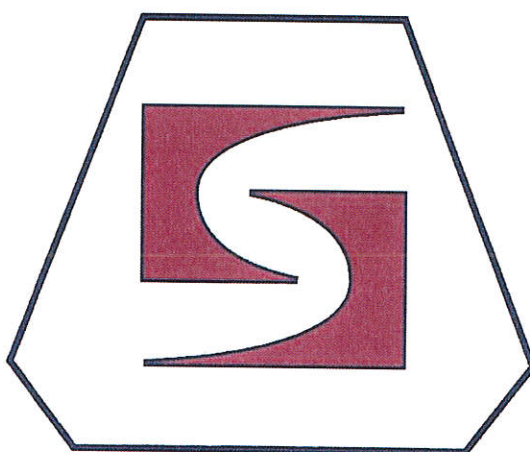




GARCÍA SABATÉ, CASTAÑEDA,  
NAVARRETE, S.C.



# **Dresen Química, S.A.P.I. de C.V. and Subsidiaries**

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**Financial Statement and Report**  
**as of March 31, 2020 and March 31, 2021**

## Appendix – 11B

### Report of the auditors of García Sabaté, Castañeda, Navarrete, S.C., to Kalyaniwalla & Mistry LLP, auditors of Camlin Fine Sciences Limited Group

#### Opinion

We have audited the accompanying Financial Statements of **Dresen Química, S.A.P.I. de C.V. and Subsidiaries**, which comprises the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory information and the accompanying special purpose financial information of **Dresen Química, S.A.P.I. de C.V. and Subsidiaries** together called the Fit for Consolidation Financial Statement (FFC).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid FFC give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### Management's Responsibility for the Fit for Consolidation Accounts (FFC)

The Company's Board of Directors are responsible for the preparation and fair presentation of the FFC in accordance with the instructions received from Camlin Fine Sciences Limited and Kalyaniwalla & Mistry LLP, the auditors of Camlin Fine Sciences Limited and the accounting policies set out in the group audit instructions. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act 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 FFC 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 Responsibilities for the Audit of the FFC Accounts**

Our responsibility is to express an opinion on these FFC based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the FFC are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the FFC Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the FFC Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the FFC financial statements.

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

### **Other matters**

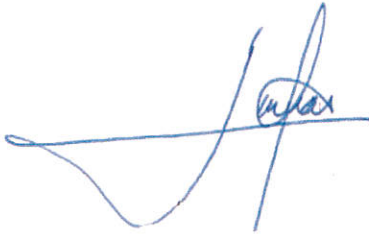
In particular and with respect to Camlin Fine Sciences Limited and the other components in the Camlin Fine Sciences Limited Group, referred to in **Para 1.2** of the Group Audit Instructions, we are independent and comply with the applicable requirements of the International Standards on Auditing.



GARCÍA SABATÉS, CASTAÑEDA,  
NAVARRETE, S.C.

The FFC has been prepared for purposes of providing information to Camlin Fine Sciences Limited to enable it to prepare the consolidated financial statements of Camlin Fine Sciences Limited. The special purpose financial information is not a complete set of financial statements of the Company and thus not suitable for any other purpose. This report is intended solely for the purpose of expressing an audit opinion on the consolidated financial statements of Camlin Fine Sciences Limited by Kalyaniwalla & Mistry LLP and should not be used for any other purpose or distributed to other parties.

