

Jaguar Land Rover Slovakia s.r.o
Annual Financial Statements
For the year ended March 31, 2018

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

as of 31 Mar 2018

Tax identification number

2 1 2 0 1 2 5 3 8 1

Identification number (IČO)

4 8 3 0 2 3 9 2

SK NACE

7 3 . 1 1 . 0

Financial statements

- ordinary
 - extraordinary
 - interim

Accounting entity

- small
 - large

For the period

	Month	Year
from	0 4	2 0 1 7
to	0 3	2 0 1 8

(check)

Preceding

	Month	Year
from	0 4	2 0 1 6
to	0 3	2 0 1 7

Attached parts of the financial statements

Balance Sheet
(Úč POD 1-01)
(in whole euros)

Income Statement
(Úč POD 2-01)
(in whole euros)

Notes to the Financial Statements (Úč
POD 3-01)
(In whole euros or eurocents)

Legal name (designation) of the accounting entity

J A G U A R L A N D R O V E R S L O V A K I A s . r . o .

Registered office of the accounting entity, street and number

V y s o k á 2 / B

Zip code

8 1 1 0 6

Municipality

B r a t i s l a v a

Designation of the Commercial Register and company registration number

D i s t r i c t C o u r t B r a t i s l a v a I
S e c t i o n s . r . o . , f i l e 1 0 6 2 2 / B

Telephone

Fax

Email

Prepared on:

Approved on:

Signature of the accounting entity's statutory body or a member of
the accounting entity's statutory body or the signature of a sole trader
who is the accounting entity:

DIČ: 2120125381

IČO: 48302392

Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
	TOTAL ASSETS line 02 + line 33 + line 74	01	920,642,802	271,306	920,371,496	180,175,079
A.	Non-current assets line 03 + line 11 + line 21	02	875,641,226	271,306	875,369,920	149,897,321
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	19,879,651	29,208	19,850,443	1,675,509
A.I.1.	Capitalized development costs (012) - /072, 091A/	04	0	0	0	0
2.	Software (013)-/073, 091A/	05	674,630	29,208	645,422	0
3.	Valuable rights (014)-/074, 091A/	06	0	0	0	0
4.	Goodwill (015) - /075, 091A/	07	0	0	0	0
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	0	0	0	0
6.	Acquisition of non-current intangible assets (041) - /093/	09	19,205,021	0	19,205,021	1,675,509
7.	Advance payments made for non-current intangible assets (051) - /095A/	10	0	0	0	0
A.II.	Property, plant and equipment - total (lines 12 to 20)	11	855,761,574	242,098	855,519,476	148,221,812
A.II.1.	Land (031) - /092A/	12	29,277,410	0	29,277,410	0
2.	Structures (021) - /081, 092A/	13	4,740,876	38,067	4,702,809	0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	2,812,894	204,031	2,608,863	0
4.	Perennial crops (025) - /085, 092A/	15	0	0	0	0
5.	Livestock (026) - /086, 092A/	16	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17	0	0	0	0
7.	Acquisition of property, plant and equipment (042) - /094/	18	818,930,394	0	818,930,394	148,221,812
8.	Advance payments made for property, plant and equipment (052) - /095A/	19	0	0	0	0
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20	0	0	0	0
A.III.	Non-current financial assets - total (lines 22 to 32)	21	0	0	0	0
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22	0	0	0	0
2.	Shares and ownership interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23	0	0	0	0
3.	Other available-for-sale securities and ownership interests (063A) - /096A/	24	0	0	0	0
4.	Loans to affiliated accounting entities (066A) - /096A/	25	0	0	0	0
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26	0	0	0	0
6.	Other loans (067A) - /096A/	27	0	0	0	0

