

**Jaguar Land Rover Espana SL**  
**Financial Statements for year ended March 31, 2022**  
**Along with Independent Auditors Report**



# Auditor's Report on Jaguar Land Rover España, S.L. (Sociedad Unipersonal)

(Together with the annual accounts and directors' report of Jaguar Land Rover España, S.L. (Sociedad Unipersonal) for the year ended 31 March 2022)

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
Paseo de la Castellana, 259C  
28046 Madrid

## **Independent Auditor's Report on the Annual Accounts**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Sole Shareholder of Jaguar Land Rover España, S.L. (Sociedad Unipersonal)

### **Opinion**

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We have audited the annual accounts of Jaguar Land Rover España, S.L. (Sociedad Unipersonal) (the "Company"), which comprise the balance sheet at 31 March 2022, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

### **Basis for Opinion**

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We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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



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## **Most Relevant Aspects of the Audit**

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The most relevant aspects of the audit are those that, in our professional judgement, have been considered as the most significant risks of material misstatement in the audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

### Customer incentives and volume discounts presented as a reduction in sales revenue (see notes 2.5, 4.9, 4.10 and 15)

The Company's recognition of revenue is affected by sales terms and the commitments undertaken with the customers, which affect the price of the goods sold. During the year ended 31 March 2022, the Company recognised incentives and volume discounts as a reduction in sales revenue, with a material amount remaining unsettled at the reporting date. All of these items are recognised for accounting purposes as a reduction in revenue from sales and require the exercising of judgement by management and the use of estimates. Due to the uncertainty associated with these estimates, this has been considered a relevant aspect of the audit.

Our audit procedures included assessing the design and implementation and testing the operating effectiveness of key controls related to the sales, incentive and volume discount process, and performing substantive audit procedures which included evaluating whether the estimates have been recognised in accordance with the sales terms and conditions and the commitments agreed between the parties, analysing the reasonableness of the variation between the incentives and volume discounts recognised in the current year and those recognised in the prior year, and of their weight, and variation therein, with respect to total sales in the current year and the prior year. Moreover, we assessed whether the disclosures in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

## **Other Information: Directors' Report**

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Other information solely comprises the directors' report for the year ended 31 March 2022, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility for the directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts, and assessing and reporting on whether the content and presentation of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2022 and the content and presentation of the report are in accordance with applicable legislation.



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## **Directors' Responsibility for the Annual Accounts**

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The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, 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 Annual Accounts**

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Our objectives are to obtain reasonable assurance about whether the annual accounts 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 prevailing legislation regulating the audit of accounts in Spain 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 annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Directors of the entity 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.

From the significant risks communicated to the Directors of Jaguar Land Rover España, S.L. (Sociedad Unipersonal), we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

*(Signed on original in Spanish)*

José Ignacio Rodríguez Prado

On the Spanish Official Register of Auditors ("ROAC") with no. 15,825

13 June 2022

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23).  
In the event of a discrepancy, the Spanish-language version prevails.

## JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

### BALANCE SHEET AS AT 31 MARCH 2022

(Euros)

| ACTIVO                                                | Notas de la Memoria       | 31/03/2022         | 31/03/2021         | PATRIMONIO NETO Y PASIVO                              | Notas de la Memoria | 31/03/2022         | 31/03/2021         |
|-------------------------------------------------------|---------------------------|--------------------|--------------------|-------------------------------------------------------|---------------------|--------------------|--------------------|
| <b>NON-CURRENT ASSETS:</b>                            |                           | <b>6.611.338</b>   | <b>8.289.253</b>   | <b>EQUITY:</b>                                        | <b>Note 12</b>      | <b>59.912.460</b>  | <b>58.327.151</b>  |
| Intangible assets                                     | Note 5                    | 1.212.207          | 1.535.462          | <b>SHAREHOLDERS' EQUITY-</b>                          |                     |                    |                    |
| Tangible assets                                       | Note 6                    | 684.657            | 1.212.582          | Share capital                                         |                     | 43.869.638         | 43.869.638         |
| Long term investments                                 | Note 9                    | 395.796            | 853.761            | Share premium                                         |                     | 302.223            | 302.223            |
| Other finance assets                                  |                           | 215.019            | 215.019            | Reserves                                              |                     | 13.795.676         | 12.599.026         |
| Other investments                                     | Note 13                   | 180.777            | 638.742            | Profit for the year                                   |                     | 1.944.923          | 1.556.264          |
| Deferred tax assets                                   | Note 18.5                 | 4.318.678          | 4.687.448          | <b>NON-CURRENT LIABILITIES</b>                        |                     | <b>840.529</b>     | <b>1.018.097</b>   |
|                                                       |                           |                    |                    | Long-term provisions                                  | <b>Note 14</b>      | 196.507            | 293.737            |
|                                                       |                           |                    |                    | Non-current accruals and deferred income              |                     |                    |                    |
|                                                       |                           |                    |                    | Other Accruals                                        |                     | 196.507            | 293.737            |
|                                                       |                           |                    |                    | Long-term accruals                                    |                     | 644.021            | 724.360            |
|                                                       |                           |                    |                    | Deferred tax liabilities                              |                     | -                  | -                  |
|                                                       |                           |                    |                    | <b>CURRENT LIABILITIES:</b>                           |                     | <b>75.897.947</b>  | <b>90.200.711</b>  |
|                                                       |                           |                    |                    | Short-term provisions                                 | <b>Note 15</b>      | 17.248.163         | 21.260.268         |
|                                                       |                           |                    |                    | Short-term provisions                                 |                     | 17.248.163         | 18.749.792         |
|                                                       |                           |                    |                    | Restructuring cost provisions                         |                     | -                  | 2.510.476          |
| <b>CURRENT ASSETS:</b>                                |                           | <b>130.039.597</b> | <b>141.256.705</b> | <b>Current payables-</b>                              | <b>Note 16</b>      | <b>14.715.733</b>  | <b>14.698.874</b>  |
| Inventories                                           | Note 10                   | 50.984.910         | 50.498.978         | Other financial liabilities                           |                     | 14.715.733         | 14.698.874         |
| Trade and other receivables-                          | Note 11                   | 17.648.802         | 21.465.121         | <b>Trade and other payables</b>                       | <b>Note 16</b>      | <b>43.072.495</b>  | <b>53.232.731</b>  |
| Trade receivables for sales and services              | Note 11                   | 11.342.367         | 15.969.438         | Payable to suppliers                                  |                     | 7.669.619          | 10.053.169         |
| Receivable from Group companies and associates        | <b>Note 20.1</b>          | 3.131.000          | 2.072.745          | Payable to suppliers - Group companies and associates | <b>Note 20.1</b>    | 26.411.250         | 33.233.487         |
| Employee receivables                                  |                           | 15.181             | 13.018             | Sundry accounts payable                               |                     | 702.244            | 633.187            |
| Current income tax liability                          | <b>Note 18.1</b>          | 3.160.254          | 3.409.920          | Remuneration payable                                  |                     | 469.427            | 663.853            |
| Current investments in Group companies and associates | <b>Notes 9 &amp; 20.1</b> | <b>60.390.183</b>  | <b>68.110.895</b>  | Current tax liabilities                               |                     |                    |                    |
| Current prepayments and accrued income                |                           | 1.349              | 1.049              | Other accounts payable to tax authorities             | <b>Note 18.1</b>    | 7.819.955          | 8.649.034          |
| Cash and cash equivalents                             |                           | 1.014.353          | 1.180.662          | <b>Current accruals and deferred income</b>           |                     | <b>861.556</b>     | <b>1.008.838</b>   |
| <b>TOTAL ASSETS</b>                                   |                           | <b>136.650.935</b> | <b>149.545.959</b> | <b>TOTAL EQUITY AND LIABILITIES</b>                   |                     | <b>136.650.935</b> | <b>149.545.959</b> |

The accompanying Notes 1 to 23 are an integral part of the balance sheet as at 31 March 2022

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

## JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

### STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Euros)

|                                                            | Notes                      | 31/03/2022           | 31/03/2021           |
|------------------------------------------------------------|----------------------------|----------------------|----------------------|
| <b>CONTINUING OPERATIONS:</b>                              |                            |                      |                      |
| <b>Revenue</b>                                             | <b>Note 19.1</b>           | <b>251.471.360</b>   | <b>231.545.660</b>   |
| <b>Procurements-</b>                                       |                            | <b>(225.385.858)</b> | <b>(203.560.810)</b> |
| Cost of goods held for resale used                         | <b>Note 19</b>             | (224.231.552)        | (201.967.171)        |
| Impairment of goods held for resale                        | <b>Note 10</b>             | (1.154.306)          | (1.593.639)          |
| <b>Other operating income</b>                              | <b>Note 19.5</b>           | <b>173.461</b>       | <b>890.293</b>       |
| <b>Staff costs-</b>                                        | <b>Note 19.3</b>           | <b>(5.392.059)</b>   | <b>(7.363.024)</b>   |
| Wages, salaries and similar expenses                       |                            | (3.849.632)          | (5.999.800)          |
| Employee benefit costs                                     |                            | (1.542.427)          | (1.363.224)          |
| <b>Other operating expenses-</b>                           | <b>Note 19.4</b>           | <b>(18.196.753)</b>  | <b>(18.366.423)</b>  |
| Outside services                                           |                            | (18.139.034)         | (18.287.143)         |
| Taxes other than income tax                                |                            | (57.719)             | (79.280)             |
| <b>Depreciation and amortisation charge</b>                | <b>Notes 5 &amp; 6</b>     | <b>(851.180)</b>     | <b>(910.908)</b>     |
| <b>Other</b>                                               | <b>Note 15</b>             | <b>663.584</b>       |                      |
| <b>PROFIT/LOSS FROM OPERATIONS</b>                         |                            | <b>2.482.555</b>     | <b>2.234.788</b>     |
| <b>Finance income:</b>                                     |                            | <b>71.710</b>        | <b>72.666</b>        |
| From marketable securities and other financial instruments |                            | 47.830               | 46.951               |
| Group companies and associates                             | <b>Notes 19 &amp; 20.1</b> | 23.880               | 25.715               |
| <b>Finance costs:</b>                                      | <b>Notes 13 &amp; 19.6</b> | <b>(33.772)</b>      | <b>(48.664)</b>      |
| - Interest cost relating to provisions                     |                            | (33.772)             | (48.664)             |
| <b>Exchange differences</b>                                |                            |                      |                      |
| <b>FINANCIAL PROFIT</b>                                    |                            | <b>37.938</b>        | <b>24.002</b>        |
| <b>PROFIT BEFORE TAX</b>                                   |                            | <b>2.520.493</b>     | <b>2.258.790</b>     |
| Income tax                                                 | <b>Notes 18 &amp; 18.4</b> | (575.570)            | (702.526)            |
| <b>PROFIT FOR THE YEAR</b>                                 |                            | <b>1.944.923</b>     | <b>1.556.264</b>     |

The accompanying Notes 1 to 23 are an integral part of the statement of profit or loss as at 31 March 2022

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

## JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

#### A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Euros)

|                                                              | Notes   | 31/03/2022 | 31/03/2021 |
|--------------------------------------------------------------|---------|------------|------------|
| PROFIT/LOSS PER INCOME STATEMENT (I)                         |         | 1.944.923  | 1.556.264  |
| TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II) | Note 13 | (359.614)  | 634.986    |
| Arising from actuarial gains and losses                      |         | (359.614)  | 634.986    |
| TOTAL TRANSFERS TO PROFIT OR LOSS (III)                      |         | (359.614)  | 634.986    |
| TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)               |         | 1.585.309  | 2.191.250  |

The accompanying Notes 1 to 22 are an integral part of the statement of recognised income and expense as at 31 March 2022

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## JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

### B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Euros)

|                                     | Share Capital | Share Premium | Reserves      |                    |                                         | Profit for the Year | TOTAL      |
|-------------------------------------|---------------|---------------|---------------|--------------------|-----------------------------------------|---------------------|------------|
|                                     |               |               | Legal Reserve | Voluntary Reserves | Reserves for actuarial gains and losses |                     |            |
| ENDING BALANCE AT 31 DECEMBER 2019  | 43.869.638    | 302.223       | 3.123.207     | 5.483.266          | 287.856                                 | 3.069.711           | 56.135.901 |
| Total recognised income and expense |               |               |               |                    | 634.986                                 | 1.556.264           | 2.191.250  |
| Dividend Distribution               |               |               |               |                    | -                                       |                     | -          |
| Other changes in equity             |               |               | 306.971       | 2.762.739          |                                         | (3.069.711)         | -          |
| ENDING BALANCE AT 31 MARCH 2020     | 43.869.638    | 302.223       | 3.430.178     | 8.246.005          | 922.842                                 | 1.556.264           | 58.327.151 |
| Total recognised income and expense |               |               |               |                    | (359.614)                               | 1.944.923           | 1.585.309  |
| Dividend Distribution               |               |               |               |                    |                                         |                     | -          |
| Other changes in equity             |               |               | 155.626       | 1.400.638          |                                         | (1.556.264)         | -          |
| ENDING BALANCE AT 31 MARCH 2021     | 43.869.638    | 302.223       | 3.585.804     | 9.646.643          | 563.228                                 | 1.944.923           | 59.912.460 |

The accompanying Notes 1 to 22 are an integral part of the statement of changes in total equity as at 31 March 2022.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.