**GARCIA SABATE, CASTAÑEDA,  
NAVARRETE, S.C.**



**Javier Sabaté CPA**  
Audit Partner



**Dresen Química, S.A. P.I de C.V. (Consolidated)****Statement of Profit and Loss for the year ended March 31, 2021**  
**(Mexican pesos)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Revenue from operations	790,562,606	699,977,585
Other income	4,383,460	5,255,799
<b>Total Income</b>	<b>794,946,066</b>	<b>705,233,384</b>
<b>Expenses</b>		
Cost of material consumed		
Excise duty		
Purchases of stock-in-trade	427,918,726	375,810,999
Changes in inventories of finished goods, stock-in-trade and work in progress	(17,789,627)	(3,999,956)
Employee benefits expense	75,481,504	64,955,639
Finance costs	9,072,007	13,860,542
Depreciation and amortization expense	2,696,951	2,255,217
Research and development expenses		
Other expenses (Note 11)	116,565,243	146,400,846
<b>Total Expenses</b>	<b>613,944,804</b>	<b>599,283,287</b>
<b>Profit Before Tax</b>	<b>181,001,262</b>	<b>105,950,097</b>
<b>Tax expense</b>		
Current tax	51,949,792	37,730,212
Deferred tax (Note 9)	(159,678)	380,518
<b>Net Tax Expenses</b>	<b>51,790,114</b>	<b>38,110,730</b>
<b>Profit / (Loss) for the year</b>	<b>129,211,148</b>	<b>67,839,367</b>
<b>Other Comprehensive Income</b>		
Items that will not be recalssified to profit or loss		
Remeasurements of Defined Benefit Plans		
Income tax relating to Items that will not be recalssified to Profit or Loss		
<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>0</b>
<b>Total Other Comprehensive Income for the year</b>	<b>129,211,148</b>	<b>67,839,367</b>

**Important instruction:**

Detailed break up of all the amount reported in the Statement of Profit &amp; Loss must be give as part of the notes.

**Dresen Química, S.A. P.I de C.V. (Consolidated)**  
**Statement of Cash Flows for the period ended March 31, 2021**  
**(Mexican pesos)**

**Appendix 6C**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit/(Loss) before tax</b>	181,001,262	105,950,097
<b>Adjustment for:</b>		
Depreciation and Amortization Expense		
Finance Costs	2,696,951	2,255,217
Foreign Exchange Loss/(Gain) (Unrealised)	3,751,392	13,860,542
Bad Debt written off		
<b>Operating Profit before working capital changes</b>	<b>187,449,605</b>	<b>122,065,856</b>
<b>Adjustment for:</b>		
Increase/(Decrease) in Non Financial Liabilities	(32,962,209)	(10,217,218)
Increase/(Decrease) in Financial Liabilities	(74,049,270)	114,261,183
(Increase)/Decrease in Non Financial Assets		
(Increase)/Decrease in Financial Assets	53,480,951	(60,899,994)
<b>Cash generated from/(used in) operations</b>	<b>(53,530,528)</b>	<b>43,143,971</b>
Taxes Paid (Net)	52,093,041	(38,110,730)
<b>Net Cash Flow from/(used in) Operating activities</b>	<b>(105,623,569)</b>	<b>81,254,701</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment and Intangible Assets	(1,122,907)	(11,824,115)
Sale of Property, Plant & Equipment and Intangible Assets		
Purchase of Investments		
Interest Received		50,777
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(1,122,907)</b>	<b>(11,773,338)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings		
(Repayment of) Long Term Borrowings		
Proceeds from Short Term Borrowings	(28,834,748)	(19,546,312)
(Repayment of) Short Term Borrowings		
Interest Paid	(3,422,315)	(5,430,245)
<b>Net Cash Flow from Financing Activities</b>	<b>(32,257,063)</b>	<b>(24,976,557)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>48,446,066</b>	<b>44,504,806</b>
Cash & Cash Equivalents at the beginning of the year	73,627,388	29,122,582
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>122,073,454</b>	<b>73,627,388</b>

Dresen Química, S.A. P.I de C.V. (Consolidated)  
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021  
(Mexican pesos)

Appendix 6D

A Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the reporting year	78,185,041.00	78,185,041
Add: Issued during the year	-	-
Balance as at the end of the reporting year	-	78,185,041

B Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Deferred Employee Compensation Expense	General Reserve	Retained Earnings		
<b>Balance as at April 1, 2019</b>					63,436,933.00	79,275,512.00	142,712,445
Profit for the year					67,839,367.00		67,839,367
Dividend of dividends					(7,337,879.00)		(7,337,879)
Effects of conversion						11,372,874	11,372,874
<b>Balance as at March 31, 2020</b>	-	-	-	-	123,938,421	90,648,386	214,586,807
<b>e.g.</b>							
(i) Profit for the year					129,211,148		129,211,148
(ii) Other Comprehensive Income for the year (net of deferred tax)							-
(iii) Share issue expenses						(11,521,389.00)	(11,521,389)
(iv) Fair valuation of Employee Stock Option Scheme					(16,734,990)		(16,734,990)
<b>Balance as at March 31, 2021</b>	-	-	-	-	236,414,579	79,126,997	315,541,576