DIČ: 2120125381

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Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28	0	0	0	0
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29	0	0	0	0
9.	Bank accounts with notice period exceeding one year (22XA)	30	0	0	0	0
10.	Acquisition of non-current financial assets(043) - /096A/	31	0	0	0	0
11.	Advance payments made for non-current financial assets (053) - /095A/	32	0	0	0	0
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33	44,698,217	0	44,698,217	29,360,855
B.I.	Inventory - total (lines 35 to 40)	34	132,104	0	132,104	0
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	132,104	0	132,104	0
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	0	0	0	0
3.	Finished goods (123) - /194/	37	0	0	0	0
4.	Animals (124) - /195/	38	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39	0	0	0	0
6.	Advance payments made for inventory (314A) - /391A/	40	0	0	0	0
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	41	3,129,232	0	3,129,232	0
B.II.1.	Trade receivables - total (lines 43 to 45)	42	0	0	0	0
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43	0	0	0	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A,31XA) - /391A/	44	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A,31XA) - /391A/	45	0	0	0	0
2.	Net value of contract (316A)	46	0	0	0	0
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47	0	0	0	0
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - /391A/	49	0	0	0	0
6.	Receivables related to derivative transactions (373A, 376A)	50	0	0	0	0
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51	0	0	0	0
8.	Deferred tax asset (481A)	52	3,129,232	0	3,129,232	0

DIČ: 2120125381

IČO: 48302392

Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
B.III.	Current receivables - total (line 54 + lines 58 to 65)	53	39,547,145	0	39,547,145	29,182,294
B.III.1.	Trade receivables - total (lines 55 to 57)	54	30,375,213	0	30,375,213	28,132,201
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	0	0	0	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	30,375,213	0	30,375,213	28,132,201
2.	Net value of contract (316A)	58	0	0	0	0
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59	0	0	0	0
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61	0	0	0	0
6.	Social security (336A) - /391A/	62	0	0	0	0
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	9,118,127	0	9,118,127	1,044,839
8.	Receivables related to derivative transactions (373A, 376A)	64	0	0	0	0
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	53,805	0	53,805	5,254
B.IV.	Current financial assets - total (lines 67 to 70)	66	0	0	0	0
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67	0	0	0	0
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68	0	0	0	0
3.	Own shares and own ownership interests (252)	69	0	0	0	0
4.	Acquisition of current financial assets (259, 314A) - /291A/	70	0	0	0	0
B.V.	Financial accounts line 72 + line 73	71	1,889,736	0	1,889,736	178,561
B.V.1.	Cash (211, 213, 21X)	72	0	0	0	0
2.	Bank accounts (221A, 22X, +/- 261)	73	1,889,736	0	1,889,736	178,561
C.	Accruals/deferrals - total (lines 75 to 78)	74	303,359	0	303,359	916,903
C.1.	Prepaid expenses - long-term (381A, 382A)	75	0	0	0	304,804
2.	Prepaid expenses - short-term (381A, 382A)	76	303,359	0	303,359	612,099
3.	Accrued income - long-term (385A)	77	0	0	0	0
4.	Accrued income - short-term (385A)	78	0	0	0	0

DIČ: 2120125381

IČO: 48302392

Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	920,371,496	180,175,079
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	325,790,236	24,798,024
A.I.	Share capital - total (lines 82 to 84)	81	330,005,000	30,005,000
A.I.1.	Share capital (411 or +/- 491)	82	330,005,000	30,005,000
	2. Change in share capital +/- 419	83	0	0
	3. Unpaid share capital (/-/353)	84	0	0
A.II.	Share premium (412)	85	0	0
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds line 88 + line 89	87	0	0
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	0	0
	2. Reserve fund for own shares and own ownership interests (417A, 421A)	89	0	0
A.V.	Other funds created from profit line 91 + line 92	90	0	0
A.V.1.	Statutory funds (423, 42X)	91	0	0
	2. Other funds (427, 42X)	92	0	0
A.VI.	Differences from revaluation - total (lines 94 to 96)	93	0	0
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94	0	0
	2. Investment revaluation reserves (+/- 415)	95	0	0
	3. Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96	0	0
A.VII.	Net profit/loss of previous years line 98 + line 99	97	-5,206,976	-4,423,495
A.VII.1.	Retained earnings from previous years (428)	98	0	0
	2. Accumulated losses from previous years (/-/429)	99	-5,206,976	-4,423,495
A.VIII.	Net profit/loss for the accounting period after tax +/- line 01 - (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 101 + line 141)	100	992,212	-783,481
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	594,581,260	155,377,055
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	6,985,288	3,174,354
B.I.1.	Non-current trade liabilities - total (lines 104 to 106)	103	6,905,519	3,162,685
B.I.1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104	0	0

