires, is exercised without replacement or reinvestment, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognized in equity remain in equity until the forecast transaction occurs.

7.5 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress includes design

costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity), and does not include interest costs. Purchased inventory costs are determined after deducting rebates and discounts received or receivable.

Inventory in transit is recorded at the lower of cost and net realizable value. Cost includes purchase and delivery costs, net of rebates and discounts received or receivable.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The provision for inventories is calculated based on their age, considering 365 days for raw materials and finished products and 15 years for spare parts, also considering the professional judgment of the operations people in the financial area.

7.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss. Historical cost includes outlays directly attributable to bringing the asset to its location and condition necessary for it to operate in the manner expected by management. The Company includes in the carrying amount of an item of property, plant and equipment the cost of replacing parts of such item when that cost is incurred if the replaced part is expected to provide future incremental benefits to the Company. The carrying amount of the replaced part is derecognized. Any other repair and maintenance is charged to the income statement during the period in which it occurs.

Asset type	Depreciation method	Pattern
Machinery and equipment $\geq$ 2 SMMLV of the year of presentation of the financial statements.	Straight line	10 to 15 years.
Machinery and equipment $\leq$ 2 SMMLV of the year of presentation of the financial statements, authorized for control.	Straight line	In the period.
Furniture and fixtures $\geq$ 2 SMMLV of the year of presentation of the financial statements.	Straight line	10 years.
Furniture and fixtures $\leq$ 2 SMMLV of the year of presentation of the financial statements, authorized for control.	Straight line	In the period.
Office equipment $\geq$ 2 SMMLV of the year of presentation of the financial statements.	Straight line	10 years.
Office equipment $\leq$ 2 SMMLV of the year of presentation of the financial statements, authorized for control.	Straight line	In the period.
Computer and communication equipment $\geq$ 2 SMMLV of the year of presentation of the financial statements.	Straight line	5 years.
Computer and communication equipment $\leq$ 2 SMMLV of the year of presentation of the financial statements, authorized for control.	Straight line	In the period.
Fleet and transport equipment $\geq$ 2 SMMLV of the year of presentation of the financial statements.	Straight line	5 years.

Asset residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if applicable, when there is an indication of a significant change since the last reporting date. These values are reviewed once in the accounting period.

The carrying amount of an asset is immediately reduced to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. Gains and losses from disposals are determined by comparing the income with the carrying amount and are recognized in the income statement in other (expenses)/income, net.

7.7 Impairment of non-financial assets

7.8 Financial liabilities and equity instruments

7.8.1 Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or as equity in accordance with the substance of the contractual agreement and the definitions of financial liability or equity instrument.

7.8.2 Financial liabilities

Financial liabilities are classified at fair value through profit or loss or at amortized cost using the effective interest method. The Company determines the classification of financial liabilities upon initial recognition.

7.8.3 Financial liabilities subsequently measured at amortized cost:

Other financial liabilities (including loans and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the financial expense throughout the relevant period. The effective interest rate is the discount rate that exactly equals the cash flows receivable or payable (including all fees and points paid or received that are part of the effective interest rate, transaction costs, and other premiums or discounts) estimated over the expected life of the financial liability (or, where appropriate), a shorter period, at the amortized cost of a financial liability

7.8.4 Derecognized financial liability:

The Company will derecognize a financial liability if, and only if, the Company's obligations expire, are canceled or fulfilled. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

7.9 trade accounts payable

These amounts represent liabilities for goods and services provided to the company before the end of the financial year that are not paid for. Due to their short-term nature, they are measured at amortized cost and are not discounted. Amounts are not guaranteed and are generally paid within 60 days of recognition.

7.10 Provisions

Provisions are recognized when the Company has a present legal or assumed obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. No provisions are recognized for future operating losses.

When there are several similar obligations, the probability that a cash outflow will be required is determined by considering the type of obligation as a whole. A provision is recognized even if the probability of a cash outflow in respect of any item included in the same class of obligations may be small.

Provisions are valued at the present value of the disbursements expected to be necessary to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as a financial expense.

7.11 Income recognition

The company recognizes revenue as follows:

7.11.1 Income from contracts with clients

Variable consideration within the transaction price, if any, reflects concessions granted to the customer, such as discounts, returns, refunds, price reductions, incentives, performance bonuses, penalties, other similar considerations, and any other contingent events. These estimates are determined using the "expected value" or "most likely amount" method. The measurement of variable consideration is subject to a limitation principle whereby revenue will only be recognized to the extent that it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognized when the uncertainty about it is subsequently resolved variable consideration. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the limitation principle are initially recognized as separate deferred revenue in the form of a refund liability.

The Company recognizes revenue when the amount of the revenue can be measured reliably; it is probable that future economic benefits will flow to the Company; and specific criteria are met for each of the activities, as described below:

7.11.2 Goods sales income

The Company recognizes income from the sale of goods marketed or produced, in the wholesale market when the customer obtains control of the goods, which is generally done at the time of delivery. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have expired, or the Company has objective evidence that all criteria for acceptance have been satisfied.

7.11.3 Income from printing services

The company recognizes as income from ordinary activities the transfer of services committed to customers for an amount that reflects the consideration for laminate printing services, in which the transfer of the right is identifiable.

7.11.4 Interests

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating interest income during the period using the effective interest rate, which is the rate that exactly discounts estimated future income over the expected useful life of the financial asset.

7.12 Current income tax

Current tax payable is based on taxable profits recorded during the year. Taxable profit differs from the profit reported in the statement of income and other comprehensive income, due to items of income or expense that are taxable or deductible in other years and items that are never taxable or

deductible. The Company's liability for current tax is calculated using the tax rates enacted at the end of the reporting period. The Company determines the provision for income and complementary taxes based on taxable income or presumptive income, whichever is greater, estimated at rates specified in the tax law.

The Company only offsets the assets and liabilities for current income tax, if there is a legal right and it is sent to the tax authorities and they intend to settle the resulting debt for its net amount, or else, realize the assets and settle the debts simultaneously.

7.13 Leases

International Financial Reporting Standard 16 Leases (IFRS 16) establishes the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information provides a basis for the company's financial statements to assess the effect that leases have on the entity's financial position, financial performance, and cash flows.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease term.

The Company leases certain items of property, plant and equipment. Leases of property, plant and equipment in which, substantially, the Company has all the risks and rewards of ownership are classified as operating leases.

Financial leases are capitalized at the beginning of the lease by the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in loans in the statement of financial position. Property, plant and equipment acquired under financial leases is depreciated over the shorter of the useful life of the asset and the lease period.

8. Applicable accounting standards

The Entity, in accordance with the current provisions issued by Law 1314 of 2009 regulated, compiled and updated by Decree 938 of 2021, Decree 1432 of 2020 and previous ones, prepares its financial statements in accordance with accepted accounting and financial information standards in Colombia - NCIF, which are based on the International Financial Reporting Standards (IFRS) together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB, for its acronym in English) in force as of December 31. December 2018.

Additionally, the Entity in compliance with Laws, Decrees and other regulations in force, applies the following accounting criteria that differ from IFRS issued by the IASB:

Decree 2420 of 2015 through which banking establishments, financial corporations, financing entities, financial cooperatives, higher grade cooperative organizations and insurance entities in their individual and separate financial statements must not apply the IFRS approved by the IASB for the treatment of the portfolio of credit and its deterioration, and the classification and measurement of investments, but must apply the standards issued by the Financial Superintendence of Colombia. The applicable accounting policies are detailed in Note 6 "Significant Accounting Policies".

Decree 2420 of 2015 through which banking establishments, financial corporations, financing entities, financial cooperatives, higher grade cooperative organizations and insurance entities in their individual and separate financial statements must not apply the IFRS approved by the IASB for the treatment of reserves catastrophic techniques for the earthquake branch, the loss deviation reserves

and the asset insufficiency reserve, but must apply the regulations issued by the Financial Superintendence of Colombia.

External Circular No. 36 of 2014 of the Financial Superintendence of Colombia - Establishes that the form to register the assets in dation in payment or restituted must be carried out in accordance with the Payment Administration System for Assets Received in Dation in Payment established by the Basic Circular Accounting and Finance (External Circular 100 of 1995).

Decree 2496 of 2015 establishes that the entities supervised by the Superintendence of the Solidarity Economy must not apply the IFRS approved by IASB for the treatment of the loan portfolio and its impairment; the classification and measurement of investments, but must apply the standards issued by the Financial Superintendence of Colombia, and for the treatment of social contributions they must record it as equity in accordance with Law 79 of 1988 and its amendments. The applicable accounting policies are detailed in Note 6 "Significant Accounting Policies".

Decree 2131 of 2016 - Whereby it is determined to disclose the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 and in the case of partial pension commutations in accordance with Decree 1833 of 2016 and the differences with the calculation made in accordance with IAS 19 - Employee Benefits.

9. Corporate governance

Corporate governance is the set of policies, practices and measures of administration, governance and control aimed at creating, promoting, consolidating and preserving a culture based on the principles of responsibility, equity, respect and transparency, which are translated in a particular way to understand the business exercise. For the company, the Corporate Governance system is a fundamental pillar for the development and fulfillment of the strategy, and is considered fundamental for its sustainability.

The Company is committed to maintaining the highest standards of corporate governance aligned with best practices.

Laminare believes in adopting Global Best Practices in the area of Corporate Governance following a principle of total transparency and accountability, thus protecting the interests of all its stakeholders.

During the year under review, the Board continued its goal of achieving these objectives by adopting and monitoring corporate strategies, prudent business plans, monitoring key business risks and ensuring that we follow policies and procedures to satisfy its legal and ethical responsibilities.

For more information on corporate governance reporting, please visit the website at <https://www.esselpropack.com/corporate-governance/>

10. Financial risk management

The Company is exposed to the following risks arising from financial instruments.

- Credit risk.
- Liquidity risk.
- Market risk - Foreign currency.
- Market risk - Interest rate.

10.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

The Entity is exposed to credit risk on its operating activities (mainly trade receivables), deposits with banks and other financial instruments. Credit risk arises from the possibility that the counter party may not be able to settle its obligations.

10.2 Liquidity risk

Liquidity risk is defined as the risk that the Entity will not be able to settle or meet its obligations on time at a reasonable price. For the Entity, liquidity risk arises from obligations on account of financial liabilities: loans, trade payable, derivative instruments and other financial liabilities.

The Entity's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its obligations when necessary, under both normal and stressed conditions, without incurring unacceptable losses or risk of damage to the Company's reputation, for example, being reported negatively in credit bureaus such as "Datacredito".

The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasts and cash flows, and matching the maturity profiles of financial assets and liabilities. It maintains adequate sources of funding, including loans, debt and bank overdrafts. It also enjoys strong access to internal capital through various debt instruments.

The Company believes that trade payable will be settled in the current fiscal year and the non-current portion of financial obligations are described in Note 16.

10.3 Market risk

Market risk is the risk change in market prices, such as exchange rates, interest rates and stock prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of assumed changes in the respective market risks.

The Company's activities expose it to risks due to changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments, such as forward foreign exchange contracts of varying maturities, depending on the underlying contract, as a risk management strategy to manage its exposures to foreign exchange and interest rate fluctuations.

i. Riesgo cambiario

Foreign currency risk is the risk that the fair value cash flows will fluctuate due to changes in market prices. The Entity is exposed to foreign exchange risk on its accounts receivable and payable, which are mainly held in the U.S. dollar (USD), the euro (EUR) and the Swiss franc (CHF). Accordingly, the Company is primarily exposed to the risk that the exchange rate of the Colombian Pesos (COP) in relation to the USD, EUR, CHF and CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Entity assesses the exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including foreign exchange transactions, the use of natural hedges and the use of derivatives such as foreign exchange forward contracts to minimize the impact on results of exchange rate movements unhedged exposures are kept to a minimum. This information is supplemented by note 7.1.3 of these Financial Statements.

ii. Impact on the exchange difference during the year 2022.

Exchange difference	
Recognized value	31/12/2022
Exchange differences recognized in income for the period	227.782
Foreign Currency Balances as of Dec 31, 2022	1.503.686,49
Representative Market Rate	4810,2
Balance in pesos of the items as of Dec 31, 2022	7.233.032.754,2

Exchange difference	
Recognized value	31/12/2021
Exchange differences recognized in income for the period	198.442
Foreign Currency Balances as of Dec 31, 2021	1.675.282
Representative Market Rate	3981,16
Balance in pesos of the items as of Dec 31, 2021	6.669.565.687

iii. Interest rate risk

This refers to the risk to the Company's cash flow and earnings due to the movement in market interest rates.

For the Company, interest risk arises mainly from interest-bearing loans, which are floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and makes appropriate use of hedged products, optimized loan composition / compounding, etc.

	2023	2022
Guaranteed loans	17.289.469	17.259.542

11. Critical accounting judgments and estimates

11.1 Impairment of non-monetary assets

The Company assesses annually whether its property, plant and equipment and intangible assets are impaired. The Company has not identified events or changes in economic circumstances that indicate that the carrying value of the assets is not recoverable.

11.2 Useful lives and residual values of property, plant and equipment

The determination of the economic useful lives and residual values of property, plant and equipment is subject to the Company's management's estimate of the level of utilization of the assets, as well as the expected technological evolution. The Company regularly reviews all of its depreciation rates and residual values to take into account any changes with respect to the level of utilization, technological framework and its future development, which are difficult events to foresee, and any changes could affect future depreciation charges and carrying amounts of assets.

12. Cash and cash equivalents.

Cash and cash equivalent

Particulars	As at 31 March 23	As at 31 March 22	Variance	Variance %
Cash Balances	1.500	1.500	-	0%
Bank Balances	439.967	551.102	(111.135)	-20%
Total	441.467	552.602	(111.135)	-20%

The balances of the item cash and cash equivalents correspond to cash balances in bank accounts and petty cashes, without restriction.

13. Commercial debtors and other accounts receivable.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Items receivable from clients	10.162.073	10.602.690	(440.617)
Provision Customer	(35.637)	(25.149)	(10.488)
Items receivable from affiliated companies	11.752	137.850	(126.098)
Other trade debtors	61.153	46.767	14.386
Total	10.199.341	10.762.158	(562.817)

The amounts are short term; the net value of the accounts receivable balances is as a fair value approximation.

The items receivable from affiliated companies are related with raw material buys, machine spares, and trades of finished goods, and all are short terms measured a fair value.

The items receivable from affiliated companies have not warrants and the company expect to closed it's during the current fiscal year.

The balances of the items receivable from affiliated companies are composed by:

	March 2023	March 2022
EPL Propack USA	(858)	(858)
EPL México	12.610	47.625
	11.752	46.767

14. Inventories

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Raw material	6.041.896	4.957.591	1.084.305
Contracts in progress	791.027	792.591	-1.564
Finished goods	929.482	603.183	326.299
Spare Parts	4.173.149	3.375.445	797.704
Inventories in transit	2.935.698	3.477.990	-542.292
Provision for obsolete	-241.287	-199.474	-41.813
Total	14.629.965	13.007.326	1.622.639

Inventories were charged as expenses due to obsolescence, whose value was recorded in cost and provisions for obsolete were adjusted.

The computation of the net realizable value was made, and the result was that the cost is higher than its, so there are not with impairments indications.

During the current fiscal year, the Company have not inventories as expenses

The Company considers a provision for obsolete mainly due to spare parts, expects amount in 199.474 thousand pesos.

15. Current taxes assets

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Income taxes refund receivables	0	0	-
Withholding tax receivable	138.043	182.680	(44.637)
Withholding taxes on sales	1.510.720	1.287.631	223.089
VAT refund	2.297.567	1.241.043	1.056.524
Total	3.946.330	2.711.354	1.234.976

The VAT refund has increase due to a new fiscal regulation in Decree 1370 of 2019 where change the base to liquid the VAT from finished goods imported by companies in Free Trade Zone.

16. Current non-financial assets

Particulars	As at 31 March 23	As at 31 March 22	Variance
Advances	1.673.775	430.688	1.243.087
Deferred	22.364	11.090	11.274
Deferred tax	0	124.002	-124.002
Total	1.696.139	565.780	1.130.359

17. Properties, plant and equipment

Cost:

	2023	2022
Capital work in progress	1.100.553	233.119
Improvements in ownership	1.197.934	1.197.934
Machinery	16.390.290	16.373.182
Office furniture	291.629	291.629
Spare parts	208.794	208.794
Computation equipment	189.040	179.981
Operating Lease	7.554.514	3.763.116
	26.932.754	22.247.755

Accrued depreciation

	2023	2022
Capital work in progress	0	0
Improvements in ownership	1.112.367	941.233
Machinery	8.139.079	6.630.559
Office furniture	232.124	199.191
Spare parts	208.794	208.794
Computation equipment	159.672	158.254
Operating Lease	3.886.287	2.875.082
	13.738.323	11.013.113

Net

	2023	2022
Capital work in progress	1.100.553	233.119
Improvements in ownership	85.567	256.701
Machinery	8.251.211	9.742.623
Office furniture	59.505	92.438
Spare parts	0	0
Computation equipment	29.368	21.727
Operating Lease	3.668.227	888.034
	13.194.431	11.234.642

The company evaluated his main impairment hint, and determined that no exist impact for this topic. No fixed asset of the company had been given in warrants of liabilities.

18. Borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Current liabilities			
Borrowings			
Current	17.289.469	14.519.396	2.770.073
Non current	-	2.740.146	(2.740.146)
Total	17.289.469	17.259.542	29.927

The terms and conditions of the outstanding loans were as follows:

March 31 2023					
Entity	Intial date	Interest rate (FXEC Month term		Nominal Value	Balance in books
COLPATRIA	19/05/2021	7,64%	7 Months	13.992.000	2.466.132
COLPATRIA	22/03/2023	17,52%	17 Days	4.400.000	4.400.000
COLPATRIA	22/03/2023	17,52%	17 Days	9.023.337	9.023.337
COLPATRIA	22/03/2023	17,52%	17 Days	400.000	400.000
COLPATRIA	05/01/2023	19,67%	90 Days	1.000.000	1.000.000
				28.815.337	17.289.469

March 31 2022					
COLPATRIA	Intial date	Interest rate	Month term	Nominal Value	Balance in books
COLPATRIA	19/05/2021	DTF 7,43% EA	11 MESES	9.100.000	5.573.338
COLPATRIA	19/05/2021	DTF 7,43% EA	11 MESES	3.900.000	3.900.000
COLPATRIA	03/03/2021	DTF 7,86% EA	31 MESES	13.992.000	3.836.204
COLPATRIA	21/02/2022	TF 6,37% EA	45 DÍAS	2.300.000	2.300.000
COLPATRIA	25/03/2022	TF 7,52% EA	14 DÍAS	800.000	800.000
	29/03/2022	TF 7,30% EA	10 DÍAS	500.000	500.000
COLPATRIA	29/03/2022	TF 7,30% EA	90	350.000	350.000
				30.942.000	17.259.542

19. Commercial creditors and other accounts payable

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Suppliers	3.766.158	2.334.598	1.431.560
Liabilities with group companies	6.208.029	7.052.344	(844.315)
Accounts payable	5.435.107	2.406.606	3.028.501
Total	15.409.294	11.793.548	3.615.746

Correspond to decreases in accounts payable from maintenance, temp labor, and others that have decreased slightly due to the operation.

The items payable from affiliated companies have not warrants and the company expect to closed them during the current fiscal year.

The balance of the item payable with affiliated companies are composed by raw materials sales, spares or others small loans at short terms, the following are the balances per company.

	2023	2022
EPL México	97.124	-
EPL Poland	17.211	57.045
EPL India	1.943.181	1.824.569
EPL China	3.117.275	4.333.025
EPL USA	1.033.238	837.705
TUBO PAKC DE COLOMBIA SAS	-	-
	6.208.029	7.052.344

20. Current taxes payables

The following are the details of the current taxes liabilities balances.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Assets			
Withholding taxes payables 9	204.244	225.710	(21.466)
Income tax provision	417.275	-	417.275
Industry and commerce tax payable 10	93.414	184.858	(91.444)
Total	714.933	410.568	304.365

Net effect between lower sales on December (Less withholding) and the withholding on purchases.

Net effect between the monthly provision (0.77% of sales) and the yearly payment.

21. Employees benefits

Particulars	As at 31 March 23	As at 31 March 22	Variance
Benefits to employees			
Payroll ded Health	20.241	16.986	3.255
Payroll ded Laboral risks	-	-	-
Parafiscal contributions	17.345	16.065	1.280
Pension payable	78.968	70.176	8.792
Vacations payable	253.007	208.496	44.511
Premium payable	76.281	65.022	11.259
Cessation payable	80.665	64.917	15.748
Interest over unemployed benefits	2.394	1.922	472
Salary payable	-	-	-
Total	528.901	443.584	85.317

22. Provisions.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Provision Transport	47.782	195.653	(147.871)
Others Provisions	528.009	727.052	(199.043)
Interest accrued	-	469.884	(469.884)
Provision Activities Employees	486.540	375.119	111.421
Provision Fees	-	15.000	(15.000)
Total	1.062.331	1.782.708	(720.377)

23. Capital

Particulars	As at 31 March 23	As at 31 March 22	Variance
Subscribed and paid capital	1.452.814	1.452.814	-
Share premium	14.403.684	14.403.684	-
Accrued results	(8.712.586)	(7.364.163)	(1.348.423)
Result of the year	2.210.962	(1.348.423)	3.559.385
Total	9.354.874	7.143.912	2.210.962

24. Revenue from contracts with customers

Particulars	As at 31 March 23	As at 31 March 22	Variance
Revenue from ordinary activities			
Trade	56.201.608	38.307.671	17.893.937
Print services	4.164.534	3.681.737	482.797
Other incomes	322.617	207.471	115.146
Less: Refund	(6.570.556)	(3.841.784)	(2.728.772)
Total	54.118.204	38.355.095	15.763.109

The increase is due to the activation of the economy after the 2023 pandemic.

