

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

Financial Statements for the  
year ended 31 March 2023  
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.*

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## **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, 8<sup>a</sup> 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 2023, which were formally prepared by the Company's Directors at its Board Meeting held on 18th May 2023 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 2023 were approved by the sole shareholder on 14 October 2022.

## **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 4.5 and 4.6).
- Calculation of provisions for short-term commercial incentives (see Notes 4.9 and 4.10).

Although these estimates were made on the basis of the best information available at 31 March 2023, 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, 2023, those corresponding to the previous year, which were part of the financial statements for the year ended March 31, 2022 approved by the General Shareholders' Meeting held on August 2, 2022.

## **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, 2023, there have been no significant changes in accounting criteria with respect to the criteria applied in the year ended March 31, 2022.

## **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 2023.

### **3. Profit distribution**

The proposed distribution of the profit for the year ended 31 March 2023, which the Company's directors will submit for approval by the sole shareholder, is as follows:

	Euros
Distribution:	
To legal reserve	282,221.32
To voluntary reserve	2,539,991.86
<b>Total profit for the year</b>	<b>2,822,213.18</b>

The proposed distribution of the profit for the year ended 31 March 2022, which the Company's directors approved by the sole shareholder on 14 October 2021, 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>

### **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 2023, 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.

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 2023 and 2022, 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 303,484 in the year ended 31 March 2023 and EUR 180,777 in the period ended 31 March 2022 (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 80,235 in the year ended 31 March 2023 and EUR 112,409 in the period ended 31 March 2022 (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 2023 and 2023 in "Intangible Assets" in the balance sheet and the most significant information affecting this heading were as follows:

Year ended 31 March 2023

	Euros		
	Balances at 31/03/2022	Additions/ Charge for the Period	Balances at 31/03/2023
Goodwill	13,853,798	-	13,853,798
<b>Total cost</b>	<b>13,853,798</b>	<b>-</b>	<b>13,853,798</b>
Goodwill	(12,641,591)	(323,255)	(12,964,846)
<b>Total accumulated amortisation</b>	<b>(12,641,591)</b>	<b>(323,255)</b>	<b>(12,964,846)</b>
<b>Total</b>	<b>1,212,207</b>	<b>(323,255)</b>	<b>888,952</b>

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>

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 2023 and 2022 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 2023 and 2022 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 2023

	Euros		
	Balances at 31/03/2022	Additions/ Charge for the year	Balances at 31/03/2023
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	(3,984,229)	(379,985)	(4,364,213)
Tools	(140,852)	(1,275)	(142,127)
Furniture and office equipment	(167,135)	(22,126)	(189,261)
Computer hardware	(102,940)	(28,377)	(131,317)
<b>Total accumulated depreciation</b>	<b>(4,395,156)</b>	<b>(431,763)</b>	<b>(4,826,918)</b>
<b>Total, net</b>	<b>684,657</b>	<b>(431,763)</b>	<b>252,894</b>

Year ended 31 March 2022

	Euros		
	Balances at 31/03/2021	Additions/ Charge for the year	Balances at 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)	(469,705)	(3,984,228)
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>(4,395,155)</b>
<b>Total, net</b>	<b>1,212,582</b>	<b>(527,924)</b>	<b>684,657</b>

The detail of the fully depreciated items of property, plant and equipment still in use (showing cost value) at 31 March 2023 and 2022, was as follows:

	Euros	
	31/03/2023	31/03/2022
Plant	3,182,449	2,445,855
Tools	138,089	138,089
Furniture and office equipment	14,991	14,991
	<b>3,335,529</b>	<b>2,598,935</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 2023 and 2022, 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)	
	31/03/2023	31/03/2022
Within one year	1.443.114	1.375.771
Between one and five years	2,651,662	3,876,233
Between five and ten years	-	822,682
<b>Total</b>	<b>4,094,776</b>	<b>6,074,686</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			
	31.03.2023		31.03.2022	
	Non Current	Current	Non Current	Current
<b>Group</b>				
Crédits	-	74,404,264	-	60,390,183
	-	<b>74,404,264</b>	-	<b>60,390,183</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			
	31.03.2023		31.03.2022	
	Non Current	Current	Non Current	Current
<b>Long Term investments</b>				
Other finance assets	240,020	-	215,019	-
Other Investments	-		180,777	-
	<b>240,020</b>	-	<b>395,796</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 2023 and 2022 is as follows:

	Euros	
	31/03/2023	31/03/2022
New cars	15,736,977	21,327,779
Used cars	22,006,115	21,958,759
Spare parts	12,090,964	11,937,148
Other	138,495	138,494
<b>Total inventories</b>	<b>49,972,551</b>	<b>55,362,179</b>
Inventory write-downs	(1,762,368)	(4,377,269)
<b>Total, net</b>	<b>48,210,183</b>	<b>50,984,910</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 2023 were as follows:

	Euros				
	Beginning balance	Additions	Amount released	Disposals	Ending balance
Inventory write-downs	4,377,269	69,934	(2,684,835)	-	1,762,368

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	1,941,816	(787,510)	-	4,377,269

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	
	31/03/2023	31/03/2022
Group		
Trade Receivables	3,809,685	3,131,000
Not Related		
Trade Receivables	12,127,233	11,342,367
Personnel	13,171	15,181
<b>Total</b>	<b>15,950,089</b>	<b>14,488,548</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 2023 and 2022 the Company sold without recourse accounts receivable of net amounts of EUR 273,094 thousand and EUR 212,592 thousand, respectively, and the accounts receivable factored without recourse yet to be settled at the end of the reporting period amounted to EUR 1,042,431 and EUR 577,540, 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 Veiculos e Peças, Lda. (Note 20)

The changes in the provision for doubtful receivables in the periods ended 31 March 2023 and 2022 were as follows:

**Year ended 31 March 2023**

	Euros				
	Beginning balance	Additions due to merger	Reversals	Amounts used	Ending balance
Provision for doubtful receivables	610,489	394,526	(96,268)	-	908,747

**Year ended 31 March 2022**

	Euros				
	Beginning balance	Additions due to merger	Reversals	Amounts used	Ending balance
Provision for doubtful receivables	576,498	48,321	(14,330)	-	610,489

## **12. Equity**

### **12.1. Share capital**

At 31 March 2023 and 2022, 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 2022 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, 2023, 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 2023, the balance of the legal reserve has not reached the minimum legally required.

### **12.3. Voluntary reserves**

As of March 31, 2023 and 2022, voluntary reserves are available except for the value pending amortization of goodwill amounting to 888,952 and 1,212,207 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 2023 and 2022 is as follows (in euros):

	31/03/2023	31/03/2022
Present value of the benefit	146,424	388,724
Fair value of the plan assets	157,060	(569,501)
<b>Long-term provisions - Provisions for long-term employee benefit obligations</b>	<b>303,484</b>	<b>(180,777)</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 2023 and 2022, were as follows:

Actuarial Assumptions	31/03/2023	31/03/2022
Discount rate	4.1%	2.2%
Increase in CPI	2.4%	2%
Annual social security increase rate	2.4%	2%
Annual salary increase rate	2.65%	2.25%
Retirement age	65 years	65 years

At 31 March 2023, the Company had recognised a provision totalling EUR 303.484 (EUR 180,777 at 31 March 2022) 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 192,635 euros (359,614 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, 2023.