# **DRESEN QUIMICA, S.A. P.I. DE C.V.**

## **AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE TIME PERIOD FROM APRIL 1, 2020 TO MARCH 31, 2021 AND APRIL 1, 2019 TO MARCH 31, 2020**

**(Expressed in Mexican Pesos)**

#### **1) Company activity**

Dresen Química, S.A. P.I. de C.V. (Before CFS Antioxidantes de Mexico, S.A. de C.V.), (México) (hereinafter Dresen Química, S.A. P.I. de C.V.), is the holding of the following entities:

- Industrias Petrotec de México, S.A. de C.V., (México) (hereinafter Petrotec)
- Britec, S.A., (Guatemala) (hereinafter Britec)
- Inovel, S.A.S., (Colombia) (hereinafter Inovel)
- Nuvel, S.A.C., (Peru) (hereinafter Nuvel)
- Grinel, S.R.L., (Rep. Dominicana) (hereinafter Grinel)

The main activity of this group of companies consists in manufacture, marketing and distribution of anti-oxidants, additives and preservatives for human and animal consumption.

#### **2) Basis of presentation**

##### **a) Compliance declaration**

The above condensed, consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS).

##### **b) Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and 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 exercise. The important items subject to these estimates and assumptions include the carrying amount of property, plant and equipment and goodwill; the valuation of accounts receivable, other accounts receivable, inventories, and deferred income tax assets, and liabilities relating to employee benefits. Actual results may differ from these estimates and assumptions.



c) **Functional and reporting currency**

The aforementioned consolidated financial statements are presented using as reporting currency the Mexican Peso, which is their functional and reporting currency. The currency of registration is the Mexican Peso for Mexican companies, the Guatemalan Quetzal for Guatemala, the Colombian Peso for Colombia and the Peruvian Sol for Peru; in those cases, those currencies are converted to Mexican Peso.

d) **Consolidated financial statements presentation**

The aforementioned consolidated financial statements were prepared in accordance with IFRS "Consolidated financial statements".

3) **Summary of significant Accounting Policies and Procedures**

Below is a summary of main accounting policies and procedures:

a) **Basis for the Consolidation**

The consolidated financial statements include those of Dresen México, and those of its subsidiaries for which it exercises control. Significant balances and transactions between group companies have been eliminated in the preparation of the consolidated financial statements. The consolidation was made based on the audited financial statements of the issuers as of March 31, 2021.

b) **Translation of financial statements with foreign operations**

The financial statements of foreign operations are translated to the reporting currency, initially identifying whether the functional currency and the foreign operation's registration currency are different and, subsequently, the functional currency is converted to the reporting currency using the historical exchange rate and / or the year-end exchange rate of the country of origin.

c) **Transactions in foreign currency**

Operations in foreign currencies different from the peso are registered at the exchange rate of the date they are done, the differences in exchange between that date and the dates of collection, liquidation or closure of the exercise are taken to results. The assets and liabilities in foreign currency at the closure of the exercise were valued at the exchange rate established by the Diario Oficial de la Federación ("Official Journal of the Federation").

d) **Cash and cash equivalents**

These are recorded and show at original investment value including cash in banks and short-term investments that may be immediately liquidated.

e) **Inventory**

Raw material and finished product inventories are recorded and shown at average prices, which do not exceed market values.

f) **Fixed Assets**

Are recorded and shown at original historic value though, for reporting purposes they are shown at the exchange rate in force at the closing of the period. Depreciation is calculated by applying the straight-line method, mainly taking as bases its estimated useful life.

g) **Other assets and liabilities**

Assets are recorded when originated from past events resulting in future economic benefits and liabilities are recorded at the time company is obliged to have them settled.

h) **Permanent investment in shares**

These are recorded at cost of acquisition or investments and are assessed in the individual financial statements of the holding by applying the interest method.