DIČ: 2120125381

IČO: 48302392

Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105	0	0
1.c.	Other trade liabilities (321A, 475A, 476A)	106	6,905,519	3,162,685
2.	Net value of contract (316A)	107	0	0
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108	0	0
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109	0	0
5.	Other non-current liabilities(479A, 47XA)	110	0	0
6.	Long-term advance payments received (475A)	111	0	0
7.	Long-term bills of exchange to be paid (478A)	112	0	0
8.	Bonds issued (473A/-/255A)	113	0	0
9.	Liabilities related to social fund (472)	114	79,769	11,669
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115	0	0
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116	0	0
12.	Deferred tax liability (481A)	117	0	0
B.II.	Long-term provisions line 119 + line 120	118	0	0
B.II.1.	Legal provisions (451A)	119	0	0
2.	Other provisions (459A, 45XA)	120	0	0
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	456,951,768	136,667,015
B.IV.1.	Trade liabilities - total (lines 124 to 126)	123	77,094,351	56,237,058
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	0	0
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125	0	0
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	77,094,351	56,237,058
2.	Net value of contract (316A)	127	0	0
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128	0	0
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129	374,168,930	78,864,114

DIČ: 2120125381

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Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	0	0
6.	Liabilities to employees (331, 333, 33X, 479A)	131	3,611,274	353,481
7.	Liabilities related to social security (336A)	132	858,568	189,189
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	1,192,942	1,023,173
9.	Liabilities related to derivative transactions (373A, 377A)	134	0	0
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	25,703	0
B.V.	Short-term provisions line 137 + line 138	136	130,644,204	15,535,686
B.V.1.	Legal provisions (323A, 451A)	137	0	119,382
2.	Other provisions (323A, 32X, 459A, 45XA)	138	130,644,204	15,416,304
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		0
B.VII.	Short-term financial assistance (241, 249, 24X, 473A /- /255A)	140	0	0
C.	Accruals/deferrals - total (lines 142 to 145)	141	0	0
C.1.	Accrued expenses - long-term (383A)	142	0	0
2.	Accrued expenses - short-term (383A)	143	0	0
3.	Deferred income - long-term (384A)	144	0	0
4.	Deferred income - short-term (384A)	145	0	0

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Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
			*	Net turnover (part of account class 6 according to the Act)
**	Operating income - total (lines 03 to 09)	02	69,660,917	28,118,012
I.	Revenue from the sale of merchandise (604, 607)	03	0	0
II.	Revenue from the sale of own products (601)	04	0	0
III.	Revenue from the sale of services (602, 606)	05	69,660,917	28,118,012
IV.	Changes in internal inventory (+/-) (account group 61)	06	0	0
V.	Own work capitalized (account group 62)	07	0	0
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08	0	0
VII.	Other operating income(644, 645, 646, 648, 655, 657)	09	0	0
**	Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	69,425,753	27,979,717
A.	Cost of merchandise sold (504, 507)	11	0	0
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	4,754,835	869,010
C.	Value adjustments to inventory (+/-) (505)	13	0	0
D.	Services (account group 51)	14	41,504,487	23,300,894
E.	Personnel expenses - total (lines 16 to 19)	15	22,794,048	3,389,382
E.1.	Wages and salaries (521, 522)	16	16,360,886	2,473,889
2.	Remuneration of board members of company or cooperative (523)	17	0	0
3.	Social security expenses (524, 525, 526)	18	6,340,903	857,245
4.	Social expenses (527, 528)	19	92,259	58,248
F.	Taxes and fees (account group 53)	20	3,604	1,436
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21	271,306	0
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	271,306	0
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23	0	0
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	0	0

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Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
I.	Value adjustments to receivables (+/-) (547)	25	0	0
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	97,473	418,995
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	235,164	138,295
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	23,401,595	3,948,108
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	310,289	102,858
VIII.	Revenue from the sale of securities and shares (661)	30	0	0
IX.	Income from non-current financial assets (lines 32 to 34)	31	0	0
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32	0	0
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33	0	0
3.	Other income from securities and ownership interests (665A)	34	0	0
X.	Income from current financial assets - total (lines 36 to 38)	35	0	0
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36	0	0
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37	0	0
3.	Other income from current financial assets (666A)	38	0	0
XI.	Interest income (line 40 + line 41)	39	0	986
XI.1.	Interest income from affiliated accounting entities (662A)	40	0	0
2.	Other interest income (662A)	41	0	986
XII.	Exchange rate gains (663)	42	310,289	101,872
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43	0	0
XIV.	Other income from financial activities (668)	44	0	0
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	1,092,493	132,459
K.	Securities and shares sold (561)	46	0	0
L.	Expenses related to current financial assets (566)	47	0	0
M.	Value adjustments to financial assets (+/-) (565)	48	0	0
N.	Interest expense (line 50 + line 51)	49	865,519	46,031