25. Cost of sales

Particulars	As at 31 March 23	As at 31 March 22	Variance
Cost of sales			
Depreciation	2.725.210	2.712.835	12.375
Sales finished goods	29.139.319	20.131.492	9.007.827
Provisions for obsolete	41.813	25.296	16.517
Personnel expenses	5.793.904	5.020.248	773.656
Training expenses	-	50.288	(50.288)
Services	25.316	66.934	(41.618)
Maintenance	2.430.177	1.516.588	913.589
Water charges	15.975	16.558	(583)
Power and fuel charges	1.534.182	1.246.676	287.506
Others	553.198	401.144	152.054
Transport	602.600	442.153	160.447
Total	42.861.694	31.630.212	11.231.482

26. Distribution costs

Particulars	As at 31 March 23	As at 31 March 22	Variance
Distribution costs			
Personnel expenses	1.210.905	1.152.844	58.061
Insurance	18.799	17.389	1.410
Services	1.129.959	1.153.236	(23.277)
Legal expenses	32.412	7.761	24.651
Travel expenses	7.585	2.334	5.251
Commissions	28.842	117.756	(88.914)
Others	42.827	22.366	20.461
Total	2.471.329	2.473.686	(2.357)

27. Administrative expenses

Particulars	As at 31 March 23	As at 31 March 22	Variance
Administrative expenses			
Leases	398.513	310.322	88.191
Personnel expenses	812.136	611.136	201.000
Fees	345.902	252.147	93.755
Taxes	536.748	420.630	116.118
Insurance	19.368	20.561	(1.193)
Services	811.773	833.835	(22.062)
Legal expenses	3.162	2.853	309
Maintenance, repairs and upgrade works	190.614	150.327	40.287
Travel expenses	16.941	9.306	7.635
Amortizations	-	9.676	(9.676)
Others	353.134	247.401	105.733
Internal audit	-	-	-
Total	3.488.291	2.868.194	620.097

28. Other expenses

Particulars	As at 31 March 23	As at 31 March 22	Variance
Other expenses			
Exchange difference	1.347.051	1.364.525	(17.474)
Other	15.001	-	15.001
Asummed taxes	146.886	254.161	(107.275)
Total	1.508.938	1.618.686	(109.748)

29. Other income.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Other income			
Other sales	5.073	55.603	(50.530)
Exchange difference	1.751.705	1.044.878	706.827
Total	1.756.778	1.100.481	656.297

30. Net financial costs.

Particulars	As at 31 March 23	As at 31 March 22	Variance
Finance costs			
Banking expenses	2.701.828	2.051.228	650.600
4 x thousand contribution	213.819	163.528	50.291
Implicit interest	156.392	122.467	33.925
Total	3.072.039	2.337.223	734.816

31. Legal disputes

The Company has not ongoing material litigation or arbitration proceedings.

32. Subsequent events

No subsequent events between the year ended and the approval of financial statements.

33. Approval for financial statements

The financial statements of the year ended in March 31 of 2023, (including the comparatives) are approved by the Company's Management at 20 of April 2023.

EPL Propack de Mexico, S.A. de C.V.
Audited Financial Statements for the
financial year ended March 31, 2023

EPL Propack de México, S.A. de C.V.
(Subsidiary of Lamitube Technologies LTD)

Audited financial statements

March 31, 2023 and 2022

EPL Propack de México, S.A. de C.V.
(Subsidiary of Lamitube Technologies LTD)

Audited financial statements

March 31, 2023 and 2022

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Independent auditors' report

To the Shareholders of
EPL Propack de México, S.A. de C.V.
(Subsidiary of Lamitube Technologies LTD)

Opinion

We have audited the accompanying financial statements of EPL Propack de México S.A. de C.V. (the Company), which comprise the statements of financial position as of March 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EPL Propack de México S.A. de C.V. as of March 31, 2023 and 2022, and of its financial performance and its cash flows for the years then ended in accordance with Mexican Financial Reporting Standards (MFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with MFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the 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 independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Mazars Auditores, S. de R.L. de C.V.

C.P.C. Francisco J. Quiroz Sandoval
Partner

Mexico City
May 9, 2023

Audited financial statements
March 31, 2023 and 2022

EPL Propack de México, S.A. de C.V.
(Subsidiary of Lamitube Technologies LTD)
Statements of Financial Position
As of March 31, 2023 and 2022
Expressed in Mexican pesos: \$ (Note 2c)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 7,072,400	\$ 2,458,287
Trade accounts receivable – Note 3	58,311,190	45,957,431
Inventories – Note 5	85,232,859	83,712,575
Advance payments – Note 6	17,181,989	12,792,265
Recoverable income tax	5,985,456	114,113
Related parties – Note 4	11,195,857	-
Prepaid expenses	2,110,160	829,355
Total current assets	<u>187,089,911</u>	<u>145,864,026</u>
Non-current assets:		
Leasehold improvements, machinery, furniture and	121,588,432	87,030,632
Advance for the acquisition of machinery and	-	5,262,965
Right of use of assets – Note 8	26,417,976	32,893,991
Guarantee deposits	1,002,327	860,155
Deferred income tax – Note 14	11,505,491	8,070,755
Deferred Employees' Statutory Profit Sharing	3,619,240	2,352,441
Total non-current assets	<u>164,133,466</u>	<u>136,470,939</u>
Total assets	<u>\$ 351,223,377</u>	<u>\$ 282,334,965</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Bank loan – Note 12	\$ 84,879,063	\$ 35,177,959
Derivative Financial Instruments – Note 13	399,881	852,118
Suppliers	35,207,738	13,676,940
Provisions – Note 9	6,011,398	7,758,607
Employees' Statutory Profit Sharing	2,159,238	2,414,385
Payable taxes – Note 10	4,598,712	7,670,618
Lease liability short-term – Note 8	9,494,939	7,368,927
Related parties – Note 4	46,577,049	40,793,075
Total current liabilities	<u>189,328,018</u>	<u>115,712,629</u>
Long-term liabilities:		
Labour obligations – Note 11	4,129,990	3,400,222
Lease liability long-term – Note 8	19,941,658	27,307,532
Total liabilities	<u>213,399,666</u>	<u>146,420,383</u>
Shareholders' equity:		
Capital stock – Note 17	117,453,344	117,453,344
Accumulated results:		
From previous years	18,461,238	4,838,290
For the year	1,909,131	13,622,948
Total shareholders' equity	<u>137,823,713</u>	<u>135,914,582</u>
Total liabilities and shareholders' equity	<u>\$ 351,223,379</u>	<u>\$ 282,334,965</u>

The accompanying notes are an integral part of these financial statements.

EPL Propack de México, S.A. de C.V.
Statements of Income
For the years ended as of March 31, 2023 and 2022
Expressed in Mexican pesos: \$ (Note 2c)

	<u>2023</u>	<u>2022</u>
Net revenues	\$ 348,578,684	\$ 268,579,365
Cost of sales	<u>261,319,938</u>	<u>203,152,194</u>
Gross profit	87,258,746	65,427,171
Sales and administrative expenses	59,652,402	39,912,785
Other income, net	<u>494,927</u>	<u>695,808</u>
Operating profit	28,101,271	26,210,194
Comprehensive financial result:		
Foreign exchange loss (gain), net	6,843,201	(969,077)
Accretion of the lease liability – Note 8	2,724,272	2,190,543
Interest expense	7,421,925	1,990,004
Measurement effect of financial instruments - Note 13	(452,237)	852,118
Factoring – Note 3	<u>6,893,905</u>	<u>3,789,203</u>
	<u>23,431,066</u>	<u>7,852,791</u>
Profit before income tax	4,670,205	18,357,403
Income tax – Note 14	<u>2,761,074</u>	<u>4,734,455</u>
Net profit for the year	<u>\$ 1,909,131</u>	<u>\$ 13,622,948</u>

The accompanying notes are an integral part of these financial statements.

EPL Propack de México, S.A. de C.V.
Statements of Changes in Equity
For the years ended as of March 31, 2023 and 2022
Expressed in Mexican pesos: \$ (Note 2c)

	<u>Capital stock</u>	<u>Accumulated results</u>	<u>Net profit for the year</u>	<u>Total Shareholders' equity</u>
Balance as of March 31, 2021	\$ 117,453,344	\$ (8,923,508)	\$ 13,761,798	\$ 122,291,634
<i>Transfer of prior year profit</i>	-	13,761,798	(13,761,798)	-
Net profit for the year	<u>-</u>	<u>-</u>	<u>13,622,948</u>	<u>13,622,948</u>
Balance as of March 31, 2022	117,453,344	4,838,290	13,622,948	135,914,582
<i>Transfer of prior year profit</i>	-	13,622,948	(13,622,948)	-
Net profit for the year	<u>-</u>	<u>-</u>	<u>1,909,131</u>	<u>1,909,131</u>
Balance as of March 31, 2023	<u>\$ 117,453,344</u>	<u>\$ 18,461,238</u>	<u>\$ 1,909,131</u>	<u>\$ 137,823,713</u>

The accompanying notes are an integral part of these financial statements.

EPL Propack de México, S.A. de C.V.
Statements of Cash Flows
For the years ended as of March 31, 2023 and 2022
Expressed in Mexican pesos: \$ (Note 2c)

	2023	2022
<u>OPERATING ACTIVITIES:</u>		
Profit before income tax	\$ 4,670,205	\$ 18,357,403
Items that did not require the use of cash:		
<i>Related to operating activities:</i>		
Deferred Employees' Profit Sharing	(1,266,800)	(618,226)
Labour cost	1,286,542	1,288,186
Financial instruments valuation	(452,237)	852,118
<i>Related to investing activities:</i>		
Depreciation	16,103,433	10,216,502
Gain (loss) on assets disposals	-	(418,527)
Amortization of the right of use assets	8,766,779	6,027,471
Accretion of the lease liability	2,724,272	2,190,543
<i>Items related to financing activities:</i>		
Interest expense	14,315,830	-
	46,148,024	37,895,470
(Increase) decrease in:		
Trade accounts receivable	(12,353,759)	(5,140,059)
Inventories	(1,520,284)	(23,429,864)
Advance payments	(5,670,529)	(3,598,489)
Related parties, net	(5,411,883)	9,470,488
Other accounts receivable	(5,871,343)	5,796,343
Guaranty deposits	(142,174)	(603,434)
(Decrease) increase in:		
Suppliers	21,530,799	2,780,120
Payable taxes	(9,267,716)	(6,620,167)
Provisions	(1,747,209)	3,736,517
Employees' Statutory Profit Sharing	(255,147)	(504,074)
Labour obligations	(556,774)	(426,390)
Net cash flows from operating activities	24,882,005	19,356,461
<u>INVESTING ACTIVITIES:</u>		
Acquisition of machinery and equipment	(45,398,268)	(51,811,220)
Proceeds from the disposal of machinery and equipment	-	2,269,001
Net cash flows from investing activities	(45,398,268)	(49,542,219)
Cash to be (obtained from) in financing activities	(20,516,263)	(30,185,758)
<u>FINANCING ACTIVITIES:</u>		
Loan bank obtained	87,873,690	35,177,959
Loan bank payments	(39,910,674)	-
Interest paid	(12,577,742)	-
Leasing payments	(10,254,898)	(6,768,471)
Net cash flows from financing activities	25,130,376	28,409,488
Increase (decrease) of cash and cash equivalents	4,614,113	(1,776,270)
Cash and cash equivalents at the beginning of the year	2,458,287	4,234,557
Cash and cash equivalents at the end of the year	\$ 7,072,400	\$ 2,458,287

The accompanying notes are an integral part of these financial statements.

EPL Propack de México, S.A. de C.V.
(Subsidiary of Lamitube Technologies LTD)
Notes to the Financial Statements
As of March 31, 2023 and 2022
Expressed in Mexican pesos: \$ (Note 2c)

NOTE 1 – DESCRIPTION OF THE COMPANY

EPL Propack de México, S.A. de C.V. (“the Company”) was incorporated on April 2, 2001 under General Corporate Mexican Law. The Company’s address is Tepotzotlán La Aurora, KM 1, Col Ex Hacienda San Miguel, Cuautitlán Izcalli, C.P. 54715, Mexico, State of Mexico. The Company is a subsidiary of Lamitube Technologies LTD.

The Company's activity is the production, commercialization and distribution of packaging material in the domestic and foreign market.

NOTE 2 –SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance with Mexican Financial Reporting Standards

The financial statements as of and for the years ended as of March 31, 2023 and 2022, to which these notes refer are prepared in accordance with Mexican Financial Reporting Standards (MFRS), issued by the Mexican Accounting Standards Board (CINIF). The accompanying financial statements as of March 31, 2023, were approved on May 8, 2023, by Mr. Roberto Colin (General Director). In accordance with Mexican General Corporate Law, the Company’s shareholders are entitled to approve or modify the financial statements after their issuance.

b) Use of estimates

The preparation of the financial statements in accordance with MFRS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting periods. Actual results may differ from these estimates. The Company’s management considers these estimates to be reasonable.

The most significant estimates made by the Company are related to: the estimated life of the long live assets, labor obligations and the computation of current and deferred income tax and employees’ statutory profit sharing.

c) Basis of preparation

The financial statements are presented in Mexican pesos, which is the Company’s functional, recording and reporting currency, and were prepared on the historical cost basis.

d) Effects of inflation on the financial information

The financial statements are expressed in nominal pesos and have not been adjusted to recognize the effects of inflation in the financial information, since currently the Company operates in a non-inflationary economic environment, in accordance with the prescriptions of

the MFRS, due to cumulative inflation for the last three years prior to fiscal years 2023 and 2022 was lower than 26% (21.40% in 2023 and 16.12%, respectively).

Inflation for the years ended as of March 31, 2023 and 2022 was 6.27% and 7.45%, respectively.

e) Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts. As of the date of the financial statements, gains or losses in valuation of balances in foreign currency are included in results for the year, as part of *comprehensive financial result*.

f) Financial instruments

MFRS require financial instruments to be recorded in the statement of financial position at their fair value, with changes in said fair value recorded in the statement of income of each period; it also requires that derivative financial instruments used for hedging purposes be recorded in the statement of financial position and valued using the same valuation criteria used to value the hedged asset or liability.

Company's financial instruments consist of cash, accounts receivable and accounts payable. The book value of Company's financial instruments, as recorded in the statement of financial position, is similar to their fair value as of March 31, 2023.

The Company accounts for all assets or liabilities arising from the transactions with derivative financial instruments in the statement of financial position at their fair value, independent of their purpose. Fair value is determined based on recognized market prices and when the instrument does not quote in an observable market, it is determined based on measurement models using data observed in the market.

Changes in the fair value of derivative financial instruments not designated or, as appropriate, that not qualified for hedging purposes, are recognized in the statement of income for the year in captions measurement effect of financial instruments, as part of the comprehensive financial result.

g) Accounts receivable

Accounts receivable represent the collection rights arising from the sales of products and are initially measured at the value of the consideration agreed upon, which are adjusted for the estimated changes of the fair values in which they will be recovered, resulting from the estimates discounts and the estimates of their recoverability.

The allowance for doubtful accounts represents the probable loss inherent in all accounts receivable given the historic trends in the behavior of the accounts receivable and the Company's policies.

Accounts receivable denominated in foreign currency are measured at the exchange rate in force at the date of the statements of financial position.

h) Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories are valued using the average cost formula.

Cost of sales represents the cost of the inventories at the time of sale, increased as appropriate, by the decreases in the net realizable value of the inventories, the changes in the net realizable value are recognized in the statement of income when they occurred.

The Company records the estimates for recognizing decreases in the value of its inventories due to impairment, obsolescence, slow moving and other causes that indicate that use or realization of products could result in a lower value.

i) Prepaid expenses

This caption is mainly comprised by prepaid expenses for the purchase of inventories, property and services (insurances) that will be received after the date of the financial statements or amortized in subsequent periods in the ordinary course of business.

j) Machinery, furniture and equipment, net

Machinery, furniture and equipment is recorded at their acquisition cost and depreciated using the straight-line method, based on the estimated useful live of the assets, applying the rates indicated below. Assets acquired as of December 31, 2007, were updated by inflation using the inflationary index from their acquisition date.

Annual depreciation rates are as follows:

	(%)
Machinery and equipment	10%
Leasehold improvements	5% and 10%
Office equipment	10%
Transportation equipment	25%
Computer equipment	30%
Software	30%
Tools	10%, 25% and 35%

Other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred.

k) Impairment of assets

The carrying value of machinery, furniture and equipment, is reviewed when factors indicating the existence of impairment factors are identified. For the years ended as of March 31, 2023 and 2022, no impairment factors were identified.

l) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Company determines the lease term as the non-cancellable period of the lease, together with both: i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and ii) period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

At the commencement date, lease contracts the right-of-use-asset of is measure at cost. The cost of the right of use asset comprises:

- a) The amount of the initial measurement of the lease liability, which is measure at the present value of the lease payments that are not paid at that date.
- b) The lease payments are discounted using the interest rate implicit in the lease.

The Company has a lease contract related to the premises where its production plant is installed, which was classified as operating.

m) Income tax

Income tax expense comprises current and deferred tax.

The Company used the assets and liabilities method to compute deferred income taxes, which requires that deferred taxes be determined on temporary differences, tax losses and tax credits, starting from the initial recognition of such items and at the end of each period.

The current cost of income tax is determined considering the respective tax basis and its cost is applied to the net income of the period in which it is incurred.

n) Liabilities

Liabilities are recorded when they correspond to a present obligation, arising from past events, the settlement of which is expected to result in an outflow of resources; and provisions are recognized when: (i) a present obligation (legal or assumed) exists as a result of a past event, (ii) the probability exists that economic resources will be used as the means for complying with such obligation, and (iii) the obligation can be reasonably estimated. The Company recognizes contingent liabilities only when the probability exists of using economic resources. In addition, commitments are recognized only when they generate a loss.

o) Employee benefits

In accordance with the Federal Labor Law (LFT for its acronym in Spanish), the employees of the Company are entitled to a seniority premium when they retire after 15 years of service or at time they are separated, for disability or death. The Company applies NIF D-3, Employee benefits, which prescribes the rules for the valuation and recording of liabilities arising from other remunerations at the termination of the labor relationship. In conformity with NIF D-3, the obligation for projected benefits determined by actuarial study is calculated using estimated wages which will be in force on the date in which such benefits are paid.

p) Employees' statutory profit sharing

Employee profit sharing is a labor obligation with employees in conformity with Mexican Labor Law and is determined applying a rate of 10% on the taxable profit. Deferred Employees' Statutory Profit Sharing is computed on by applying the assets and liabilities method on the timing differences between the tax and book values considering the taxable income.

q) Revenue recognition

Revenues from the sale of packaging materials are recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duties. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Revenue from the

sale of goods is recognized when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when product is physically transferred. Revenue from the provision of services is recognized when the serviced are rendered and accepted by the client.

The cost of sale is recognized when products are delivery or services rendered.

r) Business and credit concentration

Two clients' accounts for 90% and 81% of the Company's net sales in 2023 and 2022, respectively.

Raw materials and finished goods acquired from related parties accounts for 53% and 53% in 2023 and 2022, respectively.

s) Foreign currency transactions

Foreign currency transactions are registered using the exchange rates in force as of the date of the transaction. Assets and liabilities denominated in foreign currency are translated to Mexican pesos using the exchange rates in force on the date of realization or valuation as of the date of the financial statements. The resulting exchange differences are recognized as profits or losses and presented as part of Comprehensive Financial Result.

t) Presentation of the income statement

The income statements are classified according to their operational function, given that in the opinion of the Company, this classification allows a more objective evaluation of the Company's, operating result, identifying the costs and expenses.

u) Operating profit

The operating profit is obtained by subtracting from net sales the cost of sales and general expenses. Even if not required by NIF B-3, this line item is included in the statement of income being presented to contribute to a better understanding of the economic and financial performance of the Company.

v) New financial standards

The financial standards that were in-force on April 1, 2022, adopted by the Company do not have a significant impact on the financial statements as of March 31, 2023, and for the year ended as of that date.

NOTE 3 – TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable as of March 31, are integrated as follows:

	<u>2023</u>	<u>2022</u>
Customers	\$ 58,388,968	\$ 46,093,797
Less		
Estimated credit losses	<u>(77,778)</u>	<u>(136,366)</u>
Total	\$ <u>58,311,190</u>	\$ <u>45,957,431</u>

The Company has executed a finance factoring contract with J.P. Morgan, S.A., Institución de Banca Múltiple, through this contract the Company can discount the receivable balances due by P&G, paying a variable interest determined when the factoring is used. For the years ended March 31, 2023 and 2022, the interests were \$6,893,905 and \$3,789,203, respectively.

NOTE 4 – RELATED PARTIES

Accounts receivable and payable to related parties at March 31, are comprised as follows:

	<u>2023</u>	<u>2022</u>
EPL Brasil, Ltda	\$ 7,696,627	\$ -
EPL America, LLC	3,112,722	-
Laminate Packaging Colombia SAS	<u>386,508</u>	<u>-</u>
Total receivable	<u>\$ 11,195,857</u>	<u>\$ -</u>
	<u>2023</u>	<u>2022</u>
EPL Packaging (Guangzhou) Limited	\$ 27,233,162	\$ 11,877,530
EPL America, LLC	18,802,935	12,057,796
EPL Limited	494,514	16,606,695
Laminate Packaging Colombia SAS	<u>46,438</u>	<u>251,054</u>
Total payable	<u>\$ 46,577,049</u>	<u>\$ 40,793,075</u>

Operations carried out with related parties during the years ended as of March 31 were as follows:

	<u>2023</u>	<u>2022</u>
Revenues from:		
Sales of fixed assets and spares	\$ <u>109,788</u>	\$ <u>-</u>
Sales of inventories	\$ <u>19,581,185</u>	\$ <u>2,845,624</u>
Reimbursement of expenses	\$ <u>148,697</u>	\$ <u>3,012,787</u>
Acquisition of:		
Inventories	\$ <u>107,369,553</u>	\$ <u>79,775,953</u>
Fixed assets and Spares	\$ <u>10,480,315</u>	\$ <u>454,326</u>
Consulting, IT and advisory services	\$ <u>6,291,054</u>	\$ <u>7,334,849</u>

The Company has executed a contract with EPL Limited through which the later provided IT services to the Company. The consideration paid in the years ended as of March 31, 2023, and 2022 was for \$946,219 and \$3,499,565, respectively.

NOTE 5 – INVENTORIES

As of March 31, this caption is comprised as follows:

	2023	2022
Raw materials	\$ 27,394,483	\$ 30,689,600
Products in process	5,469,671	3,007,083
Finished product	29,664,084	22,918,094
Materials, spare parts and accessories	16,724,635	13,721,379
Packing material	1,554,124	2,399,145
Merchandise in transit	12,192,285	13,464,675
	92,999,282	86,199,976
Estimation for obsolete and slow-moving inventories	(7,766,423)	(2,487,401)
Total	\$ 85,232,859	\$ 83,712,575

NOTE 6 – ADVANCE PAYMENTS AND PREPAID EXPENSES

As of March 31, the prepaid expenses are integrated as follows:

	2023	2022
For the acquisition of inventories	\$ 17,047,060	\$ 12,104,651
Others	134,929	687,614
Total	\$ 17,181,989	\$ 12,792,265

NOTE 7 – LEASEHOLD IMPROVEMENTS, MACHINERY, FURNITURE AND EQUIPMENT, NET

As of March 31, this caption is integrated as follows:

	2022	Acquisitions	Disposals	2023
Machinery and equipment	\$ 89,613,038	\$ 56,960,245	\$ -	\$ 146,573,283
Leasehold improvements	14,772,855	-	-	14,772,855
Office equipment	3,662,842	-	-	3,662,842
Transportation equipment	2,002,653	-	(208,261)	1,794,392
Computer equipment	3,002,959	382,655	-	3,385,614
Software	3,700,528	17,992	-	3,718,520
Tools	19,892,954	4,319,235	-	24,212,189
Projects in progress	44,950,699	50,661,233	(61,680,127)	33,931,805
	181,598,528	112,341,360	(61,888,388)	232,051,500
Accumulated depreciation	(94,567,896)	(16,103,433)	208,261	(110,463,068)
Total	\$ 87,030,632	\$ 96,237,927	\$ (61,680,127)	\$ 121,588,432

The depreciation for the years ended as of March 31, 2023 and 2022 was \$16,103,433 and \$10,216,502, respectively.