These investments are assessed by applying consolidation method consisting in adding up balances at the closing of the period, eliminating transactions between holding and subsidiaries.

i) **Business Acquisition**

Recorded at cost of acquisition and, when they are majority capital investments or holding significant control thereon are consolidated by calculating its book value on the date of acquisition and compared against the acquired value. The difference resulting from this comparison is shown as goodwill.

j) **Provisions, Contingent Assets and Contingent Liabilities**

Significant obligations or losses related to contingencies are recognized when their effects are likely to materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, their disclosure is included qualitatively in the notes to the consolidated financial statements. Contingent income, profits or assets are recognized until such time as they are certain that they will be realized.

k) **Goodwill**

Goodwill represents the excess of cost over the fair value of the net asset of the subsidiary, as of the date of acquisition. Goodwill is not amortized and is subject to impairment tests.

**l) Impairment of long-lived assets in use**

The Entity reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than those of previous years, obsolescence, reduction in the demand for services rendered, competition and other legal and economic factors. The impairment loss on the value of long-lived assets in use, as well as its reversal, are classified in the same cost and expense line items where the related depreciation or amortization associated with those assets are recognized.

**m) Earnings per Share**

Basic earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

**4) Non-current & Current Trade**

	<u>March 31</u> <u>2 0 2 1</u>	<u>March 31</u> <u>2 0 2 0</u>
(a) Trade Receivables considered good - Secured; (1)		
(b) Trade Receivables considered good - Unsecured;	\$ 161,307,194	\$ 164,770,422
(c) Trade Receivables which have significant increase in Credit Risk; and	37,452,101	40,855,374
(d) Trade Receivables - credit impaired		
	<u>\$ 198,759,295</u>	<u>\$ 205,625,796</u>
Estimate for expected credit losses	<u>\$ 7,250,492</u>	<u>\$ 9,903,964</u>
	<u>\$ 191,508,803</u>	<u>\$ 195,721,832</u>

## 5) Inventory

Inventory are integrated as follows:

	<b>March 31</b>	<b>March 31</b>
	<b>2021</b>	<b>2020</b>
Finished Products	\$ 57,527,628	\$ 51,676,643
Raw Material	68,822,173	71,280,273
Packaging Material	3,134,058	2,624,996
In-Transmit Goods	53,742,369	29,149,342
Slow moving Inventory Reserve	(1,222,698)	
	<u>\$ 182,003,530</u>	<u>\$ 154,731,254</u>

## 6) Related Parties:

a) Balances with related parties held as of March 31, 2021, are as follows:

	<b>March 31</b>	<b>March 31</b>
	<b>2021</b>	<b>2020</b>
<b>Accounts receivable:</b>		
CFS Nort America LLC	\$ 3,645,474	\$ 1,586,391
CFS Chile,SAP	20,072	
	<u>\$ 3,665,546</u>	<u>\$ 1,586,391</u>
<b>Accounts payable:</b>		
CFS Nort America LLC	\$ 1,804,728	
CFS Wanlong Flavors Co. LDT	2,911,167	\$ 3,170,434
Camlin Fine Sciendes LTD	48,281,454	52,777,028
	<u>\$ 52,997,349</u>	<u>\$ 52,777,028</u>
	<u>\$ (49,331,803)</u>	<u>\$ (51,190,637)</u>

Transactions with related parties and subsidiaries during the time period ended March 31, 2021 were as follows:

<b><u>Incomes:</u></b>	<b><u>2 0 2 1</u></b>	<b><u>2 0 2 0</u></b>
<b>Finished product:</b>		
Nuvel, S.A.C.	\$ 30,238,836	\$ 19,383,571
Inovel, S.A.S	\$ 4,229,513	\$ 13,795,374
Britec, S.A.	\$ 29,445,501	\$ 28,640,460
CFS North America LLC.	\$ 15,764,676	\$ 5,696,828
CFS Chiles, SAP	\$ 20,414	
<b><u>Expenses</u></b>		
<b>Personnel services and maquila:</b>		
Industrias Petrotec de México, S.A. de C.V.	\$ 34,741,490	\$ 29,804,534
<b>Administrative services:</b>		
Industrias Petrotec de México, S.A. de C.V.	\$ 40,600,000	\$ 38,000,000
<b>Finished product:</b>		
CFS North America LLC.	\$ 1,887,119	\$ 3,552,170
Camlin Fine Sciences LTD.	\$ 74,149,610	\$ 81,439,151
CFS Wanlong Flavors (Ningbo)	\$ 10,729,644	\$ 5,139,907
CFS do brasil Industria, Comercio, Importacao	\$ 3,714,756	
<b>Administrative fees</b>		
Camlin Fine Sciences LTD.	\$ 614,827	