## JAGUAR LAND ROVER ESPAÑA, S.L. (SOLE-SHAREHOLDER COMPANY)

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Euros)

|                                                              | Notes         | 31/03/2022         | 31/03/2021         |
|--------------------------------------------------------------|---------------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |               | <b>(8.361.845)</b> | <b>3.832.512</b>   |
| Profit for the year before tax                               |               | 2.520.493          | 2.258.790          |
| Adjustments for-                                             |               |                    |                    |
| - Depreciation and amortisation charge                       | Notes 5 & 6   | 851.180            | 910.908            |
| - Impairment losses                                          | Notes 10 & 11 | 1.154.306          | 1.593.639          |
| - Changes in provisions                                      | Notes 14 & 15 | (760.814)          | 2.510.476          |
| - Finance income                                             | Note 19.6     | (71.710)           | (72.666)           |
| - Finance costs                                              | Note 19.6     | 33.772             | 48.664             |
| - Exchange differences                                       |               |                    |                    |
| Changes in working capital-                                  |               |                    |                    |
| - Inventories                                                |               | (1.640.238)        | 10.043.278         |
| - Trade and other receivables                                |               | 189.302            | (1.242.976)        |
| - Other current assets                                       |               | (300)              | (200)              |
| - Trade and other payables                                   |               | (10.160.235)       | (2.312.320)        |
| - Decrease in provisions                                     |               | (3.348.521)        | (8.679.797)        |
| - Other current liabilities                                  |               | (227.621)          | (947.455)          |
| Other cash flows from operating activities                   |               |                    |                    |
| - Interest payments                                          |               | (33.772)           | (48.664)           |
| - Interest charges                                           |               | 71.710             | 72.666             |
| - Collections (payments) for income tax                      |               | 3.060.603          | (301.831)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |               | <b>8.178.677</b>   | <b>(3.281.212)</b> |
| Investment payments                                          |               |                    |                    |
| - Immobilized material                                       |               |                    |                    |
| - Group companies and associates                             |               |                    | (3.281.212)        |
| Charges for divestments                                      |               |                    |                    |
| - Group companies and associates                             |               | 7.720.712          |                    |
| - Intangible assets                                          |               | 457.965            |                    |
| <b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>                  |               |                    |                    |
| - Dividends                                                  |               |                    |                    |
| Collections and payments for financial liability instruments |               |                    |                    |
| - Other                                                      |               | 16.859             |                    |
| <b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>               |               |                    |                    |
| <b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>    |               | <b>(166.309)</b>   | <b>551.300</b>     |
| Cash and cash equivalents at beginning of year               |               | 1.180.662          | 629.362            |
| Cash and cash equivalents at end of year                     |               | 1.014.353          | 1.180.662          |

Las Notas 1 a 22 descritas en la memoria adjunta forman parte integrante de éste estado de flujos de efectivo correspondiente al ejercicio anual terminado el 31 de marzo de 2022.

**Jaguar Land Rover  
España, S.L.  
(Sole-Shareholder  
Company)**

Financial Statements for the  
year ended 31 March 2022  
and Directors' Report

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 23). In the event of a discrepancy, the Spanish-language version prevails.*

## **Jaguar Land Rover España, S.L. (Sole-Shareholder Company)**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **1. Company description**

Jaguar Land Rover España, S.L.U. ("the Company") was incorporated on 12 January 2000 in Madrid in accordance with the Spanish Public Limited Liability Companies Law under the company name Osa Menor, S.L. On 30 April 2000, the Company acquired certain assets and liabilities from Rover España, S.A. On 5 May 2000, it changed its company name to Jaguar Land Rover España, S.L.U. The Company's registered office is at Paseo de la Castellana 130, 8ª Planta, Madrid. On 31 May 2013, following the absorption of Jaguar Hispania, S.L.U. by Land Rover España, S.L.U., the Company changed its name to Jaguar Land Rover España, S.L.U. The disclosures required under Article 93 of Royal Decree-Law 4/2004, of 5 March, approving the Consolidated Spanish Income Tax Law, were included in the financial statements for 2013.

The Company's registered office and tax domicile are located at Plaza Pablo Ruiz Picasso 1, Planta 42, Madrid.

On February 16, 2016, the Sole Partner approved the amendment of the corporate bylaws, establishing thereafter that the Company's financial and tax years would end on March 31 and begin on the immediately following April 1.

Its business activities consist of the distribution, import, export and sale of Land Rover and Jaguar-brand cars in Spain, as well as the maintenance and repair thereof. In practice, the Company has entered into an agreement with Jaguar Land Rover, Ltd. which regulates its entire operating activity and pursuant to which the applicable economic terms and conditions are established.

The Company forms part of the Tata Motors Group, whose Parent is Tata Motors Limited with registered office in the Republic of India. Tata Motors Ltd has formulated the consolidated financial statements as of 31 March 2022, which were formally prepared by the Company's Directors at its Board Meeting held on 18th May 2022 and are placed in the Mercantile Register Office of Mumbai (India).

#### **2. Basis of presentation of the financial statements**

##### ***2.1. Regulatory framework for financial reporting applicable to the Group***

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations.
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- d) All other applicable Spanish accounting legislation.

## **2.2. Fair presentation**

These financial statements were obtained from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2020.

These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the sole shareholder, and it is considered that they will be approved without any changes. The financial statements for period ended 31 March 2022 were approved by the sole shareholder on 14 October 2021.

## **2.3. Accounting principles**

The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

## **2.4. Functional currency and presentation currency**

The financial statements are presented in euros, which is the functional and presentation currency of the Company.

## **2.5. Key issues in relation to the measurement and estimation of uncertainty**

Estimations made by the Company's Directors were used for the elaboration of these financial statements in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimations relate basically to the following aspects:

- Assessment of possible impairment losses on certain assets (see Notes 4.3, 4.5 and 4.6).
- Calculation of provisions for short-term commercial incentives (see Notes 4.9 and 4.10).
- Recoverability of deferred tax (see Note 4.8).
- Temporary recognition of sales revenue (see Note 4.9).
- Determination of liabilities or assets for pensions and impact of changes in assumptions (see Note 4.13)

Although these estimates were made on the basis of the best information available at 31 March 2022, future events might make it necessary to change them (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

## **2.6. Comparative information**

The financial statements show for comparison purposes, with each of the balance sheet items, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report, in addition to the figures of the year ended March 31, 2022, those corresponding to the previous year, which were part of the financial statements for the year ended March 31, 2021 approved by the General Shareholders' Meeting held on October 14, 2021.

As a consequence of the first application of the changes introduced according to Royal Decree 1/2021, of January 12, a reconciliation of long-term and short-term financial assets and liabilities is detailed, by nature and category, according to the new categories established by the 9th Registration and Valuation Standard for "Financial Instruments" as of January 1, 2021:

| Type of Financial Instrument                                       | Previous Regulation   |                                   | New Regulation                     |                                   |
|--------------------------------------------------------------------|-----------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                                                                    | Valuation Category    | Balance as of January 1 from 2021 | Valuation Category                 | Balance as of January 1 from 2021 |
| <b>Long-term financial investments</b>                             |                       |                                   |                                    |                                   |
| Other financial assets                                             | Loans and receivables | 215,019                           | Financial assets at amortized cost | 215,019                           |
| Other investments                                                  | Loans and receivables | 638,742                           | Financial assets at amortized cost | 638,742                           |
| <b>Total long-term financial assets</b>                            |                       | <b>853,761</b>                    |                                    | <b>853,761</b>                    |
| Commercial debts and others bills to receive the pay               | Loans and receivables | 18,055,201                        | Financial assets at amortized cost | 18,055,201                        |
| Short-term financial investments in group companies and associates | Loans and receivables | 68,110,895                        | Financial assets at amortized cost | 68,110,895                        |
| <b>Total short-term financial assets</b>                           |                       | <b>86,166,096</b>                 |                                    | <b>86,166,096</b>                 |
| <b>TOTAL</b>                                                       |                       | <b>87,019,857</b>                 |                                    | <b>87,019,857</b>                 |

| Type of Financial Instrument                  | Previous Regulation     |                                   | New Regulation                          |                                   |
|-----------------------------------------------|-------------------------|-----------------------------------|-----------------------------------------|-----------------------------------|
|                                               | Valuation Category      | Balance as of January 1 from 2021 | Valuation Category                      | Balance as of January 1 from 2021 |
| <b>Short term debts</b>                       |                         |                                   |                                         |                                   |
| Other financial liabilities                   | Debits and items to pay | 14,698,874                        | Financial liabilities at amortized cost | 14,698,874                        |
| Commercial debtors and other accounts payable | Debits and items to pay | 44,583,696                        | Financial liabilities at amortized cost | 44,583,696                        |
| <b>Total short-term financial liabilities</b> |                         | <b>59,282,570</b>                 |                                         | <b>59,282,570</b>                 |
| <b>TOTAL</b>                                  |                         | <b>59,282,570</b>                 |                                         | <b>59,282,570</b>                 |

The Company has applied retroactively to January 1, 2021 the classification and valuation criteria established in Royal Decree 1/2021, of January 12, in relation to the changes introduced in the 9th Registration and Valuation Standard "Financial Instruments", without re-expressing the comparative figures. No relevant impacts have been identified given that most of the financial assets and liabilities maintain an identical classification and valuation in accordance with the new regulations.

Likewise, the modifications introduced in terms of recognition and valuation of income from deliveries of goods and provision of services approved by Royal Decree 1/2021, of January 12, and by the Resolution of February

10, 2021, of the Accounting Institute and Audit of Accounts, it has not had an impact on the date of first application, so it has not been necessary to express the comparative information again

## **2.7. Grouping of items**

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are have been grouped together to facilitate their understanding. However, whenever involved amounts are significant, the information is broken down in the related notes of the financial statements.

## **2.8. Changes in accounting policies**

During the year ended March 31, 2022, there have been no significant changes in accounting criteria with respect to the criteria applied in the year ended March 31, 2021, except as indicated in Note 2.6.

## **2.9. Correction of errors**

In preparing the financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for the period ended 31 March 2022.

