

JAGUAR LAND ROVER ITALIA S.p.A.

LOCAL STATUTORY ACCOUNTS AS AT 31.03.2022

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JAGUAR LAND ROVER ITALIA S.p.A.
Sede legale in Roma - Viale Alessandro Marchetti, 105
Capitale sociale Euro 65.000.000,00 i.v.
R.E.A. n. 944215 - Azionista Unico.
Codice fiscale, partita IVA e iscrizione nel registro delle imprese di Roma n. 06070621005

FINANCIAL STATEMENTS AT 31/03/2022

BALANCE SHEET

ASSETS	31/03/2022		31/3/2021	
	EURO	EURO	EURO	EURO
(B) FIXED ASSETS				
I - Intangible fixed assets:				
(5) Goodwill		0	882.237	
(7) Other		371.629	696.597	
Total		371.629		1.578.834
II - Tangible fixed assets:				
(2) Plant and machinery		137.797	160.165	
(3) Industrial and commercial equipment		17.177	207.505	
(4) Other assets		185.464	313.632	
Total.		340.438		681.302
III - Financial fixed assets:				
(1) Equity investments in: d) Other companies		130	130	
Total.		130		130
Total fixed assets (B)		712.197		2.260.266
(C) CURRENT ASSETS:				
I - Inventories:				
(4) Goods		117.505.844	109.263.732	
Total.		117.505.844		109.263.732
II - Receivables:				
(1) Trade receivables due within subsequent FY		3.933.664	272.282	
(4) Receivables from parent companies		167.269.094	207.507.366	
(5) Receivables from companies controlled by parent companies		4.075.000	1.657.424	
(5) - bis) Tax receivables		2.761.981	3.146.116	
(5) - ter) Deferred tax asset		15.212.902	14.499.395	
(5) - quater) Other receivables		222.534	162.120	
Totale.		193.475.175		227.244.703
IV - Cash and cash equivalents:				
(1) Bank and postal accounts		10.856.081	10.502.790	
Total.		10.856.081		10.502.790
Total current assets (C)		321.837.100		347.011.225
(D) ACCRUALS AND DEFERRALS				
		181.328		212.116
TOTAL ASSETS		322.730.625		349.483.607

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BALANCE SHEET

LIABILITIES:	31/03/2022		31/3/2021	
	EURO	EURO	EURO	EURO
(A) SHAREHOLDERS' EQUITY:				
I - Share capital		65.000.000		65.000.000
IV - Legal reserve		3.094.953		2.832.371
VII - Other reserves - Merger surplus		2.102.935		2.102.935
VIII - Profit (Loss) carried forward		16.766.129		11.777.065
IX - Profit (loss) for the year		5.623.895		5.251.645
Total		92.587.912		86.964.016
(B) PROVISIONS FOR LIABILITIES AND CHARGES:				
(3) Other	49.332.459		46.828.861	
Total.		49.332.459		46.828.861
(C) PROVISION FOR EMPLOYEE SEVERANCE PAY.		3.294.702		3.060.739
(D) PAYABLES:				
(6) Advances	564.150		492.868	
(7) Trade payables	36.378.716		43.271.268	
(11) Payables to parent companies	122.988.796		155.190.092	
(11 bis) Payables to companies controlled by parent companies	9.947		284.762	
(12) Tax liabilities	5.022.024		1.049.386	
(13) Payables to social security authorities	342.560		337.916	
(14) Other payables	6.997.924		5.930.122	
Totale.		172.304.117		206.556.414
(E) ACCRUALS AND DEFERRALS		5.211.435		6.073.577
TOTAL LIABILITIES		322.730.625		349.483.607

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FINANCIAL STATEMENTS AT 31/03/2022

INCOME STATEMENT

	31/03/2022		31/3/2021	
	EURO	EURO	EURO	EURO
(A) VALUE OF PRODUCTION:				
(1) Revenue from sales and services		753.196.360		752.185.540
(5) Other revenue and income		58.099.308		66.617.644
Total value of production (A)		811.295.668		818.803.184
(B) COST OF PRODUCTION:				
(6) Raw and ancillary materials, consumables and goods		685.164.956		682.036.669
(7) Services		80.687.088		99.372.660
(8) Lease and rental costs		1.294.814		1.481.458
(9) Personnel costs:				
(a) Wages and salaries	7.156.531		6.692.086	
(b) Social security charges	2.226.122		2.210.439	
(c) Employee severance indemnity	580.394		556.186	
(e) Other costs	0		1.912.627	
Total personnel costs.		9.963.047		11.371.338
(10) Depreciation, amortisation and write-downs:				
(a) Amortisation of intangible fixed assets	1.207.204		1.601.444	
(b) Depreciation of tangible fixed assets	340.864		551.733	
(d) Write-downs of current receivables and cash and cash equivalents	40.788		119.837	
Total depreciation, amortisation and write-downs		1.588.856		2.273.014
Changes in inventories of raw and ancillary materials, consumables and goods		(8.242.111)		(11.042.661)
(12) Accruals for risks		0		0
(13) Other allowances		26.686.885		20.553.404
(14) Sundry operating expenses		5.458.375		2.442.702
Total cost of production (B)		802.601.910		808.488.584
Difference between value of production and cost of production (A-B)		8.693.758		10.314.600
(C) FINANCIAL INCOME AND CHARGES:				
Other financial income:				
(d) Income other than the above	76.521		88.886	
(17) Interest and other financial expenses	(1.327.979)		(2.877.796)	
(17-bis) Exchange-rate profit and loss	(310)		85	
Total (16-17)		(1.251.768)		(2.788.825)
PROFIT BEFORE TAX (A-B+/-C);		7.441.990		7.525.775
(20) Tax				
(a) Current income tax	(2.518.062)		(1.303.386)	
(b) Prior years tax	(13.540)		37.495	
(c) Deferred/prepaid tax	713.507		(1.008.239)	
Total income tax		(1.818.095)		(2.274.130)
(21) Profit (loss) for the year		5.623.895		5.251.645

Jaguar Land Rover Italia S.p.A. – with sole shareholder

**Registered office in Rome, Viale Alessandro Marchetti, 105 – Share capital € 65,000,000 fully paid-in
Chamber of Commerce (R.e.a.) reg. No. 944215
Fiscal code, VAT number and Rome Companies Registry reg. No 06070621005**

Notes to the Financial Statements as at 31.03.2022

Financial year

On 7 March 2016, the Company's articles of association were amended by deed executed by notary public Pierandrea Fabiani and the year-end was changed to 31 March of each year.