## **7) Business Acquisition and Goodwill**

On May 4, 2016, CFS México acquired 65% of voting shares of the Mexican entity Dresen. Also and on such same date, Dresen acquired 100% of voting shares in Petrotec, Britec, Inovel, Nuvel and Grinel.

The results of acquired entities are included in attached financial statements as of such date.

Below is a summary of the book value, of acquired assets and assumed liabilities on the date of acquisition:



	<u>Dresen</u>	<u>Petrotec</u>	<u>Britec</u>	<u>Nuvel</u>	<u>Inovel</u>	<u>Grinel</u>
Current Assets	\$ 126,435,370	\$ 2,135,459	\$ 11,361,099	\$ 33,862,009	\$ 10,537,734	\$ 37,394
Fixed Assets	4,414,635	942,434	318,800	346,901	138,593	
Other Assets	306,854	369,043	16,490	324,193		
Total Value of Acquired Assets	<u>\$ 131,156,859</u>	<u>\$ 3,446,936</u>	<u>\$ 11,696,389</u>	<u>\$ 34,533,103</u>	<u>\$ 10,676,327</u>	<u>\$ 37,394</u>
Current Liabilities	\$ 31,716,055	\$ 1,571,840	\$ 2,681,249	\$ 12,520,406	\$ 7,646,191	
Total Value of Assumed Liabilities	<u>\$ 31,716,055</u>	<u>\$ 1,571,840</u>	<u>\$ 2,681,249</u>	<u>\$ 12,520,406</u>	<u>\$ 7,646,191</u>	
Total	<u>\$ 99,440,804</u>	<u>\$ 1,875,096</u>	<u>\$ 9,015,140</u>	<u>\$ 22,012,697</u>	<u>\$ 3,030,136</u>	<u>\$ 37,394</u>

Below is a summary of the determination of Dresen's goodwill:

	<u>Petrotec</u>	<u>Britec</u>	<u>Nuvel</u>	<u>Inovel</u>	<u>Grinel</u>	<u>Total</u>
Value as of Date of Acquisition	\$ 1,875,096	\$ 9,015,139	\$ 22,012,697	\$ 3,030,135	\$ 37,394	\$ 35,970,461
Paid Consideration	5,565,251	8,458,999	20,062,386	5,949,408	378,660	40,414,704
Goodwill	<u>\$ (3,690,155)</u>	<u>\$ 556,140</u>	<u>\$ 1,950,311</u>	<u>\$ (2,919,273)</u>	<u>\$ (341,266)</u>	<u>\$ (4,444,243)</u>

Below is the determination of CFS México's goodwill

	<u>Dresen</u>
Value as of Date of Acquisition	\$ 5,561,114
Paid Consideration	98,874,056
Goodwill	<u>\$ (93,312,942)</u>

Total Goodwill \$97'757,185.

## 8) Borrowings

		<b>Pesos</b>	<b>Dollars</b>	<b>Pesos</b>	<b>Dollars</b>
		<b>2 0 2 1</b>	<b>2 0 2 1</b>	<b>2020</b>	<b>2020</b>
Short-term	\$	19,929,000	975,000	\$	22,897,583
Interest		384,909	18,831		838,641
	\$	<u>20,313,909</u>	<u>993,831</u>	\$	<u>23,736,223</u>
Long-term	\$	39,858,000	1,950,000	\$	68,692,748
	\$	<u>60,171,909</u>	<u>2,943,831</u>	\$	<u>92,428,971</u>

Borrow with Export Import Bank of India.