## **3. Profit distribution**

The proposed distribution of the profit for the year ended 31 March 2022, which the Company's directors will submit for approval by the sole shareholder, is as follows:

|                                  | Euros               |
|----------------------------------|---------------------|
| Distribution:                    |                     |
| To legal reserve                 | 194,492.30          |
| To voluntary reserve             | 1,750,430.72        |
| <b>Total profit for the year</b> | <b>1,944,923.02</b> |

The proposed distribution of the profit for the year ended 31 March 2021, which the Company's directors approved by the sole shareholder on 14 October 2021, is as follows:

|                                  | Euros               |
|----------------------------------|---------------------|
| Distribution:                    |                     |
| To legal reserve                 | 155,626.40          |
| To voluntary reserve             | 1,400,637.63        |
| <b>Total profit for the year</b> | <b>1,556,264.03</b> |

The reserves of the Company designated as freely distributable, as well as the profit for the year, are subject, however, to the limitations for their distribution that are set out below:

As indicated in note 4.14, in the year ended March 31, 2021, the Company availed itself of the Temporary Employment Regulation Files regulated in article 1 of Royal Decree-Law 18/2020, of May 12, of social measures in defense of employment, in articles 1 and 2 of Royal Decree-Law 24/2020, of June 26, on social measures to reactivate employment and protection of self-employment and competitiveness of the industrial sector, extended by the Royal Decree-Law 30/2020, of September 29, on social measures in defense of employment, using the public resources allocated to them and by Royal Decree-Law 2/2021, of January 26, on reinforcement and

consolidation of measures social in defense of employment. As a consequence of this and according to the provisions of Article 5 of said Royal Decrees, Article 4 of Royal Decree-Law 30/2020 and Article 3 of Royal Decree-Law 2/2021, the Company cannot distribute dividends corresponding to the fiscal year in which these temporary employment regulation files are applied, except if you previously pay the amount corresponding to the exemption applied to social security contributions and have waived it.

#### **4. Accounting policies and measurement bases**

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for the three-month period ended 31 March 20221, in accordance with the Spanish National Chart of Accounts, were as follows:

##### ***4.1. Intangible Assets***

As a general rule, intangible assets are recognised initially at acquisition cost and are subsequently measured at cost less any accumulated amortization and by any impairment losses recognised according to the criteria mentioned in Note 4.3. These assets are amortised over their years of useful life. When the useful life of these assets cannot be estimated reliably, they are amortised over a period of ten years.

Goodwill is allocated to the cash-generating units to which the economic benefits of the synergies of the business combination are expected to flow. Subsequent to initial recognition, goodwill is measured at cost, less any accumulated amortisation and any accumulated impairment losses recognised. Pursuant to the applicable legislation, the useful life of goodwill is set at ten years and it is amortised on a straight-line basis.

Also, the Company analyses if there are any indications of impairment of the aforementioned cash-generating units at least once a year and, if there are, they are tested for impairment according to the methodology described below and, where appropriate, they are written down.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

Specifically, the Company recognises under this epigraph the goodwill that arose on acquisition of the assets of Rover España, S.A., as described in Note 5.

##### ***4.2. Fixed assets: Property, plant and equipment***

Property, plant and equipment are initially recognised at acquisition cost and are subsequently reduced by the related accumulated amortization and by any impairment losses recognised according to the criteria mentioned in Note 4.3.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

|                                | Depreciation rate |
|--------------------------------|-------------------|
| Plant                          | 15 % - 25 %       |
| Tools                          | 30 %              |
| Furniture and office equipment | 10 %              |
| Computer hardware              | 25 %              |

#### **4.3. Impairment of intangible and fixed assets**

At the end of each reporting period the Company analyses if there are any indications of impairment of its assets or cash generating units to which it allocated goodwill or other intangible assets and, if there are, the Company tests the assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Each year, Management Department prepares for each cash-generating unit a business plan by market and line of business. The main components of this plan are as follows:

- Earnings projections.
- Investment and working capital projections.

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be the weighted average cost of capital, the main variables with an effect on its calculation being interest costs and the risks specific to the assets.
- The cash flow growth rate used to extrapolate the cash flow projections to beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use and zero.

Where an impairment loss subsequently is reverted (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

At 31 March 2022 and 2021, the Company has not recognised any impairment losses on its assets.

#### **4.4. Leasing**

Leases are classified as financial leasing whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operational leasing.

##### Financial leasing

Financial leasing where the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value of the minimum lease payments agreed at the inception of the lease, including the price of the call option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

#### Operational leasing

Lease expenses from operational leasing are recognised at income statement on an accrual basis.

Any payment that might be made when arranging an operational leasing will be treated as a prepaid lease payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

### **4.5. Financial Instruments**

#### **(i) Recognition and classification of financial instruments**

The Company classifies financial instruments at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic substance of the contractual agreement and with the definitions of financial asset, financial liability or equity instrument. heritage.

The Company recognizes a financial instrument when it becomes an obligated party to the contract or legal business in accordance with its provisions, either as issuer or as holder or acquirer of the former.

For valuation purposes, the Company classifies financial instruments in the categories of assets at fair value with changes in the profit and loss account and financial assets and liabilities valued at amortized cost.

The Company classifies a financial asset at amortized cost, even when it is admitted to trading, if it is held within the framework of a business model whose objective is to maintain the investment in order to receive the cash flows derived from the execution of the contract and the contractual conditions. of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount of principal outstanding (UPPI).

The business model is determined by the Company's key personnel and at a level that reflects how they jointly manage groups of financial assets to achieve a specific business objective. The Company's business model represents the way in which it manages its financial assets to generate cash flows.

Financial assets that are part of a business model whose objective is to maintain assets to receive contractual cash flows are managed to generate cash flows in the form of contractual collections during the life of the instrument. The Company manages the assets held in the portfolio to receive those specific contractual cash flows. To determine whether the cash flows are obtained by receiving contractual cash flows from financial assets, the Company considers the frequency, value and timing of sales in prior years, the reasons for those sales and the expectations in relation with future sales activity. However, sales in themselves do not determine the business model and therefore cannot be considered in isolation. Instead, it is the information on past sales and future sales expectations that provides data indicative of how to achieve the Company's stated objective with regard to the management of financial assets and, more specifically, the how the cash flows are obtained. The Company considers information about past sales in the context of the reasons for these sales and the conditions that existed at that time compared to current conditions. For these purposes, the Company considers that the trade debtors and accounts receivable that are going to be transferred to third parties and that are not going to imply their removal, remain in this business model.

If the Company habitually assigns commercial debtors without recourse, then it would mean that the portfolio meets the criteria to be valued at fair value with changes in the profit and loss account.

Although the objective of the Company's business model is to maintain financial assets in order to receive contractual cash flows, this does not mean that the Company maintains all the instruments until maturity. Therefore, the Company's business model is to maintain financial assets in order to receive contractual cash flows even when sales of those assets have occurred or are expected to occur in the future. The Company understands that this requirement has been met, provided that the sales occur due to an increase in the credit risk of the financial assets. In all other cases, at the individual and aggregate level, the sales must be insignificant even though they are frequent, or infrequent even though they are significant.

The financial assets that are part of a business model whose objective is to maintain assets to receive contractual cash flows and sell them, are managed to generate cash flows in the form of contractual collections and sell them in response to the different needs of the Company. In this type of business model, the Company's key management personnel have made the decision that, in order to meet this objective, both the collection of contractual cash flows and the sale of financial assets are essential. Compared to the previous business model, in this business model the Company usually makes more frequent and higher value asset sales.

The contractual cash flows that are UPPI are consistent with a basic loan agreement. In a basic loan agreement, the most significant elements of interest are generally consideration for the time value of money and credit risk. However, in an agreement of this type, the interest also includes the consideration for other risks, such as liquidity and costs, such as the administrative costs of a basic loan associated with maintaining the financial asset for a certain period. In addition, the interest may include a markup that is consistent with a basic loan agreement.

The Company designates a financial asset initially at fair value through profit or loss if doing so eliminates or significantly reduces any valuation inconsistency or accounting mismatch that would otherwise arise, if the valuation of the assets or liabilities or the recognition of the results thereof were made on different bases.

(ii) Compensation principles

A financial asset and a financial liability are offset only when the Company has the enforceable right to offset the recognized amounts and intends to settle the net amount or to realize the asset and cancel the liability simultaneously.

(iii) Financial assets at fair value with changes in the profit and loss account

The Company recognizes financial assets at fair value with changes in the profit and loss account initially at fair value. Transaction costs directly attributable to the purchase or issue are recognized as an expense as incurred.

The fair value of a financial instrument at the initial moment is usually the transaction price, unless said price contains different elements of the instrument, in which case, the Company determines its fair value. If the Company determines that the fair value of an instrument differs from the transaction price, it records the difference in results, to the extent that the value has been obtained by reference to a price quoted in an active market for an identical asset or liability, or was obtained from an assessment technique that used only observable data. In all other cases, the Company recognizes the difference in results, to the extent that it arises from a change in a factor that market participants would consider when determining the price of the asset or liability.

After their initial recognition, they are recognized at fair value, registering the variations in results. Changes in fair value include the interest component. The fair value is not reduced by the transaction costs that may be incurred for its eventual sale or disposal by other means.

(iv) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, plus or minus the transaction costs incurred, and are subsequently valued at amortized cost, using the effective interest rate method. The effective interest rate is the discount rate that equalizes the book value of a financial instrument with the estimated cash flows throughout the expected life of the instrument, based on its contractual conditions and for financial assets without considering the future credit losses, except for those acquired or originated with losses

incurred, for which the effective interest rate adjusted for credit risk is used, that is, considering the credit losses incurred at the time of acquisition or origination.

However, financial assets and liabilities that do not have an established interest rate, the amount is due or is expected to be received in the short term and the effect of updating is not significant, are valued at their nominal value.

The Company recognizes interest on purchased or originated credit-impaired financial assets, applying the effective interest rate adjusted for credit quality to the amortized cost of the financial asset from initial recognition. If, as a result of obtaining additional information or knowledge of new facts, there is a change in estimate that reveals the receipt of cash flows greater than those initially forecast, the Company prospectively reviews the interest rate, without, therefore, proceeding to make any adjustment to the book value of the asset at the time the change in estimate occurs.

The effective interest rate adjusted for credit quality is the discount rate that equals the amortized cost of a purchased or originated credit-impaired financial asset with the estimated cash flows over the expected life of the instrument, based on its conditions, contractual and considering the losses due to credit risk. However, in the event that the most realistic alternative to recover the value of the investment was through the eventual adjudication and realization of the corresponding guarantee, the Company does not recognize any income and keeps the financial asset valued at its acquisition price. less, where appropriate, the necessary valuation corrections

#### (v) Reclassifications of financial instruments

The Company reclassifies financial assets when it modifies the business model for its management or when it meets or ceases to meet the criteria to be classified as an investment in group, jointly controlled or associated companies or the fair value of an investment ceases to be reliable or becomes reliable again. , except for equity instruments classified at fair value with changes in equity, which cannot be reclassified. The Company does not reclassify financial liabilities.

If the Company reclassifies a financial asset from the amortized cost category to fair value with changes in the profit and loss account, it recognizes the difference between the fair value and the book value in results. From that moment on, the Company does not separately record the interests of the financial asset.

If the Company reclassifies a financial asset from the fair value category with changes in the profit and loss account at amortized cost, the fair value on the reclassification date is considered the new book value for the purposes of applying the interest rate method. effective interest and the recording of valuation corrections for impairment.

#### (vi) Interest

The Company recognizes interest on financial assets accrued after the acquisition date as income in the profit and loss account.

The Company recognizes interest on financial assets valued at amortized cost using the effective interest rate method.

In the initial valuation of financial assets, the Company records independently, based on their maturity, the amount of explicit interest accrued and not due at that time, as well as the amount of dividends agreed by the competent body at the time of the acquisition. As a result, these amounts are not recognized as income in the profit and loss account.

#### (vii) Derecognition of financial assets

The Company applies the criteria for derecognition of financial assets to a part of a financial asset or to a part of a group of similar financial assets or to a financial asset or a group of similar financial assets.

Financial assets are derecognized when the rights to receive cash flows related to them have expired or have been transferred and the Company has substantially transferred the risks and benefits derived from their ownership. Likewise, the derecognition of financial assets in those circumstances in which the Company retains the

contractual rights to receive the cash flows, only occurs when contractual obligations have been assumed that determine the payment of said flows to one or more recipients and they are met. the following requirements:

- Payment of cash flows is conditional on their prior collection;
- The Company cannot proceed to the sale or pledge of the financial asset; Y
- The cash flows collected on behalf of the eventual recipients are remitted without significant delay, and the Company is not able to reinvest the cash flows. The application of this criterion is exempted from investments in cash or cash equivalents made by the Company during the settlement period comprised between the date of collection and the date of remission agreed with the eventual recipients, provided that the accrued interest is attributed to potential recipients.