NOTE 8 – RIGHT OF USED ASSET AND LEASE LIABILITY

The Company leases the premises where its facilities are located, with lease agreements with definite terms. The right of use asset is computed considering the present value of the lease payments during the terms of the contracts, using a discount rate of 10%. The accretion of interest is recorded in the income statement of the year.

As of March 31, the right of use is comprised as follows:

	2023	2022
Right of use of asset	\$ 46,540,134	\$ 30,147,430
Accumulated amortization	(22,412,922)	(13,646,143)
Increase of the right of use of asset adjustment	2,290,764	16,392,704
	<u>\$ 26,417,976</u>	<u>\$ 32,893,991</u>

As of March 31, the lease liability is as follows:

	2023	2022
Opening balance	\$ 34,676,459	\$ 22,861,683
Lease payments	(10,254,898)	(6,768,471)
Interest expenses	2,724,272	2,190,543
Increase of the right of use of asset adjustment	2,290,764	16,392,704
Balance at year end	<u>\$ 29,436,597</u>	<u>\$ 34,676,459</u>

For years ended March 31, 2023 and 2022, the effects of the lease contracts on the financial statements are the following:

	2023	2022
Amortization of the right of used	\$ 8,766,779	\$ 6,027,471
Interest expense related to lease contracts	\$ 2,724,272	\$ 2,190,543
Lease payments	<u>\$ (10,254,898)</u>	<u>\$ (6,768,471)</u>

The Company has a lease contract with a non-related third party, through which it leases the premises where its offices and factory are located. On November 26, 2021, the Company executed an amendment to the lease contract to increase the area leased and to extend the term of the contract till January 2026.

NOTE 9 – PROVISIONS

As of March 31, this caption is integrated as follows:

	2023	2022
Payroll	\$ 128,722	\$ 637,137
Expenses	2,407,262	3,465,149
Social security contributions and local tax	1,188,160	1,186,988
Bonus	2,287,254	2,469,333
Total	<u>\$ 6,011,398</u>	<u>\$ 7,758,607</u>

NOTE 10 – PAYABLE TAXES

This caption as of March 31, is integrated as follows:

	2023	2022
Income Tax	\$ -	\$ 399,785
VAT payable	4,510,948	7,237,557
Surcharges	-	-
Withholding taxes	87,764	33,276
Total	<u>\$ 4,598,712</u>	<u>\$ 7,670,618</u>

NOTE 11 – LABOR OBLIGATIONS

The liability related seniority premiums and severances is recognized by the Company considering its legal obligations at the financial statements date. Seniority premium consists of a single payment of 12 days for each year worked based on the last salary, limited to twice the minimum salary established by law. Severances for reasons other than restructuring and retirement, consists of a lump payment equivalent to 3 months of salary. As of March 31, 2023, the liability was calculated by independent actuaries, using the projected unit credit method.

The reconciliation of the benefit obligation for the year ended as of March, is shown as follows:

	Seniority premium	Severances	2023	2022
DBO at the beginning of the Year	\$ 1,089,983	\$ 2,081,827	\$ 3,171,810	\$ 2,390,512
Labor Cost	425,010	571,242	996,252	1,059,774
Payments	(136,306)	(192,056)	(328,362)	(278,476)
DBO at the end of the fiscal Year	<u>\$ 1,378,687</u>	<u>\$ 2,461,013</u>	<u>\$ 3,839,700</u>	<u>\$ 3,171,810</u>
January to March 2023 labor Cost			290,290	228,412
			<u>\$ 4,129,990</u>	<u>\$ 3,400,222</u>

The components of cost for the year ended as of March, are as follows:

	Seniority premium	Severances	2023	2022
Labor cost	\$ 510,245	\$ 552,322	\$ 1,062,567	\$ 937,482
Interest cost	76,000	147,416	223,416	167,800
Actuarial loss (gain)	129,056	(128,497)	559	182,904
Net cost for the year	<u>\$ 715,301</u>	<u>\$ 571,241</u>	<u>\$ 1,286,542</u>	<u>\$ 1,288,186</u>

The main assumptions used in the determination of the net cost of the period and the labor liability for the years ended as of March 31, were the following:

	2023	2022
Discount rate	7.50%	7.50%
Rate of salary increase	4.00%	4.00%

NOTE 12 – BANK LOAN

On July 1, 2021, the Company executed a revolving loan agreement with HSBC Mexico, S.A., Institución de Banca Múltiple, for a total amount of \$39,952,000, which accrued interest at rate equivalent to the Interbank Equilibrium Interest Rate (TIIE) plus 290 base points. The term of the credit is 36 months, and it is secured by a Stand Letter of Credit issued by EPL America, LLC. As of March 31, 2023 and 2022 the balance of the loan is \$33,535,946 and \$35,177,959, respectively; interest expensed in the years ended were \$3,786,000 and \$1,792,242, respectively.

On October 18, 2022, the Company executed a long-term loan agreement with HSBC Mexico, S.A., Institución de Banca Múltiple, for a total amount of \$50,000,000, which accrued interest at rate equivalent to the Interbank Equilibrium Interest Rate (TIIE) plus 300 base points. The term of the credit is 5 years, and it is secured by a pledge on purchased equipment. As of March 31, 2023 the balance of the loan is \$50,000,000; interests expensed in the year were \$3,241,224.

NOTE 13 – DERIVATIVE FINANCIAL INSTRUMENTS

As of March 31, 2023 and 2022, the financial instruments (forwards) contracted by the Company with HSBC Mexico, S.A., Institución de Banca Múltiple; and their valuation as of that date is shown in the tables below:

Contract date	Expiration date	Notional amount US dollars USD	Notional amount in Mexican pesos	Foreign exchange rate	Fair value as of March 31, 2023	Effect in the results of the year
24-Mar-23	28-Apr-23	150,000	2,795,865	18.6391	2,716,938	(78,927)
24-Mar-23	20-Apr-23	113,173	2,105,829	18.6071	2,046,577	(59,252)
24-Mar-23	13-Apr-23	169,338	3,146,249	18.5797	3,057,839	(88,410)
24-Mar-23	05-Apr-23	226,070	4,193,033	18.5475	4,075,360	(117,673)
		<u>658,581</u>	<u>12,240,976</u>		<u>11,896,714</u>	<u>(344,262)</u>

Contract date	Expiration date	Notional amount Euro EUR	Notional amount in Mexican pesos	Foreign exchange rate	Fair value as of March 31, 2022	Effect in the results of the year
24-Mar-23	05-Apr-23	95,000	1,916,663	20.1754	1,861,044	(55,619)
		95,000	1,916,663		1,861,044	(55,619)

As indicated in Note 2f above, the Company contracts forwards to hedge the risk of variations in the foreign exchange rate on the liabilities denominated in US dollars.

NOTE 14 – INCOME TAX (IT)

a. Income tax

Income tax is computed by applying a 30% tax rate to the taxable income. The IT is calculated considering certain effects of inflation as taxable or deductible, the effect of inflation on certain liabilities and monetary assets is accumulated or deducted through the annual adjustment for inflation. Furthermore, amounts paid to employees which are not taxable for then in accordance with Tax Law are partially deductible for the Company.

During the years ended March 31, 2023 and 2022, the Company generated a taxable income of \$19,200,017 and \$22,423,426, respectively.

The cost of income tax included in the statements of income for years ended March 31, are integrated as follows:

	2023	2022
Current income tax	\$ 6,195,810	\$ 6,727,028
Deferred income tax	(3,434,736)	(1,992,573)
Income tax cost	\$ 2,761,074	\$ 4,734,455

b. Deferred income tax

As mentioned in Note 2m, the Company determines and incorporates, as applicable, in the financial statements, in accordance with the assets and liabilities method, the deferred IT on temporary differences of assets and liabilities.

As of March 31, timing differences, which generate the net deferred tax assets and liabilities, shown in the statements of financial position, are comprised as follows:

	2023	2022
Deferred assets:		
Provisions	\$ 4,283,678	\$ 3,077,895
Fixed assets	16,156,057	10,643,937
Payroll provision	2,008,974	3,479,475
Provision for employee's benefit	4,129,990	3,400,222
Profit sharing payable	2,159,238	3,378,115

Estimation for doubtful accounts	77,778	136,366
Lease liabilities	3,018,621	1,782,468
Allowance for obsolete inventory	<u>7,766,423</u>	<u>2,487,401</u>
	\$ 39,600,759	\$ 28,385,879
Deferred liabilities:		
Prepaid expenses	<u>(1,249,122)</u>	<u>(1,483,361)</u>
Deferred assets, net	\$ 38,351,637	\$ 26,902,518
Tax rate	<u>30%</u>	<u>30%</u>
Deferred income tax	\$ <u>11,505,491</u>	\$ <u>8,070,755</u>
Benefit recorded in the statements of income	\$ <u>3,434,736</u>	\$ <u>1,992,573</u>

The reconciliation between the attributable tax rate and the effective tax rate for the year ended as of March 31, is shown in the following table:

	<u>2023</u>	<u>2022</u>
30% profit before income tax	\$ 1,401,058	\$ 5,507,222
Plus (less):		
Depreciation	(1,334,458)	(1,284,233)
Inflationary effects	513,764	(43,261)
Non-tax-deductible expenses	1,023,685	1,117,764
Provisions	(163,875)	(176,376)
Others	<u>88,785</u>	<u>(386,661)</u>
Income tax cost	\$ 1,528,959	\$ 4,734,455
Prior year income tax adjustment	<u>1,232,116</u>	<u>-</u>
Income tax cost for the year	\$ <u>2,761,074</u>	\$ <u>4,734,455</u>
Effective tax rate	<u>50.7%</u>	<u>25.8%</u>

NOTE 15 – COMMITMENTS AND CONTINGENCIES

- a. The Company has executed a lease contract with HSBC México, S. A. Institución de Banca Múltiple (lessor) for the premises in which its plant is located, the contract last up to January 2026.

On November 26, 2021, the Company executed an amendment to the lease contract to increase the area leased and to extend the term of the lease till January 2026. The rent is updated by inflation on a yearly basis considering the National Consumer Price Index (see Note 8).

- b. In accordance with current tax legislation, the authorities have the faculty to review up to five tax years prior to the last income tax return declaration presented. In February 2023, a tax control was started by the tax authorities, regarding fiscal year 2020, the amount claimed by the tax authorities is \$13,904,920; based on the estimates of the Company's Management and its tax advisors a favorable outcome is estimated as more likely than not.

According to the Income Tax Law, the companies that carry out transactions with related parties are subject to fiscal limitations and obligations, as regards the determination of the agreed prices, since these should be comparable to those that would be used with or between independent parties in comparable operations. In case the tax authorities review the prices and reject the determined amounts, they could demand, in addition to the collection of the corresponding tax and accessories (update and surcharges), fines on the omitted contributions, which could be up to 100% of the updated amount of contributions.

NOTE 16 – SHAREHOLDERS’ EQUITY

As of March 31, 2023 and 2022 the capital stock of the Company is represented by common shares with nominal value of \$1,000 each, as follows:

Shareholder	Shares	Value	Total	%
MTL Panamá, S.A.	37,175	\$ 1,000	\$ 37,175,000	33%
Lamitube Technologies, Ltd.	75,572	\$ 1,000	75,572,000	67%
Total	112,747		\$ 112,747,000	100%
Inflation adjustment			4,706,344	
Capital stock			\$ 117,453,344	

In accordance with Mexican General Corporate Law, companies should segregate at least 5% from their net profit for each year to increase their legal reserve until it reaches 20% of the capital stock. As of March 31, 2023, no legal reserved has been created.

Income Tax Law prescribes that dividends originating from income that has already paid corporate income tax shall not be subject to the payment of such tax, and for that purpose, tax profits shall be controlled, through the Net Tax Profit Account (“CUFIN” for its acronym in Spanish). The amount distributed that exceeds the balance of the CUFIN is subject to the payment of income tax in terms of the legislation in force as of the date of the dividend distribution.

Dividends paid on profits generated in 2014 and onwards are subject to a 10% withholding tax rate, notwithstanding they are paid from CUFIN balances or not.

The balances of both CUCA and CUFIN as of March 31, 2023 and 2022, are the following:

	2023	2022
CUCA	\$ 206,718,705	\$ 193,481,335
CUFIN generated up to 2013	\$ (2,372,382)	\$ (2,220,465)
CUFIN generated in 2014 and onwards	\$ 93,247,459	\$ 80,833,287

NOTE 17 – FOREIGN CURRENCY

Balances denominated in dollars of the United States of America (US dollar) and Euros (EUR) are as follows:

	USD		EUR	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets	895,447	469,796	-	-
Liabilities	<u>(2,665,071)</u>	<u>(2,095,644)</u>	<u>(101,120)</u>	<u>(15,488)</u>
Net	<u>(1,769,624)</u>	<u>(1,625,848)</u>	<u>(101,120)</u>	<u>(15,488)</u>
Equivalent in Mexican pesos	\$ <u>(32,039,386)</u>	\$ <u>(32,507,530)</u>	\$ <u>(1,983,165)</u>	\$ <u>(342,169)</u>

As of March 31, 2023 and 2022 the exchange rate of the Mexican peso was \$18.1052 and \$19.9942 per one US dollar, respectively and of \$19.6120 and \$22.0925 per one Euro, respectively. As of May 8, 2023, date of issuance of these financial statements, the exchange rate was \$17.9575 Mexican pesos per one US dollar and of \$19.6899 Mexican pesos per one Euro.

NOTE 18 – RISK MANAGEMENT

a. Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange), credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is the responsibility of the corporate finance function. The Company's operations, along with the corporate finance function, identify, evaluate, and, where appropriate, hedge financial risks.

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents and trade and other receivables.

The Company minimizes financial institution counterparty risk by dealing exclusively with creditworthy entities.

In respect of trade and other receivables, the Company's exposure to credit risk is limited as the Company primarily deals with large multinational firms that are financially sound and have a long operating history.

Liquidity risk is the risk that the Company will encounter difficulties in meeting financial obligations due to shortage of funds. The Company regularly monitors current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

b. Capital Management

The Company manages capital to safeguard the Company's ability to continue as going concern, in order to maximize returns for shareholders and to maintain an optimal capital structure to as to minimize its cost of capital.

EPL Brasil LTDA.

**Audited Financial Statements for the
financial year ended March 31, 2023**

Independent auditor's report

To the Board of Directors of
EPL Brasil Ltda.
Rio de Janeiro - Seropédica – RJ – Brasil

Opinion

We have audited the accompanying balance sheet of EPL Brasil Ltda. Company ("the Company") as at March 31, 2023 and the related statements of income for the 12-month period ended.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at March 31, 2023, and its financial performance for the 12-month period ended in accordance with Brazilian GAAP, that is aligned with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance Brazilian audit standards that are aligned with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Brazil, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian GAAP, that is aligned with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs and Brazilian standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

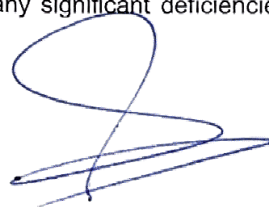
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rio de Janeiro, May 2, 2023

Mazars Auditores Independentes
CRC 2SP023701/O-8 F - RJ

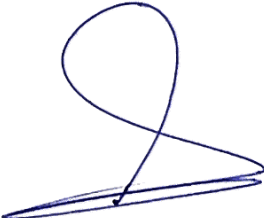
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Gustavo Adolfo G. Rosseto da Silva
Accountant CRC RJ-117828/O-5



Balance sheet (Thousand - Reais)

	31.03.2023
	TB
Short term assets	11.644
Cash & Bank Balance	7.366
Accounts Receivable	46
Advances	15
Income Tax Advances	4.217
Long term assets	104.894
Fixed Assets	101.708
Other Taxes Recoverable	712
Inventories	2.474
Assets	116.538
Short term liabilities	8.710
Trade Creditors for Goods	2.679
ShortT.Loans	147
Accrued Taxes	388
Other Creditors	5.496
Long term term liabilities	100.578
LongT.Loans	95.555
Leasing	5.023
Equity	7.250
Equity Capital	11.624
Profit or loss	(4.374)
Liabilities	116.538

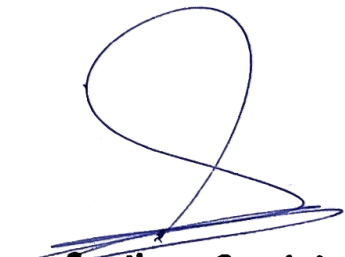


Santiago Santini
Diretor Financeiro
EPL Brasil Ltda.

P&L (Thousand - Reais)

31.03.2023
TB

Revenue	-
Operational costs	-
	-
	-
Operational expenses	(3.850)
Professional & Consultancy Charges	(2.481)
Expenses With Depreciation	(699)
Expenses With Provisions	(49)
Taxes (other than income tax)	(254)
Other Office Expenses	(65)
Personnel Expenses	(301)
Income Before Taxes and Financial Result	(3.850)
Financial result	(524)
Financial income	116
Financial expenses	(640)
Profit Before IR/CSLL	(4.374)
Income taxes and current social contribution	-
Net Income	(4.374)



Santiago Santini
Diretor Financeiro
EPL Brasil Ltda.

Arista Tubes Inc.

**Audited Financial Statements for the
financial year ended March 31, 2023**

Walker Chandiok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Practitioner's Report on the Special Purpose Consolidated Financial Statements

To the Board of Directors of Arista Tubes, Inc.

Opinion

1. We have audited the accompanying special purpose consolidated financial statements of **Arista Tubes, Inc.** ('the Holding Company') and EPL America, LLC ('subsidiary company') (the Holding Company and subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March 2023**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Consolidated Financial Statements'). The Special Purpose Consolidated Financial Statements has been prepared by the Holding Company's management in accordance with the basis of accounting described in Note 2(a) to these Special Purpose Consolidated Financial Statements.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Consolidated Financial Statements for the year ended 31 March 2023, are prepared, in all material respects, in accordance with the basis of accounting as described in Note 2(a) to these Special Purpose Consolidated Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated Financial Statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter - Basis of Accounting and Restriction on distribution and use

4. We draw attention to Note 2(a) to the accompanying Special Purpose Consolidated Financial Statements, which describes the basis of accounting used by the Holding Company's management for the preparation of the accompanying Special Purpose Consolidated Financial Statements, which is a special purpose financial reporting framework. These Special Purpose Consolidated Financial Statements have been prepared by the Holding Company's management solely to enable the management of EPL Limited ('the Parent Company') to present and furnish the aforesaid financial statements with its Authorised Dealer Bank, Reserve Bank of India, its present lenders and its present significant shareholders and accordingly, these Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Special Purpose Consolidated Financial Statements

5. The Holding Company's Board of Directors is responsible for the preparation of these Special Purpose Consolidated Financial Statements in accordance with the basis of accounting described in Note 2(a) to the Special Purpose Consolidated Financial Statements. The respective management of the entities included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Financial Statements that, in all material respects, in accordance with the basis of accounting specified in aforementioned Note 2(a) and are free from material misstatement, whether due to fraud or error.
6. In preparing the Special Purpose Consolidated Financial Statements, the respective management of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs issued by the ICAI 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 Special Purpose Consolidated Financial Statements.
8. As part of an audit in accordance with SAs issued by ICAI, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 whether the Holding Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.



Arista Tubes, Inc.

Independent Practitioner's Report on the Special Purpose Consolidated Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
9. 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.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Rakesh R. Agarwal

Partner

Membership No.: 109632

UDIN: 23109632BGXEDQ3745

Place: Mumbai

Date: 21 August 2023

Arista Tubes, Inc
Consolidated Balance Sheet as at 31 March 2023
Amount in \$ "000", unless otherwise stated

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	4a	37,215	34,339
(b) Capital work-in-progress	4b	1,309	4,357
(c) Other intangible assets	5	1,558	1,989
(d) Other non-current assets	6	908	909
Total non-current assets		40,990	41,594
Current assets			
(a) Inventories	7	14,753	14,964
(b) Financial assets			
(i) Trade receivables	8	11,820	8,738
(ii) Cash and cash equivalents	9	1,902	1,435
(iii) Others	10	420	401
(c) Current tax assets	11	1,111	515
(d) Other current assets	12	159	700
Total current assets		30,165	26,754
Total assets		71,155	68,348
Equity and liabilities			
Equity			
(a) Member's equity	13	17,500	17,500
(b) Other equity	14	25,578	26,029
Total equity		43,078	43,529
Liabilities			
Non-current liabilities			
(a) Borrowings	15	6,100	5,683
(b) Deferred tax liabilities (net)	16	5,403	4,900
Total non-current liabilities		11,503	10,583
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5,964	5,730
(ii) Trade payables	18	8,289	4,943
(iii) Others	19	1,214	2,352
(b) Other current liabilities	20	1,108	1,212
Total current liabilities		16,574	14,236
Total equity and liabilities		71,155	68,348

This is the Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

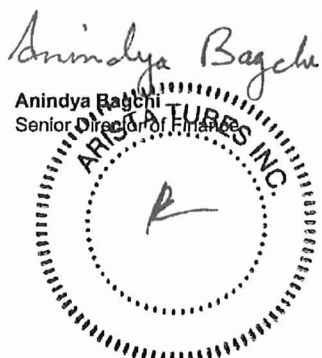
Place: Mumbai
Date: 21 August 2023



For and on behalf of the board of directors of Arista Tubes, Inc.

Maura Catopodis
President

Place: Danville, VA
Date: 18 August 2023



Arista Tubes, Inc
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	21	82,113	77,000
Other income	22	487	41
Total income		82,600	77,041
Expenses			
Cost of materials consumed	23	39,133	36,147
Purchase of traded goods	24	579	333
Changes in inventories of finished goods and goods-in-process	25	(691)	(2,133)
Employee benefits expense	26	21,768	21,100
Finance costs	27	1,394	386
Depreciation and amortisation expense	28	5,631	4,740
Other expenses	29	12,735	11,234
Total expenses		80,549	71,807
Profit before tax		2,051	5,234
Tax expense / (credit)	30		
Current tax		146	423
Taxes related to earlier years		(149)	84
Deferred tax		503	827
Total tax expense		500	1,333
Net profit for the year		1,551	3,902
Other comprehensive income / (loss) for the year		-	-
Total comprehensive income for the year		1,551	3,902
Earnings per unit of equity of USD 1 each	31		
Basic (USD)		1,140	2,867
Diluted (USD)		1,140	2,867

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632
Place: Mumbai
Date: 21 August 2023



For and on behalf of the board of directors of Arista Tubes, Inc.