Layout and content of the Financial Statements

These Financial Statements, composed of the Balance Sheet, Profit and Loss Account, Notes and Cash Flow Statement, are in line with the relevant Italian Civil Code provisions and EU directives.

The Financial Statements have been drawn up pursuant to the provisions of articles 2423 ff of the Italian Civil Code as amended by Legislative Decree No 139 of 18 August 2015 implementing Directive 2013/34/EU on the annual Financial Statements and consolidated Financial Statements.

The Balance Sheet, Profit and Loss Account and Financial Statements layout is that prescribed by articles 2424, 2425 and 2425 *ter* of the Italian Civil Code.

The corresponding amount for the prior year has been reported next to each item of the Balance Sheet and Profit and Loss Account and, if necessary, has been adjusted for comparison

purposes: a mention of the relevant adjustment, or non-adjustment as the case may be, has been made in the description of each item.

Items of the Balance Sheet and Profit and Loss Account with a nil balance have not been included; their exclusion did not, however, result in changes in the numbering sequence prescribed for the statutory Balance Sheet and Profit and Loss Account layout. All figures of the Balance Sheet and Profit and Loss Account are in whole Euros.

Main valuation criteria

The valuation criteria adopted in the preparation of the Financial Statements as at 31 March 2021 are in line with those provided by article 2426 of the Italian Civil Code, having regard, where necessary, to the accounting principles issued by the Italian accounting standard setting board (*Organismo Italiano di Contabilità*, O.I.C.) or, if none are available, to the IAS-IFRS.

More generally, the valuation of Financial Statements items was made on a prudent, accrual and going concern basis.

The Company carries on business pursuant to a distribution agreement with Jaguar Land Rover Limited. Under the agreement, which involves a low business risk for Jaguar Land Rover Italia S.p.A., transfer prices are determined in such a way that the distribution company is guaranteed a profit margin as a percentage of sales revenue (Transactional Net Margin Method – TNMM). Such margin rate is established by specific comparability analyses conducted at group level based on similar transactions carried out between independent parties.

As mentioned in the prior year's Financial Statements, the manufacturer Jaguar Land Rover Limited has been applying this transfer pricing methodology to all group companies since 2012.

No exceptional events occurred in the fiscal year ended 31 March 2022 which made it necessary to adopt one of the derogations pursuant to article 2423(5) of the Italian Civil Code.

The following main valuation criteria have been adopted in the preparation of the Financial Statements:

Fixed assets

Intangible assets

They are recorded at the historical cost less the amortisation of prior years, the amortisation charge for the year and any write-downs due to permanent value impairments. Amortisation charges have been calculated on a straight-line basis having regard to the remaining useful life of the assets.

In particular, the goodwill purchased in the year 2000 has been recorded in the assets section in an amount corresponding to the price paid less amortisation and any write-downs. Goodwill amortisation is calculated on a straight-line basis having regard to its remaining useful life (based on remaining term of the distribution agreement entered into with Jaguar Land Rover Limited) expiring 31 December 2021.

As mentioned in prior years, in the Financial Statements at 31/12/2002 the Company had made a goodwill write-down to adjust the value of the asset to its potential recovery value as estimated by an expert.

Pursuant to the terms of article 12 of legislative decree 139/2015, the Company took advantage of the possibility not to apply retroactively the new goodwill amortisation method introduced by the decree.

The amortization of goodwill was completed during the fiscal year ended March 31, 2022.

The “Other intangible assets”, which consist of leasehold improvements, have been amortised on the basis of the remaining term of the relevant property lease agreement.

Tangible assets

These have been recorded at their purchase cost adjusted by the corresponding accumulated depreciation. No financial costs have been capitalised either in the year in question or in prior years. The depreciation charges recorded in the profit and loss account have been calculated having regard to the use and the economic and technical life of the assets based on their remaining useful life. This principle is deemed to be well reflected by the following rates, and have been halved in the year in which the asset entered operation:

Breakdown	
Electronic office machines	20%
Non automatic generic installations	10%
Sundry small tools	25%
Furniture and office furniture	12%
Industrial and commercial equipment	10%

Assets of a minor amount (less than Euro 516) have been wholly depreciated in the year.

Financial fixed assets

Shareholdings “in other undertakings” have been measured at the subscription or purchase price.

Accounts receivable

Accounts receivable have been recorded at the amortised cost, having regard to time discounting and to their presumed realisable value. The nominal value of the accounts receivable was adjusted, whenever necessary, to their presumed realisable value by a write-down.

Cash-in-hand and cash-at-bank

Cash-in-hand and cash-at-bank has been measured at the nominal value.

Accounts payable

They have been recorded using the amortised cost method, taking into account time discounting.

Accrued income/liabilities and prepayments/deferred income

Accrued income and prepayments consist of income accrued in the year which will be received in future years and costs incurred before the year-end which will accrue in subsequent years; accrued liabilities and deferred income include costs accrued in the year which however will be paid in future years, and income received before the year-end but accruing in subsequent years.

A detail of prepayments is provided in the relevant section of these Notes.

Inventory

Inventory has been recorded at the lower of purchase cost and realisable value as inferred from market trend at the year-end adjusted by any write-downs. The year-end inventory valuation methods adopted were the specific cost method for cars and the weighted average cost method for spare parts.

The book value of the inventory does not significantly depart from its current costs value at the year-end.

Provisions for contingent liabilities and charges

These provisions are set aside for the coverage of losses or liabilities that are certain or likely to arise, but whose amount and date of occurrence could not be determined at the year-end.

The provisions have been measured on a prudent and accruals basis and the relevant accruals have been determined at the best possible estimate based on the available information.

Severance indemnity provision

This item includes the amounts actually accrued for the employees' leaving indemnity pursuant to article 2120 of the Italian Civil Code, in accordance with the law and the current collective labour agreements, taking into account all forms of continuous remuneration and it is referred to all Company's employees.

Income taxes

Current income taxes are determined on the basis of a prudent interpretation of the tax rules in force.