In those cases in which the Company assigns a financial asset in its entirety, but retains the right to manage the financial asset in exchange for a commission, an asset or liability corresponding to the provision of said service is recognized. If the consideration received is less than the expenses to be incurred as a result of the provision of the service, a liability is recognized for an amount equivalent to the obligations assumed valued at fair value. If the consideration for the service is higher than that which would result from applying an adequate remuneration, an asset is recognized for administration rights.

In transactions in which the Company records the derecognition of a financial asset in its entirety, the financial assets obtained or the financial liabilities, including the liabilities corresponding to the administration services incurred, are recorded at fair value.

In transactions in which the partial derecognition of a financial asset is recorded, the book value of the entire financial asset is assigned to the part sold and the part held, including the assets corresponding to administration services, in proportion to the relative fair value. of every one of them.

The derecognition of a financial asset in its entirety implies the recognition of results for the difference between its book value and the sum of the consideration received, net of transaction expenses, including the assets obtained or liabilities assumed. Likewise, the amounts deferred in equity are reclassified, where appropriate, to the profit and loss account.

The recognition criteria for the derecognition of financial assets in operations in which the Company neither assigns nor substantially retains the risks and benefits inherent to its ownership are based on the analysis of the degree of control maintained. Thus:

- If the Company has not retained control, the financial asset is written off and any rights or obligations created or retained as a result of the transfer are recognized separately as assets or liabilities.
- If control has been retained, the financial asset continues to be recognized for the Company's ongoing commitment thereto and an associated liability is recorded. The ongoing commitment in the financial asset is determined by the amount of its exposure to changes in the value of said asset. The associated assets and liabilities are valued based on the rights and obligations that the Company has recognised. The associated liability is recognized so that the book value of the associated asset and liability is equal to the amortized cost of the rights and obligations retained by the Company, when the asset is valued at amortized cost, or to the fair value of the rights and obligations held by the Company, if the asset is valued at fair value. The Company continues to recognize the income derived from the asset to the extent of its ongoing commitment and the expenses derived from the associated liability. Changes in the fair value of the asset and associated liability are consistently recognized in income or equity, following the general recognition criteria set out above, and should not be offset.

Transactions in which the Company substantially retains all the risks and rewards inherent to ownership of a transferred financial asset are recorded through recognition in liability accounts of the consideration received. Transaction expenses are recognized in income using the effective interest rate method.

#### (viii) Impairment of financial assets

A financial asset or group of financial assets is impaired and an impairment loss has occurred, if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the

asset and that event or events causing the loss, have an impact on the estimated future cash flows of the financial asset or group of financial assets, which can be estimated reliably.

The Company follows the criterion of recording the appropriate valuation corrections for impairment of financial assets at amortized cost, when there has been a reduction or delay in future estimated cash flows, motivated by the insolvency of the debtor.

☐ Impairment of financial assets valued at amortized cost

The amount of the loss due to impairment of the value of financial assets valued at amortized cost is the difference between the book value of the financial asset and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the original effective interest rate of the asset. For financial assets with a variable interest rate, the effective interest rate corresponding to the valuation date according to the contractual conditions is used. However, the Company uses their market value, provided that it is reliable enough to be considered representative of the value that could be recovered.

The impairment loss is recognized with a charge to results and is reversible in subsequent years, if the decrease can be objectively related to an event subsequent to its recognition. However, the reversal of the loss is limited to the amortized cost that the assets would have had, if the impairment loss had not been recorded.

The Company directly reduces the carrying amount of a financial asset when it does not have reasonable expectations of full or partial recovery.

(ix) Bonds

The guarantees provided are valued following the criteria set forth for financial assets. The difference between the amount delivered and the fair value is recognized as an advance payment that is charged to the profit and loss account during the lease period (during the period in which the service is provided). The advances whose application is going to take place in the long term, are subject to financial update at the end of each financial year based on the market interest rate at the time of their initial recognition.

(x) Derecognitions and modifications of financial liabilities

The Company writes off a financial liability or part of it when it has fulfilled the obligation contained in the liability or is legally exempt from the main responsibility contained in the liability, either by virtue of a judicial process or by the creditor.

#### **4.6. Inventories**

Inventories are valued at the lower of acquisition or net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price less the estimated costs to be incurred in marketing, selling and distribution.

The cost of inventories of spare parts is assigned by using the weighted average cost formula. In turn, the acquisition cost of the vehicles is itemised.

The Company recognises the appropriate write-downs as an expense in the income statement when the net realisable value of the inventories is lower than acquisition or production cost.

Specifically, for used vehicles, the Company writes down the carrying amount on the basis of the best estimate available of the sale price of these vehicles by model and age.

#### **4.7. Foreign currency transactions**

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At each accounting period-end, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

#### **4.8. Income tax**

Income tax expense or income includes the part related to current tax expense or income and the part corresponding to deferred tax expense or income.

The current tax is the amount that the Company pays as a result of the tax settlements of the income tax related to an exercise. The deductions and other tax advantages in the tax quota, excluding withholdings and payments on account, as well as the compensable tax losses from previous years and effectively applied in this one, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of assets and liabilities and their tax value, as well as negative tax bases pending compensation and credits for deductions, taxes not fiscally applied. These amounts are recorded by applying to the corresponding temporary difference or credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in an operation that affects neither the tax result nor the accounting result and is not a business combination. .

For their part, deferred tax assets are only recognized to the extent that it is considered likely that the Company will have future taxable profits against which they can be made effective.

Deferred tax assets and liabilities, originating from operations with direct charges or credits in equity accounts, are also recorded with a balancing entry in equity.

At each accounting close, the recorded deferred tax assets are reconsidered, making the appropriate corrections to them to the extent that there are doubts about their future recovery. Likewise, at each closing, deferred tax assets not recorded on the balance sheet are evaluated and these are recognized to the extent that their recovery with future tax benefits becomes probable.

#### **4.9. Revenue and expense recognition**

*Revenue from contracts with customers is recognized based on compliance with performance obligations to customers. Revenues represent the transfer of promised assets to customers for an amount that reflects the consideration that the Company expects to be entitled to in exchange for said assets.*

*Five steps are established for revenue recognition:*

- 1. Identify the client's contracts.*
- 2. Identify performance obligations.*
- 3. Determine the transaction price.*

4. Allocation of the transaction price to the different performance obligations.

5. Recognition of income according to the fulfillment of each obligation.

*Specifically, the Company recognizes the sale of new vehicles at the time of leaving the factory since the contract with Jaguar Land Rover Ltd establishes ex-works sales conditions. Likewise, the agreements with the concessionaires provide for the transfer of risks and benefits at that time.*

*Likewise, at that time, the Company allocates the corresponding provisions for discounts, incentives and rebates, which are recorded in the "Short-term provisions" account on the liabilities side of the balance sheet and are presented netting the amount of sales (see Note 15).*

#### **4.10. Provisions and contingencies**

When preparing the financial statements the Company's Directors made a distinction between:

- a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain to its amount and/or timing will be required to settle the obligations; and
- b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences, excluding discounting since the effect thereof is not material.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

Provisions for compensation and restructuring -

Indemnities for involuntary termination are recognized at the time there is a detailed formal plan and a valid expectation has been generated among the personnel affected that the termination of the employment relationship will take place, either by having begun to execute the plan or for having announced its main characteristics.

Compensation for voluntary termination is recognized when it has been announced, with no realistic possibility of withdrawing the offer, and it is valued at the best estimate of the group of employees who are going to benefit from the plan.

Provisions related to restructuring processes are recognized when the Company has an implicit obligation due to the existence of a detailed formal plan and the generation of valid expectations among those affected that the process will be carried out, either because it has started to execute the plan or for having announced its main characteristics.

Restructuring provisions only include disbursements directly related to the restructuring that are not associated with the continuing operations of the Company.

#### **4.11. Environmental assets and liabilities**

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

#### **4.12. Grants**

Grants are recorded as income and expense recognized in equity when, where appropriate, they are officially awarded and the conditions for granting them have been met or there are no reasonable doubts about their receipt.

Grants granted to finance specific expenses are charged to income in the year in which the financed expenses are accrued..

#### **4.13. Pension obligations**

##### *Defined contribution -*

Jaguar Land Rover España, S.L.U. has undertaken to make a defined contribution for its employees, consisting in a percentage of their salary, to an external pension plan. This plan is outsourced to Seguros Vitalicio.

The contributions made each year by Jaguar Land Rover España, S.L.U. in this connection are recognised under "Staff Costs" in the statements of profit or loss. The expenditure for this purpose amounted to EUR 180,777 in the year ended 31 March 2022 and EUR 159,666 in the period ended 31 March 2021 (see Note 13).

##### *Defined benefit -*

Also, Jaguar Land Rover España, S.L.U. has undertaken with the management, the obligation of supplementing, according to the collective agreements currently in force, the Social Security benefits corresponding to its pensioners, current employees or their beneficiary rightholders, in the event of their retirement. These obligations have been outsourced and are covered by insurance policies.

The expenditure for this purpose amounted to EUR 112,409 in the year ended 31 March 2022 and EUR 39,123 in the period ended 31 March 2021 (see Notes 13 and 19.3).

#### **4.14. Related party transactions**

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

#### **4.15 Current and non-current items.**

Current assets are those linked to the normal operating cycle that is generally considered to be one year, as well as those other assets whose maturity, disposal or realization is expected to occur in the short term from the closing date of the financial year. Financials held for trading, with the exception of financial derivatives whose settlement term is less than one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are those linked to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period is less than one year and, in general, all obligations whose maturity or termination will occur in the short term. Otherwise, they are classified as non-current.

## **5. Intangible assets**

The changes in the year ended 31 March 2022 and 2021 in "Intangible Assets" in the balance sheet and the most significant information affecting this heading were as follows:

Year ended 31 March 2022

|                                       | Euros                  |                                  |                        |
|---------------------------------------|------------------------|----------------------------------|------------------------|
|                                       | Balances at 31/03/2021 | Additions/ Charge for the Period | Balances at 31/03/2022 |
| Goodwill                              | 13,853,798             | -                                | 13,853,798             |
| <b>Total cost</b>                     | <b>13,853,798</b>      | <b>-</b>                         | <b>13,853,798</b>      |
| Goodwill                              | (12,318,335)           | (323,256)                        | (12,641,591)           |
| <b>Total accumulated amortisation</b> | <b>(12,318,335)</b>    | <b>(323,256)</b>                 | <b>(12,641,591)</b>    |
| <b>Total</b>                          | <b>1,535,462</b>       | <b>(323,256)</b>                 | <b>1,212,207</b>       |

Year ended 31 March 2021

|                                       | Euros                  |                                  |                        |
|---------------------------------------|------------------------|----------------------------------|------------------------|
|                                       | Balances at 31/03/2020 | Additions/ Charge for the Period | Balances at 31/03/2021 |
| Goodwill                              | 13,853,798             | -                                | 13,853,798             |
| <b>Total cost</b>                     | <b>13,853,798</b>      | <b>-</b>                         | <b>13,853,798</b>      |
| Goodwill                              | (11,995,080)           | (323,255)                        | (12,318,335)           |
| <b>Total accumulated amortisation</b> | <b>(11,995,080)</b>    | <b>(323,255)</b>                 | <b>(12,318,335)</b>    |
| <b>Total</b>                          | <b>1,858,718</b>       | <b>(323,255)</b>                 | <b>1,535,462</b>       |

The goodwill arose as a result of the acquisition of the assets of the former Rover España, S.A. on 30 April 2000.

At 31 March 2022 and 2021 no impairment losses were recognised on the goodwill, as the transfer pricing policies established by the Group ensure that the profit from operations is positive on a recurring basis.