Mauro Catopodis
President

Place: Danville, VA
Date: 18 August 2023

Anindya Bagchi
Senior Director of Finance



Arista Tubes, Inc.
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

A. Paid in capital (Refer Note 14)

	Equity	
	No. of shares	Amount
Balance as at 1 April 2021	1,361	17,500
Movement during the year	-	-
Balance as at 31 March 2022	1,361	17,500
Movement during the year	-	-
Balance as at 31 March 2023	1,361	17,500

B. Other Equity (Refer Note 15)

	Retained earnings	Total
Balance as at 1 April 2021	25,127	25,127
Distribution of surplus earnings	(3,000)	(3,000)
Profit during the year	3,902	3,902
Balance as at 31 March 2022	26,029	26,029
Distribution of surplus earnings	(2,001)	(2,001)
Profit during the year	1,551	1,551
Balance as at 31 March 2023	25,578	25,580

Retained earnings represents the accumulated profits / losses made by the Group over the years as reduced by dividends or other distributions paid to the shareholders.

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.:109632

Place : Mumbai
Date: 21 August 2023



For and on behalf of the Board of Directors of
Arista Tubes, Inc.

Mauro Catopodis
President

Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date: 18 August 2023



Arista Tubes, Inc.
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

A. Paid in capital (Refer Note 14)

	Equity	
	No. of shares	Amount
Balance as at 1 April 2021	1,361	17,500
Movement during the year	-	-
Balance as at 31 March 2022	1,361	17,500
Movement during the year	-	-
Balance as at 31 March 2023	1,361	17,500

B. Other Equity (Refer Note 15)

	Retained earnings	Total
Balance as at 1 April 2021	25,127	25,127
Distribution of surplus earnings	(3,000)	(3,000)
Profit during the year	3,902	3,902
Balance as at 31 March 2022	26,029	26,029
Distribution of surplus earnings	(2,001)	(2,001)
Profit during the year	1,551	1,551
Balance as at 31 March 2023	25,578	25,580

Retained earnings represents the accumulated profits / losses made by the Group over the years as reduced by dividends or other distributions paid to the shareholders.

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

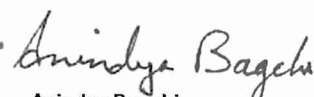
Rakesh R. Agarwal
Partner
Membership No.:109632

Place : Mumbai
Date: 21 August 2023



For and on behalf of the Board of Directors of
Arista Tubes, Inc.


Mauro Catopodis
President


Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date: 18 August 2023



Arista Tubes, Inc.

Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023

Amount in \$ "000", unless otherwise stated

1 Group Information

Arista Tubes, Inc. ("the Company" or "the Holding Company") is a subsidiary of EPL Limited (the "Parent Company"). EPL America, LLC (formerly known as Essel Propack America, LLC) (the "Subsidiary") is a subsidiary of Arista Tubes, Inc. The Holding Company was organised on 06 February 2006 in Delaware and is located in Danville, Virginia. The subsidiary is principally engaged in the manufacture of laminated tubes. The Holding Company and its subsidiary are collectively referred to as 'the Group'.

The special purpose consolidated financial statements (hereinafter referred to as "financial statements") of the Group for the year ended 31 March 2023 were authorised for issue by the Board at their meeting held on 14 August 2023.

2 Basis of preparation

(a) Basis of preparation of consolidated financial statements

The special purpose consolidated financial statements incorporate the financial statements of the Holding Company and its Subsidiary. These financial statements are prepared and presented only for the limited purpose to enable the management of the Parent Company to present and furnish these financial statements with its Authorised Dealer Bank, Reserve Bank of India, its present lenders and its present significant shareholders. The accounting framework applicable to EPL Limited is Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Holding Company has complied with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act 2013. The disclosure and presentation requirements as specified under Ind AS have not been complied with since the financial statements are presented for the limited purpose as aforesaid. Accordingly, these consolidated financial statements cannot be considered as Ind AS compliant financial statements.

The financial statements are presented in USD (\$) with values rounded off to the nearest thousand (000), except otherwise indicated.

Assets and liabilities are classified as current if expected to realize or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Principles of consolidation and equity accounting

The financial statements have been prepared on the following basis:

i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Holding Company and the Subsidiary.

For this purpose, an entity which is, directly or indirectly, controlled by the Holding Company is treated as subsidiary. The Holding Company together with its subsidiaries constitute the Group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

The consolidated financial statements of the Group combines the financial statements of the Holding and its subsidiaries line-by-line adding together like items of assets, liabilities, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Holding Company i.e. year ended 31 March 2023. Other explanatory information are disclosed to the extent that are considered material and relevant.

Listed below is the subsidiary considered in the financial statements. Subsidiary is consolidated from the date on which effective control is acquired and is excluded from the date that control ceases.

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of incorporation
	As on 31 March 2023	As on 31 March 2022	
EPL America, LLC	100%	100%	United States of America

There is no non-controlling interest in the subsidiary company during the reporting period and previous period.

ii) Consistency in accounting policy

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

3 Summary of significant accounting policies

(a) Property, plant and equipment

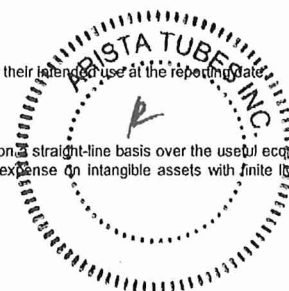
- Acquisitions of property and equipment are recorded at cost. Leasehold improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of income. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method for financial statement purposes as follows:

	Useful life
Building	30 - 39 years
Machinery and equipment	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 - 7 years

- Capital work-in-progress comprises cost of property, plant and equipment and related expenses of assets that are not yet ready for their intended use at the reporting date.

(b) Intangible assets

- Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.



Arista Tubes, Inc.

Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

- ii) Intangibles assets with finite lives are amortized as follows:

	Useful life
- Softwares : ERP software	3 - 5 years
- Patents	10 years

- iii) The expenditure incurred towards the development of intangibles are grouped under "Intangibles under development" to the extent such expenditure meet the criteria of intangible asset.

(c) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An Impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

(d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23. Debt issuance costs associated with loan agreements are being amortized over the term of the loans and is included in other current assets on the balance sheets.

(e) Financial assets

i) Recognition and measurement

The Group at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to its acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the statement of profit and loss for the year.

The Group subsequently recognizes its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortized cost, based on the Group's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt instruments and equity instruments.

Debt instruments

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on such instruments is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

Equity instruments

The Group subsequently measures all equity instruments (other than investments in subsidiaries) at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Dividends from such instruments are recognized in the statement of profit and loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

ii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) De-recognition of financial assets

A financial asset is derecognized only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(f) Borrowings and other financial liabilities

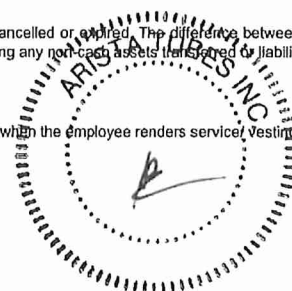
- i) Borrowings and other financial liabilities are initially recognized at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability.

- ii) Subsequently recognition is done at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included in finance costs in the statement of profit and loss.

- iii) Borrowings and other financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss.

(g) Employee benefits

Liability on account of short term employee benefits is recognized on an undiscounted and accrual basis during the period when the employee renders service. Vesting period of the benefit.



Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund. The Contributions are recognized as employee benefit expense in the statement of profit and loss to the year it pertains.

The Group has a safe harbor 401(k) savings plan which covers substantially all employees. Effective 01 January 2021, the Group contributes 100% of 3% of the employee's salary, regardless of participation in the plan.

(h) Revenue recognition

The Group derives its revenues primarily from the manufacture of laminated tubes and caps.

i) Revenue from contract with customers

Ind AS 115 "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with the customers.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Due to the short nature of credit period given to customers, there is no financing component in the contract.

ii) Revenue from sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer involving single performance obligation, which is generally at the time of delivery as per the contract. In case of exports, the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and indirect taxes.

iii) Revenue from service charges

Revenue from services are recognized over period of time on performance of obligations as per the terms of the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognized at a point in time.

iv) Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc., such discounts and rebates will give rise to variable consideration. The Group follows the 'most likely amount' method in estimating the amount of variable consideration.

v) Trade receivables

A receivable represents the Group's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date. The Group provides for expected credit losses based on the probability of defaults that are possible over the life of the asset.

vi) Other income is recognized as and when due or received, whichever is earlier.

(i) Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(j) Inventories

i) Inventories include raw materials, packing material, stores and spares, finished goods and semi finished goods, and are valued at lower of cost and estimated net realizable value.

ii) Cost are assigned to items of inventory on the basis of moving average cost method.

iii) Cost of finished goods and semi finished goods includes cost of direct materials, labour and other manufacturing overheads.

(k) Foreign currency transactions

i) The functional currency of the entities included in the Group is US dollars (USD or \$) which is also the presentation currency. All other currencies are accounted for as foreign currency.

ii) Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.

iii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

(l) Income taxes

The Holding Company along with the Subsidiary, files consolidated income tax returns. Income taxes are provided for the tax effects of transactions reported in the financial statements. Deferred income taxes are provided for the estimated tax effects of differences between the financial statement carrying amounts and the tax bases of recognized assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Interest and penalties related to income tax assessments, if any, are reflected in interest expense and other income, respectively.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

(m) Provisions, contingent liabilities and contingent assets

i) Provisions are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision over the passage of time is recognized as interest expense.

ii) 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 or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

iii) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized, but its existence is disclosed in the financial statements.



Arista Tubes, Inc.

Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

- (n) **Cash and cash equivalents**
Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity up to three months, which are subject to insignificant risk of changes in value.
- (o) **Exceptional Items**
Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.
- (p) **Earnings per share**
Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.1 Significant estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based on the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

i) Revenue Recognition

Refer Note above

ii) Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or class of assets exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.

v) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) Taxes

The Group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

vii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

- viii) The Management have assessed the possible effects of COVID-19 pandemic on the Group's liquidity position and the carrying values of Group's assets, and has concluded that no material adjustments are required.



Arista Tubes, Inc.

Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023
Amount in \$ "000", unless otherwise stated

4 Recent accounting pronouncements - Standards Issued but not made effective

Considering that these special purpose financial statements are prepared under the accounting framework of Ind AS only for the limited purpose to enable the management of the Parent Company to present and furnish these financial statements with its Authorised Dealer Bank, Reserve Bank of India, its present lenders and its present significant shareholders, the below amendment pronouncements to Ind AS may impact the Group:

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group is in the process of evaluating the impact of the above pronouncements, but don't expect any significant impact of the same in its financial statements.



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Arista Tubes, Inc
Summary of significant accounting policies and other explanatory information as at 31 March 2023
Amount in USD "000", unless otherwise stated

4 (a) Property, plant and equipment

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	Up to 31 March 2022	For the year	Disposals	Up to 31 March 2023	As at 31 March 2023
Buildings	12,469	-	-	12,469	4,330	323	-	4,653	7,816
Plant and machinery	77,148	8,042	2,655	82,535	51,087	4,811	2,655	53,243	29,292
Office equipment	465	35	-	500	427	28	-	455	45
Furniture and fixtures	658	-	-	658	557	39	-	596	62
Total	90,740	8,077	2,655	96,162	56,401	5,201	2,655	58,947	37,215

Property, plant and equipment

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	Up to 31 March 2021	For the year	Disposals	Up to 31 March 2022	As at 31 March 2022
Buildings	12,336	133	-	12,469	4,009	321	-	4,330	8,139
Plant and machinery	68,182	8,966	-	77,148	47,162	3,025	-	51,087	26,061
Office equipment	428	37	-	465	403	24	-	427	38
Furniture and fixtures	639	19	-	658	519	38	-	557	101
Total	81,585	9,155	-	90,740	52,093	4,308	-	56,401	34,339

Refer note 15 and note 17 for details on assets given as security against borrowings.

4(b) Capital work-in-progress

As at 31 March 2023	As at 31 March 2022
1,309	4,357
1,309	4,357

4(b) (1) Movement of Capital work-in-progress

Particulars	Amount
Opening balance as at 01 April 2021	1,712
Additions	11,600
Capitalisations during the year	(9,155)
Closing balance as at 31 March 2022	4,357
Additions	5,029
Capitalisations during the year	(8,077)
Closing balance as at 31 March 2023	1,309



AB

EPL America, LLC (Formerly known as EsselPropack America, LLC)
 Summary of significant accounting policies and other explanatory information as at 31 March 2023
 Amount in USD "000", unless otherwise stated

4(b) (2) As at 31 March 2022 and 31 March 2023, there were no projects, the completion of which was overdue or exceeded cost compared to the original plan except for below:

As at 31 March 2023					
Name of the Project	Project to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
AMS and THT Retrofit of Complete Electronic System	722	-	-	-	722

As at 31 March 2022					
Name of the Project	Project to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Not Applicable	-	-	-	-	-

4(b) (3) Refer note 15 and note 17 for details on assets given as security against borrowings.

4(b) (4) CWIP ageing schedule as on 31 March 2023

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	557	29	-	724	1,309

CWIP ageing schedule as on 31 March 2022

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,101	74	1,181	1	4,357

5 Intangible assets

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	Up to 31 March 2022	For the year	Disposals	Up to 31 March 2023
Software	849	-	-	849	804	42	-	846
Patents	3,890	-	-	3,890	1,946	389	-	2,335
Total	4,739	-	-	4,740	2,750	431	-	3,181

Intangible assets

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	Up to 31 March 2021	For the year	Disposals	Up to 31 March 2022
Software	849	0	-	848	762	42	-	804
Patents	3,890	-	-	3,890	1,557	389	-	1,946
Total	4,739	0	-	4,739	2,319	431	-	2,750

Note: '0' indicates amounts less than USD 500.



	As at 31 March 2023	As at 31 March 2022
6 Other non-current assets		
Capital advances	907	903
Others	1	5
Total other non-current assets	908	909
7 Inventories		
Raw materials (includes goods in transit) (net)	7,234	8,501
Semi finished goods (net)	2,690	2,035
Finished goods (net)	1,461	1,425
Stores and spares (includes goods in transit) (net)	2,732	2,653
Packing materials	636	350
Total Inventories	14,753	14,964

7 (a) Inventory disclosed above include goods in transit amounting to USD 2,145 thousand (31 March 2022 : USD 1,052 thousand) towards raw materials and USD 5 thousand (31 March 2023 : USD 6 thousand) towards stores and spares.

7 (b) Refer note 15 and note 17 for details on assets given as security against borrowings.

8 Trade receivables (Unsecured)		
Receivables from:		
Related party	1,896	889
Others	10,124	7,849
Considered doubtful	15	30
	11,835	8,768
Less: Allowance for bad and doubtful debts	(15)	(30)
Total trade receivables	11,820	8,738

8 (a) Break up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,820	8,738
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	15	30
Total	11,835	8,768
Less: Loss allowance	(15)	(30)
Total trade receivables	11,820	8,738

8 (b) Movement of allowances for credit losses are as follows:

Balance at the beginning of the year	30	51
Charge to the statement of profit and loss (Refer note 21)	-	-
Allowances written back	(15)	(21)
Balance at the closing of the year	15	30

8 (c) Trade Receivables Ageing

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade receivables - considered good	10,764	1,058	-	-	-	-	11,820
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	2	3	10	15
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	10,764	1,058	-	2	3	10	11,835
Less : Provision for doubtful receivables							(15)
Total							11,820

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade receivables - considered good	7,537	1,061	140	-	-	-	8,738
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	2	10	18	30
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	7,537	1,061	140	2	10	18	8,768
Less : Provision for doubtful receivables							(30)
Total							8,738

8 (d) Trade receivables are non-interest bearing and credit terms are generally 30 to 180 days. Refer note 15 and note 17 for details on assets given as security against borrowings.

9 Cash and cash equivalents		
Balance with banks in current accounts	1,847	1,401
Restricted cash (Refer note 9 (a))	54	33
Cash on hand	1	1
Total cash and cash equivalents	1,902	1,435

9 (a) The Group's restricted cash consists of an imprest cash account the Group is required to maintain by their health insurance policy, for payment of insurance claims.



	As at 31 March 2023	As at 31 March 2022		
10 Other current financial assets				
Government grants receivable (Refer note 10 (a))	180	391		
Related Parties	150			
Others*	90	10		
Total other current financial assets	420	401		
* pertains to vendor rebates, apartment rent deposits, etc				
10 (a) In 2010, the Group formally announced their plan to expand their operations at their Danville facility. As an incentive for this expansion, the City of Danville, Virginia and Virginia Tobacco Region Revitalization Commission provided an Industrial Enhancement Grant for USD 300 thousand and USD 330 thousand respectively under the condition that the subsidiary of the Holding Company fulfils certain criteria around new capital investments and new full time jobs during a 36 month performance period ending 30 June 2021.				
On the date of deadline of the grant, based on the evaluation of the criteria fulfilled, an aggregate grant of USD 391 thousand was sanctioned by both the authorities.				
During the year ended 31 March 2023, the subsidiary has received USD 211 thousand (31 March 2022: Nil) and is in the process of complying with the administrative formalities (submission of paperwork etc. to the relevant authorities) to recover the balance amount. Based on Independent assessment, backed by opinion from expert consultants, Management is confident that the balance amount will be recovered once the formalities are completed.				
11 Current tax assets				
Income tax assets (net of liabilities)	1,111	515		
	1,111	515		
12 Other current assets				
Advances for suppliers	88	645		
Prepaid expenses	73	55		
Total other current assets	159	700		
13 Member's Equity				
Equity shares				
Issued, subscribed, paid in capital				
1,361 equity shares of no par value (31 March 2022: 1,361 equity shares of no par value)	17,500	17,500		
Total issued equity share capital	17,500	17,500		
Total equity shares	17,500	17,500		
Shareholding more than 5% of the equity shares				
Name of the Shareholders	31 March 2023		31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
EPL Limited	1,261	92.65%	1,261	92.65%
Lamitudo Technologies (Cyprus) Limited	100	7.35%	100	7.35%
	1,361		1,361	
14 Other equity				
Retained earnings				
Opening balance	28,029		25,127	
Add: Profit for the year	1,551		3,002	
Less: Distribution of surplus	(2,001)		(3,000)	
Total retained earnings	25,578		25,029	
Total other equity	25,578		25,029	
14 (a) During the current year, the Group has approved distribution of dividend on equity shares, amounting to USD 2,001 thousand which was approved on 18 October 2022 by the Board of Directors. During the previous year, the Group had approved distribution of dividend on equity shares, amounting to USD 3,000 thousand which was approved on 28 July 2021 by the Board of Directors.				
14 (b) Retained earnings represents the accumulated profits / losses made by the Group over the years as reduced by dividends or other distributions paid to the shareholders.				
15 Long term borrowings				
Secured				
Term loan from bank (Refer note 15 (a))	8,064		6,513	
Less: Current maturities (Refer note 17)	(1,064)		(830)	
	6,100		5,683	

15 (a) Details of borrowings

Particulars	Nature of lender	Outstanding Amount 31 March 2023	Outstanding Amount 31 March 2022	Tenure	Repayment terms	Interest Rate	Assets secured
Term Loan 1	Bank	1,900	2,572	5 years from date of disbursement	Quarterly fixed principal repayments in addition to interest accrued	2.39%	Plant & Machinery (Automatic tube body making machines and PSG machines purchased from the funds drawn out of borrowings.
Term Loan 2	Bank	4,060	2,288			1 month Libor + 1.0%	
Term Loan 3	Bank	1,405	1,653			1 month Libor + 1.0%	
		8,064	6,513				



	As at 31 March 2023	As at 31 March 2022					
16 Deferred Income taxes are comprised of the following:							
Deferred tax assets:							
Allowance for doubtful receivables	4	7					
Section 283A inventory adjustment	417	442					
Intangible amortization	106	158					
Obsolete Inventory Provision	378	100					
Other	38	23					
Total deferred tax assets	1,031	740					
Deferred tax liabilities:							
Accelerated methods of depreciation used for income taxes	6,434	5,841					
Total deferred tax liabilities	6,434	5,841					
Net deferred tax liabilities	5,403	4,900					
17 Short term borrowings							
Secured							
Current maturities (Refer note 15 (a))	1,984	830					
Working capital loan from banks (Refer note 17 (a))	4,000	4,900					
	5,984	5,730					
17 (a) Working capital loan of USD 4,000 thousand (31 March 2022 : USD 4,900 thousand) carrying an interest rate of 1 month SOFR rate + 1.6% (31 March 2022 : 1 monthly LIBOR rate + 1.5%). Working capital loan Limit of USD 10,000 thousand has been secured via first charge over all assets (fixed and current) of the subsidiary, except the assets used for securing the Term Loans.							
17 (b) The subsidiary has received approval from HSBC USA bank for standby letter of credits (SBLCs) for two related parties, secured by same pledge agreement as for working capital loan availed by subsidiary amounting to USD 5,750 thousand and USD 2,000 thousand respectively. Against this limit, the related parties have utilized USD 4,658 thousand and USD 1,638 thousand as at 31 March 2023 (31 March 2022: USD 4,621 thousand and USD 1,601 thousand).							
18 Trade payables							
Dues of creditors							
Related parties	2,065	317					
Others	5,324	4,628					
	8,289	4,943					
18(b) Trade Payable Ageing							
As at 31 March 2023							
	Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade payables	447	6,407	1,343	2	-	-	8,289
(ii) Disputed trade payables	-	-	-	-	-	-	-
Total	447	6,497	1,343	2	-	-	8,289
As at 31 March 2022							
	Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade payables	803	3,466	482	158	38	-	4,943
(ii) Disputed trade payables	-	-	-	-	-	-	-
Total	803	3,466	482	158	38	-	4,943
19 Other current financial liabilities							
Payable for capital goods	31	359					
Interest accrued but not due on borrowings	62	19					
Employee benefits payable	1,069	1,940					
Other payables	23	25					
Total other current financial liabilities	1,214	2,352					
20 Other current liabilities							
Statutory dues	59	52					
Advance from customers	1,040	1,180					
Total other current liabilities	1,108	1,212					

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Arista Tubes, Inc

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
21 Revenue from operations		
Sale of finished products	81,076	76,046
- Sale of traded goods	680	366
- Service charges	252	283
Other operating revenues		
- Sale of scrap	90	91
- Excess provision/allowances written back	15	31
- Other service fees	-	183
Total revenue from operations	82,113	77,000
22 Other income		
Government grants	-	37
Net gain on disposal of property, plant and equipment	487	-
Miscellaneous income	-	4
Total other income	487	41
23 Cost of materials consumed (raw materials)		
Inventories at the beginning of the year (Refer note 7)	8,501	4,290
Add: Purchases (net)	37,866	40,358
	46,367	44,648
Less: Inventories at the end of the year (Refer note 7)	7,234	8,501
Total cost of materials consumed	39,133	36,147
23 (a) Cost of materials consumed includes inventories aggregating to USD 1,053 thousand (31 March 2022: USD 449 thousand) that were written down to net realisable value on account of old ageing and realisability; and the same have been recognized as expense in the current year.		
24 Purchase of traded goods		
Purchases	579	333
Total purchase of traded goods	579	333
25 Changes in inventories of finished goods and goods-in-process		
Inventories at the end of the year (Refer note 7)	4,151	3,460
Inventories at the beginning of the year (Refer note 7)	3,460	1,327
Total changes in inventories of finished goods and goods-in-process	(691)	(2,133)
26 Employee benefits expense		
Salaries, wages and bonus	17,499	17,078
Contribution to Retirement Plan (401k) (Refer note 26 (a))	451	419
Staff welfare expenses	3,818	3,603
Total employee benefits expense	21,768	21,100
26 (a) The Group has a Safe Harbor 401(k) savings plan which covers substantially all employees. The Group contributes 3% of the employee's salary, regardless of employee participation in the plan.		
27 Finance costs		
Interest expense on borrowings	1,377	331
Other finance costs (including bank charges)	17	55
Total finance costs	1,394	386
28 Depreciation and amortisation expense		
Depreciation on property, plant and equipment [Refer note 4(a)]	5,201	4,308
Amortisation of intangible assets (Refer note 5)	431	431
Total depreciation and amortisation expense	5,631	4,740



Arista Tubes, Inc

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
29 Other expenses		
Packing Material	6,145	5,021
Freight on Transport	963	962
Power and Fuel	945	798
Stores and Spares	1,386	1,159
Other Manufacturing Expenses	754	808
Repairs and Maintenance - Building	249	160
Repairs and maintenance - Plant and Machinery	750	754
Travel and Conveyance	266	180
Rates and Taxes	244	215
Insurance	173	160
Professional and Consultancy Charges	390	425
IT Consultancy Charges	179	197
Communication Charges	43	41
Selling and Distribution expenses	56	74
Payment to Auditors	28	26
Rent	3	3
Other expenses	154	201
Exchange Difference (net)	7	52
Total other expenses	12,735	11,234
30 Tax expense		
Current tax	146	423
Taxes related to earlier years	(149)	84
Deferred tax	503	827
Total tax expense	500	1,334
Profit / (Loss) before Tax	2,051	5,234
Federal income tax rate	21.00%	21.00%
State income tax rate	5.31%	4.25%
Less: State tax effect on Federal Tax Rate	-1.11%	-0.89%
Tax rate	25.19%	24.36%
Computed expected tax expense / (credit)	517	1,276
Effect of expenses not allowed for tax purpose	292	289
Effect of expenses allowed for tax purpose	(663)	(1,144)
Effect of items on which deferred tax liabilities has been created	503	827
Taxes related to earlier years	(149)	84
Current Tax	500	1,333

(Refer notes 2 (I) of significant accounting policies on Income tax and deferred tax)



Arista Tubes, Inc

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
31 Earnings per share		
Profit after tax	1,551	3,902
Weighted average number of basic equity shares (Nos.)	1,361	1,361
Weighted average number of diluted equity shares (Nos.)	1,361	1,361
Basic earnings per share (USD)	1,140	2,867
Diluted earnings per share (USD)	1,140	2,867

32 Commitments

During the years ended 31 March 2023 and 31 March 2022, the subsidiary entered into a commercial supply and consignment arrangement with third parties whereby the third parties purchase raw material laminate inventory. The third parties charge a logistics fee for their services and such fee does not include an interest or financing component. Under these arrangements, the subsidiary had a purchase commitment of approximately USD Nil as at 31 March 2023 (31 March 2022 : USD 4,926 thousand).