Deferred tax assets and liabilities are calculated based on a reasonable certainty that future taxable amounts may be offset against any temporary differences between the statutory value and the tax basis of an asset or liability. The impact on the result of operations of this method of recognition is stated in the description of the relevant item of the P&L Account.

Financial risks management policies

The Company aims at managing and containing its financial risks by relying both on the directors' prudent evaluations and on specific risks management processes put in place as part of corporate procedures, as well as through special-purpose centralized group functions.

The Company's financial risks are as follows:

- Liquidity risk: this risk is mainly related to the Company's current financial requirements to carry out its selling activities. This risk is managed by implementing financial plans

which estimate future cash flows. In this respect, it's worth considering the Deposit Agreement with Jaguar Land Rover group companies.

- Risk of cash flow changes: this is mainly in connection with the Deposit Agreement, under which interest accrues at variable market rates.
- Credit risk: the risk of the counterparty's insolvency is limited to accounts receivable from the public authorities which account for a small percentage of the Company's total receivables. Instead, car sales to dealers and to car rental companies are only subject to a minor credit risk since the relevant accounts receivable are sold on a without-recourse basis to the factoring companies FCA Bank S.p.A., SG Factoring S.p.A. and Ifitalia S.p.A. Accounts receivables from the sale of spare parts are sold to Ifitalia S.p.A. The credit management function estimates the recoverability of accounts receivable and calculates the relevant bad debt provision to be recorded in the financial statements. As at 31 March 2022, the bad debt provision amounted to approx. 1.4 million Euro.

Translation of items in foreign currency

Accounts receivable and payable originally denominated in foreign currency are recorded at the spot exchange rates ruling at the year-end; any translation gains or losses are recognised in the profit and loss account and any net gain is set aside to a reserve which is non-distributable until the gain is realized.

Any non-monetary items in foreign currency are recorded at the exchange rate at the time of purchase.

Guarantees, engagements, leases and risks

Any risks in connection with personal guarantees or collaterals for third-party debts have been recognised in these Notes at an amount corresponding to the value of the guarantee; the amount

of the guaranteed third-party debt at the reporting date is mentioned in these Notes if lower than the value of the underlying guarantee.

Engagements are recognised at their nominal value as inferred from the relevant documentation.

Given the high probability of customers exercising the buyback option, i.e. the choice for the customer to sell back and the obligation on the Company to repurchase vehicles, relative amounts are included in the Memorandum Accounts in these Notes.

ANALYSIS OF THE MAIN FINANCIAL STATEMENTS ITEMS

Unless otherwise expressly stated, all amounts in these Notes are in Euros.

Assets

We set out below a description of and the main changes in the composition of the Company's assets.

B) Fixed assets

I. Intangible assets

At 31 March 2022 and at 31 March 2021 they amounted respectively to Euro 371,629 and Euro 1,578,834, with a net decrease of Euro 1,207,205.

The following tables show the composition of and the changes in the value of the single intangible assets:

Goodwill	Historical cost	Amortisation and write-downs	Net value
Balance at 31/03/2021	36,713,533	(35,831,296)	882,237
Additions for the year			0
Amortisation for the year write-downs		(882,237)	(882,237)
		0	0

Balance at 31/03/2022	36,713,533	(36,713,533)	0
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Item B. I. 5. “Goodwill”, whose amortisation was completed during the fiscal year ended March 31, 2022 reflects the value paid for the goodwill, less amortisation and any write-down.

Other intangibles	Historical cost	Amortisation	Net value
Balance at 31/03/2021	2,997,071	(2,300,474)	696,597
Additions for the year			0
Amortisation for the year		(324,968)	(324,968)
Sales and disposals			0
Reclassifications			0
Balance at 31/03/22	2,997,071	(2,625,442)	371,629

Item B. I. 7. “Other intangible assets” as to Euro 371,629, consists of the costs incurred for improvements to the head offices, the Training Academy and the spare parts warehouse which are currently held by lease.

The above intangibles did not undergo any write-downs or write-ups either in the current year or in prior years, with the exception of goodwill, which in prior years was written down by Euro 2,141,924.

II. Tangible assets

At 31 March 2022 and at 31 March 2021 they amounted respectively to Euro 340,438 and Euro 681,302, with a net Euro 340,864 decrease.

The following tables show the composition of and the changes in the value of the single tangible assets:

Generic installations	Historical cost	Amortisation	Net value
Balance at 31/03/2021	355,636	(195,471)	160,165
Additions for the year			0
Depreciation for the year		(22,368)	(22,368)
Sales and disposals			0

Reclassifications			0
Balance at 31/03/2022	355,636	(217,839)	137,797

Industrial and commercial equipment	Historical cost	Amortisation	Net value
Balance at 31/03/2021	2,482,659	(2,275,154)	207,505
Additions for the year			0
Depreciation for the year		(190,328)	(190,328)
Sales and disposals			0
Reclassifications			0
Balance at 31/03/2022	2,482,659	(2,465,482)	17,177

Other assets (furniture, office machines, computers)	Historical cost	Amortisation	Net value
Balance at 31/03/2021	1,583,914	(1,270,283)	313,632
Additions for the year			0
Depreciation for the year		(128,167)	(128,167)
Sales and disposals	(0)		(0)
Reclassifications			(0)
Balance at 31/03/2022	1,583,914	(1,398,450)	185,464

Assets of a unit value lower than 516 Euro

Assets of a unit value lower than 516 Euro have been wholly depreciated in the year in which they were purchased and entered into use. They have in any case been included by category in the above summary tables.

The above tangible assets did not undergo any write-downs or write-ups either in the current year or in prior years.

III. Financial fixed assets

Shareholdings

Description	Value at 31/03/2021	Increases for the year	Decreases for the year	Write-downs for the year	Value at 31/03/2022
Other	130	0	0	0	130

Item B. III. 1 d. “Shareholdings in other undertakings”, in an amount of 130 Euro, is in connection with the purchase of the shareholding in CO.NA.I (the Italian National Packaging Consortium).

C) Current assets

I. Inventory

At 31 March 2022 inventory amounted to Euro 117,505,844, compared to Euro 109,263,732 at 31 March 2021, with a net increase of Euro 8,242,112. The composition of and changes in the inventory recorded under item C. I. 4. “Goods” can be summarised as follows:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
a) Cars	82,392,893	83,798,702	1,405,809
b) Other cars	10,691,796	11,054,034	362,238
c) Spare parts	19,935,313	25,309,516	5,374,203
Write-downs	(3,756,270)	(2,656,409)	1,099,861
Total inventory	109,263,732	117,505,844	8,242,112

The item a) “Cars” consists of the stock of new vehicles whereas item b) “Other cars”, consists of cars which, although meant for sale, are used by the Company for a short period of time. Item c) consists of the inventory of spare parts and accessories.