## **6. Fixed assets: property, plant and equipment**

Changes in the year ended 31 March 2022 and 2021 in "Property, Plant and Equipment" in the balance sheet and the most significant information affecting this heading were as follows (in euros):

Year ended 31 March 2022

|                                       | Euros                     |                                      |                           |
|---------------------------------------|---------------------------|--------------------------------------|---------------------------|
|                                       | Balances at<br>31/03/2021 | Additions/<br>Charge for<br>the year | Balances at<br>31/03/2022 |
| Plant                                 | 4,502,492                 | -                                    | 4,502,492                 |
| Tools                                 | 142,339                   | -                                    | 142,339                   |
| Furniture and office equipment        | 236,249                   | -                                    | 236,249                   |
| Computer hardware                     | 198,732                   | -                                    | 198,732                   |
| <b>Total cost</b>                     | <b>5,079,812</b>          | <b>-</b>                             | <b>5,079,812</b>          |
| Plant                                 | (3,514,523)               | (469,706)                            | (3,984,229)               |
| Tools                                 | (133,189)                 | (7,663)                              | (140,852)                 |
| Furniture and office equipment        | (144,956)                 | (22,179)                             | (167,135)                 |
| Computer hardware                     | (74,563)                  | (28,377)                             | (102,940)                 |
| <b>Total accumulated depreciation</b> | <b>(3,867,231)</b>        | <b>(527,924)</b>                     | <b>(4,395,156)</b>        |
| <b>Total, net</b>                     | <b>1,212,582</b>          | <b>(527,924)</b>                     | <b>684,657</b>            |

Year ended 31 March 2021

|                                       | Euros                     |                                      |                           |
|---------------------------------------|---------------------------|--------------------------------------|---------------------------|
|                                       | Balances at<br>31/03/2020 | Additions/<br>Charge for<br>the year | Balances at<br>31/03/2021 |
| Plant                                 | 4,502,492                 | -                                    | 4,502,492                 |
| Tools                                 | 142,339                   | -                                    | 142,339                   |
| Furniture and office equipment        | 236,249                   | -                                    | 236,249                   |
| Computer hardware                     | 198,732                   | -                                    | 198,732                   |
| <b>Total cost</b>                     | <b>5,079,812</b>          | <b>-</b>                             | <b>5,079,812</b>          |
| Plant                                 | (2,996,338)               | (518,186)                            | (3,514,523)               |
| Tools                                 | (114,789)                 | (18,401)                             | (133,189)                 |
| Furniture and office equipment        | (122,267)                 | (22,689)                             | (144,956)                 |
| Computer hardware                     | (46,185)                  | (28,377)                             | (74,563)                  |
| <b>Total accumulated depreciation</b> | <b>(3,279,578)</b>        | <b>(587,653)</b>                     | <b>(3,867,231)</b>        |
| <b>Total, net</b>                     | <b>1,800,234</b>          | <b>(587,653)</b>                     | <b>1,212,582</b>          |

The detail of the fully depreciated items of property, plant and equipment still in use (showing cost value) at 31 March 2022 and 2021, was as follows:

|                                | Euros            |                  |
|--------------------------------|------------------|------------------|
|                                | 31/03/2022       | 31/03/2021       |
| Plant                          | 2,445,855        | 1,969,846        |
| Tools                          | 138,089          | 85,220           |
| Furniture and office equipment | 14,991           | 9,357            |
|                                | <b>2,598,935</b> | <b>2,064,423</b> |

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject to. The Company's Directors consider that the insurance coverage of these risks is sufficient.

## **7. Leases**

### **Operational leasing**

At 31 March 2022 and 2021, the Company had contracted with lessors for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, or future increases in line with the CPI:

| Minimum operating lease payments | Nominal value (euros) |                  |
|----------------------------------|-----------------------|------------------|
|                                  | 31/03/2022            | 31/03/2021       |
| Within one year                  | 1,375,771             | 1,472,347        |
| Between one and five years       | 3,876,233             | 3,987,689        |
| Between five and ten years       | 822,682               | 1,015,714        |
| <b>Total</b>                     | <b>6,074,686</b>      | <b>6,475,750</b> |

The most significant operational leasing held by the Company as lessee were as follows:

1. Lease of offices of 1,041 square metres located in Madrid. The lease commenced on 1 January 2014 and has a term of 5 years. Once the initial term has expired, the lease will be renewed automatically for a single term of five years. On 15 July 2016, the leasable area of these offices was increased by 177 square metres, and this addenda to the lease expires on the same date as the lease formalised on 1 January 2014.
2. Leasing of training facilities of 344.3 square metres located in Tres Cantos (Madrid). The lease commenced on 1 April 2006 and has a term of 3 years, automatically renewable for one-year periods.
3. Leasing of Warehouse of 15.074 square metres located in Cabanillas del Campo (Guadalajara). The lease commenced on 28 February 2018 and has a term of 10 years, automatically renewable for two-year periods.

## **8. Information on the nature and level of risks of financial instruments**

The Company's financial risk management is centralised at the Company's Financial Department and has the support of the central teams of the Group to which it belongs. In this connection, the Company has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

### **a) Credit risk:**

In general, the Company holds its cash and cash equivalents at banks with high credit ratings. Additionally, most of its trade receivables are factored by the financial institution FCA Capital Spain, S.A. (see Note 11).

### **b) Liquidity risk:**

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the Group current account (see Note 20.1).

### **c) Market risk:**

Foreign currency risk is concentrated mainly on specific transactions with group companies denominated in sterling pounds. Neither the amount of these transactions, nor, therefore, the impact of fluctuations in the exchange rate, are material. Also, since it has no bank borrowings, the Company is not exposed to significant risks in relation to changes in interest rates.

## **9. Long term investments**

At this epigraph the Company registers the constituted deposits from leasings on offices and other facilities used to develop its activity.

### **Current Group Investments**

Details for Group Investments is as follows:

|              | Euros       |                   |             |                   |
|--------------|-------------|-------------------|-------------|-------------------|
|              | 31.03.2022  |                   | 31.03.2021  |                   |
|              | Non Current | Current           | Non Current | Current           |
| <b>Group</b> |             |                   |             |                   |
| Crédits      | -           | 60,390,183        | -           | 68,110,895        |
|              | -           | <b>60,390,183</b> | -           | <b>68,110,895</b> |

There is a cash pooling agreement between Group companies at March 31st 2022 and 2021 with a market interest type.

### **Long Term Investments**

The details is as follows:

|                              | Euros          |          |                |          |
|------------------------------|----------------|----------|----------------|----------|
|                              | 31.03.2022     |          | 31.03.2021     |          |
|                              | Non Current    | Current  | Non Current    | Current  |
| <b>Long Term investments</b> |                |          |                |          |
| Other finance assets         | 215,019        | -        | 215,019        | -        |
| Other Investments            | 180,777-       | -        | 638,742        | -        |
|                              | <b>395,796</b> | <b>-</b> | <b>853,761</b> | <b>-</b> |

"Deposits and guarantees" includes the guarantees constituted by the lease of the offices and facilities used by the Company for its activity.

"Other investments" includes the reimbursement right derived from the assets subject to the post-employment compensation plan and other long-term compensation that the Company maintains in force (see Note 13).

#### **10. Inventories**

The detail of "Inventories" at 31 March 2022 and 2021 is as follows:

|                          | Euros             |                   |
|--------------------------|-------------------|-------------------|
|                          | 31/03/2022        | 31/03/2021        |
| New cars                 | 21,327,779        | 20,619,344        |
| Used cars                | 21,958,759        | 22,004,827        |
| Spare parts              | 11,937,148        | 10,959,275        |
| Other                    | 138,493           | 138,494           |
| <b>Total inventories</b> | <b>55,362,179</b> | <b>53,721,941</b> |
| Inventory write-downs    | (4,377,269)       | (3,222,963)       |
| <b>Total, net</b>        | <b>50,984,910</b> | <b>50,498,978</b> |

Vehicles guarantee is responsibility of Jaguar Land Rover Ltd. and, therefore, no provision is recognised on this issue.

Changes in the provision for inventory depreciation in the in the year ended 31 March 2022 were as follows:

|                       | Euros             |           |                 |           |                |
|-----------------------|-------------------|-----------|-----------------|-----------|----------------|
|                       | Beginning balance | Additions | Amount released | Disposals | Ending balance |
| Inventory write-downs | 3,222,963         | 1,775,815 | (621,509)       | -         | 4,377,269      |

Changes in the provision for inventory depreciation in the in the year ended 31 March 2021 were as follows:

|                       | Euros             |           |                 |           |                |
|-----------------------|-------------------|-----------|-----------------|-----------|----------------|
|                       | Beginning balance | Additions | Amount released | Disposals | Ending balance |
| Inventory write-downs | 2,038,861         | 1,593,639 | -               | -         | 3,632,500      |

The Company takes out insurance policies to cover the possible risks to which its inventories are subject to. These risks are sufficiently insured.

#### **11. Trade and other receivables**

The detail for Trade and other receivables is as follows:

|                   | Euros             |                   |
|-------------------|-------------------|-------------------|
|                   | 31/03/2021        | 31/03/2020        |
| Group             |                   |                   |
| Trade Receivables | 3,131,000         | 2,072,745         |
| Not Related       |                   |                   |
| Trade Receivables | 11,342,367        | 15,969,438        |
| Personnel         | 15,181            | 13,108            |
| <b>Total</b>      | <b>14,488,548</b> | <b>18,055,201</b> |

Substantially all of the sales of new vehicles by the Company to certain dealers were financed through FCA Capital Spain, S.A., which assumes the risk arising from the transaction. Also, FCA Capital Spain, S.A. grants a credit line to these dealers and pays the amount of the sale to the Company one day after the sale has taken place, and the Company recognises the amounts as customer collections.

In the periods ended 31 March 2022 and 2021 the Company sold without recourse accounts receivable of net amounts of EUR 212,592 thousand and EUR 207,904 thousand, respectively, and the accounts receivable factored without recourse yet to be settled at the end of the reporting period amounted to EUR 577,540 and EUR 377,638, respectively.

The Company also recognises the accounts receivable from the spare parts business in these accounts.

"Trade and Other Receivables - Trade Receivables from Group Companies and Associates" includes mainly the warranties billed by dealerships that the Company reinvoices to the Group, as well as the billing of spare parts to Jaguar Land Rover Portugal Veículos e Peças, Lda. (Note 20)

The changes in the provision for doubtful receivables in the periods ended 31 March 2022 and 2021 were as follows:

**Year ended 31 March 2022**

|                                    | Euros             |                         |           |              |                |
|------------------------------------|-------------------|-------------------------|-----------|--------------|----------------|
|                                    | Beginning balance | Additions due to merger | Reversals | Amounts used | Ending balance |
| Provision for doubtful receivables | 206,923           | -                       | -         | (441)        | 206,482        |

**Year ended 31 March 2021**

|                                    | Euros             |                         |           |              |                |
|------------------------------------|-------------------|-------------------------|-----------|--------------|----------------|
|                                    | Beginning balance | Additions due to merger | Reversals | Amounts used | Ending balance |
| Provision for doubtful receivables | 206,923           | -                       | -         | -            | 206,923        |

**12. Equity****12.1. Share capital**

At 31 March 2022 and 2021, the Company's share capital amounted to EUR 43,869,638 thousand and was represented by 4,386,963 fully subscribed and paid registered shares of EUR 10 par value each. All the shares have the same voting and dividend rights.

At the end of 31 March 2021 the Company's Sole Shareholder was Jaguar Land Rover, Ltd. (The Company domiciled in England).

In accordance with current Spanish corporate and commercial law, the Company was registered at the Mercantile Registry as a sole-shareholder company on 4 December 2003.

As at 31 March, 2022, the Company has a cash-pooling agreement and another agreement governing all operating activities with its sole shareholder, and the balances thereof are disclosed in Note 20.

The Company's shares are not officially listed.

**12.2. Legal reserve**

Accorded to Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset

losses, provided that sufficient other reserves are not available for this purpose. At 31 March 2022, the balance of the legal reserve has not reached the minimum legally required.

### **12.3. Voluntary reserves**

As of March 31, 2022 and 2021, voluntary reserves are available except for the value pending amortization of goodwill amounting to 1,212,207 and 1,535,463 euros, respectively.