33 The subsidiary recieved a warning letter dated 06 April 2022 from US Environmental Protection Agency ('USEPA') for non-compliance of certain provisions of Virginia Hazardous Waste Management Regulations, viz. timely submission of Biennial report and having an adequate hazardous waste management training program. The subsidiary, in turn, has submitted its response towards the above and have recieved a confirmation from USEPA that no financial penalty has been levied. The Board of Managers, in consultation with experts, believes that no adjustments are required to the financial statements.

34 Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Rakesh R. Agarwal

Partner

Membership No.:109632

Place : Mumbai

Date: 21 August 2023



For and on behalf of EPL America, LLC

(Formerly known as EsselPropack America, LLC)

Mauro Catopodis

President

Place : Danville, VA

Date: 18 August 2023

Anindya Bagchi

Senior Director of Finance



EPL America LLC

**Audited Financial Statements for the
financial year ended March 31, 2023**

Walker Chandiok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India

T +91 22 6626 2699

F +91 22 6626 2601

Independent Practitioner's Report on the Special Purpose Financial Statements

To the Board of Managers of EPL America, LLC

Opinion

1. We have audited the accompanying special purpose financial statements of **EPL America, LLC** ('the Entity'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements'). The Special Purpose Financial Statements has been prepared by the management in accordance with the basis of accounting described in Note 2 to these Special Purpose Financial Statements.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements for the year ended 31 March 2023, are prepared, in all material respects, in accordance with the basis of accounting as described in Note 2 to these Special Purpose Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Entity in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on distribution and use

4. We draw attention to Note 2 to the accompanying Special Purpose Financial Statements, which describes the basis of accounting used by the Entity's management for the preparation of the accompanying Special Purpose Financial Statements, which is a special purpose financial reporting framework. These Special Purpose Financial Statements have been prepared by the Entity's management solely to enable the management of the EPL Limited, the Intermediate Holding Company, in the preparation of its consolidated financial statements for the quarter and year ended 31 March 2023 and accordingly, these Special Purpose Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

5. The Entity's Board of Managers is responsible for the preparation of these Special Purpose Financial Statements in accordance with the basis of accounting described in Note 2 to the Special Purpose Financial Statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that, in all material respects, in accordance with the basis of accounting specified in aforementioned Note 2 and are free from material misstatement, whether due to fraud or error.
6. In preparing the Special Purpose Financial Statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so
7. Those Board of Managers are also responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs issued by ICAI 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 Special Purpose Financial Statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 whether the Entity has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

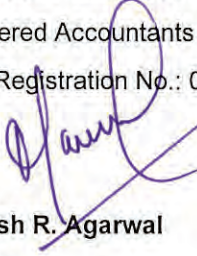


10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



Rakesh R. Agarwal

Partner

Membership No.: 109632

UDIN: 23109632BGXEAE1024

Place: Mumbai

Date: 11 May 2023

EPL America, LLC (Formerly known as EsselPropack America, LLC)
Balance Sheet as at 31 March 2023
Amount in USD "000", unless otherwise stated

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	4a	37,215	34,339
(b) Capital work-in-progress	4b	1,309	4,357
(c) Other intangible assets	5	1,558	1,989
(d) Other non-current assets	6	908	909
Total non-current assets		40,990	41,594
Current assets			
(a) Inventories	7	14,753	14,964
(b) Financial assets			
(i) Trade receivables	8	11,820	8,738
(ii) Cash and cash equivalents	9	1,901	1,433
(iii) Loans	10	17,352	16,752
(iv) Others	11	420	401
(c) Other current assets	12	159	700
Total current assets		46,405	42,989
Total assets		87,395	84,583
Equity and liabilities			
Equity			
(a) Member's equity	13	10,000	10,000
(b) Other equity	14	49,336	49,782
Total equity		59,336	59,782
Liabilities			
Non-current liabilities			
(a) Borrowings	15	6,100	5,683
(b) Deferred tax liabilities (net)	16	5,403	4,900
Total non-current liabilities		11,503	10,583
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5,964	5,730
(ii) Trade payables	18	8,283	4,937
(iii) Others	19	1,201	2,339
(b) Other current liabilities	20	1,108	1,212
Total current liabilities		16,556	14,218
Total equity and liabilities		87,395	84,583

This is the Balance Sheet referred to in our audit report.

For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place : Mumbai
Date : 11 May 2023



For and on behalf of EPL America, LLC
(Formerly known as EsselPropack America, LLC)

Maura Catopodis
President

Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date : 10 May 2023



EPL America, LLC (Formerly known as EsselPropack America, LLC)
Statement of Profit and Loss for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	21	82,113	77,000
Other income	22	487	41
Total Income		82,600	77,041
Expenses			
Cost of materials consumed	23	39,133	36,147
Purchase of traded goods	24	579	333
Changes in inventories of finished goods and goods-in-process	25	(691)	(2,133)
Employee benefits expense	26	21,768	21,100
Finance costs	27	1,394	386
Depreciation and amortisation expense	28	5,631	4,740
Other expenses	29	12,731	11,230
Total expenses		80,545	71,803
Profit before tax		2,055	5,238
Tax expense / (credit)	30		
Current tax		146	423
Taxes related to earlier years		(149)	84
Deferred tax		503	827
Total tax expense		500	1,334
Net Profit for the year		1,555	3,904
Other comprehensive income / (loss) for the year		-	-
Total comprehensive income for the year		1,555	3,904
Earnings per unit of equity of USD 1 each	31		
Basic (USD)		0.16	0.39
Diluted (USD)		0.16	0.39

This is the Balance Sheet referred to in our audit report.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.:109632
Place : Mumbai
Date : 11 May 2023



For and on behalf of EPL America, LLC
(Formerly known as EsselPropack America, LLC)

Maura Catopodis
President

Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date : 10 May 2023



EPL America, LLC (Formerly known as EsselPropack America, LLC)
Statement of Changes in Equity for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

A. Paid in capital (Refer Note 13)

	Equity	
	No. of shares	Amount
Balance as at 1 April 2021	10,000,000	10,000
Movement during the year	-	-
Balance as at 31 March 2022	10,000,000	10,000
Movement during the year	-	-
Balance as at 31 March 2023	10,000,000	10,000

B. Other Equity (Refer Note 14)

	Retained earnings	Total
Balance as at 1 April 2021	48,878	48,878
Distribution of Surplus Earnings	(3,000)	(3,000)
Profit during the year	3,904	3,904
Balance as at 31 March 2022	49,782	49,782
Distribution of Surplus Earnings	(2,001)	(2,001)
Profit during the year	1,555	1,555
Balance as at 31 March 2023	49,336	49,336

Retained earnings represents the accumulated profits / losses made by the Company over the years as reduced by dividends or other distributions paid to the shareholders

This is the Statement of Changes in Equity referred to in our audit report.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.:109632

Place : Mumbai
Date : 11 May 2023



For and on behalf of EPL America, LLC
(Formerly known as EsselPropack America, LLC)

Mauro Catopodis
President

Anindya Bagchi
Senior Director of Finance

Place : Danville, VA
Date : 10 May 2023



EPL America, LLC (Formerly known as EsselPropack America, LLC)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

1 Company Information

EPL America, LLC (formerly known as Essel Propack America, LLC) (the 'Company') is a wholly owned subsidiary of Arista Tubes, Inc. (the 'Parent'), whose majority stockholder is EPL Limited (formerly known as Essel Propack Limited), a publicly traded company headquartered in India. The Company was organized on 8 May, 2002, in Delaware, and its manufacturing facilities are located in Danville, Virginia. The Company is principally engaged in the manufacture of laminated tubes.

Effective 6 November 2020, the Company changed its name from EsselPropack America, LLC to EPL America, LLC.

The special purpose financial statements (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2023 were authorised for issue by the Board of Managers at their meeting held on 10 May 2023.

2 Basis of preparation

The Company is a step down subsidiary of EPL Limited (the "Intermediate Holding Company"). The special purpose financial statements are prepared and presented only for the limited purpose to assist EPL Limited to prepare its consolidated financial statements for the quarter and year ended 31 March 2023. The accounting framework applicable to EPL Limited is Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Company has complied with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act 2013. The disclosure and presentation requirements as specified under Ind AS have not been complied with. Accordingly, these financial statements cannot be considered as Ind AS compliant financial statements.

The financial statements are presented in United States Dollar (USD) with values rounded off to the nearest thousand (000), except otherwise indicated.

Assets and liabilities are classified as current if expected to realize or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 Summary of significant accounting policies

(a) Property, plant and equipment

- i) Acquisitions of property and equipment are recorded at cost. Leasehold improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the profit and loss account. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method for financial statement purposes as follows:

	Useful life
Building	30 - 39 years
Machinery and equipment	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 - 7 years

- ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses of assets that are not yet ready for their intended use at the reporting date.

(b) Intangible assets

- i) Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets with finite lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

- ii) Intangibles assets with finite lives are amortized as follows:

	Useful life
- Softwares : ERP software	3 - 5 years
- Patents	10 years

- iii) The expenditure incurred towards the development of intangibles are grouped under "Intangibles under development" to the extent such expenditure meet the criteria of intangible asset.

(c) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

(d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23. Debt issuance costs associated with loan agreements are being amortized over the term of the loans and is included in other current assets on the balance sheets.

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(e) Financial assets

i) Recognition and measurement

The Company at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to its acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the statement of profit and loss for the year.

The Company subsequently recognizes its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortized cost, based on the Company's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt instruments and equity instruments.

Debt Instruments

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on such instruments is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

Equity Instruments

The Company subsequently measures all equity instruments (other than investments in subsidiaries) at fair value. Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Dividends from such instruments are recognized in the statement of profit and loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

ii) Impairment of financial assets

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) De-recognition of financial assets

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(f) Borrowings and other financial liabilities

i) Borrowings and other financial liabilities are initially recognized at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability.

ii) Subsequently recognition is done at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included in finance costs in the statement of profit and loss.

iii) Borrowings and other financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss.

iv) The Company uses the bill discounting facility for discounting some of its receivables which is on a non-recourse basis. Accordingly, the Company is not liable to repay to the banks/financial institutions in event of default by the customer. The discounting charges are treated as a finance cost.

(g) Employee benefits

Liability on account of short term employee benefits is recognized on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund. The Contributions are recognized as employee benefit expense in the statement of profit and loss to the year it pertains.

The Company has a safe harbour 401k savings plan which covers substantially all employees. Effective 01 January 2021, the Company contributes 100% of 3% of the employee's salary, regardless of the participation of the plan.

(h) Revenue recognition

The Company derives its revenues primarily from the manufacture of laminated tubes and caps.

i) Revenue from contract with customers

Ind AS 115 "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with the customers.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Due to the short nature of credit period given to customers, there is no financing component in the contract.



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- ii) **Revenue from sale of goods**
 Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer involving single performance obligation, which is generally at the time of delivery as per the contract. In case of exports, the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and indirect taxes.
- iii) **Revenue from service charges**
 Revenue from services are recognized over period of time on performance of obligation as per the terms of the agreement, for which input method is used to measure the progress. The Company determines the input method on the basis of direct measurements of the value of the services transferred to the customer till date relative to the remaining services promised under the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognised at a point in time.
- iv) **Variable consideration**
 If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc., such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.
- v) **Trade receivables**
 A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date. The Company provides for expected credit losses based on the probability of defaults that are possible over the life of the asset. Trade receivables are non-interest bearing and credit terms are generally 30 to 180 days. All trade receivables are pledged towards working capital loan.
 For the largest customer, which comprise of 60% of the total revenue, the company has entered into a supply chain financing program. The company normally discounts all the invoices of these customer within 15-30 days of the invoice date.
- vi) Other Income is recognized as and when due or received, whichever is earlier.
- (l) **Grants**
 Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- (j) **Inventories**
 i) Inventories include raw materials, packing material, stores and spares, finished goods and semi finished goods, and are valued at lower of cost and estimated net realizable value.
 ii) Cost are assigned to items of inventory on the basis of moving weighted average cost method.
 iii) Cost of inventory comprises all costs of purchase, costs of conversion and other costs including overheads incurred in bringing the inventory to the present location and condition.
 iv) Inventory related rebate is recognised when it is probable that the Company will receive it and is treated as an adjustment to the cost of inventory.
- (k) **Foreign currency transactions**
 i) The functional currency of the Company is US dollars (USD or \$) which is also the presentation currency. All other currencies are accounted for as foreign currency.
 ii) Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.
 iii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- (l) **Income taxes**
 The Company files consolidated income tax returns with the Parent. Accordingly, any taxes due will be paid to the Parent and any tax benefits will be received by the Parent. It is the Parent's policy to allocate taxes to the Company by applying the federal and state tax rates to income (loss) reported in the financial statements as adjusted for permanent differences between book and taxable income. Income taxes are provided for the tax effects of transactions reported in the financial statements.
 Deferred income taxes are provided for the estimated tax effects of differences between the financial statement carrying amounts and the tax bases of recognized assets and liabilities.
 Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Interest and penalties related to income tax assessments, if any, are reflected in interest expense and other income, respectively.
 Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.
- (m) **Provisions, contingent liabilities and contingent assets**
 i) Provisions are recognized when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.
 ii) 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 Company 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 or the amount of the obligation cannot be measured with sufficient reliability. If the Company does not recognize a contingent liability but discloses its existence in the financial statements.
 iii) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized. If its existence is disclosed in the financial statements.

B



EPL America, LLC (Formerly known as EsselPropack America, LLC)
Summary of significant accounting policies and other explanatory information as at and for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

- (n) **Cash and cash equivalents**
Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.
- (o) **Exceptional Items**
Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.
- (p) **Earnings per share**
Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- 3.1 Significant estimates, judgements and assumptions**
The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.
The Management believes that these estimates are prudent and reasonable and are based on the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.
- i) **Revenue Recognition**
Refer note (h) above
- ii) **Useful life of property, plant and equipment and intangible assets**
The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- iii) **Fair value of financial instruments**
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- iv) **Impairment of non-financial assets**
Impairment exists when the carrying value of an asset or class of assets exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value. Recoverable value is taken as higher of value in use and fair value less costs to sell.
- v) **Impairment of financial assets**
The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- vi) **Taxes**
The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.
- vii) **Contingencies**
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.
- viii) The Company does not foresee any material impact that may result from the COVID-19 pandemic, in the preparation of these financial statements including recoverability of the carrying value of financial and non-financial assets..



EPL America, LLC (Formerly known as EsselPropack America, LLC)
Summary of significant accounting policies and other explanatory information as at 31 March 2023
Amount in USD "000", unless otherwise stated

4(a) Property, plant and equipment

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	Up to 31 March 2022	For the year	Disposals	Up to 31 March 2023	As at 31 March 2023
Buildings	12,469	-	-	12,469	4,330	323	-	4,653	7,816
Plant and machinery	77,148	8,042	2,655	82,535	51,087	4,811	2,655	53,243	29,292
Office equipment	465	35	-	500	427	28	-	455	45
Furniture and fixtures	658	-	-	658	557	39	-	596	62
Total	90,740	8,077	2,655	96,162	56,401	5,201	2,655	58,947	37,215

Property, plant and equipment

Description of assets	Gross carrying amount			Depreciation / Amortization				Net carrying amount	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	Up to 31 March 2021	For the year	Disposals	Up to 31 March 2022	As at 31 March 2022
Buildings	12,336	133	-	12,469	4,009	321	-	4,330	8,139
Plant and machinery	68,182	8,966	-	77,148	47,162	3,925	-	51,087	26,061
Office equipment	428	37	-	465	403	24	-	427	38
Furniture and fixtures	639	19	-	658	519	38	-	557	101
Total	81,585	9,155	-	90,740	52,093	4,308	-	56,401	34,339

Refer note 15 and note 16 for details on assets given as security against borrowings.

4(b) Capital work-in-progress

As at 31 March 2023	As at 31 March 2022
1,309	4,357
1,309	4,357

4(b) (i) Movement of Capital work-in-progress

Particulars	Amount
Opening balance as at 01 April 2021	1,712
Additions	11,800
Capitalisations during the year	(8,155)
Closing balance as at 31 March 2022	4,357
Additions	6,029
Capitalisations during the year	(8,077)
Closing balance as at 31 March 2023	1,309



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EPL America, LLC (Formerly known as EselPropack America, LLC)
Summary of significant accounting policies and other explanatory information as at 31 March 2023
Amount in USD "000", unless otherwise stated

4(b) (2) As at 31 March 2022 and 31 March 2023, there were no projects, the completion of which was overdue or exceeded cost compared to the original plan except for below:

As at 31 March 2023					
Name of the Project	Project to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
AMS and THT Retrofit of Complete Electronic System	722	-	-	-	722

As at 31 March 2022					
Name of the Project	Project to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Not Applicable	-	-	-	-	-

4(b) (3) Refer note 15 and note 16 for details on assets given as security against borrowings.

4(b) (4) CWIP ageing schedule as on 31 March 2023

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	557	29	-	724	1,309

CWIP ageing schedule as on 31 March 2022

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,101	74	1,181	1	4,357

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Intangible assets

Description of assets	Gross carrying amount				Depreciation / Amortization				Net carrying amount
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	Up to 31 March 2022	For the year	Disposals	Up to 31 March 2023	
Software	849	-	-	849	804	42	-	846	3
Patents	3,890	-	-	3,890	1,946	389	-	2,335	1,555
Total	4,739	-	-	4,740	2,750	431	-	3,181	1,558

Intangible assets

Description of assets	Gross carrying amount				Depreciation / Amortization				Net carrying amount
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	Up to 31 March 2021	For the year	Disposals	Up to 31 March 2022	
Software	849	0	-	848	762	42	-	804	45
Patents	3,890	-	-	3,890	1,557	389	-	1,946	1,944
Total	4,739	0	-	4,738	2,319	431	-	2,750	1,989

Note: '0' indicates amounts less than USD 500.



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	As at 31 March 2023	As at 31 March 2022
6 Other non-current assets		
Capital advances	907	903
Others	1	5
Total other non-current assets	908	908
7 Inventories		
Raw materials (includes goods in transit) (net)	7,234	8,501
Semi finished goods (net)	2,690	2,035
Finished goods (net)	1,481	1,426
Stores and spares (includes goods in transit) (net)	2,732	2,653
Packing materials	836	850
Total Inventories	14,933	14,984

7 (a) Inventory disclosed above include goods in transit amounting to USD 2,145 thousand (31 March 2022 : USD 1,052 thousand) towards raw materials and USD 5 thousand (31 March 2023 : USD 6 thousand) towards stores and spares.

7 (b) Refer note 15 and note 17 for details on assets given as security against borrowings.

8 Trade receivables (Unsecured)		
Receivables from:		
Related party	1,690	869
Others	10,124	7,849
Considered doubtful	15	30
Less: Allowance for bad and doubtful debts	11,835	8,768
Total trade receivables	11,820	8,738

8 (a) Break up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	11,820	8,738
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	15	30
Less: Loss allowance	11,835	8,768
Total trade receivables	11,820	8,738

8 (b) Movement of allowances for credit losses are as follows:

Balance at the beginning of the year	30	51
Charge to the statement of profit and loss (Refer note 21)	-	-
Allowances written back	(15)	(21)
Balance at the closing of the year	15	30

8 (c) Trade Receivables Ageing

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade receivables - considered good	10,764	1,058	-	-	-	-	11,820
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	2	3	10	15
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	10,764	1,058	-	2	3	10	11,835
Less : Provision for doubtful receivables	-	-	-	-	-	-	(15)
Total	-	-	-	-	-	-	11,820

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade receivables - considered good	7,537	1,001	140	-	-	-	8,738
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	2	10	18	30
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	7,537	1,001	140	2	10	18	8,768
Less : Provision for doubtful receivables	-	-	-	-	-	-	(30)
Total	-	-	-	-	-	-	8,738

8 (d) Trade receivables are non-interest bearing and credit terms are generally 30 to 180 days. Refer note 15 and note 16 for details on assets given as security against borrowings.