During the year, the inventory write-down – recorded in the Financial Statements to reduce the value of inventory and amounting to Euro 2,656,409 at 31/03/2022 – underwent the following changes during the year:

Description	Value at 31/03/2021	Decreases	Increases	Value at 31/03/2022
a) Cars	0			0
b) Other cars	1,294,330	-838,694		455,637
c) Spare parts	2,461,940	-261,168		2,200,772

Total inventory	3,756,270	-1,099,861	0	2,656,409

II. Accounts receivable

Accounts receivable from customers

Item C. II. 1 consists of the trade accounts receivable to customers and the other group companies recorded in the Financial Statements at 31 March 2022 in an amount of Euro 3,933,664, with a net year-on-year increase of Euro 3,661,383 as compared to previous year, mainly as a result of the sale of cars and spare parts near year end.

We set out below a detailed analysis of the changes in this item:

Description	Value at 31/03/2020	Value at 31/03/2021	Difference
Accounts receivable from customers from sale of cars, spare parts and other products	1,761,499	5,342,652	3,581,153
Write-down	(1,489,217)	(1,408,988)	80,229
Balance	272,282	3,933,664	3,661,383

All accounts receivable from customers fall due within one year.

The nominal value of the accounts receivable was adjusted to their presumed realisable value by a bad debt provision which during the year underwent the following changes:

Description	Value at 31/03/2021	Decreases for the year	Increases for the year	Value at 31/03/2022
Write-down of accounts receivable	1,489,217	80,229	0	1,408,988
Total write-down	1,489,217	80,229	0	1,408,988

Accounts receivable from companies under control by the controlling companies

Item C. II 5, of which balance at 31.03.2022 was Euro 4,075,000 (Euro 1,657,424 at 31.03.2021) consists of the account receivable from Jaguar Land Rover Austria GmbH, Jaguar Land Rover France and Jaguar Land Rover Deutschland GmbH for the sale of spare parts.

Tax credits

Item C. II. 5 Bis consists of the tax credit of Euro 2,761,981 as at 31 March 2022 and underwent the changes as shown in the following table:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Eco-bonuses accrued	0	1,205,893	1,205,893
Income tax credit	3,146,116	1,556,088	(1,590,028)
Balance	3,146,116	2,761,981	(384,135)

The balance as at 31.03.2022 wholly refers to the *IRES* and *IRAP* tax credits arising as a result of the advance payments for the year and of the eco-bonuses accrued on the sale of low-emission cars.

Deferred tax assets

Item C. II. 5-ter shows the value of deferred tax assets, less deferred tax liabilities, which amounts to Euro 15,212,902. The item can be broken down as follows:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
IRES	12,288,747	12,817,405	528,659
IRAP	2,210,648	2,395,497	184,848
Balance	14,499,395	15,212,902	713,507

The following table provides a description of the temporary differences for *IRES* and *IRAP* which resulted in the separate posting of the relevant deferred tax assets and liabilities compared to the prior year. For a description of the amounts credited or charged to the P&L account, reference should be made to the comments to item 20 of the Profit and Loss Account.

The *IRAP* rate adopted to determine the future tax effect is 4.82%, namely the rate currently in force, whereas the *IRES* rate used to this effect is 24%.

Description	31/03/2022				31/03/2021			
	Temporary differences + deductible	Deferred taxes + def. Tax assets (-) def. Tax liabilities			Temporary differences + deductible	Deferred taxes + def. Tax assets (-) def. Tax liabilities		
	(-) taxable difference	Ires	Irap	Totale	(-) taxable difference	Ires	Irap	Totale
Tax rate								
<u>Deferred tax assets</u>								
Write-down of fixed assets IRES	0	0		0	2.141.924	514.062		514.062
Write-down of fixed assets IRAP	984.520		47.454	47.454	2.141.924		103.241	103.241
Provision for contingent liabilities and charges IRES	49.332.459	11.839.790		11.839.790	46.828.861	11.238.927		11.238.927
Provision for contingent liabilities and charges IRAP	48.714.584		2.348.043	2.348.043	43.722.149		2.107.408	2.107.408
Write-down of inventory IRES	2.656.409	637.538		637.538	3.756.270	901.505		901.505
Write-down of accounts receivable	1.408.988	338.157		338.157	1.489.217	357.412		357.412
Other costs with deferred IRES deductability	8.000	1.920		1.920	11.000	2.640		2.640
Total deferred taxes		12.817.405	2.395.497	15.212.902		13.014.545	2.210.648	15.225.194
<u>Deferred tax liabilities</u>								
Additional goodwill 14mortization for IRES	0	0		0	(3.024.161)	(725.799)		(725.799)
Total deferred tax liabilities		0	0	0		(725.799)	0	(725.799)
Total		12.817.405	2.395.497	15.212.902		12.288.747	2.210.648	14.499.395

Impact on the P&L account	2021/22	2020/21
Deferred tax assets at the beginning of the year (B)	15,225,194	16,515,748
Deferred tax assets at the end of the year (A)	15,212,902	15,225,194
Impact on the P&L account (A – B)	(12,292)	(1,290,554)
Deferred taxes at the beginning of the year (B)	(725,799)	(1,008,114)
Deferred taxes at the end of the year (A)	0	(725,799)
Impact on the P&L account (A – B)	725,799	282,315

Total impact on the P&L account	713,507	1,008,239
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The € 15,212,902 deferred tax assets were recognised on the assumption that the medium term business forecasts – supported by the distribution agreement (based on the TNMM) which ensures the Company’s steady profitability – give reasonable certainty that in future years the Company’s taxable income will not be lower than the temporary differences that will be reversed.