- Rate of interest: Libor (6m) +375 bps p.a. payable quarterly.
- Repayment Schedule: To be repaid in 24 quarterly instalments commencing after 24 months from the date of first disbursement.
- Guarantee: Camlin Fine Sciences Limited, as Corporate Guarantor.

## 9) Deferred tax asset

### Deferred Tax / Integration

#### Deferred Income Tax

#### Deferred EPS \*

	<u>Dresen</u>	<u>Petrotec</u>	<u>Petrotec</u>	
Period effect as of March 31, 2020				
Fixed Assets	\$ 750,521	\$ 161,348	\$ 161,348	
Allowance for labor benefits		706,851	706,851	
	\$ 750,521	\$ 868,199	\$ 868,199	
Rate	30%	30%	10%	
	\$ <u>225,156</u>	\$ <u>260,460</u>	\$ <u>86,820</u>	
Period effect as of March 31, 2021				
Fixed Assets	\$ 1,300,182	\$ (155,766)	\$ (155,766)	
Allowance for labor benefits		1,169,619	995,876	
	\$ 1,300,182	\$ 1,013,853	\$ 840,110	
Rate	30%	30%	10%	
	\$ <u>390,055</u>	\$ <u>304,156</u>	\$ <u>84,011</u>	
Balance sheet effect	\$ <u>390,055</u>	\$ <u>304,156</u>	\$ <u>84,011</u>	Total <u>778,222</u>
P and L effect (income)	\$ <u>(164,898)</u>	\$ <u>2,412</u>	\$ <u>2,809</u>	<u>(159,678)</u>
Other comprehensive results		\$ <u>6,016</u>		

## Deferred Tax / Integration

### Deferred Income Tax

	<u>Dresen</u>	<u>Petrotec</u>	<u>Deferred EPS *</u> <u>Petrotec</u>	
Period effect as of March 31, 2019				
Fixed Assets	\$ 453,213	\$ 121,263	\$ 121,263	
Allowance for labor benefits		<u>635,259</u>	<u>635,259</u>	
	\$ 453,213	\$ 756,522	\$ 756,522	
Rate	<u>30%</u>	<u>30%</u>	<u>10%</u>	
	<u>\$ 135,964</u>	<u>\$ 226,957</u>	<u>\$ 75,652</u>	
Period effect as of March 31, 2020				
Fixed Assets	\$ 750,521	\$ 161,348	\$ 161,348	
Allowance for labor benefits		<u>706,851</u>	<u>706,851</u>	
	\$ 750,521	\$ 868,199	\$ 868,199	
Rate	<u>30%</u>	<u>30%</u>	<u>10%</u>	
	<u>\$ 225,156</u>	<u>\$ 260,460</u>	<u>\$ 86,820</u>	
Balance sheet effect	<u>\$ 225,156</u>	<u>\$ 260,460</u>	<u>\$ 86,820</u>	Total <u>572,436</u>
P and L effect (income)	<u>\$ (89,192)</u>	<u>\$ (14,599)</u>	<u>\$ (11,168)</u>	<u>\$ (114,959)</u>
Other comprehensive results		\$ 18,904		

\* By Law Employee Profit Sharing

### 10) Stockholders' equity (deficit)

Below are described the main characteristics of the accounts that make up the stockholders' equity (deficit):

- a) Stockholders' equity is composed in its fixed portion of 50 shares with a nominal value of one Peso each and the Variable portion by 34,293 shares, with the same nominal value.
- b) Structure of Equity, share capital
- c) Dividends

On June 4th, 2020, the Ordinary General Shareholders meeting, agreed to declare dividends originating from the retained earnings for the amount of \$320,112 US dollars.

On October 1th, 2020, the Ordinary General Shareholders meeting, agreed to declare dividends originating from the retained earnings for the amount of \$305,358, US dollars.

On February 2th, 2021, the Ordinary General Shareholders meeting, agreed to declare dividends originating from the retained earnings for the amount of \$148,880, US dollars.

On September 4th, 2019, the Ordinary General Shareholders meeting, agreed to declare dividends originating from the retained earnings for the amount of \$183,231.43, which were paid on October 24 and 30th, 2019, \$52,264 US dollars, on November 6th \$20,388 US dollars and on December 4th and 17th, \$ 61,868 US dollars.