### **12.4. Reserves for actuarial gains and losses**

The reserves for actuarial gains and losses relate to the differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in the actuarial assumptions of the defined benefit plans (described in Note 13), which are recognised directly as reserves in equity.

## **13. Obligations with employees**

### Long-term defined benefit obligations

The detail of the present value of the obligations assumed by the Company in relation with post-employment benefits and other long-term employee benefits, as well as of the related plan assets at 31 March 2022 and 2021 is as follows (in euros):

|                                                                                     | 31/03/2022       | 31/03/2021       |
|-------------------------------------------------------------------------------------|------------------|------------------|
| Present value of the benefit                                                        | 388,724          | 1,986,577        |
| Fair value of the plan assets                                                       | (569,501)        | (2,625,319)      |
| <b>Long-term provisions - Provisions for long-term employee benefit obligations</b> | <b>(180,777)</b> | <b>(638,742)</b> |

The present value of the obligations was determined by qualified independent actuaries using the following actuarial techniques:

- Valuation method: “Projected Unit Credit”
- Actuarial assumptions used: unbiased and mutually compatible. In general, the most significant actuarial assumptions used in the calculations for the period ended 31 March 2022 and 2021, were as follows:

| Actuarial Assumptions                | 31/03/2022 | 31/03/2021 |
|--------------------------------------|------------|------------|
| Discount rate                        | 2.2%       | 1.7%       |
| Increase in CPI                      | 2%         | 1.75%      |
| Annual social security increase rate | 2%         | 1.75%      |
| Annual salary increase rate          | 2.25%      | 2%         |
| Retirement age                       | 65 years   | 65 years   |

At 31 March 2022, the Company had recognised a provision totalling EUR 180,777 (EUR 638,742 at 31 March 2021) for the difference between the obligations to employees undertaken by the Company and the value of the assets funding the obligations, calculated based on its best estimate.

As a result of the revision of the actuarial hypotheses in the calculation of benefits, the Company has recognized directly in equity an expense of 359,614 euros (634,986 euros of income in 2021). These variations are mainly due to variations in the discount interest rate used in calculating the current value of the assets assigned to the pension plan.

#### **14. Other long-term Provisions**

##### Provision for other liabilities

The balance of the provision for other liabilities covers lawsuits filed against the Company by certain customers. From the point of view of the Boards members, after the corresponding legal advice, the outcome of these litigation is not expected to differ significantly from the amounts provisioned as of March 31, 2022.

The movement of the provision for "Other liabilities" produced during the years ended March 31, 2021 and 2021 is as follows:

Year ended on March 31, 2022

|                      | Euros              |           |           |                    |
|----------------------|--------------------|-----------|-----------|--------------------|
|                      | Opening<br>Balance | Purchases | Reversion | Closing<br>Balance |
| Long term Provisions | 293,737            | -         | (97,230)  | 196,507            |

Year ended on March 31, 2021

|                      | Euros              |           |           |                    |
|----------------------|--------------------|-----------|-----------|--------------------|
|                      | Opening<br>Balance | Purchases | Reversion | Closing<br>Balance |
| Long term Provisions | 293,737            | -         | -         | 293,737            |

#### **15. Short-term provisions**

##### Short-term provision

The balance recognised under "Short-Term Provisions" relates mainly to the provisions recognised in relation to the incentives and discounts to dealers, the detail at the end of the periods ended 31 March 2022 and 2021 being as follows:

|                                         | Euros             |                   |
|-----------------------------------------|-------------------|-------------------|
|                                         | 31/03/2022        | 31/03/2021        |
| Marketing and advertising provision (*) | 1,361,031         | 611,902           |
| Provision for incentives (Note 4.9)     | 7,991,921         | 11,637,091        |
| Volume discount provision (Note 4.9)    | 7,895,211         | 6,500,799         |
| Provision for restructuring             | -                 | 2,510,476         |
| <b>Total</b>                            | <b>17,248,163</b> | <b>21,260,476</b> |

(\*)Relate to provisions for unreceived invoices for marketing and promotion campaigns and events already held.

#### Restructuring cost provision

During the year ended March 31, 2021 and as a result of the internal reorganization carried out by the Company, a restructuring plan has been carried out that has affected 9 employees. The amount recorded as of March 31, 2021 corresponds to the best estimate made by the Company's Board members, together with their legal advisors, regarding the possible economic consequences derived from said plan.

Movements for Restructuring provision for years ended March 31 2022 and March 31 2021, is as follows

#### Year ended on March 31, 2022

|                         | Euros              |           |             |           |                    |
|-------------------------|--------------------|-----------|-------------|-----------|--------------------|
|                         | Opening<br>Balance | Purchases | Application | Reversion | Closing<br>Balance |
| Restructuring provision | 2,510,476          | -         | 1,846,892   | -663,584  | -                  |

#### Year ended on March 31, 2021

|                         | Euros              |           |             |           |                    |
|-------------------------|--------------------|-----------|-------------|-----------|--------------------|
|                         | Opening<br>Balance | Purchases | Application | Reversion | Closing<br>Balance |
| Restructuring provision | -                  | 2,510,476 | -           | -         | 2,510,476          |

## 16. Other financial liabilities

### Debts

|                           | Euros       |                   |             |                   |
|---------------------------|-------------|-------------------|-------------|-------------------|
|                           | 31/03/2022  |                   | 31/03/2021  |                   |
|                           | Non Current | Current           | Non Current | Current           |
| <b>Deudas</b>             |             |                   |             |                   |
| Otros pasivos financieros | -           | 14,715,733        | -           | 14,698,874        |
| <b>Total</b>              | -           | <b>14,715,733</b> | -           | <b>14,698,874</b> |

The company has begun to develop commercial operations with certain companies selling vehicles with a six months buyback agreement. Regarding this matter, as of 31 March 2022 and 2021, there is registered a liability amounting to 14,715,733 euros and 14,698,874 euros, which is equivalent to the repurchasement value of 331 and 325 vehicles, respectively, which are still part of the Company's inventory stock.

### Commercial debtors and other accounts payables

The detail of commercial creditors and other accounts payable is as follows:

|                 | Euros             |                   |
|-----------------|-------------------|-------------------|
|                 | 31/03/2022        | 31/03/2021        |
|                 | Current           | Corriente         |
| <b>Group</b>    |                   |                   |
| Proveedores     | 26,411,250        | 33,233,487        |
| <b>No Grupo</b> |                   |                   |
| Suppliers       | 7,669,619         | 10,053,169        |
| Vendors         | 702,244           | 633,187           |
| Personnel       | 469,427           | 663,853           |
| <b>Total</b>    | <b>35,252,540</b> | <b>44,583,696</b> |

#### **17. Disclosures on the average period of payment to suppliers**

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

|                                        | 31/03/2022  | 31/03/2021  |
|----------------------------------------|-------------|-------------|
|                                        | Days        |             |
| Average period of payment to suppliers | 36.23       | 37.32       |
| Ratio of transactions settled          | 35.51       | 35.70       |
| Ratio of transactions not yet settled  | 38.93       | 44.20       |
|                                        | Euros       |             |
| Total payments made                    | 225,369,877 | 194,595,726 |
| Total payments outstanding             | 60,452,508  | 45,694,925  |

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in "Payable to Suppliers, "Payable to Suppliers - Group Companies and Associates" and "Sundry Accounts Payable" under "Current Liabilities" in the accompanying balance sheet.

"Average period of payment to suppliers" is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

The statutory maximum payment period applicable to the Company in the year ended 31 March 2018 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 30 days, unless there is an agreement for a maximum payment period of 60 days.

Payments to suppliers that during the years 2022 and 2021 have exceeded the established legal term, in accordance with the provisions of Law 3/2004, of December 29 and subsequent amendments by Law 15/2010, of July 5, Royal Decree Law 4/2013, of February 22 and the Resolution of January 29, 2016 of the ICAC, are derived from circumstances or incidents unrelated to the established payment policy, among which are mainly the delay in receiving the invoice by the provider or incidents in the provision of the service.

## **18. Tax matters**

### **18.1. Current tax receivables and payables**

The detail of the current tax receivables and payables is as follows:

|                                                  | Euros            |                  |
|--------------------------------------------------|------------------|------------------|
|                                                  | 31/03/2022       | 31/03/2021       |
| Current income tax assets                        | 3,160,254        | 3,409,920        |
| <b>Current income tax assets</b>                 | <b>3,160,254</b> | <b>3,409,920</b> |
| Current income tax liability                     | -                | -                |
| <b>Current income tax liability</b>              | <b>-</b>         | <b>-</b>         |
| Accrued social security taxes payable            | 116,679          | 111,698          |
| Personnel income tax payable                     | 124,445          | 99,754           |
| VAT payable                                      | 7,578,831        | 8,437,582        |
| <b>Other accounts payable to tax authorities</b> | <b>7,819,955</b> | <b>8,649,034</b> |

### **18.2. Conciliation of the accounting profit and taxable profit/tax loss**

The reconciliation of the accounting profit to the taxable profit for the year ended 31 March 2022 for income tax purposes is as follows:

|                                                                                                     | Euros      |              |                  |
|-----------------------------------------------------------------------------------------------------|------------|--------------|------------------|
|                                                                                                     | Increase   | Decrease     | Total            |
| <b>Accounting profit before tax</b>                                                                 |            |              | <b>2,520,493</b> |
| Permanent differences –<br>Non-deductible expenses                                                  | 233,388    | -            | 233,388          |
| Timing differences –<br>Reversal of the limitation on deduction of<br>depreciation and amortisation |            | (18,839)     | (18,839)         |
| Provisions                                                                                          | 17,256,125 | (19,683,090) | (2,426,965)      |
| Goodwill                                                                                            |            |              | -                |
| <b>Taxable amount</b>                                                                               |            |              | <b>308,077</b>   |

The reconciliation of the accounting profit to the taxable profit for the year ended 31 March 2021 for income tax purposes is as follows:

|                                                                                                     | Euros      |              |                    |
|-----------------------------------------------------------------------------------------------------|------------|--------------|--------------------|
|                                                                                                     | Increase   | Decrease     | Total              |
| <b>Accounting profit before tax</b>                                                                 |            |              | <b>2,258,790</b>   |
| Permanent differences –<br>Non-deductible expenses                                                  | 129,264    |              | 129,264            |
| Timing differences –<br>Reversal of the limitation on deduction of<br>depreciation and amortisation |            | (6,382)      | (6,382)            |
| Provisions                                                                                          | 18,749,792 | (27,343,972) | (8,594,180)        |
| Goodwill                                                                                            |            |              | -                  |
| <b>Taxable amount</b>                                                                               |            |              | <b>(6,212,508)</b> |

The increase in temporary differences due to provisions corresponds to the amount recorded as of March 31, 2022 and 2021, which will be deducted in the next year. For their part, the decreases correspond to the amount not deducted in the Corporate Income Tax return for the previous year presented in October 2021 and 2020.

### 18.3. Conciliation of accounting profit and income tax expense

The reconciliation of the accounting profit to the income tax expense at 31 March 2022 and the period ended 31 March 2021, is as follows:

|                                                                    | Euros            |                  |
|--------------------------------------------------------------------|------------------|------------------|
|                                                                    | 31/03/2022       | 31/03/2021       |
| Accounting profit before tax                                       | 2,520,493        | 2,258,790        |
| Permanent differences                                              | 233,388          | 129,264          |
| <b>Adjusted accounting profit</b>                                  | <b>2,753,881</b> | <b>2,388,054</b> |
| <b>Tax charge at 25%</b>                                           | <b>688,470</b>   | <b>597,013</b>   |
| Adjustment Previous Years                                          | (112,900)        | 105,513          |
| <b>Total income tax expense recognised in the income statement</b> | <b>575,570</b>   | <b>702,526</b>   |
|                                                                    |                  |                  |

### 18.4. Breakdown of income tax expense

The breakdown of the income tax expense at 31 March 2022 and 2021 is as follows (in euros):

|                                 | 31/03/2022     | 31/03/2021     |
|---------------------------------|----------------|----------------|
| Current tax                     | 77,019         | (1,572,422)    |
| Deferred tax                    | 611,451        | 2,148,545      |
| Adjustment of previous years    | (103,544)      | 126,403        |
| <b>Total income tax expense</b> | <b>575,570</b> | <b>702,526</b> |

### 18.5. Deferred tax assets and liabilities

The detail of this account for the periods ended 31 March 2022 and 2021 is as follows (in euros):

|                                                          | 31/03/2022       | 31/03/2021       |
|----------------------------------------------------------|------------------|------------------|
| Provision for stock                                      | 1,476,964        | 1,386,097        |
| Other provisions                                         | 2,841,713        | 3,301,351        |
| Limitation on deduction of depreciation and amortisation | -                | -                |
| <b>Total deferred tax assets</b>                         | <b>4,318,678</b> | <b>4,687,448</b> |

The deferred tax assets recognised at 31 March 2022 relate to non-deductible provisions at that date (see Note 15).