9 Cash and cash equivalents

Balance with banks in current accounts	1,846	1,399
Restricted cash (Refer note 9 (a))	54	33
Cash on hand	1	1
Total cash and cash equivalents	1,901	1,433

9 (a) The Company's restricted cash consists of an imprest cash account the Company is required to maintain by their health insurance provider for payment of insurance claims.



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	As at 31 March 2023	As at 31 March 2022
10 Loans (Unsecured, considered good)		
Related party		
Total loans	17,352	16,752
10 (a) The loan has been extended to the Holding Company and is interest free and recoverable on demand.		
10 (b) Breakup of security details		
Loans considered good - secured	-	-
Loans considered good - unsecured	17,352	16,752
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
11 Other current financial assets		
Government grants receivable (Refer note 11 (a))		
Related Parties	180	391
Others*	150	
Total other current financial assets	90	10
* pertains to vendor rebates, apartment rent deposits, etc	420	401
11 (a) In 2019, the Company formally announced their plan to expand their operations at their Danville facility. As an incentive for this expansion, the City of Danville, Virginia and Virginia Tobacco Region Revitalization Commission provided an Industrial Enhancement Grant for USD 300 thousand and USD 330 thousand respectively under the condition that the Company fulfills certain criteria around new capital investments and new full time jobs during a 36 month performance period ending 30 June 2021.		
On the date of deadline of the grant, based on the evaluation of the criteria fulfilled, an aggregate grant of USD 301 thousand was sanctioned by both the authorities.		
During the year ended 31 March 2023, the Company has received USD 211 thousand (31 March 2022: Nil) and is in the process of complying with the administrative formalities (submission of paperwork etc. to the relevant authorities) to recover the balance amount. Based on independent assessment, backed by opinion from expert consultants, management is confident that the balance amount will be recovered once the formalities are completed.		
12 Other current assets		
Advances for suppliers	86	845
Prepaid expenses	73	55
Total other current assets	159	700
13 Member's Equity		
Equity shares		
Issued, subscribed, paid in capital		
10,000,000 Equity Shares of USD 1 each	10,000	10,000
(31 March 2022: 10,000,000 equity shares of USD 1 each)		
Total issued equity share capital	10,000	10,000
Total equity shares	10,000	10,000
Notes:		
100% equity shares have been issued, subscribed and paid up by Holding Company i.e. Arieta Tubes, Inc.		
14 Other equity		
Retained earnings		
Opening balance	49,782	48,878
Add: Profit for the year	1,555	3,004
Less: Distribution of surplus	(2,001)	(3,000)
Total retained earnings	49,336	49,782
Total other equity	49,336	49,782
14 (a) Vide approval of board dated 17 October 2022, the Company has paid dividend on equity shares to its sole member i.e. Arieta Tubes, Inc. amounting to USD 2,001 thousand.		
Vide approval of board dated 26 July 2021, the Company paid dividend on equity shares to its sole member i.e. Arieta Tubes, Inc. amounting to USD 3,000 thousand.		
14 (b) Retained earnings represents the accumulated profits / losses made by the Company over the years as reduced by dividends or other distributions paid to the shareholders.		
15 Long term borrowings		
Secured		
Term loan from bank (Refer note 15 (a))	8,064	5,513
Less: Current maturities (Refer note 16)	(1,984)	(830)
	6,100	5,683

15 (a) Details of borrowings

Particulars	Nature of lender	Outstanding Amount 31 March 2023	Outstanding Amount 31 March 2022	Tenure	Repayment terms	Interest Rate	Assets secured
Term Loan 1	Bank	1,990	2,572	5 years from date of disbursement	Quarterly fixed principal repayments in addition to interest accrued	2.39%	Plant & Machinery (Automatic tube body making machines and PSG machines purchased from the funds drawn out of borrowings.
Term Loan 2	Bank	4,869	2,288			1 month Libor + 1.0%	
Term Loan 3	Bank	1,405	1,653			1 month Libor + 1.0%	
		8,064	6,513				



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	As at 31 March 2023	As at 31 March 2022					
16 Deferred income taxes are comprised of the following:							
Deferred tax assets:							
Allowance for doubtful accounts	4	7					
Section 283A inventory adjustment	417	442					
Intangible amortization	196	168					
Obsolete Inventory Provision	378	109					
Other	36	23					
Total deferred tax assets	1,031	740					
Deferred tax liabilities:							
Accelerated methods of depreciation used for income taxes	6,434	5,641					
Total deferred tax liabilities	6,434	5,641					
Net deferred tax liability	5,403	4,900					
17 Short term borrowings							
Secured							
Current maturities	1,964	830					
Working capital loan from banks (Refer note 17 (a))	4,000	4,900					
	5,964	5,730					
17 (a) Working capital loan of USD 4,000 thousand (31 March 2022 : USD 4,900 thousand) carrying an interest rate of 1 month SOFR rate + 1.0% (31 March 2022 : 1 monthly LIBOR rate + 1.5%). Working capital loan Limit of USD 10,000 thousand has been secured via first charge over all assets (fixed and current) of the company, except the assets used for securing the Term Loans.							
17 (b) The Company has received approval from HSBC USA bank for standby letter of credits (SBLCs) for two related parties, secured by same pledge agreement as for working capital loan availed by Company amounting to USD 5,750 thousand and USD 2,000 thousand respectively. Against this limit, the related parties have utilized USD 4,658 thousand and USD 1,638 thousand as of 31 March 2023 (31 March 2022: USD 4,621 thousand and USD 1,901 thousand).							
18 Trade payables							
Dues of creditors							
Related parties	2,905	317					
Others	5,318	4,810					
	8,283	4,937					
18(b) Trade Payable Ageing							
As at 31 March 2023							
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade payables	447	6,407	1,337	1	-	-	8,282
(ii) Disputed trade payables	-	-	-	-	-	-	-
Total	447	6,407	1,337	1	-	-	8,282
As at 31 March 2022							
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	Above 3 years	
(i) Undisputed trade payables	803	3,466	482	156	30	-	4,937
(ii) Disputed trade payables	-	-	-	-	-	-	-
Total	803	3,466	482	156	30	-	4,937
19 Other current financial liabilities							
Payable for capital goods							
Interest accrued but not due on borrowings							31
Employee benefits payable							92
Other payables							1,056
Total other current financial liabilities							23
							1,201
20 Other current liabilities							
Statutory dues							
Advance from customers							59
Total other current liabilities							1,049
							1,108



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EPL America, LLC (Formerly known as EsselPropack America, LLC)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
21 Revenue from operations		
Sale of finished products	81,076	76,046
Other operating revenues		
- Sale of traded goods	680	366
- Service charges	252	283
- Sale of scrap	90	91
- Excess provision written back	15	31
- Other Service Fees	-	183
Total revenue from operations	82,113	77,000
22 Other income		
Government grants	-	37
Net gain on disposal of property, plant and equipment	487	-
Miscellaneous income	-	4
Total other income	487	41
23 Cost of materials consumed		
Inventories at the beginning of the year (Refer note 7)	8,501	4,290
Add: Purchases (net)	37,866	40,358
	46,367	44,648
Less: Inventories at the end of the year (Refer note 7)	7,234	8,501
Total cost of materials consumed	39,133	36,147
23 (a) Cost of materials consumed includes Inventories aggregating to USD 1,053 thousand (31 March 2022: USD 449 thousand) that were written down to net realisable value on account of old ageing and realisability; and the same have been recognized as expense in the current year.		
24 Purchase of traded goods		
Purchases	579	333
Total purchase of traded goods	579	333
25 Changes in inventories of finished goods and goods-in-process		
Inventories at the end of the year (Refer note 7)	4,151	3,460
Inventories at the beginning of the year (Refer note 7)	3,460	1,327
Total changes in inventories of finished goods and goods-in-process	(691)	(2,133)
26 Employee benefits expense		
Salaries, wages and bonus	17,499	17,078
Contribution to Retirement Plan (401k) (Refer note 26 (a))	451	419
Staff welfare expenses	3,818	3,603
Total employee benefits expense	21,768	21,100
26 (a) The Company has a Safe Harbor 401(k) savings plan which covers substantially all employees. The company contributes 3% of the employee's salary, regardless of employee participation in the plan.		
27 Finance costs		
Interest expense on borrowings	1,377	331
Other finance costs (including bank charges)	17	55
Total finance costs	1,394	386
28 Depreciation and amortisation expense		
Depreciation on property, plant and equipment [Refer note 4(a)]	5,200	4,308
Amortisation of intangible assets (Refer note 5)	431	431
Total depreciation and amortisation expense	5,631	4,740



EPL America, LLC (Formerly known as EsselPropack America, LLC)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
29 Other expenses		
Packing Material	6,145	5,021
Freight on transport	963	962
Power and Fuel	945	798
Stores and Spares	1,386	1,159
Other Manufacturing Expenses	754	808
Repairs and Maintenance - Building	249	160
Repairs and maintenance - Plant and Machinery	750	754
Travel and Conveyance	266	180
Rates and Taxes	244	215
Insurance	173	160
Professional and Consultancy Charges	390	425
IT Consultancy Charges	179	197
Communication Charges	39	37
Selling and Distribution expenses	56	74
Payment to Auditors	22	29
Rent	3	3
Other expenses	160	198
Exchange Difference (net)	7	52
Total other expenses	12,731	11,230
30 Tax expense		
Current tax	146	423
Taxes related to earlier years	(149)	84
Deferred tax	503	827
Total tax expense	500	1,334
Profit / (Loss) before Tax	2,055	5,238
Federal income tax rate	21.00%	21.00%
State income tax rate	5.31%	4.25%
Less: State tax effect on Federal Tax Rate	-1.11%	-0.89%
Tax rate	25.19%	24.36%
Computed expected tax expense / (credit)	517	1,276
Effect of expenses not allowed for tax purpose	292	289
Effect of expenses allowed for tax purpose	(663)	(1,142)
Effect of items on which deferred tax liabilities has been created	503	827
Taxes related to earlier years	(149)	84
Current Tax	500	1,334

(Refer notes 2 (I) of significant accounting policies on income tax and deferred tax)



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EPL America, LLC (Formerly known as EsselPropack America, LLC)
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
Amount in USD "000", unless otherwise stated

	For the year ended 31 March 2023	For the year ended 31 March 2022
31 Earnings per share		
Profit after tax	1,555	3,904
Weighted average number of basic equity shares (Nos.)	10,000,000	10,000,000
Weighted average number of diluted equity shares (Nos.)	10,000,000	10,000,000
Basic earnings per share (USD)	0.16	0.39
Diluted earnings per share (USD)	0.16	0.39

32 Commitments

During the year ended 31 March 2023 and 31 March 2022, the Company entered into a commercial supply and consignment arrangement with third parties whereby the third parties purchase raw material laminate inventory. The third parties charge a logistics fee for their services and such fee does not include an interest or financing component. Under these arrangements, the Company had a purchase commitment of approximately USD Nil as at 31 March 2023 (31 March 2022 : USD 4,926 thousand).

33 The Company had received a warning letter dated 06 April 2022 from US Environmental Protection Agency ('USEPA') for non-compliance of certain provisions of Virginia Hazardous Waste Management Regulations, viz. timely submission of Biennial report and having an adequate hazardous waste management training program. The Company, in turn, has submitted its response towards the above and have received a confirmation from USEPA that no financial penalty has been levied. The Board of Managers, in consultation with experts, believes that no adjustments are required to the financial statements.

34 Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

For Walker Chandok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.:109632
Place : Mumbai
Date : 11 May 2023



For and on behalf of EPL America, LLC
(Formerly known as EsselPropack America, LLC)

Mauro Catopodis
President

Place : Danville, VA
Date : 10 May 2023

Anindya Bagchi
Senior Director of Finance



EPL Propack LLC

**Audited Financial Statements for the
Financial year ended March 31, 2023**

**Аудиторское заключение
независимого аудитора
о бухгалтерской (финансовой)
отчетности специального назначения
ООО «ЭПЛ ПРОПАК»**

С 01.04.2022 ПО 31.03.2023

г. Москва

19 апреля 2023 года

 Bellerage Outsourcing. Consulting. Audit.	Дата: 19 апреля 2023 года
	Аудиторское заключение за период с 01.04.2022 по 31.03.2023 г. ООО «ЭПЛ Пропак»

АУДИТОРСКОЕ ЗАКЛЮЧЕНИЕ

Участникам общества с ограниченной ответственностью
«ЭПЛ Пропак»

Мнение

Мы провели аудит прилагаемой бухгалтерской (финансовой) отчетности специального назначения Общества с ограниченной ответственностью «ЭПЛ Пропак» (ОГРН 1045005010599, адрес: 140030, Московская область, Люберцы город, Малаховка рабочий поселок, Шоссейная улица, дом 40, этаж 2 помещение 3), состоящей из бухгалтерского баланса по за период с 01.04.2022 по 31 марта 2023 года, отчета о финансовых результатах за период с 01.04.2022 по 31 марта 2023 года, отчета о движении денежных средств за период с 01.04.2022 по 31 марта 2023 года, пояснительной записке к бухгалтерскому балансу по за период с 01.04.2022 по 31 марта 2023 года, и отчету о финансовых результатах за период с 01.04.2022 по 31 марта 2023 года.

По нашему мнению, прилагаемая бухгалтерская (финансовая) отчетность специального назначения отражает достоверно во всех существенных отношениях финансовое положение Общества с ограниченной ответственностью «ЭПЛ Пропак» по состоянию на 31 марта 2023 года, финансовые результаты его деятельности, движение денежных средств за период с 01.04.2022 по 31.03.2023 года в соответствии с корпоративными правилами учета.

Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наша ответственность в соответствии с этими стандартами описана в разделе «Ответственность аудитора за аудит бухгалтерской (финансовой) отчетности специального назначения» настоящего заключения. Мы являемся независимыми по отношению к аудируемому лицу в соответствии с Правилами независимости аудиторов и аудиторских организаций и Кодексом профессиональной этики аудиторов, соответствующими Международному кодексу этики профессиональных бухгалтеров, (включая международные стандарты независимости), разработанному Советом по международным стандартам этики для профессиональных бухгалтеров, и нами выполнены прочие обязанности в соответствии с этими требованиями профессиональной этики. Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

Принципы учета и ограничения в отношении распространения

Обращаем внимание на то, что бухгалтерская (финансовая) отчетность специального назначения подготовлена для представления собственникам Общества с ограниченной ответственностью «ЭПЛ Пропак» информации, касающейся деятельности Общества с ограниченной ответственностью «ЭПЛ Пропак» за период с 1 апреля 2022 года по 31 марта 2023 года. В результате бухгалтерская (финансовая) отчетность специального назначения

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может оказаться непригодной для других целей. Мы не выражаем модифицированного мнения в связи с этим вопросом.

Существенная неопределенность в отношении непрерывности деятельности

Мы обращаем внимание что в ходе аудита были выявлены события или условия, которые, наряду с другими вопросами, изложенными в пояснительной записке к бухгалтерской (финансовой) отчетности специального назначения за период с 01.04.2022 по 31.03.2023, могут вызвать значительные сомнения в способности Общества с ограниченной ответственностью «ЭПЛ Пропак» продолжать непрерывно свою деятельность, а именно:

- наличие неблагоприятных для организации основных финансовых показателей, и убытков от операционной деятельности в прошлых периодах в течение более, чем 3 лет;
- Мы обращаем внимание на пп.1 Пояснительной записке к отчетности бухгалтерской (финансовой) отчетности специального назначения, где указано, что январе 2021 общество с ограниченной ответственностью «ЭПЛ Пропак» приняло решение о смене вида деятельности. Как указано в расшифровке к строке 1370 убыток Общество в результате реализации активов и закрытия производства в период с 01.04.2021 по 31.03.2022 составил 7 518 тыс. руб., а в период с 01.04.2022 по 31.03.2023 составил 1 381 тыс. руб., что, по нашему мнению, имеет первостепенное значение для понимания отчетности ее пользователями.
- Мы обращаем внимание на пп.9 Пояснительной записке к отчетности бухгалтерской (финансовой) отчетности специального назначения, где указано, что деятельность Общества с ограниченной ответственностью «ЭПЛ Пропак» в период с 01.04.2022 по 31.03.2023 года осуществлялась в условиях: проводимой специальной военной операции, пакетных санкций в отношении государственного долга Российской Федерации, ряда российских банков, а также персональных санкций в отношении ряда физических и юридических лиц и связанных с этим экономических последствий, что по нашему мнению, имеет первостепенное значение для понимания отчетности ее пользователями.

В ходе текущего информационного взаимодействия Аудитором были получены надлежащие ответы руководства и лиц, принимающих корпоративные решения, о возможности Общества продолжать свою деятельность непрерывно, и подтверждения о финансовой поддержке Общества учредителями в случае необходимости. Мы не выражаем модифицированного мнения в связи с этим вопросом.

Ответственность руководства и лиц, ответственных за корпоративное управление аудируемого лица, за бухгалтерскую (финансовую) отчетность специального назначения

Руководство несет ответственность за подготовку и достоверное представление данной бухгалтерской (финансовой) отчетности специального назначения, подготовленную в соответствии с корпоративными правилами учета, и за систему внутреннего контроля, которую руководство считает необходимой для подготовки бухгалтерской (финансовой) отчетности специального назначения, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

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При подготовке бухгалтерской (финансовой) отчетности специального назначения руководство несет ответственность за оценку способности аудируемого лица продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление отчетности на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать аудируемое лицо, прекратить ее деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности. Лица, ответственные за корпоративное управление, несут ответственность за надзор за подготовкой бухгалтерской (финансовой) отчетности специального назначения аудируемого лица.

Ответственность аудитора за аудит бухгалтерской (финансовой) отчетности специального назначения

Наша цель состоит в получении разумной уверенности в том, что бухгалтерская (финансовая) отчетность специального назначения не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в составлении аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведенный в соответствии с МСА, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой бухгалтерской (финансовой) отчетности специального назначения.

В рамках аудита, проводимого в соответствии с МСА, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы выполняем следующее:

- а) выявляем и оцениваем риски существенного искажения бухгалтерской (финансовой) отчетности специального назначения вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;
- б) получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля аудируемого лица;
- в) оцениваем надлежащий характер применяемой учетной политики, обоснованность оценочных значений, рассчитанных руководством аудируемого лица и соответствующего раскрытия информации;
- г) делаем вывод о правомерности применения руководством аудируемого лица допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств – вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности аудируемого лица

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продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в бухгалтерской (финансовой) отчетности специального назначения или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что аудируемое лицо утратит способность продолжать непрерывно свою деятельность;

д) проводим оценку представления бухгалтерской (финансовой) отчетности специального назначения в целом, ее структуры и содержания, включая раскрытие информации, а также того, представляет ли бухгалтерская (финансовая) отчетность специального назначения лежащие в ее основе операции и события так, чтобы было обеспечено их достоверное представление.

Мы осуществляем информационное взаимодействие с лицами, ответственными за корпоративное руководство аудируемого лица, доводя до их сведения, помимо прочего, информацию о запланированном объеме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

Руководитель задания по аудиту,
по результатам которого составлено
аудиторское заключение
ОРНЗ 22006118182



Коломейчук Е. А.

Генеральный директор
ОРНЗ 22006056914

Силецкая А.В.

19 апреля 2023 года

Аудиторская организация:
 ООО «Беллераж Аудит»
 ОГРН 1097746796267
 115054, г. Москва, ул. Щипок, д.11, стр.1
 член Саморегулируемой Организации Аудиторов Ассоциация «Содружество» (СРО ААС)
 ОРНЗ 12006081663

**Independent Auditor's Opinion
on Annual Accounting (Financial)
Statements
of EPL Propack LLC**

for the year ended 31 March 2023

[Translation from Russian]

Moscow

April 19, 2023

Independent Auditor's Opinion

[Translation from Russian]

Attn: Shareholders of
EPL Propack Limited Liability Company

Opinion

We have audited the accounting (financial) statements of EPL Propack Limited Liability Company (Primary State Registration Number 1045005010599, 140030, Moscow Region, Lyubertsy, sett. Malakhovka, Shosseynaya street 40, floor 2, premises 3), which comprise the balance sheet for the period from 01.04.2022 to 31.03.2023, the income statement for the period from 01.04.2022 to 31.03.2023, the statement of cash flows for the period from 01.04.2022 to 31.03.2023, and notes to the balance sheet and the income statement for the period from 01.04.2022 to 31.03.2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EPL Propack LLC as of March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the corporate accounting rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Accounting (financial) statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the accounting (financial) statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution

We draw attention to the fact that the financial (accounting) statements are prepared for presentation to owners of EPL Propack LLC information concerning activities of EPL Propack LLC for the period from April 01, 2022, to March 31, 2023. As a result, the financial (accounting) statements may not be suitable for other purposes. Our opinion does not contain any qualifications regarding this issue.

Significant Uncertainty About Going Concern

We draw attention to the fact that, during the audit, the following conditions that, along with other matters set out in the notes to the financial statements for the period from 01.04.2022 to 31.03.2023, may cast significant doubt on the ability of EPL Propack LLC to continue as a going concern were identified, namely:

- the presence of adverse financial indicators for the Company and losses from operating activities in previous periods for more than 3 years;
- We draw attention to paragraph 1 of the notes to the accounting (financial) statements prepared for the special purpose, which states that in January 2021, the limited liability company "EPL Propak" decided to change its type of activity. As indicated in the explanation to line 1370, for the period from 01.04.2021 to 31.03.2022, the Company's loss as a result of the sale of assets and the closure of production amounted to 7 518 thousand rubles, for the

period from 01.04.2022 to 31.03.2023 the loss amounted to 1 381 thousand rubles, which, in our opinion, is of great importance for the understanding of the reporting by its users.

- We pay attention to the fact that the activities of EPL Propack LLC for the period from 01.04.2022 to 31.03.2023 were carried out under the conditions of: a special military operation, package sanctions against the state debt of the Russian Federation, a number of Russian banks, as well as personal sanctions against a number of individuals and legal entities and related economic consequences, and these accounting statements were compiled under the conditions of restrictive measures introduced by the Government of the Russian Federation, which, in our opinion, it is of great importance for the understanding of the reporting by its users

During communications, the Auditor received appropriate responses from the management and those responsible for corporate governance about the assessment of the entity's ability to continue as a going concern and confirmation of the financial support of the Company by the founders, if necessary. Our opinion does not contain any qualifications regarding this issue.

Responsibilities of Management and Those Charged with Governance

The management are responsible for the preparation and fair presentation of the accounting (financial) statements in accordance with Russian Accounting Standards, and for such internal control as the management determine is necessary to enable the preparation of accounting (financial) statements that are free from material misstatement, whether due to fraud or error.