Accounts receivable from others

Item C. II. 5 Quater decreased from Euro 162,120 at 31 March 2021 to Euro 222,534 at 31 March 2022, with a year-on-year increase of Euro 60,414, as detailed below:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Accounts receivable from personnel	141,853	152,784	10,931
Accounts receivable from others	20,267	69,750	49,483
Balance	162,120	222,534	60,414

Accounts receivable from controlling companies

This item includes the account receivable from Jaguar Land Rover Limited in connection with the *Deposit agreement*, remunerated at market rates, whose balance as at 31 March 2022 was Euro 167,269,094 (Euro 202,810,322 at the prior year-end), and the account receivable in connection with the recharge of warranty repair costs.

The decrease is mainly due to the transfer to Jaguar Land Rover Limited of cash flows in connection with the ordinary sale activity.

IV. Cash-in-hand and cash-at-bank

The balance of item C. IV. consists of the cash-at-bank, cash-in-hand and cash equivalents at the year-end, as shown below:

Description	Value at 31.03.2021	Value at 31.03.2022	Difference
Bank and P.O. accounts	10,502,790	10,856,081	353,291
Cash-in-hand and cash equivalents	0	0	0
Total	10,502,790	10,856,081	353,291

D) Accrued income and prepayments

This item consists of the portion of costs and income pertaining to more than one accounting period accruing before or after the relevant collection/payment and/or billing. At 31 March 2021 there were no accrued income and prepayments of a duration exceeding five years. The item can be broken down as follows:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Excise duty and prepaid insurance premium	212,116	181,328	(30,788)
Real estate deferred income receivable	0	0	0
Total	212,116	181,328	(30,788)

Liabilities

We set out below the composition of and the main changes in the liabilities:

A) Shareholders' equity

The following table summarises the changes in the items of shareholders' equity in FYs 2019/2020, 2020/2021 and 2021/2022:

Description	Value at 31/03/2020	Increases (Decreases)	Decreases Allocations	Value at 31/03/2021	Increases (Decreases)	Decreases Allocations	Value at 31/03/2022
Share capital	65.000.000			65.000.000			65.000.000
Legal reserve	2.436.847	395.524		2.832.371		262.582	3.094.953
Share exchange surplus	2.102.935			2.102.935			2.102.935
Retained earnings	4.262.104	7.514.961		11.777.065		4.989.064	16.766.129
Profit (loss) for the year	7.910.487	(7.910.487)	5.251.645	5.251.645	(5.251.645)	5.623.895	5.623.895
Total shareholders' equity	81.712.373	(2)	5.251.645	86.964.016	(5.251.645)	10.875.541	92.587.912

The Share capital has been wholly paid-in and at 31 March 2022 amounted to Euro 65,000,000 divided into 65,000,000 shares each having a nominal value of 1 Euro, subscribed by the Sole Shareholder.

The Legal Reserve increased by Euro 262,582 as a result of the allocation of the relevant share of the 2020/21 profit, as resolved by the general meeting in accordance with article 2430 of the Italian Civil Code.

Retained earnings increased from Euro 11,777,065 to Euro 16,766,129 following the carry-forward of the 2020/21 profit.

The item "Other reserves – Share exchange surplus" derives from the 2011 merger and did not undergo any changes in the year.

We set out below the table containing the information required by article 2427(7-bis)(1) of the Italian Civil Code and recommended by the Italian Accounting Standard Setting Board.

Nature/Description	Amount	Possibility of use	Available amount	Summary of amounts used in the three period fiscal years	
				for loss coverage	for other reasons
Share capital	65.000.000				
Equity reserves:					
Reserve for treasury shares					
Reserve for shares or equity interests in the controlling company					
Reserve for share exchange	2.102.935	A,B	2.102.935		
Reserve from conversion of bonds					
Earnings Reserves:					
Legal Reserve	3.094.953	B	3.094.953		
Reserve for treasury shares					
Reserve from net exchange gains					

Reserve from valuation of shareholdings using the Net equity method					
Reserve from derogation pursuant to article 2423(4)					
Retained earnings	16.766.129	A,B,C	16.766.129		

Total			21.964.017		
Non-distributable amount			5.197.888		
Remaining distributable amount			16.766.129		

Legend

A: for share capital increase

B: for loss coverage

C: for distribution to the shareholders

B) Provisions for contingent liabilities and charges

Other provisions

Item B. 4. “Other Provisions for contingent liabilities and charges” amounts to Euro 49,332,459 at 31 March 2022, with a year-on-year increase of Euro 2,503,599.

These provisions are set aside for the coverage of losses, liabilities, risks and charges related to the conduct of business, that are certain or likely to arise, but whose amount and date of occurrence could not be determined at the year-end. The following table shows the composition of and changes in this item:

Description	Value at 31.03.2021	Increases for the year	Decreases/ Allocation	Value at 31.03.2022
Provision for miscellaneous contingent liabilities and charges	46,828,861	47,676,292	45,172,693	49,332,459
Total B.3	46,828,861	47,676,292	45,172,693	49,332,459

The balance of the “*Provision for miscellaneous contingent liabilities and charges*”, of Euro 49,332,459, consists of provisions for commercial costs as to Euro 46,918,012 for costs regarding the possible return of worn-core replacement parts by dealers and authorised repair shops as to Euro 1,707,178, for employee bonuses as to Euro 617,875.

Commercial costs are partly deducted directly from sales revenue as they consist of discounts and allowances granted to dealers on the cars purchased from the Company during the year and partly recorded under item B13 “Other accruals”.

C) Employees’ severance indemnity provision

The provision recorded under item C of the liabilities section of the Balance Sheet reflects the amount due by the Company to its employees on payroll as at 31 March 2022:

Description	Value at 31.03.2021	Increases for the year	Decreases for the year	Value at 31.03.2022
Employees' severance indemnity provision	3,060,739	337,586	103,624	3,294,702
Total	3,060,739	337,586	103,624	3,294,702

Pursuant to law 296/2006 and relevant implementation decrees, we inform you that 61 employees decided to keep their termination pay with the Company, whereas 31 employees opted for its allocation to the relevant pension funds.

The balance at 31.03.2022 is adequate to meet the relevant legal and collective labour agreement obligations.