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Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	0	0
2.	Other interest expenses (562A)	51	865,519	46,031
O.	Exchange rate losses (563)	52	221,109	84,879
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53	0	0
Q.	Other expenses related to financial activities (568, 569)	54	5,865	1,549
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	-782,204	-29,601
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	-547,040	108,694
R.	Income tax (line 58 + line 59)	57	-1,539,252	892,175
R.1.	Income tax - current (591, 595)	58	1,589,980	892,175
2.	Income tax - deferred (+/-) (592)	59	-3,129,232	0
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60	0	0
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	992,212	-783,481

A. INFORMATION ABOUT THE ACCOUNTING ENTITY

1. Establishment of the Company

Jaguar Land Rover Slovakia s.r.o. (hereinafter referred to as "the Company") was established on 27 August 2015 and was registered in the Commercial Register on 11 September 2015 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sro, file 106220/B).

2. The principal activities of the Company comprise:

- manufacture and assembly of motor vehicles

3. Number of employees

Average number of employees of the Company in the accounting period was 622 (2017: 64).

4. Information on unlimited liability

The Company is not a partner with unlimited liability in other companies according to Article 56 (5) of the Commercial Code.

5. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 March 2018 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 April 2017 to 31 March 2018.

6. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 March 2017, i.e. for the preceding accounting period, were approved by the shareholders at the Company's general meeting held on 19.06.2017.

B. INFORMATION ABOUT THE CONTROLLING PARTIES

The financial statements of the Company are included in the consolidated financial statements of the company Jaguar Land Rover Automotive PLC. The registered office is Abbey Road, Whitley, Coventry CV3 4LF, United Kingdom of Great Britain and Northern Ireland. The consolidated financial statements are available at the registered office of the listed company.

C. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements were prepared using the going concern assumption that the Company will continue in operation for the foreseeable future.

The accounting policies and general accounting principles have been consistently applied.

(b) Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

Acquisition cost of property, plant and equipment does not include borrowing costs or realised exchange rate differences, which arose before the item of property, plant and equipment was put into use.

Low-value non-current intangible assets with an acquisition cost (or conversion cost) of EUR 2 400 or less are written off when the asset is put into use.

Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 700 or less are written off when the asset is put into use.

Amortisation method, useful life of assets and net book value are reviewed at the Balance Sheet date and changes are undertaken if necessary.

Assessment of impairment of non-current assets

Adjustments are made on a precautionary basis if it is reasonable to assume that there has been a decrease in the value of assets compared to its value in accounting. An allowance is recognised at the amount of the reasonable assumptions that the asset is impaired in relation to its value in the accounting.

The factors that are considered important when assessing the impairment of assets are:

- technological progress,
- Significantly insufficient operating results compared to historical or planned operating results,
- Significant changes in the use of the Company's assets or the overall change in the Company's strategy,
- product obsolescence.

If the Company determines that, due to the existence of one or more impairment indicators, a write-down of an asset is anticipated in relation to its valuation in the accounting, it calculates the impairment of the asset on the basis of estimated net cash flow projections expected from the asset, including its possible sale. The estimated impairment may prove to be insufficient if the analysis exaggerates cash flows or changes in future conditions

(c) Receivables

Receivables are valued at their nominal value except for: assigned receivables and receivables acquired via a contribution to share capital which are valued at their acquisition cost, including costs related to the acquisition. Receivables are decreased by the write-downs for any amounts expected to be irrecoverable.

(d) Cash and cash equivalents

Cash and cash equivalent are valued at their nominal value. A value adjustment is created for any impairment.

(e) Securities and ownership interests

Company did not acquire any securities or ownership interest during current or prior accounting period.

(f) Prepaid expenses

Prepaid expenses is presented in accordance with the matching principle in terms of substance and time.

(g) Impairment of assets and provisions

Adjustments are made on a precautionary basis if it is reasonable to assume that there has been a decrease in the value of assets compared to its value in accounting. Adjustments is accounted for in the amount of a reasonable impairment assumption against its value in accounting. Adjustments are derecognized or their amount is changed if a change in impairment assumption occurs.