In preparing the accounting (financial) statements, the management are responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's annual financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the accounting (financial) statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 accounting (financial) statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the accounting (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.
- b) 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 Company's internal control.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounting (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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Audit Engagement Leader
Principal Number of Registration Entry
22006118182

Elena Kolomejchuk

General Director
Principal Number of Registration Entry
22006056914

Anna Siletskaya

Audit organization:
Bellerage Audit LLC
Primary State Registration Number 1097746796267
115054, Moscow, Schipok str. 11 bld.1
Member of self-regulating organization Association of Russian auditors "Sodruzhestvo" (SRO AAS)
Principal Number of Registration Entry 12006081663

April 19, 2023

Translated from Russian by Elena Kolomejchuk





ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 1

Бухгалтерская отчетность

Номер корректировки 0 - -

Отчетный период 01.04.22-31.03.23

Общество с ограниченной ответственностью
ЭПЛ ПРОПАК - - - - -
- - - - -
- - - - -
- - - - -

(наименование организации)

Код вида экономической деятельности по классификатору ОКВЭД 2 2 . 2 2 - - -

Код по ОКПО 7 3 0 6 4 7 6 9 - -

Форма собственности (по ОКФС) 2 3

Организационно-правовая форма (по ОКОПФ) 6 5

Единица измерения: (тыс.руб. / млн.руб. - код по ОКЕИ) 3 8 4

На 8 - - страницах с приложением документов или их копий на - - - листах

Достоверность и полноту сведений, указанных
в настоящем документе, подтверждаю :

Руководитель

Н а р е ш - - - - -
К у м а р - - - - -
- - - - -

(фамилия, имя, отчество полностью)

Подпись Н.Н. Дата 0 8 . 0 4 . 2 0 2 3
МП

Главный бухгалтер

М а р т ы н о в а - - - - -
Е л и з а в е т а - - - - -
С е р г е е в н а - - - - -

(фамилия, имя, отчество полностью)

Подпись Е.



Заполняется работником налогового органа

Сведения о представлении документа

Данный документ представлен (код) - -

на - - - страницах

в составе (отметить знаком V)
0710001 - 0710002 -

с приложением документов - - - листах
или их копий на - - -

Дата представления документа - - . - - . - -

Зарегистрирован за № - - - - -

Фамилия, И.О.

Подпись



ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 2

Местонахождение (адрес)

Почтовый индекс

1 4 0 0 3 2

Субъект Российской Федерации (код)

5 0

Район

Л ю б е р е ц к и й р - - - - -

Город

- - - - -

Населенный пункт (село, поселок и т.п.)

п М а л а х о в к а - - - - -

Улица (проспект, переулок и т.п.)

Ш о с с е й н а я - - - - -

Номер дома (владения)

4 0 - - - - -

Номер корпуса (строения)

- - - - -

Номер офиса

- - - - -



ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр 0 0 3

Форма по ОКУД 0710001

Бухгалтерский баланс
Актив

Пояснения 1)	Наименование показателя	Код	На отчетную дату отчетного периода 31.03.23	На 31 марта предыдущего года	На 31 марта года, предшествующего предыдущему
1	2	3	4	5	6
I. ВНЕОБОРОТНЫЕ АКТИВЫ					
	Нематериальные активы	1110			
	Результаты исследований и разработок	1120			
	Основные средства	1130			16495-----
	Доходные вложения в материальные ценности	1140			
	Финансовые вложения	1150			
	Отложенные налоговые активы	1180	40690-----	40690-----	39415-----
0 0 1	Прочие внеоборотные активы	1190		298-----	595-----
	Итого по разделу I	1100	40690-----	40988-----	56506-----
II. ОБОРОТНЫЕ АКТИВЫ					
0 0 2	Запасы	1210	73-----	73-----	18042-----
	Налог на добавленную стоимость по приобретенным ценностям	1220	91-----	28-----	231-----
0 0 3	Дебиторская задолженность	1230	244-----	244-----	24102-----
	Финансовые вложения	1240			
	Денежные средства	1250	17908-----	27062-----	31971-----
	Прочие оборотные активы	1260	244-----	274-----	289-----
	Итого по разделу II	1200	18559-----	27680-----	74636-----
	БАЛАНС	1800	59250-----	68668-----	131142-----



ИНН 5027102489--
КПП 502701001 Стр. 004

Пассив

Пояснения 1)	Наименование показателей	Код	На отчетную дату отчетного периода 31.03.23	На 31 марта предыдущего года	На 31 марта года, предшествующего предыдущему
1	2	3	4	5	6
III. КАПИТАЛ И РЕЗЕРВЫ 2)					
	Уставный капитал	1310	266687-----	266687-----	266687-----
	Собственные акции, выкупленные у акционеров 3)	1320	-----	-----	-----
	Переоценка внеоборотных активов	1340	-----	-----	-----
	Добавочный капитал (без переоценки)	1350	275148-----	275148-----	275148-----
	Резервный капитал	1360	-----	-----	-----
	Нераспределенная прибыль (непокрытый убыток)	1370	(486224)-----	(476349)-----	(464926)-----
	Итого по разделу III	1300	55612-----	65487-----	76910-----
IV. ДОЛГОСРОЧНЫЕ ОБЯЗАТЕЛЬСТВА					
	Заемные средства	1410	-----	-----	-----
	Отложенные налоговые обязательства	1420	-----	-----	-----
	Резервы под условные обязательства	1430	-----	-----	-----
	Прочие обязательства	1450	-----	-----	-----
	Итого по разделу IV	1400	-----	-----	-----
V. КРАТКОСРОЧНЫЕ ОБЯЗАТЕЛЬСТВА					
	Заемные средства	1510	-----	-----	-----
004	Кредиторская задолженность	1520	214-----	301-----	22400-----
	Доходы будущих периодов	1530	-----	-----	-----
	Резервы предстоящих расходов	1540	3423-----	2880-----	31832-----
	Прочие обязательства	1550	-----	-----	-----
	Итого по разделу V	1500	3638-----	3182-----	54232-----
	БАЛАНС	1700	59250	68668	131142

Примечания

1) Указывается номер соответствующего пояснения к бухгалтерскому балансу и отчету о прибылях и убытках.

2) Некоммерческая организация именует указанный раздел "Целевое финансирование". Вместо показателей "Уставный капитал", "Добавочный капитал", "Резервный капитал" и "Нераспределенная прибыль (непокрытый убыток)" некоммерческая организация включает показатели "Паевой фонд", "Целевой капитал", "Целевые средства", "Фонд недвижимого и особо ценного движимого имущества", "Резервный и иные целевые фонды" (в зависимости от формы некоммерческой организации и источников формирования имущества).

3) Здесь и в других формах отчетов вычитаемый или отрицательный показатель показывается в круглых скобках.



ИНН 5 0 2 7 1 0 2 4 8 9 - -

КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 5

Расшифровка отдельных показателей бухгалтерского баланса

Лист представляется при наличии расшифровки

Пояснение	Наименование	Код	На отчетную дату отчетного 31.03.23 периода	На 31 марта предыдущего года	На 31 марта года, предшествующего предыдущему
1	2	3	4	5	6
Прочие активы (стр.1190), в том числе:					
001	Оборудование к установке	11901	-	-	-
001	Долгосрочные лицензии	11902	-	-	-
001	Проект САП	11903	-	298	595
Запасы (стр.1210), в том числе:					
002	Материалы и другие аналогичные ценности	12101	73	73	12767
002	Затраты в незавершенном производстве	12102			
002	Готовая продукция и товары для перепродажи	12103			5278
002	Товары в пути	12104			
-	-	12105	-	-	-
НДС (стр.1220), в том числе:					
-	-	12201	-	-	-
Дебиторская задолженность(стр.1230), в том числе:					
003	Клиенты (меньше 12 месяцев)	12301	-	15	20494
003	Прочие дебиторы (меньше 12 месяцев)	12302	244	229	3605
-	-	12303	-	-	-
-	-	12304	-	-	-
-	-	12305	-	-	-
-	-	12401	-	-	-
-	-	12402	-	-	-
-	-	12403	-	-	-
-	-	12501	-	-	-
-	-	12502	-	-	-
-	-	12601	-	-	-
-	-	12602	-	-	-
-	-	12603	-	-	-



ИНН 5 0 2 7 1 0 2 4 8 9 - -

КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 6

Расшифровка отдельных показателей бухгалтерского баланса

Лист представляется при наличии расшифровок

Пояснение	Наименование	Код	На отчетную дату отчетного 31.03.23 периода	На 31 марта предыдущего года	На 31 марта года, предшествующего предыдущему
1	2	3	4	5	6
Нераспределенная прибыль (непокрытый убыток) (стр.1370), в том числе:					
006	Убытки прошлых лет	13701	476349	464926	328599
006	Убытки отчетного года	13702	8494	3905	8986
006	Убытки связанные с закрытием производства	13703	1381	7518	127341
Заемные средства (стр.1410), в том числе:					
-	-	14101	-	-	-
-	-	14102	-	-	-
Отложенные налоговые обязательства (стр.1420), в том числе:					
-	-	14201	-	-	-
Резервы под условные обязательства (стр.1430), в том числе:					
-	-	14301	-	-	-
-	-	14302	-	-	-
Прочие долгосрочные обязательства (стр.1450), в том числе:					
-	-	14501	-	-	-
Заемные средства (стр.1510), в том числе:					
005	Проценты	15101	-	-	-
005	Займ	15102	-	-	-
Кредиторская задолженность (стр.1520), в том числе:					
004	Поставщики и подрядчики	15201	8	37	5201
004	Задолженность перед персоналом организации	15202	0	0	5935
004	Задолженность перед государственными внебюджетными фондами	15203	0	46	2130
004	Задолженность по налогам и сборам	15204	0	0	8473
004	Прочие кредиторы	15205	206	218	660
-	-	15205	-	-	-
-	-	15207	-	-	-
Доходы будущих периодов (стр.1530), в том числе:					
-	-	15301	-	-	-
Резервы предстоящих расходов (стр.1540), в том числе:					
-	-	15401	-	-	-
Прочие краткосрочные обязательства (стр.1550), в том числе:					
-	-	15501	-	-	-



ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 7

Отчет о прибылях и убытках

Пояснения	Наименование показателя	Код	За отчетный период 01.04.22-31.03.23	За аналогичный период предыдущего года
1	2	3	4	5
	Выручка (за минусом налога на добавленную стоимость, акцизов)	2110		13962
	Себестоимость продаж	2120	()	(17368)
	Валовая прибыль (убыток)	2100	()	(3406)
	Коммерческие расходы	2210	()	(844)
	Управленческие расходы	2220	(7365)	(9137)
	Прибыль (убыток) от продаж	2200	(7365)	(13387)
	Доходы от участия в других организациях	2310		
	Проценты к получению	2320		
	Проценты к уплате	2330	()	()
0 0 7	Прочие доходы	2340	4936	8246
0 0 8	Прочие расходы	2350	(7445)	(7558)
	Прибыль (убыток) до налогообложения	2300	9875	12698
	Текущий налог на прибыль	2410	()	()
	в т.ч. постоянные налоговые обязательства (активы)	2421	38	5685
	Изменение отложенных налоговых обязательств	2430		
	Изменение отложенных налоговых активов	2450	()	1275
	Прочее	2460		()
	Чистая прибыль (убыток)	2400	(9875)	(11423)
СПРАВОЧНО				
	Результат от переоценки внеоборотных активов, не включаемый в чистую прибыль (убыток) периода	2510		
	Результат от прочих операций, не включаемый в чистую прибыль (убыток) периода	2520		
	Совокупный финансовый результат периода	2500	(9875)	(11423)
	Базовая прибыль (убыток) на акцию	2900		
	Разводненная прибыль (убыток) на акцию	2910		

Примечания

1) Указывается номер соответствующего пояснения к бухгалтерскому балансу и отчету о прибылях и убытках.

2) Выручка отражается за минусом налога на добавленную стоимость, акцизов.

3) Совокупный финансовый результат периода определяется как сумма строк "Чистая прибыль (убыток)", "Результат от переоценки внеоборотных активов, не включаемый в чистую прибыль (убыток) периода" и "Результат от прочих операций, не включаемый в чистую прибыль (убыток) отчетного периода".



ИНН 5 0 2 7 1 0 2 4 8 9 - -

КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 8

Расшифровка отдельных показателей Отчет о прибылях и убытках

Пояснение	Наименование	Код	На отчетную дату отчетного 31.03.23 периода	На 31 марта предыдущего года
1	2	3	4	5
Прочие доходы (стр.2340), в том числе:				
007	Прибыль от курсовых разниц	23401	4883	2446
007	Восстановление резерва	23402		5365
007	Продажа заимствований	23403		
007	Продажа ОС	23404		
007	Прочее	23405	52	435
Прочие расходы (стр.2350), в том числе:				
008	Убыток от курсовых разниц	23501	5991	1006
008	Банковские расходы	23502	16	40
008	Расходы прошлых лет	23503		
008	Выбытие ОС	23504		
008	Резерв ДЗ	23505		
008	Запчасти продажные	23506		
008	Штрафы арендодателя и прочие резервы	23507		
008	Налог на имущество	23508		21
008	Помощь сотрудникам	23509	117	
008	Компенсация при увольнении	235010	200	3131
008	Резерв под списание Неотд улучшений	235011		
008	НДС Неотд улучшений	235012		
008	Компенсация при увольнении 1 часть	235013		
008	Списание сомнительной задолженности	235014		494
008	Не облагаемые расходы	235015	16	61
008	Билеты и медицинская страховка членам семьи	235016	692	662
008	Списание материалов	235017		1375
008	Прочее	235018	413	768

Отчет о движении денежных средств
за 01.04.22-31.03.23

Организация ООО ЭПЛ Пролак

Идентификационный номер налогоплательщика _____

Вид экономической

деятельности _____

Организационно-правовая форма/форма собственности _____

Форма по ОКУД

Дата (число, месяц, год) _____

по ОКПО

ИНН

по ОКВЭД

по ОКОПФ/ОКФС

по ОКЕИ

Единица измерения: тыс. руб. /млн. руб. (ненужное зачеркнуть)

Коды

0710004

384/385

Наименование показателя	За 2022- 20 23 г. ¹	За 2021- 20 22 г. ²
Движение денежных средств по текущей деятельности		
Поступило денежных средств - всего	13	23065
в том числе:		
от продажи продукции, товаров, работ и услуг	13	22963
арендные платежи, лицензионные платежи, гонорары, комиссионные платежи и пр.		
прочие поступления	0	102
Направлено денежных средств - всего	(8058)	(37267)
в том числе:		
на оплату товаров, работ, услуг	(1973)	(13984)
на оплату труда	(5990)	(19287)
на выплату процентов по долговым обязательствам	(0)	(0)
на расчеты по налогу на прибыль	(0)	(43)
на прочие выплаты, перечисления	(94)	(3953)
Результат движения денежных средств от текущей деятельности	(8 046)	(14 202)
Движение денежных средств по инвестиционной деятельности		
Поступило денежных средств - всего	0	7959
в том числе:		
от продажи объектов основных средств и иного имущества	0	7979
дивиденды, проценты по финансовым вложениям		
прочие поступления		
Направлено денежных средств - всего		()
в том числе:		
на приобретение объектов основных средств (включая доходные вложения в материальные ценности) и нематериальных активов		(0)
на финансовые вложения		
на прочие выплаты, перечисления		
Результат движения денежных средств от инвестиционной деятельности	0	7 979

Форма 0710004 с. 2

Наименование показателя	За 2022 20 23 г. ¹	За 2021 20 22 г. ²
Движение денежных средств по финансовой деятельности		
Поступило денежных средств - всего		
в том числе:		
кредитов и займов		
бюджетных ассигнований и иного целевого финансирования		
вкладов участников		
другие поступления		
Направлено денежных средств - всего		()
в том числе:		(0)
на погашение кредитов и займов		
на выплату дивидендов		
на прочие выплаты, перечисления		
Результат движения денежных средств от финансовой деятельности	-	-
Результат движения денежных средств за отчетный период	(8 046)	(6 223)
Остаток денежных средств на начало отчетного периода	27 062	31 971
Остаток денежных средств на конец отчетного периода	17 909	27 062
Величина влияния изменений курса иностранной валюты по отношению к рублю	(1 107)	1 313

Руководитель



(подпись)

Нареш Кумар

(расшифровка подписи)

Главный
бухгалтер

(подпись)

Мартынова Е С

(расшифровка подписи)

апрель 20 23 г.

Примечания

1. Указывается отчетный период.

2. Указывается период, предшествующий году, аналогичный отчетному периоду.

Пояснения к бухгалтерскому балансу и отчету о финансовых результатах ООО «ЭПЛ Пропакс» за глобальный отчетный период с 01.04.2022 по 31.03.2023.

1. Общие сведения о деятельности фирмы

Наименование организации:	ООО «ЭПЛ Пропакс»
Юридический адрес:	140032, МО, Люберецкий район, пос. Матаховка, ул. Шоссейная, 40, этаж 2, помещение 3.
Фактический адрес:	140032, МО, Люберецкий район, пос. Матаховка, ул. Шоссейная, 40, этаж 2, помещение 3.
Телефон:	+7(499) 113-13-19
ИНН/КПП	5027102489/502701001
ОКПО	73064769
ОГРН	1045005010599
ОКВЭД	22.22 (Производство пластмассовых изделий для упаковывания товаров)
Среднегодовая численность работающих	2 (два) человека
Размер уставного капитала	266 687 тыс. руб.
Размер оплаченного уставного капитала	266 687 тыс. руб.
Учредители и величина доли (в %)	Давыдов Теодор Александрович ЛПД(ЛПД) (100%)
Исполнительный орган Генеральный директор	Нареш Кумар

Главный бухгалтер	Мартьянова Елизавета Сергеевна
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Бухгалтерская отчетность сформирована организацией исходя из корпоративных правил, совпадающих с действующими в Российской Федерации правилами бухгалтерского учета и отчетности.

В январе 2021 года учредителями организации было принято решение закрыть направление производство и оставить только торговый бизнес. Персонал закрываемого направления был сокращен 31.03.2021.

На 01.04.2023 в компании числится 2 человека.

В марте 2016 на основании свидетельства о слиянии Частной акционерной компанией с ограниченной ответственностью «Пятек Лимитед» в компанию Ламитьюб Технолоджиз ЛТД (ЛТД) единственным учредителем Общества является иностранное юридическое лицо Ламитьюб Технолоджиз ЛТД (ЛТД).

Общество является юридическим лицом.

Управление Обществом осуществляется Генеральным директором Нарешем Кумаром, назначенным на эту должность решением единственного участника Общества.

2. Вклады в имущество и в Уставный капитал.

Учредителем были осуществлены следующие вклады в имущество и уставный капитал Общества:

152.411.520,20	Руб	Вклад в имущество	Решение 17 от 25.03.13
32.729.200,00	Руб	вклад в имущество	Решение 18 от 31.12.13
6.815.160,00	Руб	вклад в имущество	Решение б/н от 01.10.14
25.273.600,00	Руб	вклад в имущество	Решение б/н от 12.11.14
4.670.470,00	Руб	вклад в имущество	Решение б/н от 31.12.14
13.242.300,00	Руб	вклад в имущество	Решение б/н от 05.10.18

31,049,000 RUB вклад в уставный капитал Решение б/н от 12.07.18

Также в связи с разницей курсов в Решении б/н от 12.07.2018 и на момент зачисления УК на расчетный счет компании добавочный капитал был увеличен на 2.137.608,68 руб,

129.793.370 RUB вклад в уставный капитал Решение б/н от 09.06.20

Также в связи с разницей курсов в Решении б/н от 09.06.2020 и на момент зачисления УК на расчетный счет компании добавочный капитал был увеличен на 3.957.130,0 руб,

32.832.855,00 RUB вклад в имущество Решение б/н от 17.03.21

Это привело к увеличению добавочного и уставного капиталов Общества.

3. Основные положения учетной политики организации.

В Обществе применяется журнально-ордерная форма бухгалтерского учета на основе корпоративной информационной системы SAP. До завершения внедрения КИС учет ведется на основе электронных таблиц MS Excel.

Списание материальных запасов на счета затрат осуществляется по средней себестоимости.

Общехозяйственные расходы и расходы на продажу продукции признаются в отчете о финансовых результатах в составе управленческих и коммерческих расходов (директ костинг).

4. Открытые банковские счета ООО «ЭПЛ Пропака».

ООО «ЭПЛ Пропака» по состоянию на 31.03.2023 имеет следующие банковские счета

Коммерческий Индо Банк ООО г. Москва

Расчетный счет в рублях	40702 810 6 0000 0001004
Текущий счет в долларах США	40702 840 9 0000 0001004
Транзитный счет в долларах США	40702 840 2 0000 1001004

Текущий счет в Евро	40702 978 5 0000 0001004
Транзитный счет в Евро	40702 978 8 0000 1001004
Текущий счет в Швейцарских франках	40702 756 9 0000 0001004
Транзитный счет в Швейцарских франках	40702 756 2 0000 1001004
Текущий счет в Фунтах стерлингов	40702 826 5 0000 0001004
Транзитный счет в Фунтах стерлингов	40702 826 8 0000 1001004
Корреспондентский счет	30101810400000000500
БИК	044525500

5. Расшифровка отдельных показателей отчетности.

Основных средств у общества на 31.03.23 нет.

5.1 Наличие и движение основных средств

Наименование показателя	Период	На начало года		Изменения за период						На конец периода	
		первоначальная стоимость (3)	накопленная амортизация (6)	поступило	выбыло первоначальная стоимость (3)	накопленная амортизация (6)	начислено амортизации (6)	переоценка		первоначальная стоимость (3)	накопленная амортизация (6)
								первоначальная стоимость (3)	накопленная амортизация (6)		
Основные средства (без учета доходных вложений в материальные ценности) всего-	за 2023	0	0	0	0	0	0			0	-
	за 2022	19375	(2 881)	0	19375	3042	(161)			0	-

5.2 Незавершенные капитальные вложения

Незавершенных капитальных вложений нет

5.3 Нематериальные активы

У ООО «ЭПИ Пропака» на 31.03.2023г. нет нематериальных активов. Устаревшая торговая марка ЭПИ Пропака полностью амортизирована и списана.