Headcount information

The Company’s average headcount, broken down by category, is as follows:

Headcount	at 31/03/2021	at 31/03/2022
Managers/Executives (Dirigenti)	18	18
Employees	74	74
Total	92	92

D) Accounts payable

Accounts payable have been measured at their nominal value and can be broken down as follows by due date:

Description	Balance at 31.03.2021	Balance at 31.03.2022			Difference	
		31.03.2022	falling due within one year	falling due after more than one year		falling due after more than 5 years
D (4) Accounts payable to financial institutions	0	0	0		0	
D (6) Advances	492,868	564,150	564,150		71,282	
D (7) Accounts payable to suppliers	43,271,268	36,378,716	36,378,716		(6.892,552)	
D (11) Accounts payable to controlling companies	155,190,092	122,988,796	122,988,796		(32,201,296)	
D (11 bis) Accounts payable to undertakings under control by the controlling companies	284,762	9.947	9.947		(274,815)	
D (12) Tax liabilities	1,049,386	5,022,024	5,022,024		3,972,638	
D (13) Accounts payable to social security agencies	337,916	342,560	342,560		4,644	
D (14) Other accounts payable	5,930,122	6,997,924	6,997,924		1,067,802	
Balance	206,556,414	172,304,117	172,304,117	0	0	(34,252,297)

The "Accounts payable to suppliers", item D. 7., fall due within one year and are in connection with trade payables to third party suppliers for the purchase of goods and services.

Item D.11 "Accounts payable to controlling companies", which amounted to Euro 122,988,796 at 31 March 2022, mainly consists of the payable to Jaguar Land Rover Limited for cars and spare parts purchased but still unpaid for at 31.03.2022.

Item D.11 bis "Accounts payable to undertakings under control by controlling companies", totalling Euro 9,947 at 31.03.2022 (Euro 284,762 at 31.03.2021), is mainly in connection with the payable to Jaguar Land Rover España.

Item D. 12. "Tax liabilities" amounted to Euro 5,022,024 at 31 March 2022 and can be broken down as follows:

Description	Balance at 31/03/2022
VAT liabilities (March 2022)	4.867.609
IRES and IRAP payable	0
Withholding levied from employees and self-employed (March 2022)	154,415
Total	5,022,024

Item D. 13. consists of "Accounts payable to social security agencies" which at 31 March 2022 amounted to Euro 342,560.

Item D. 14. "Other accounts payable" amounts to Euro 6,997,924 with a net increase of Euro 1,067,802, mainly resulting from an increase in accounts payable to dealers in connection with outstanding commercial incentives. This item may be broken down as follows:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Accounts payable to employees in respect of accrued holidays and other dues	865,396	869,222	3,826
Accounts payable to dealers	5,064,520	6,128,493	1,063,974
Other accounts payable	206	209	3
Total	5,930,122	6,997,924	1,067,802

E) Accrued liabilities and deferred income

This item consists of deferred revenue from the sale of "Connected car" services, included in the sale price of car accessories, which will accrue in future years.

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Deferred income scheduled maintenance packages	1,517,123	1,554,239	37,115
Deferred revenue on "connected car" service	4,556,454	3,657,196	-899,258

Total	6,073,577	5,211,435	-862,142
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Memorandum accounts

As at 31 March 2022 memorandum accounts can be broken down as follows:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Third party guarantees issued on our behalf	7,921,506	27,548,735	19,627,229
Guarantees issued to third parties	0	0	0
Commitments for the repurchase of cars sold under the buyback clause	26,136,965	14,155,474	(11,981,490)
Total	34,058,471	41,704,209	7,645,738

Third party guarantees issued on our behalf consist of bank guarantees issued to third parties on our behalf.

Comments to and analysis of Profit and Loss Account items

In view of the itemised presentation of costs and income in the P&L Account and of the description of Balance Sheet items set out above, in this section we will deal with the main cost and revenue items; for a detailed analysis of operating costs and income, reference should be made to the Directors' report.

A) Revenue

The item Revenue from sales and services consists of revenue from the sale of cars, spare parts and other assets, and from the provision of services, as set out below.

Revenue by category of business

The following table shows a breakdown of revenue from sales and services:

Description	Value at 31/03/2021	Value at 31/03/2022	Difference
Sale of cars	644,418,382	618,115,924	-26,302,459
Sale of spare parts and accessories	107,767,158	135,080,436	27,313,279
Total	752,185,540	753,196,360	1,010,820

Revenue from sales of goods and service supplies is stated after deduction of discounts, allowances and premiums. Revenue increases from Euro 752,185,540 to Euro 753,196,360, with a net year-on-year increase of Euro 1,010,820.

The difference is mainly due to the increase in the sale of spare parts.

B) Expenditure

Costs for raw materials, subsidiary materials, consumables and goods and costs for services

Costs for raw materials, subsidiary materials and consumables increased from 682,036,669 at 31 March 2021 to Euro 685,164,956 at 31 March 2022, i.e. an increase of Euro 3,128,287.

The costs for services amount to Euro 80,687,088, with Euro 18,685,572 decrease mainly due to the costs for cars' repair under warranty and marketing.

Personnel costs

This item includes all costs for employees including performance increases, promotions, cost of living increases, untaken holidays and any accruals made in accordance with the law and the collective labour agreements, for a total amount of Euro 8,458,232.

C) Financial income and costs

Other financial income

This item refers to the interest income accrued on the Deposit agreement with Jaguar Land Rover Limited as to Euro 76,521.

Interest and other financial costs

The item “Interest and other financial costs” amounts to Euro 1,327,979, with a year-on-year decrease of Euro 1,549,817 and is in connection with the interest payable to factoring companies.

Income taxes

The taxes for the year amount to Euro 1,818,095. The following table shows the current and deferred taxes for the year:

Description	Value at 31/03/2021	Value at 31/03/2022
Current taxes		
IRES	962,640	2,037,118
IRAP	340,745	480,943
Deferred tax assets		
IRES	734,598	(528,659)
IRAP	273,642	(184,848)
Deferred tax liabilities		
IRES		
IRAP		
Taxes of prior years	(37,495)	13,540
Total income taxes	2,274,130	1,818,095

The taxes for the year, accounting for about 25% of the pre-tax result (as in the prior year), have decreased by Euro 456,035.

Deferred tax assets and liabilities are calculated on the temporary differences between statutory values and tax bases, at the tax rate in force at the time such differences are reversed. For a detailed analysis, see the table providing a breakdown of item C II 5 ter.