### 18.6. Years open for review and tax audits

As established by current legislation, taxes cannot be considered definitively settled until the returns submitted have been inspected by the tax authorities or the four-year statute of limitations has elapsed. At the end of the year ended March 31, 2022, the Company has the last four years open for inspection, five in the case of Corporation Tax, for all applicable taxes.

On April 13, 2022, the Company has received notification of the start of verification and investigation inspection actions for the Corporate Tax concept for the periods April/2017 to March/2021, Value Added Tax for the period April/2018 to December/2020, Personal Income Tax for the period April/2018 to December/2020 and Non-Resident Income Tax for the period April/2018 to March/2021 (see Note 23).

The Directors of the Company consider that the liquidations of the aforementioned taxes have been properly carried out, therefore, even in the event of discrepancies in the current regulatory interpretation due to the tax treatment granted to the operations, the possible resulting liabilities, in the event if materialized, they would not significantly affect the attached annual accounts.

## 19. Income and expenses

### 19.1. Revenue

The breakdown, by business line, of the Company's revenue at the year ended 31 March 2022 and the period ended 31 March 2021 is as follows:

|              | Euros              |                    |
|--------------|--------------------|--------------------|
|              | 31/03/2022         | 31/03/2021         |
| Vehicles     | 181,499,953        | 187,445,917        |
| Spare parts  | 69,971,408         | 44,099,743         |
| <b>Total</b> | <b>251,471,360</b> | <b>231,545,660</b> |

Net income (discounts, incentives and rebates) from contracts with customers correspond 100% to the sale of vehicles and spare parts in Spanish territory and in Andorra.

The Company's sales during the year ended March 31, 2021 were affected by the health crisis caused by COVID-19.

### 19.2. Cost of goods held for resale used

The detail of "Cost of Goods Held for Resale Used" at the year ended 31 March 2022 and 2021 is as follows:

|                                            | Euros              |                    |
|--------------------------------------------|--------------------|--------------------|
|                                            | 31/03/2022         | 31/03/2021         |
| <b>Cost of goods held for resale used:</b> |                    |                    |
| Purchases                                  | 225,871,790        | 190,330,253        |
| Changes in inventories (Note 10)           | (1,640,238)        | 11,636,918         |
| <b>Total</b>                               | <b>224,231,552</b> | <b>201,967,171</b> |

Most purchases made by the Company relate to Jaguar Land Rover, Ltd. in the United Kingdom (see Note 20.1).

### 19.3. Staff costs and headcount

The detail of "Staff Costs" at the year ended 31 March 2022 and 2021 is as follows (in euros):

|                                      | 31/03/2022       | 31/03/2021       |
|--------------------------------------|------------------|------------------|
| Wages, salaries and similar expenses | 3,849,632        | 3,489,324        |
| Employee Benefit Costs               | 1,542,427        | 1,363,224        |
| Provisions (Note 4.10 and 15)        | -                | 2,510,476        |
| <b>Total</b>                         | <b>5,392,059</b> | <b>7,363,024</b> |

On March 14, 2020, the Government of Spain adopted Royal Decree 463/2020, which declared a state of alarm for the management of the health crisis situation caused by COVID-19. Consequently, on that same date, the Company approved an ERTD that entailed a 50% reduction in working hours for practically the entire workforce. For these purposes, the Company recognized the subsidized part of the company's contribution to Social Security for employees on reduced + working hours as a subsidy amounting to 205,799 euros (see Note 19.5).

The detail of "Employee Benefit Costs" at the year ended 31 March 2022 and 2021 is as follows:

|                                                  | Euros            |                  |
|--------------------------------------------------|------------------|------------------|
|                                                  | 31/03/2022       | 31/03/2021       |
| Social security costs                            | 1,107,853        | 1,131,542        |
| Life insurance                                   | 102,155          | 53,688           |
| Pension plans (defined contribution) (Note 4.13) | 112,409          | 39,123           |
| Other employee benefit costs                     | 220,010          | 138,871          |
| <b>Total</b>                                     | <b>1,542,427</b> | <b>1,363,224</b> |

The Company makes annual contributions to a life insurance policy for all its employees.

The average number of employees at the Company at the year ended 31 March 2022 and 2021, by category, was as follows:

| Professional category | Permanent staff |            |
|-----------------------|-----------------|------------|
|                       | 31/03/2022      | 31/03/2021 |
| Directors             | 5               | 5          |
| Management            | 20              | 14         |
| Other                 | 53              | 60         |
| <b>Total</b>          | <b>78</b>       | <b>79</b>  |

Also, the headcount at the end of 31 March 2022 and 2021, by category and gender, was as follows:

|              | 31/03/2022 |           |           | 31/03/2021 |           |           |
|--------------|------------|-----------|-----------|------------|-----------|-----------|
|              | Men        | Women     | Total     | Men        | Women     | Total     |
| Directors    | 4          | 1         | 5         | 4          | 1         | 5         |
| Management   | 12         | 8         | 20        | 9          | 6         | 15        |
| Other        | 34         | 19        | 53        | 37         | 22        | 59        |
| <b>Total</b> | <b>50</b>  | <b>28</b> | <b>78</b> | <b>50</b>  | <b>29</b> | <b>79</b> |

In the year ended 31 March 2022 and 2021 the Company did not have employees with a disability equal to or greater than 33%. However, the Company took alternative measures to meet the quota reserved for disabled employees, pursuant to current legislation.

#### 19.4. Other operational expenses

The detail of "Other Operational Expenses" in the statements of profit or loss for the year ended 31 March 2022 and 2021 is as follows (in euros):

|                                             | 31/03/2022        | 31/03/2021        |
|---------------------------------------------|-------------------|-------------------|
| Rent and royalties (Note 7)                 | 1,448,135         | 1,372,847         |
| Repairs and maintenance                     | 4,200,640         | 3,447,831         |
| Independent professional services           | 1,667,554         | 639,260           |
| Transport expenses                          | 1,477,953         | 1,301,541         |
| Insurance premiums                          | 39,530            | 93,727            |
| Banking and similar services                | 23,077            | 15,366            |
| Advertising, publicity and public relations | 8,648,493         | 10,467,896        |
| Utilities                                   | 59,306            | 24,452            |
| Other operating expenses                    | 574,346           | 924,223           |
| Taxes other than income tax                 | 57,719            | 79,280            |
| <b>Total</b>                                | <b>18,196,753</b> | <b>18,366,423</b> |

In periods ended 31 March 2022 and 2021 the fees charged for financial audit and other services provided by the auditor of the Company's financial statements, KPMG, S.L., or by companies related to the auditor as a result of a relationship of control, common ownership or common management, were as follows (in euros):

| Description | 31/03/2022 | 31/03/2021 |
|-------------|------------|------------|
| Audit Fees  | 41,000     | 39,000     |

|              |               |               |
|--------------|---------------|---------------|
| <b>Total</b> | <b>41,000</b> | <b>39,000</b> |
|--------------|---------------|---------------|

#### 19.6. Other operational incomes

The composition of the heading "Other operational income" in the profit and loss account for the year ended March 31, 2022 and the year ended March 31, 2021 is as follows:

| Description               | 31/03/2022     | 31/03/2021     |
|---------------------------|----------------|----------------|
| Accessory incomes         | 173,461        | 684,494        |
| Grant Incomes (Nota 19.3) | -              | 205,799        |
| <b>Total</b>              | <b>173,461</b> | <b>890,293</b> |

#### 19.6. Financial income and costs

Finance income included EUR 23,880 and EUR 25,715 for the year ended 31 March 2022 and 2021, respectively, relating to the income arising from the sweep of the cash positions under the cash-pooling agreement with Jaguar Land Rover, Ltd. The average interest borne on these transactions in the period was tied to market rates (see Notes 12.1 and 20.1).

Finance costs relate to costs arising from interest on long term defined benefit remuneration (see Note 13).

### 20. Related party transactions and balances

#### 20.1. Related party transactions and balances

The detail of the transactions and balances with related parties in the year ended 31 March 2022 is as follows (in euros):

|                          | Jaguar Land Rover Ltd | Spark 44 España    | Jaguar Land Rover Colombia | Jaguar Land Rover Portugal Veiculos e Peças, Lda. | Jaguar Land Rover Francia | Jaguar Land Rover Italia | Jaguar Land Rover Belux | Total                |
|--------------------------|-----------------------|--------------------|----------------------------|---------------------------------------------------|---------------------------|--------------------------|-------------------------|----------------------|
| Purchases                | (221,696,470)         |                    |                            |                                                   | (34,741)                  | (39,985)                 |                         | (221,771,196)        |
| Other operating expenses | (1,559,915)           | (1,058,764)        |                            |                                                   |                           |                          | (15,300)                | (2,633,979)          |
| Guarantees               | 14,541,153            |                    |                            |                                                   |                           |                          |                         | 14,541,153           |
| Sales                    | 204,583               |                    |                            | 10,411,930                                        | 6,312,644                 | 43,190                   |                         | 16,972,347           |
| Services Redenred        | 150,680               |                    | 71,349                     | 1,346,597                                         |                           |                          |                         | 1,568,626            |
| Interest Income          | 23,880                |                    |                            |                                                   |                           |                          |                         | 23,880               |
| <b>Total</b>             | <b>(208,336,089)</b>  | <b>(1,058,764)</b> | <b>71,349</b>              | <b>11,758,527</b>                                 | <b>6,277,903</b>          | <b>3,205</b>             | <b>(15,300)</b>         | <b>(191,299,169)</b> |
| Customers                | 36,744                |                    |                            | 2,386,898                                         | 701,440                   | 5,918                    |                         | <b>3,131,000</b>     |
| Suppliers                | (26,395,393)          |                    |                            |                                                   | (4,885)                   | (3,472)                  | (7,500)                 | <b>(26,411,250)</b>  |
| <b>Total group</b>       | <b>(26,358,649)</b>   | <b>-</b>           | <b>-</b>                   | <b>2,386,898</b>                                  | <b>696,555</b>            | <b>2,446</b>             | <b>(7,500)</b>          | <b>(23,280,250)</b>  |
| Loans to Group companies | 60,390,183            | -                  | -                          | -                                                 |                           |                          |                         | <b>60,390,183</b>    |