Надлежащее и движение нематериальных активов

0710005 с. 1

Наименование показателя	Период	На начало года		Изменения за период						На конец периода		
				поступило	выбыло		начислено- амортизации	убыток от обесценения	переоценка			
		первоначальная стоимость <3>	накопленная амортизация и убыток от обесценения		первоначальная стоимость <3>	накопленная амортизация			первоначальная стоимость <3>	накопленная амортизация и убыток от обесценения		
Нематериальные активы – Товарный знак	за 2023 г.	13	(13)		(13)	13					0	(0)
	за 2022 г.	13	(13)		()						13	(13)

II 5.4 Наличие и движение запасов

Наименование показателя	Период	Изменения за период						На конец периода	
		На начало года	величина резерва под снижение стоимости	поступит	выбыло объектов	убытки от снижения стоимости	оборот запасов между их группами и видами	себестоим	величина резерва под снижение стоимости
Запасы всего	за 2023	74	0	0	0	0	0	74	-
	за 2022	18042	0	311	18279	0	0	74	-
в том числе сырье и материалы	за 2023	0	0		0			0	-
	за 2022	12529	0		12529	0		0	-
упаковочные материалы	за 2023	0	0	0	0			0	-
	за 2022	236	-	0	236			0	-
Запчасти	за 2023	74		0	0			74	-
	за 2022	0		311	237			74	-
Полуфабрикаты	за 2023	0		0	0			0	-
	за 2022	0		0	0			0	-
Прочие материалы и товары в пути	за 2023	0		0	0			0	-
	за 2022	0		0	0			0	-
Готовая продукция и товары	за 2023	0	0	0	0			0	-
	за 2022	5277	-	0	5277			0	-

5.3 Наличие дебиторской задолженности

Наименование показателя	Период	На начало года		На конец периода	
		учетная по условиям договора	величина резерва по сомнительным долгам	учетная по условиям договора	величина резерва по сомнительным долгам
Краткосрочная дебиторская задолженность - всего	за 2023	244		244	
	за 2022	26576	(2474)	244	
	в том числе: за 2023	15		0	
Получатели и заказчики	за 2022	22971	(2474)	15	
	за 2023	100	()	101	()
Авансы выданы	за 2022	3467	()	100	()
	за 2023	128	()	143	()
Прочее	за 2022	138		128	()
	за 2023				

5.6 Наличие кредиторской задолженности

Наименование показателя	Период	На начало года		На конец периода	
		учтенная по условиям договора		учтенная по условиям договора	
Краткосрочная кредиторская задолженность - всего	за 2023	301		214	
	за 2022	22400		301	
в том числе:	за 2023	37		8	
	за 2022	5201		37	
Поставщики и подрядчики	за 2023	0	()	0	()
	за 2022	5935	()	0	()
Задолженность перед персоналом	за 2023	0	()	0	()
	за 2022	5935	()	0	()
Перед внебюджетными фондами	за 2023	46		0	()

	за 2022	2130		46	()
По налогам и сборам	за 2023	0	()	0	()
	за 2022	9473		0	()
Прочие кредиторы	за 2023	218	()	206	()
	за 2022	660	()	218	()
Займы, Проценты по займам	за 2023	0	()	0	()
	за 2022	0	()	0	()

Обществом было проведено следующие списания кредиторской задолженности. Причины : окончание срока исковой давности.

Дата	Дата	валюта	текст
31.12.2022	-0,06	RUB	Списание по истечении СИД ИП Повар
31.12.2022	-2722,5	RUB	Списание КЗ по истечении СИД ООО "Вис Косме"
31.12.2022	-0,16	RUB	Списание КЗ по истечении СИД ООО "Аклен"
31.12.2022	-0,12	RUB	Списание КЗ по истечении СИД ООО "Пенталав"
31.12.2022	-8087,96	RUB	Списание КЗ по истечении СИД АО "Нижнегородс"
31.12.2022	-3089,84	RUB	Списание КЗ по истечении СИД ИП Акимовкин
31.12.2022	-5173,62	RUB	Списание КЗ по истечении СИД ООО "Новые Телефонные"
31.12.2022	-30000	RUB	Списание КЗ по истечении СИД ООО Лаборатория Техн

5.7 На 31.03.2022 в Бухгалтерском учете Общества отражены следующие оценочные обязательства:

Приложение к бухгалтерскому балансу и отчету о финансовых результатах ООО «ЭПЛ Пропакс» за 2022-2023 год

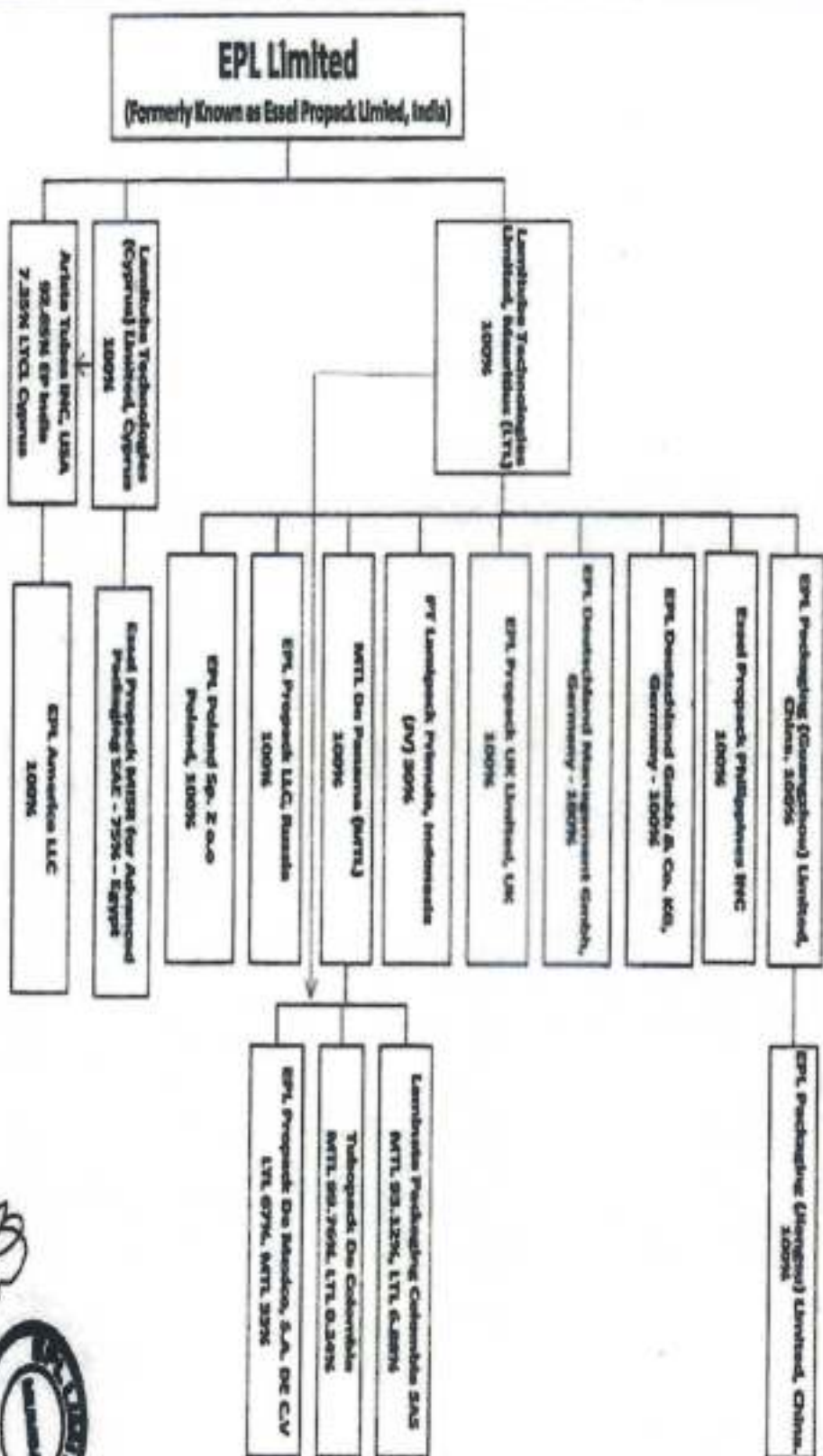
Сумма	текст	Text
2029026,22	резерв на отпуск	vocation provision
1249324,3	резерв на плату за школу и авиабилеты	Naresh son school fees and tickets
125000	резерв на аудит	audit provision
20000	резерв на премию	bonus provision
3423350,52		

6. Операции с аффилированными лицами

Информация и конечном бенефициаре: учредитель ООО ЭПЛ Пропакс "ЛАМИТЬЮБ ТЕКНОЛОДЖИЗ ЛТД.", учредитель "ЛАМИТЬЮБ ТЕКНОЛОДЖИЗ ЛТД." ЭПЛ Лимитед.

На 31.03.2023 у общества нет остатков по расчетам с родственными компаниями.

7. Структура компании



Lamitube Technologies Limited, Mauritius is having branch in Dubai registered with DMCC Authority as "Lamitube Technologies Ltd (DMCC BRANCH)" wof 15 February 2017.

Equation Bidco Pte Ltd, entity registered in Singapore in the holding entity of EPL Limited wof 22 August 2019.

EPL Limited is a company limited by shares registered and governed under Indian Law.

8. Отложенные налоги:

Расчет и отражение в отчетности отложенных налогов за 2022-2023г. произведен в соответствии с порядком, установленным Положением по бухгалтерскому учету «Учет расчетов по налогу на прибыль организаций» ПБУ 18/02, утвержденным приказом Минфина РФ от 19.11.2002 N 114н (ред. от 11.02.2008).

Отложенные налоговые активы по состоянию на 31.03.2023, 31.03.2022 и 31.03.2021 сформированы в большей части на сумму понесенных ранее убытков. Отложенные налоговые активы, начисленные за 2008 год были списаны в размере 2 022 667 руб, что эквивалентно отложенным налоговым активам, начисленным за период 2022-2023 год.

9. Непрерывность деятельности

24.02.22 Россия начала военную спецоперацию против Украины, которая продолжается по дату написания настоящей пояснительной записки. Это послужило толчком к постоянному росту санкций против России, попыток негативного воздействия на экономнику государства и изоляции РФ со стороны западных стран. Все это привело к тому что рубль перестал быть свободно-конвертируемой валютой, курс упал, происходит изменения на законодательном уровне, начали разрушаться логистические цепочки, западные поставщики начали останавливать поставки в Россию, иностранные компании объявляют об остановке деятельности в РФ, меняется конъюнктура экспорта и импорта страны.

Ввиду неопределенности и продолжительности событий Общество не может точно и надежно оценить в денежном выражении влияние данных событий на свое финансовое положение. В настоящее время Общество внимательно следит за финансовыми событиями, вызывающими данными последствиями.

ООО ЭПЦ Протекс имеет родственные компании в 16 странах мира, в том числе в Индии, Китае, Венесуэле, Германии, Англии и Польше. Сегоднешняя экономическая ситуация разворачивает Россию к увеличению торговых оборотов с дружественными нам Индией и Китаем. Эти страны основные поставщики общества, открыты для торговли. Общество надеется повернуть в свою пользу сегодняшние изменения в экономике страны.

Бухгалтерская отчетность Общества была подготовлена на основании допущения о том, что Общество будет продолжать свою деятельность в обозримом будущем, и у него отсутствуют намерения или необходимость ликвидации, или существенного сокращения деятельности, а, следовательно, обязательства Общества будут погашаться в установленном порядке.

Несмотря на экономическое падение и снижение деловой активности в результате глобальной пандемии коронавируса в стране, закрытии производственного направления, начале вооруженной спецоперации, ООО ЭПЛ Пропак информирует заинтересованных лиц о намерении осуществлять непрерывную деятельность по реализации материалов для производства ту6, покупных ту6 других производителей в ближайшем будущем.

В настоящее время руководством общества разработан бизнес план на продажу за период с октября 2023 до март 2024 50 млн ту6.

Учредитель общества также в дальнейшем планирует развивать коммерческую деятельность в России и оказывать необходимую финансовую помощь ООО ЭПЛ Пропак, о чем он сообщил в официальном письме.

Другие чрезвычайные факты хозяйственной деятельности, выданные и полученные обеспечения отсутствуют.

10. Прочее

Официальные курсы, установленные ЦБ к рублю на 31.03.2023:

Валюта	Официальный курс
Доллар США	77,0863
Евро	83,7639

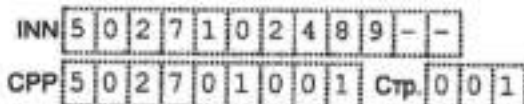
Генеральный директор

ООО «ЭПЛ Пропак»



N.K.

Нареш Кумар



Number of changing	0	-	-
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Reporting period 01.04.22-31.03.23

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(наименование организации)

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UNIT OF MESURES

3	8	4
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от 8 - - pages

copies

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Confirm that report was made according to corporate requirements that were matched with Russian accounting standards

Tax authoriter officers marks

Сведения о представлении документа

Данный документ представлен (код) ☐

на

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 страницах

В СОСТАВЕ (отметить знаком V)

0710001 ☐

0710002Z

с приложениям документов

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 листах
или их копий на

Дата представления документа

Зарегистрирован за №

COMPTON, N.D.

Подпись

Director

[illegible]

(name)

Signature

NK
M1

```
data 0 8 . 0 4 . 2 0 2 3
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The Chief accountant

[illegible]

(name)

Signature





ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 2

Address

POST CODE

1 4 0 0 3 2

REGIONAL CODE

5 0

DISTRICT

L U B E R E T S K Y - - - - -

TOWN

M A L A H O V K A - - - - -

STREET

S H O S S E Y N A Y A - - - - -

HOUSE

4 0 - - - - -

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ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 3

BALANCE SHEET

Assets

Remarks 1)	Name of Determinant	Cod e	By the end of the reporting period 31.03.23	By the March 31 of the previous year	By the March 31 of the year prior to previous one
1	2	3	4	5	6
I. Fixed Assets					
	Intangible assets	1110			
	Financial results of research	1120			
	Tangible Assets	1130			16495-----
	Profitable in goods	1140			
	Profitable in finance	1150			
	Deferred tax assets	1180	40690-----	40690-----	39415-----
0 0 1	Other assets	1190		298-----	595-----
	Total I	1100	40690-----	40988-----	56506-----
II. Goods&Stocks					
0 0 2	Stocks	1210	73-----	73-----	18042-----
	VAT (IN)	1220	91-----	28-----	231-----
0 0 3	Debts	1230	244-----	244-----	24102-----
	Investments	1240			
	Cash	1250	17908-----	27062-----	31971-----
	Others debts	1260	244-----	274-----	289-----
	Total II	1200	18559-----	27680-----	74636-----
	Balance	1800	59250-----	68668-----	131142-----



ИНН 5027102489--
КПП 502701001 Стр. 004

Liabilities

Remarks 1)	Name of Determinant	Code	By the end of the reporting period 31.03.23	By the March 31 of the previous year	By the March 31 of the year prior to previous one
1	2	3	4	5	6
III. Capital & Reserves 2)					
	Authorised capital	1310	266687-----	266687-----	266687-----
	Buying of own shares	1320			
	Revaluation of fixed assets	1340			
	Additional capital (minus revaluation)	1350	275148-----	275148-----	275148-----
	Reserved capital	1360			
006	Income/losses	1370	(486224)----	(476349)----	(464926)----
	Total III	1300	55612-----	65487-----	76910-----
IV. Long terms liabilities					
	Long term loans	1410			
	Deferred tax liabilities	1420			
	Reserves on conditional liabilities	1430			
	Others long term liabilities	1450			
	Total IV	1400			
V. Short terms liabilities					
005	Loans	1510	-----	-----	-----
004	Liabilities	1520	214-----	301-----	22400-----
	Deferred revenue	1530			
	Reserves deferred expenses	1540	3423-----	2880-----	31832-----
	Other short term liabilities	1550			
	Total V	1500	3638-----	3182-----	54232-----
	Balance	1700	59250	68668	131142



ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 5

Additional information on determinants of Balance Sheet

Лист представляется при наличии расшифровок

Remarks	Name of Determinant	Code	By the the end of the reporting period 31.03.23	By the March 31 of the previous year	By the March 31 of the year prior to previous one
1	2	3	4	5	6
Other assets (срп.1190), including:					
001	Equipment to be installed	11901	-	-	-
001	Long-term software licenses	11902	-	-	-
001	SAP project	11903	-	298	595
Stocks (срп.1210), including:					
002	Stocks & RM	12101	73	73	12767
002	Expenses in a work in progress	12102			
002	Finished goods	12103			5278
002	GIT	12104			
-	-	12105	-	-	-
VAT (IN) (срп.1220), including:					
-		12201	-	-	-
Debts (срп.1230), including:					
003	Debts of customers & suppliers (not more 12 month)	12301	-	15	20494
003	Other debts (not more 12 month)	12302	244	229	3605
-	-	12303	-	-	-
-	-	12304	-	-	-
-	-	12305	-	-	-
Investments (срп.1240), including:					
-	-	12401	-	-	-
-	-	12402	-	-	-
-	-	12403	-	-	-
Cash (срп.1250), including:					
-	-	12501	-	-	-
-	-	12502	-	-	-
Others debts (срп.1260), including:					
-	-	12601	-	-	-
-	-	12602	-	-	-
-	-	12603	-	-	-



ИНН 5027102489--
КПП 502701001 С/р. 006

Additional information on determinants of Balance Sheet

Remarks	Name of the Determinant	Code	By the the end of the reporting period 31.03.23	By the March 31 of the previous year	By the March 31 of the year prior to previous one
1	2	3	4	5	6
Income/losses (exp.1370), including:					
006	Loss of Previous periods	13701	476349	464926	328599
006	Reported period loss	13702	8494	3905	8986
006	Loss regarding to Production closing	13703	1381	7518	127341
Long term loans (exp.1410), including:					
-	-	14101	-	-	-
-	-	14102	-	-	-
Deferred tax liabilities (exp.1420), including:					
-	-	14201	-	-	-
(Reserves on conditional liabilities) (exp.1430), including:					
-	-	14301	-	-	-
-	-	14302	-	-	-
Others long term liabilities (exp.1450), including:					
-	-	14501	-	-	-
Loans (exp.1510), including:					
005	Interests	15101			
005	Loan	15102			
Liabilities (exp.1520), including:					
004	Suppliers	15201	8	37	5201
004	Salary	15202	0	0	5935
004	Social tax	15203	0	46	2130
004	Taxes	15204	0	0	8473
004	Other creditors	15205	206	218	660
-	-	15206	-	-	-
-	-	15207	-	-	-
Deferred revenue (exp.1530), including:					
-	-	15301	-	-	-
Reserves deferred expenses (exp.1540), including:					
-	-	15401	-	-	-
Other short term liabilities (exp.1550), including:					
-	-	15501	-	-	-



ИНН 5027102489--

КПП 502701001 Стр. 007

INCOME STATEMENT

Remarks	Name of Determinant	Code	For reporting period 01.04.22-31.03.23	For the same period of the previous year
1	2	3	4	5
	Income (minus VAT, excise taxes)	2110		13962
	Self-cost of sold goods	2120	()	(17368)
	Gross profit	2100	()	3406
	Business expenses	2210	()	(844)
	Administrative expenses	2220	(7365)	(9137)
	Profit (loss) on sales	2200	(7365)	13387
	Income from involvement in other companies	2310		
	Interests receivable	2320		
	Interests payable	2330	()	()
007	Other income	2340	4936	8246
008	Other expenses	2350	(7445)	(7558)
	Profit (loss) before tax	2300	(9875)	12698
	Actual profit tax	2410	()	()
	including Constant tax liabilities (assets)	2421	38	5685
	Change of deferred tax liabilities	2430		
	Change of deferred tax assets	2450		1275
	Other	2460		()
	Profit (loss) after tax	2400	(9875)	(11423)
	Additional information			
	Revaluation of other assets not included in net profit	2510		
	Revaluation of other operations not included in net profit	2520		
	Total finance result	2500	(9875)	(11423)
	Base profit (loss) per 1 share	2900		
	Overcapitalized profit (loss) per 1 share	2910		



ИНН 5 0 2 7 1 0 2 4 8 9 - -
КПП 5 0 2 7 0 1 0 0 1 Стр. 0 0 8

Additional information on determinants of INCOME STATEMENT

Remarks	Name of the Determinant	Code	By the the end of the reporting period 31.03.23	By the March 31 of the previous year
1	2	3	4	5
Other income (стр.2340), including:				
007	Foreign exchange profit	23401	4883	2446
007	Restore of provision	23402		5365
007	Selling of spares	23403		
007	FA selling	23404		
007	Others	23405	52	435
Other expenses (стр.2350), including:				
008	Foreign exchange loss	23501	5991	1006
008	Bank charges	23502	16	40
008	Prior Period Expense	23503		
008	Cost of asset-(Retir	23504		
008	Bad debt provision	23505		
008	COGS spares	23506		
008	Landlord penalty fact and provision	23507		
008	Property Tax	23508		21
008	Helpness to employees	23509	117	
008	Leaving compensation to employees provision	235010	200	3131
008	Construction provision	235011		
008	VAT on construction	235012		
008	Leaving compensation to employees 1st transh	235013		
008	Bad debts written off	235014		494
008	Not taxable Expenses	235015	16	61
008	Tickets and medical ensurance of Indian family	235016	692	662
008	Inventory written off	235017		1375
008	Others	235018	413	768

Cash Flow Statement
for 01.04.21-31.03.22

Форма по ОКУД _____
 Дата (число, месяц, год) _____ по ОКПО _____
 Company LLC EPL Prosvet _____ ИНН _____
 Идентификационный номер налогоплательщика _____
 Вид экономической _____ по ОКВЭД _____
 деятельности _____
 Организационно-правовая форма/форма собственности _____
 000 rub _____ по ОКФС/ОКФС _____
 Единица измерения: тыс. руб./млн. руб. (не нужно зачеркнуть) _____ по ОКЕИ _____

Codes	
384/385	

Items	Year ended 31 March 20 23 r. ¹	Year ended 31 March 20 22 r. ²
Cash flows from operating activities	13	23065
Proceeds cash -total	13	22963
Includes:	13	22963
Proceeds from sale of goods, finish goods services		
Rent, licence proceeding		
Others	0	102
Cash paid-total:	(8 058)	(37 267)
Includes:	(1 973)	(13 964)
Cash paid to suppliers		
Cash paid to employees	(5 990)	(19 287)
Interest paid		-
Corporate income Tax paid	(-)	(43)
Other expenses	(94)	(3 963)
Net cash generated from operating activities	(8 046)	(14 202)
Cash flows from investing activities	0	7979
Proceeds cash -total	0	7979
Includes:	0	7979
Proceeds from sale of property, plant and equipment (PPE)		
Dividends, interests received		
Other proceeds		
Cash paid-total:	-	(-)
Includes:	-	(-)
Purchases of property, plant and equipment (PPE), income yielding investments into tangible assets, intangible assets		
Purchases of available-for-sale financial assets		
Other expenses		
Net cash used in investing activities	-	7 979

Форма 0710004 с. 2

Items	Year ended 31 March 20 23 r. ¹	Year ended 31 March 20 22 r. ²
Cash flows from financing activities	0	0
Proceeds cash -total		
Includes:		
Proceeds from borrowings	0	0
budgetary appropriations and other target financing		
deposits of participants	0	0
Other proceeds	0	
Cash paid-total:	0	(0)
includes:		
Repayments of borrowings (excl. interest)	0	(0)
Dividends paid		
Other expenses		
Net cash used in financing activities	0	-
Net increase / (decrease) in cash (and bank overdrafts)	(8 045)	(6 223)
Cash at beginning of period	27 062	31 971
Cash (and bank overdrafts) at end of the period	17 909	27 062
Exchange gains/(losses) on cash and bank overdrafts	(1 107)	1 313

General Director

Naresh Kumar

(name)

The Chief
Account

(sign)

Martynova Elisabeth

(name)

" 11 " April 20 23 r.



Примечания

1. Указывается отчетный период.

2. Указывается период предыдущего года, аналогичный отчетному периоду.