In order to outline in detail the effects of deferred assets, we set out below a reconciliation of the statutory profit with the notional tax liability:

Determination of the IRES taxable amount

Description	Value	Tax
Pre-tax result	7,441,990	

Notional tax liability (24%)	1,786,078
Temporary differences deductible in subsequent years	48,803,224
Temporary differences deductible from prior years	(46,589,479)
Permanent differences that will not be reversed in subsequent years	(1,167,742)
Taxable amount	8,487,993

Current IRES on the income of the year	2,037,118
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Determination of the IRAP taxable amount

Description	Value	Tax
Difference between revenue and expenditure (A-B)	8,693,758	
Costs non relevant for IRAP	35,185,905	
Total	43,879,663	
Notional tax liability (4,82%)		2,115,000
Temporary differences deductible in subsequent years	20,371,531	
Temporary differences from prior years	(43,223,385)	
Permanent differences that will not be reversed in subsequent years	(10,973,028)	
Taxable amount	10,054,781	
levied on the taxable amount attributable to <i>Regione Lazio</i>	9,652,932	465,271
levied on the taxable amount attributable to <i>Regione Emilia</i>	401,849	15,672
Current tax on the IRAP taxable amount		480,943

F) Related-party transactions

All related-party transactions carried out by Jaguar Land Rover Italia S.p.A., including intragroup transactions, are ordinary day-by-day transactions made at arm's length conditions.

There are no unusual, non-arm's length related-party transactions of a significant amount that fall outside the Company's ordinary course of business.

Other information

No Directors' fees are payable.

Pursuant to article 2427(16-bis)(1) of the Italian Civil Code, the fees payable to the Board of Statutory Auditors amount to Euro 70,000, the Auditor's fee for the annual audit of the accounts is Euro 35,000 and the fees for tax consulting services amount to Euro 218,680.

No significant events have occurred after the year-end which deserve a mention in these notes.

The parent company which prepares the consolidated Financial Statements is Tata Motors Limited, a company organized and existing under the laws of India, with registered office in Mumbai (India). The consolidated Financial Statements are available at Tata Motors Limited.

Distribution of revenue by geographical area

Geographical area	2020/21		2021/22	
	Revenue	%	Revenue	%
Northern Italy	428,745,758	57%	429,321,925	57%
Central and Southern Italy and the Isles	323,439,782	43%	323,874,435	43%
Total	752,185,540		753,196,360	

Information relating to management and coordination pursuant to art. 2497 and subsequent of the Italian Civil Code

Main financial data relating to the latest approved Financial Statements of the parent company Jaguar Land Rover Limited:

Value at 31.03.2021	Million of pounds (GBP)
Non current assets	12,631
Current assets	10,178
Total assets	22,809
Current liabilities	17,017
Non current liabilities	2,179
Total liabilities	19,196

Net assets	3,613
Revenues	16,473
Net profit (loss) in the year	-1,755

Dear Shareholder,

the Financial Statements we are submitting to you for approval show a profit of Euro 5,623,895 which we propose be carried-forward as follows:

- Euro 281,195, accounting for 5% of the profit for the year, to the legal reserve as required by article 2430 of the Italian Civil Code;
- Euro 5,342,700 to retained earnings.

Rome, 27 May 2022

For and on behalf of the Board of Directors

The Managing Director

CASH FLOW STATEMENT

Cash flow determined using the direct method

	April 2021-March 2022	April 2020-March 2021
A. Cash flow from operating activities		
Payments from customers	934.326.089	950.601.043
Other payments received	0	0
(Payments to suppliers for good and services)	(318.683.155)	(222.068.595)
(Payments to personnel)	(4.344.300)	(3.919.237)
(VAT payments)	(26.401.151)	(150.633.503)
(Other payments)	(53.620)	(331.606)
(Income taxes paid)	(7.675.666)	(7.985.141)
Interest received/ (paid)	(1.514.906)	(4.303.378)
Cash flow from operating activities (A)	575.653.292	561.359.583
<i>Tangible assets</i>		
(Tangible assets - investments)	0	0
<i>Intangible assets</i>		
(Intangible assets - Investments)	0	0
<i>Other investments activities</i>		
(Loans made to) controlling company - "Deposit agreement"	(645.800.000)	(699.270.000)
Repayment of loans made to controlling company "Deposit agreement"	70.500.000	109.000.000
Cash flow investment activities (B)	(575.300.000)	(590.270.000)
C. Cash flow from financing activities		
Cash flow from financing activities (C)	0	0
Increase (decrease) of cash-in-hand and cash-at-bank (A ± B ± C)	353.292	(28.910.417)
Cash-in-hand and cash-at-bank at 1° April	10.502.790	39.413.207
Cash-in-hand and cash-at-bank at 31st March	10.856.081	10.502.790

Differences in cash 353.292 (28.910.417)

Jaguar Land Rover Italia S.p.A.
A sole shareholder company (*Azionista Unico*)

Registered office in Rome, Viale Alessandro Marchetti, 105 – Share capital € 25,000,000 fully paid-in
Chamber of Commerce (*R.e.a.*) reg. no. 944215
Fiscal code, VAT number and Rome Companies Registry reg. No 06070621005

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2021/22

Dear Shareholders,

The financial statements as at 31 March 2022 of Jaguar Land Rover Italia S.p.A. shows a profit of Euro 5,623,895, after amortisation, depreciation and value adjustments of approx. 1.6 million Euro and after current and deferred taxes of approx. 1.8 million Euro.

The 2021/22 fiscal year recorded a clear improvement in the situation related to COVID-19 infections also as a result of the vaccination plan.

The Company has continued to adopt all necessary measures to protect the health of its employees, customers and suppliers, updating its procedures according to the development of the pandemic and the guidelines provided by the institutions.

However, pandemic-related disruptions in global supply chains have significantly impacted the automotive industry due to the low availability of semiconductors.

During the period April 2021 – March 2022, 1,367,606 vehicle registrations were made in the Italian car market, with a decrease of 8.5% compared to the same period of the prior year.

Jaguar Land Rover vehicles registrations were 152,111, with a decrease of 3.4% compared to the same period of the prior year.

In this market scenario, the Land Rover brand totalled 11,120 vehicle registrations, accounting for a 7.3% share of the SUV market.

In particular, the new Defender model launched in June 2020 achieved 11.3% market share with 1,986 registrations and the Range Rover Sport reached a total of 1,529 new registered vehicles accounting for 8.7% market share.

The Jaguar brand totalled 3,959 vehicle registrations, accounting for a 2.6% market share.