The detail of the transactions and balances with related parties in the year ended 31 March 2021 is as follows (in euros):

| -                               | Jaguar Land Rover Ltd | Spark 44 España    | Jaguar Land Rover Colombia | Jaguar Land Rover Portugal Veiculos e Peças, Lda. | Jaguar Land Rover France | Total                |
|---------------------------------|-----------------------|--------------------|----------------------------|---------------------------------------------------|--------------------------|----------------------|
| Purchases (a)                   | (188,281,241)         |                    |                            |                                                   |                          | (188,281,241)        |
| Other operating expenses (b)    | (1,157,541)           | (2,526,985)        |                            |                                                   |                          | (3,684,526)          |
| Guarantees (c)                  | 16,938,314            |                    |                            |                                                   |                          | 16,938,314           |
| Sales and services rendered (d) | 235,365               |                    | 73,350                     | 8,790,379                                         | 23,276                   | 9,122,369            |
| Interest income (e) (Note 20.5) | 25,715                |                    |                            |                                                   |                          | 25,715               |
| <b>Total</b>                    | <b>(172,239,388)</b>  | <b>(2,526,985)</b> | <b>73,350</b>              | <b>8,790,379</b>                                  | <b>23,276</b>            | <b>(165,879,370)</b> |

|                              |                     |                  |               |                  |               |                     |
|------------------------------|---------------------|------------------|---------------|------------------|---------------|---------------------|
| Trade receivables from Group | 29,262              |                  | 16,335        | 2,006,437        | 20,711        | <b>2,072,745</b>    |
| Payables                     | (33,331,518)        | (332,969)        |               |                  |               | <b>(33,664,487)</b> |
| <b>Total group</b>           | <b>(33,302,256)</b> | <b>(332,969)</b> | <b>16,335</b> | <b>2,006,437</b> | <b>20,711</b> | <b>(31,591,742)</b> |

|                              |            |   |   |   |  |                   |
|------------------------------|------------|---|---|---|--|-------------------|
| Loans to Group companies (e) | 68,110,895 | - | - | - |  | <b>68,110,895</b> |
|------------------------------|------------|---|---|---|--|-------------------|

Transactions with related party correspond mainly to:

- Purchases relating to the acquisition of new cars and spare parts from Jaguar Land Rover, Ltd, under the terms and conditions of the internal policy on transfer pricing,
- Other operating expenses relate to expenses incurred in the performance of agreements for the provision of services, mainly consisting of marketing costs,
- The guarantees billed by the dealers, which the Company re-bills to the Group. The Company registers these billings as a reduction of the procurement costs,
- Sales to Jaguar Land Rover Portugal Veiculos e Peças, Lda., corresponding to spare parts acquired from Jaguar Land Rover, Ltd, and services related to invoices corresponding to the distribution of selling costs,
- Interest income relating to remuneration received by the Company from sweeping its cash positions in connection with the Cash Pooling agreement with Jaguar Land Rover Ltd. This agreement was entered into on 13 March 2008, with indefinite maturity and accruing interest, for both creditor and debtor balances, tied to Euribor,
- The amount registered under "providers group companies" includes vehicle purchases made by the group which are subsequently sold by the Company,

## 20.2 Detail of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the Directors

Pursuant to its duty to avoid situations of conflict of interest, the Company has control procedures in place, through its Legal Department, in order to comply with Articles 228 et seq, of the Spanish Limited Liability

Companies Law, on the duty of disclosure of the directors, Also, by means of this procedure the directors disclosed the ownership interests they held in the year ended 31 March 2022, in accordance with the aforementioned articles,

In the period and up to the date of preparation of the financial statements, no situations of conflict of interest as defined in Articles 229 and 231 of the Spanish Limited Liability Companies Law were disclosed, with the exception of the case of Luis Antonio Ruiz Álvarez and Barry Carsley, who held shares (the value and the related percentage of ownership of which was not significant) in Ford Motor Company Automotive NT,

### **20.3, Remuneration of Directors and senior executives**

The members of the Board of Directors (2 men and 1 woman) did not receive remuneration for attending the Board of Directors meetings in the year ended 31 March 2022 and 2021, The remuneration received by the Company's directors and senior executives in respect of wages and salaries was as follows:

|                     | Euros      |            |
|---------------------|------------|------------|
|                     | 31/03/2022 | 31/03/2021 |
| Company's directors | 395,672    | 416,932    |
| Senior executives   | 422,621    | 394,186    |

The remuneration received by the members of the Board of Directors and Senior Management during the year ended March 31, 2022 and 2021 for pension plans amount to 45,841 and 46,114 euros, respectively. In addition, during the aforementioned years no advance, credit or loan has been granted to any member of the Board of Directors or to Senior Management.

The directors' third-party liability insurance policies of all the subsidiaries belonging to the Tata Motors Group (including Jaguar Land Rover, S,L,U,) were arranged in a single insurance policy taken out and paid by Tata Motors,

In addition, there were no agreements between the Company and any of the directors or any person acting on their behalf in relation to transactions outside the course of the Company's ordinary business operations or transactions that were not performed on an arm's length basis,

## **21. Information on the environment**

In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results, Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements,

## **22. Guarantee commitments to third parties and other contingent liabilities**

At 31 March 2022 and 2021, the guarantees provided by Jaguar Land Rover, S,L, to various entities in order to secure normal commercial transactions amounted to EUR 1,433,874 .

## **23. Events after the balance sheet date**

As indicated in note 18.6, on April 13, 2022, the Company has received notification of the start of verification and investigation inspection actions for the Corporate Income Tax concept for the periods April/2017 to March/2021, Tax on Value Added for the period April/2018 to December/2020, Personal Income Tax for the period April/2018 to December/2020 and Income Tax for Non-Residents for the period April/2018 to March/2021 .

On February 24, a conflict began between Russia and Ukraine, and the European Union imposed economic sanctions on Russia and Belarus. Despite this fact, Jaguar Land Rover Spain's operations have run smoothly and without interruption, as there is no direct exposure to these troubled markets. At the Group level, this conflict may have impacts regarding the destination markets of the vehicles of these brands, however, it is not expected to cause difficulties in the parts and accessories supply chain.

**24. Explanation added for translation to English**

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries,

## **Diligence of formulation of the annual accounts and management report**

These Annual Accounts and Management Report of Jaguar Land Rover, SL (Unipersonal Company) have been formulated by the Board of Directors at its meeting on May 21, 2021 . These Financial Statements and Management Report corresponding to the year ended 31 March 2021 are being spread on 34 sheets, each signed by the President and a director, signing the last page all

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Luis A. Ruiz  
Chairman

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Federico Pallumbieri  
Director

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Cristina Ruiz  
Director

## **Jaguar Land Rover España, S.L.U. (Sociedad Unipersonal)**

### **Management Report of the finished exercise on March 31, 2022**

#### **April 2021 to March 2022**

The automobile sector in recent years has been immersed in a profound change, due to both external factors (Covid19 - warfare) and new environmental regulations (promotion of low-emission vehicles). This has affected both customer demand and production by reducing the supply of chips and other electronic components.

Taking the current situation as a reference, the results of the automotive industry relative to the competitive segment of Jaguar Land Rover, show that 95,204 units were registered during the year 2021-22, 1,508 units less than the same period of the previous year. This represents a decrease of (1.58)%. The automobile industry and JLR's sales throughout the year have been affected by the health crisis caused by COVID-19, the semiconductor crisis and the conflict in Ukraine in the last quarter.

Land Rover registrations in the Peninsula and the Balearic Islands during that period totaled 3,295 units, carried out either directly or through its dealers. This amount represents (42.91)% less than the same period of the previous year. By model, sales of Land Rover vehicles in the Peninsula and the Balearic Islands were: Defender 394, Discovery 60 units, Discovery Sport 275 units, Range Rover Sport 662 units, Range Rover 60 units, Range Rover Velar 626 units and Range Rover Evoque 1,218 units .

Jaguar's total registrations in the Spanish market in that period were a total of 1,148 units, made either directly or through its dealers. This amount represents (27.87)% less than the previous year. By models, vehicle sales in the Peninsula and the Balearic Islands were: XF 35 units, XE 44 units, F-Type 38 units, E-Pace 636 units, I-Pace 81 units and F-Pace 314 units

The special situation derived from COVID-19, together with the entry of the WLTP regulations from January 2021 as well as the semiconductor crisis, has led to a reduction in Jaguar Land Rover registrations.

#### **Outlook for the year 2022-23**

During the first months of the year, sales of the new Range Rover will begin (the brand's top model launched in the last quarter of the previous year), whose production will be adjusted upwards to cover the high existing demand. This model will be joined by the launch of the new Range Rover Sport and the improvement of the mild hybrid (MHEV) engines - electric hybridization - with lower CO2 emissions, which allows them to have the ECO/ZERO label and the PHEV (plug-in hybrid) engines ) on virtually all Land Rover models. The JLR Rent program (Courtesy and Pure Rental) will also be developed. This suggests that registrations will increase compared to 2021-22, especially in the second part of the year with the recovery of production.

As we have previously mentioned, throughout the year 2022 the production of PHEV engines in Jaguar models will be normalized and the I-Pace model (fully electric) will continue to be offered to meet the rising demand for this type. vehicular. The Premium Medium SUV segment is the fastest growing segment of high-end vehicles, which suggests that Jaguar will increase its sales by having several models positioned within it.

The year 2022 still presents uncertainty about how the markets will evolve, although the situation is expected to improve as the supply of chips and electronic equipment is restored. It is expected to have a lower growth in the sector during the first months, due to the inflationary situation and the increase in the costs of raw materials, to begin to pick up from the second part of the year, with a slow growth in the sector of the automobile due to the transformation in which it lives, with a horizon electrified by the requirements of the national authorities.

The Forecast for the fiscal year 22/23FY (April22-March23) is estimated at 129,345 Units, which represents a variation of 35.9% compared to the previous year vs. 21/22 FY. This leads Jaguar Land Rover to modify its sales forecasts upwards, in line with the increase for the sector compared to sales levels in years prior to Covid19.

**Acquisition and status of own shares**

The Company does not have its own shares, and since its incorporation, no business related to them has been carried out.

**Research and Development Costs.**

The Company has not carried out any research and development activity during the year April 2021 – March 2022.

**Staff**

Since March 2021 the company has undergone an internal restructuring, eliminated certain jobs but also creating some new ones, in order to optimize personnel costs and to align with the structure established at the headquarters.

**Financial instruments**

The Company does not use complex financial instruments in its normal operations.

**Environmental Information**

Given the activities in which the Company is engaged, it has no responsibilities, expenses, assets, or provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial situation and results.

**Information on deferrals of payments made to suppliers**

The entry into force of Law 31/2014, of December 3, which modifies Law 15/2010, of July 5, which in turn modified Law 3/2004, of December 29, which establishes measures combating late payments in commercial operations, establishes the obligation for commercial companies to expressly publish their average supplier payment period in their annual accounts and management reports. In relation to this reporting obligation, at the end of the year ended March 31, 2022, the average payment period to suppliers was 60 days

**Risks and uncertainties**

The management of the Company's financial risks is centralized in the Company's Financial Department and with the support of the central teams of the Group to which it belongs. To this end, they have established the necessary mechanisms to control exposure to variations in interest rates and exchange rates, as well as to credit and liquidity risks. The main financial risks that impact the Company are indicated below:

**a) Credit risk:**

In general, the Company maintains its treasury and equivalent liquid assets in financial institutions with a high credit rating. Additionally, most of its customer accounts receivable are insured through the financial entity FCA Capital Spain, S.A.

**b) Market risk:**

The exchange rate risk is mainly concentrated in one-off transactions with Group companies, denominated in pounds sterling. The amount of these transactions is not significant, nor, therefore, is the impact due to variations in the exchange rate. Likewise, as it does not have financial debt, the Company is not subject to significant risks related to changes in interest rates.

**Later events**

On April 13, 2022, the Company has received notification of the start of verification and investigation inspection actions for the Corporate Tax concept for the periods April/2017 to March/2021, Value Added Tax for the period April/2018 to December/2020, Personal Income Tax for the period April/2018 to December/2020 and Non-Resident Income Tax for the period April/2018 to March/2021.

On February 24, a conflict began between Russia and Ukraine, and the European Union imposed economic sanctions on Russia and Belarus. Despite this fact, Jaguar Land Rover Spain's operations have run smoothly and without interruption, as there is no direct exposure to these troubled markets. At the Group level, this conflict may have impacts regarding the destination markets of the vehicles of these brands, however, it is not expected to cause difficulties in the parts and accessories supply chain.

**Diligence of formulation of the annual accounts and management report**

These Annual Accounts and Management Report of Jaguar Land Rover, S.L. (Sole Shareholder Company) have been formulated by the Board of Directors at its meeting on May 30th, 2022. Said Annual Accounts and Management Report correspond to the year ended March 31, 2022, being spread over XX sheets, all of them signed by the President and a director, signing on this last sheet all the Directors