The movement of the provision for "Other liabilities" produced during the years ended March 31, 2023 and 2022 is as follows:

Year ended on March 31, 2023

	Euros			
	Opening Balance	Purchases	Reversion	Closing Balance
Long term Provisions	196,507	244,257	-	440,764

Year ended on March 31, 2022

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

## 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 2023 and 2021 being as follows:

	Euros	
	31/03/2023	31/03/2022
Marketing and advertising provision (*)	1,475,979	1,361,031
Provision for incentives (Note 4.9)	6,239,045	7,991,921
Volume discount provision (Note 4.9)	9,125,171	7,895,211
<b>Total</b>	<b>16,840,195</b>	<b>17,248,163</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 Balance	Purchases	Application	Reversion	Closing Balance
Restructuring provision	2,510,476	-	1,846,892	-663,584	-

## **16. Other financial liabilities**

### Debts

	Euros			
	31/03/2023		31/03/2022	
	Non Current	Current	Non Current	Current
<b>Deudas</b>				
Otros pasivos financieros	-	14,633,742	-	14,715,733
<b>Total</b>	-	<b>14,633,742</b>	-	<b>14,715,733</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 2023 and 2022 there is registered a liability amounting to 14,633,742 euros and 14,715,733 euros, which is equivalent to the repurchasement value of 285 and 331 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	
	31/03/2023	31/03/2022
	Current	Corriente
<b>Group</b>		
Proveedores	35,808,110	26,411,250
<b>No Grupo</b>		
Suppliers	7,359,364	7,669,619
Vendors	272,862	702,244
Personnel	395,865	469,427
<b>Total</b>	<b>43,836,201</b>	<b>35,252,540</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.

	31/03/2023	31/03/2022
	Days	
Average period of payment to suppliers	27.70	36.23
Ratio of transactions settled	26.05	35.51
Ratio of transactions not yet settled	42.67	38.93

	Euros	
Total payments made	268,236,491	225,369,877
Total payments outstanding	29,528,760	60,452,508

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 2023 and 2022 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.

The information on invoices paid in a period less than the maximum established in the delinquency regulations is as follows:

	31/03/2023
Monetary volume paid in euros (euros)	254,972,400
Percentage of total monetary payments to suppliers	95%
Number of invoices paid	9002C593
Percentage of the total number of invoices paid to suppliers	83%

## **18. Tax matters**

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

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

	Euros	
	31/03/2023	31/03/2022
Current income tax assets	2,407,706	3,160,254
<b>Current income tax assets</b>	<b>2,407,706</b>	<b>3,160,254</b>
Accrued social security taxes payable	(170,203)	(116,679)
Personnel income tax payable	(161,001)	(124,445)
VAT payable	(6,783,326)	(7,578,831)
<b>Other accounts payable to tax authorities</b>	<b>(7,114,530)</b>	<b>(7,819,955)</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 2023 for income tax purposes is as follows:

	Euros		
	Increase	Decrease	Total
<b>Accounting profit before tax</b>			<b>3,841,790</b>
Permanent differences – Non-deductible expenses	244,729	-	244,729
Timing differences – Reversal of the limitation on deduction of depreciation and amortisation	-	(18,839)	(18,839)
Provisions	16,840,195	(17,256,125)	(415,930)
Goodwill			-
<b>Taxable amount</b>			<b>3,651,750</b>

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 – Non-deductible expenses	233,388	-	233,388
Timing differences – Reversal of the limitation on deduction of depreciation and amortisation	-	(18,839)	(18,839)
Provisions	17,256,125	(19,683,090)	(2,426,965)
<b>Taxable amount</b>			<b>308,077</b>

The increase in temporary differences due to provisions corresponds to the amount recorded as of March 31, 2023 and 2022, 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 2022 and 2021.

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

The reconciliation of the accounting profit to the income tax expense at 31 March 2023 and the period ended 31 March 2022, is as follows:

	Euros	
	31/03/2023	31/03/2022
Accounting profit before tax	3,841,790	2,520,493
Permanent differences	244,729	233,388
<b>Adjusted accounting profit</b>	<b>4,086,519</b>	<b>2,753,881</b>
<b>Tax charge at 25%</b>	<b>1,021,630</b>	<b>688,470</b>
Adjustment Previous Years	(2,053)	(112,900)
<b>Total income tax expense recognised in the income statement</b>	<b>1,019,577</b>	<b>575,570</b>