(h) Provisions

Provisions are liabilities of uncertain timing or amount. They are formed to cover known risks or losses from business. They are valued at the expected amount of the liability. The company creates provisions for unbilled deliveries, unused holidays and bonuses.

Creation of the provision is accounted for on the related cost or property account to which the liability is attributable. The use of the provision is accounted for on the balance of the relevant provision account with the corresponding receivable in favour of the relevant liability account. Dissolution of the unnecessary reserve or part of it is accounted for by the opposite accounting entries as the credibility of the provision has been accounted for.

(i) Employees

Salaries, wages, contributions to pension and insurance funds, paid annual leave and paid medical leave, bonuses and other non-monetary benefits (e.g. health care) are accounted for in the accounting period that relates to them in a timely manner.

(j) Liabilities

Liabilities are valued at their nominal value except for: assumed liabilities, which are valued at their acquisition cost at the time of their assumption. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

(k) Leasing

Operating leases: assets leased through operating leases are presented by the owner, not by the lessee.

(l) Foreign currency

Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction, except suppliers' invoices in foreign currency that are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of reception of supplier's invoice.

Assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date, and are recorded with an impact on profit or loss.

(m) Cost recognition

Costs and expense are recognised when incurred and are classified according to their nature.

(n) Revenue

Revenue from own work and merchandise is net of value added tax. Revenue is related to remuneration under the Toll Agreement and is recognised when services are rendered.

(o) Current corporate income tax

Corporate income tax is calculated from accounting profit corrected by permanent and temporary non-taxable items using relevant tax rate.

(p) Comparable data

If, as a result of a change in accounting policies and accounting principles, the values for the immediately preceding financial year are not comparable in the individual parts of the financial statements, the explanation of incomprehensible amounts is stated in notes.

(q) Correction of errors from previous accounting period

If the Company identifies an error in the current accounting period in respect of past accounting periods, it will correct this error in the account 428 - Retained earnings of previous years and 429 - Unrealised losses of previous years, without affecting the profit or loss in the current accounting period. Corrections of minor errors of prior periods are accounted to the current cost or income account in the current accounting period

In 2016/2017, the Company did not made any correction of errors from previous periods.

D. INFORMATION ABOUT DATA FROM BALANCE SHEET

1. Liabilities

The structure of liabilities (except debt-payable for social fund) according to maturity is shown in the table below:

	31. 03. 2018	31.03.2017
	<u>EUR</u>	<u>EUR</u>
Liabilities due within 1 year	456 951 768	136 667 015
Liabilities due within 1-5 years	<u>6 905 519</u>	<u>3 162 685</u>
Total Liabilities	<u>463 857 287</u>	<u>139 829 700</u>

Liabilities due within 1 year mainly consist of Intercompany loan provided by the Parent company in the amount of 374 168 930 EUR. Remaining part of the liabilities are liabilities to suppliers.

Long-term liabilities correspond to retention in the total amount of 6 905 519 EUR.

E. INFORMATION ABOUT DATA IN OFF-BALANCE SHEET ACCOUNTS

As at 31 March 2018 and 31 March 2017 the Company did not have any off-balance sheet accounts to disclose.

F. INFORMATION ABOUT OTHER ASSETS AND LIABILITIES

1. Other financial commitments, which are not recorded in balance sheet accounts

The Company is building manufacturing facility and will start production of automotive vehicles. The Company has concluded agreements with suppliers and issued purchase orders, which result in financial commitments:

Other financial commitments are presented in the table below:

	31.03.2018	31.03.2017
	<u>EUR</u>	<u>EUR</u>
Purchase Commitments	250 708 079	607 607 282
Capital commitments	229 083 833	590 796 851
Purchase commitments – OPEX and Project related, out of it:		
<i>Short-term purchase commitments</i>	21 624 246	16 810 431
<i>Long-term purchase commitments</i>	-	5 313 749

2. Contingent liabilities

The Company has signed a contingent liability agreement with third party. Under the agreement the Company is liable to pay the fee of up to 2 285 976 EUR (2 000 000 GBP). The payment is dependent on third party meeting pre-defined contractual obligations

G. STATEMENT OF INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER BODIES

The Company did not pay bonuses for the Company's affiliates and members of the statutory bodies for their activities for the Company nor a loan or guarantee for the period under review or in the immediately preceding period.

H. INFORMATION ON EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

No events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 March 2018, except the events as a result of operating activities.