Specifically, the Jaguar E-Pace was quite a success with the public, with 2,591 registrations accounting for a 3.9% market share, whereas the Jaguar F-Type reached a total of 188 new registered vehicles accounting for a 12.7% market share.

In the period April 2021 – March 2022, Jaguar Land Rover Italia invoiced 13,043 vehicles, of which 9,693 Land Rover branded vehicles and 3,350 Jaguar branded vehicles.

As regard the composition of the main items of the profit and loss account, we set out below some financial information concerning FY 2021/2022.

The net revenue from sales and services in 2020/2021, for a total of 753 million Euro, can be broken down as follows:

- car sales amounted to 618 million Euro, of which 481 million Euro for Land Rover branded vehicles and 137 million Euro for Jaguar branded vehicles;
- sales of Land Rover and Jaguar spare parts and accessories amounted to 105 and 30 million Euro respectively.

The cost of goods sold was in line with the trend of revenue.

For information on amortisation, depreciation and value adjustments, see the exhaustive comments made in the notes to the financial statements.

The company makes use of Factoring as a financial instrument for the realization of accounts receivable from the sale of cars, spare parts and accessories through the dealer network. Accounts receivables are sold on a without-recourse basis to FCA Bank SpA and to a limited extent, principally on a without-recourse basis, to other finance companies. Therefore, the company's credit and financial risk is simply in connection with accounts receivable from direct sales to Public Authorities and to major car rental companies. For a detailed description of the company's financial risk management policies, see the Notes to the financial statements.

The company's commercial transactions are almost exclusively in euro and therefore there are no particular exchange risks.

The company is a commercial entity and therefore did not engage in R&D activities which are conducted at Group level.

As regards relationships with the direct controlling company Jaguar Land Rover Limited and the other group companies, we remind you that the company has been a Tata group company since June 2008 and that in FY 2021/22 it entered into financial and commercial relationships with several group companies.

In particular, the costs incurred in FY 2021/22 for the purchase of cars from Jaguar Land Rover Limited amounted to approx. 523 million Euro.

The purchase of spare parts from Jaguar Land Rover Limited and other group companies amounted to approx. 127 million Euro.

During FY 2021/22 the company started to distribute spare parts to Jaguar Land Rover Deutschland GmbH and Jaguar Land Rover France SAS.

The net result from financial activities was a 1.2 million Euro loss.

As regards financial relationships, the company entered into a 'Deposit Agreement' with Jaguar Land Rover Limited, as described in the Notes, which during the year generated about Euro 77,000 in financial income.

As regards commercial transactions during the year, purchases of both Jaguar and Land Rover vehicles and spare parts were mainly made from the controlling company Jaguar Land Rover Limited, thus mitigating the price risk.

The company carries on business pursuant to a distribution agreement with Jaguar Land Rover Limited.

Under the agreement, which involves a low business risk for Jaguar Land Rover Italia S.p.A., transfer prices are determined in such a way that the distribution company is guaranteed a profit margin as a percentage of sales revenue (Transactional Net Margin Method – TNMM). Such margin rate is established by specific comparability analyses conducted at group level based on similar transactions carried out between independent parties.

With regard to the main highlights and indicators for FY 2021/22, enclosures 1, 2 and 3 provide the information required by article 2428, paragraph 2 of the Italian Civil Code.

In the last part of the year, the new Range Rover was unveiled and immediately received acclaim and generated orders. The launch program will be completed in May.

The fiscal year 2022/23 opened with the presentation of the new Range Rover Sport which has already been welcomed with enthusiasm and interest in its technical and design features.

In April 2022, the Italian automotive market reached 98,675 car registrations, with a strong decrease compared to April 2021 (-32,8%). In the reference segments of Jaguar Land Rover the decrease was of 20.8% in respect of April 2021.

Jaguar Land Rover registered a 13% share in the reference segments.

Land Rover brand reached 1.306 car registrations, with a decrease of 29.3% in respect of the same month of 2021, while Jaguar brand reached 331 car registrations, with a decrease of 48.9% in respect of the same month of 2021. The reduction is entirely due to production delays caused by the continuing negative effects of the component crisis, while orders for Jaguar Land Rover Italy are in line with sales targets set for the year.

A stabilization and a gradual return to a normal situation is expected starting from the third quarter of the fiscal year.

The Company has adopted a model of organization, management and control pursuant to Legislative Decree. 08/06/2001 n. 231 and related rules, which takes into account and is constantly updated in relation to the regulatory interventions of the Legislator that impact on the Catalog of crimes 231.

We inform you that personal data are processed in accordance with the Italian Privacy Code (Decree Law No 196/2003), supplemented and amended by Legislative Decree No 51/218 following the implementation of the European Regulation No 679/2016.

For and on behalf of the Board of Directors
The Managing Director



Jaguar Land Rover Italia S.p.A.

Independent auditor's report pursuant to
article 14 of Legislative Decree n. 39

Financial Statements as at March 31, 2022

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Prot. RC073892022BD0153



Independent auditor's report pursuant to article 14 of Legislative Decree n. 39

To the Shareholder of Jaguar Land Rover Italia S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of Jaguar Land Rover Italia S.p.A. (the Company), which comprise the balance sheet as at March 31, 2022, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2022 and of the result of its operations and its cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *auditor's responsibilities for the audit of the financial statements* section of this report. We are independent of the company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The Company, as requested by the Italian Law, included in the explanatory notes the key figures from the latest financial statements of the company that exercises the management and coordination activities over it. Our opinion on Jaguar Land Rover Italia S.p.A. financial statements does not extend to such figures.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements and, within the limits of the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non 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 and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made management;
- Conclude on the appropriateness of management's use of the going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level as required by the ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10.

The directors of Jaguar Land Rover Italia S.p.A. are responsible for the preparation of the report on operations of Jaguar Land Rover Italia S.p.A. as at March 31, 2022, including its consistency with the financial statements and the compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, with the financial statements of Jaguar Land Rover Italia S.p.A. as at March 31, 2022 and on its compliance with the applicable laws and regulations, and in order to assess whether its contain material misstatements.

In our opinion, the report on operations is consistent with the financial statements of Jaguar Land Rover Italia S.p.A. as at March 31, 2022 and is compliant with applicable laws and regulations.



With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, May 27, 2022

BDO Italia S.p.A.

Signed by Alessandro Fabiano
Partner