On June 1th, 2019, the Ordinary General Shareholders meeting, agreed to declare dividends originating from the retained earnings for the amount of \$188,077.73, which were paid on June 1,3 and 26th, 2019, \$129,088.23 US dollars, on August 1,6 and 16th \$49,675.97 US dollars and on September 6th, \$9,313.53 US dollars.

#### 11) General expenses

	<u>2020 - 2021</u>	<u>2019 - 2020</u>
Power and Fuel	\$ 1,307,409	\$ 1,529,647
Rent	9,864,710	9,172,796
Rates and Taxes	1,045,783	1,557,612
Insurance	3,879,821	2,833,412
Repairs	3,253,326	11,229,626
Advertisement and Sales Promotion	177,593	1,517,784
Transport and Forwarding Charges	41,641,282	32,079,950
Commission / Discount / Service Charges	8,085,088	11,482,583
Travelling and Conveyance	3,197,900	8368787
Legal & Professional Fees	3,697,514	3,877,436
Miscellaneous Expenses	40,464,814	62,751,212
<b>Total Expenses</b>	<u>\$ 116,615,240</u>	<u>\$ 146,400,846</u>

#### 12) Balances recognized in the acquisitions are shown below:

**Entities of the Group -  
Investments in Subsidiaries-**



Main subsidiaries are integrated as follows:

	<u>Shareholding</u> %	<u>Main Activity</u>	<u>Country</u>
<b>Controlled by Dresen Química, S.A. P.I. de C.V.</b>			
Grinel, S.R.L.	100	N/D	Rep. Dominicana
Industrias Petrotec de México, S.A. de C.V.	100	Staffing services	México
Inovel, S.A.S.	100	Antioxidant sales	Colombia
Nuvel, S.A.C.	100	Antioxidant sales	Perú
Britec, S.A.	100	Antioxidant sales	Guatemala

## 12) Elements integrating consolidation

Below is presented the relative importance of each of the companies included in this consolidation

<u>March 31, 2021</u>				
	<u>Assets minus liabilities</u>		<u>Consolidated Income</u>	
	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>
<b>holding:</b>				
Dresen	79%	\$ 595,249,042	87%	\$ 111,862,463
<b>Subsidiaries:</b>				
Petrotec	2%	\$ 16,143,929	0%	-\$ 122,849
Britec	4%	\$ 29,085,271	1%	\$ 1,194,819
Inovel	6%	\$ 45,795,601	7%	\$ 9,255,613
Nuvel	9%	\$ 68,649,237	5%	\$ 6,603,304
Grinel	0%	\$ 40,918		

**March 31, 2020**

	<b>Assets minus liabilities</b>		<b>Consolidated Income</b>	
	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>
<b>holding:</b>				
Dresen	79%	\$ 273,916,903	93%	\$ 63,266,454
<b>Subsidiaries:</b>				
Petrotec	2%	\$ 7,875,278	2%	\$ 1,543,259
Britec	5%	\$ 17,074,728	2%	\$ 1,458,700
Inovel	3%	\$ 12,007,559	1%	\$ 440,916
Nuvel	11%	\$ 36,596,111	2%	\$ 1,529,390
Grinel	0%	\$ 40,918		

**13) Subsequent events**

Subsequent to March 31, 2021 and until the date of the issuance of the consolidated financial statements, there has not been an event that materially affects the consolidated financial statements or disclosures in notes for the time 31 March 2021, or which, although not affecting such consolidated financial statements or notes, have caused, or are likely to give rise to, any adverse or other material changes in the consolidated financial condition or results of operations of the consolidated financial statements of the Group.

As of April 28, 2021, the new reform to the Sub-contracting law was approved; the nature of this Law not only brings with it tax and labor changes, but also changes in business models.

Key highlights from the reform:

The prohibition of the subcontracting of personnel, but allowing the subcontracting of “specialized services” or the execution of “specialized work” that are not part of the corporate purpose or the predominant economic activity of the entity.

The amount of the Workers' Profit Sharing (PTU) will have a maximum limit of three months of the worker's salary or the average of the participation received in the last three years, the amount that is most favorable to the worker will be applied.

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