#### 18.4. Breakdown of income tax expense

The breakdown of the income tax expense at 31 March 2023 and 2022 is as follows (in euros):

	31/03/2023	31/03/2022
Current tax	912,938	77,019
Deferred tax	108,692	611,451
Adjustment of previous years	(2,053)	(112,900)
<b>Total income tax expense</b>	<b>1,019,577</b>	<b>575,570</b>

#### 18.5. Deferred tax assets and liabilities

The detail of this account for the periods ended 31 March 2023 and 2022 is as follows (in euros):

	31/03/2023	31/03/2022
Provision for stock	1,005,084	1,476,964
Other provisions	3,206,955	2,841,714
<b>Total deferred tax assets</b>	<b>4,212,039</b>	<b>4,318,678</b>

The deferred tax assets recognised at 31 March 2023 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, 2023, the Company has the last four years open for inspection, five in the case of Corporation Tax, for all applicable taxes.

On March 17, 2022, the Company was notified of the initiation of actions and verification for the concepts of Import Duties for the period 2021/2022 and Value Added Tax on imports, of a partial nature, for the period 2021/2022. In relation to these procedures, on March 13, 2023, acts of conformity have been signed regarding the Import Value Added Tax and the Foreign Tariff to the Community without deriving economic consequences for the Company.

On April 11, 2022, the Company was notified of the initiation of verification and investigation actions for the concepts of Corporate Tax for the period 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. In relation to these procedures, the different information required by the Tax Administration in the different proceedings has been provided, continuing in process as of the date of formulation of these annual accounts.

The Directors of the Company consider that the liquidations of the aforementioned taxes have been carried out adequately, therefore, even in the event of discrepancies in the interpretation of current regulations due to the tax treatment granted to the operations, the eventual resulting liabilities, in the event if materialized, they would not significantly affect the accompanying 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 2023 and the period ended 31 March 2022 is as follows:

	Euros	
	31/03/2023	31/03/2022
Vehicles	243,814,114	181,499,953
Spare parts	73,315,491	69,971,407
<b>Total</b>	<b>317,129,605</b>	<b>251,471,360</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.

### **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 2023 and 2022 is as follows:

	Euros	
	31/03/2023	31/03/2022
<b>Cost of goods held for resale used:</b>		
Purchases	285,562,424	225,869,095
Changes in inventories (Note 10)	5,389,628	(1,640,238)
<b>Total</b>	<b>290,952,052</b>	<b>224,228,857</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 2023 and 2022 is as follows (in euros):

	31/03/2023	31/03/2022
Wages, salaries and similar expenses	3,555,468	3,849,632
Employee Benefit Costs	1,820,453	1,542,427
<b>Total</b>	<b>5,375,921</b>	<b>5,392,059</b>

The detail of “Employee Benefit Costs” at the year ended 31 March 2023 and 2022 is as follows:

	Euros	
	31/03/2023	31/03/2022
Social security costs	1,383,842	1,107,853
Life insurance	102,590	102,155
Pension plans (defined contribution) (Note 4.13)	80,235	112,409
Other employee benefit costs	253,786	220,010
<b>Total</b>	<b>1,820,453</b>	<b>1,542,427</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 2023 and 2022, by category, was as follows:

Professional category	Permanent staff	
	31/03/2023	31/03/2022
Directors	5	5
Management	22	20
Other	74	53
<b>Total</b>	<b>101</b>	<b>78</b>

Also, the headcount at the end of 31 March 2023 and 20212 by category and gender, was as follows:

	31/03/2023			31/03/2022		
	Men	Women	Total	Men	Women	Total
Directors	4	1	5	4	1	5
Management	13	9	22	12	8	20
Other	49	25	74	34	19	53
<b>Total</b>	<b>66</b>	<b>35</b>	<b>101</b>	<b>50</b>	<b>28</b>	<b>78</b>

In the year ended 31 March 2023 and 2022 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 2023 and 2022 is as follows (in euros):

	31/03/2023	31/03/2022
Rent and royalties (Note 7)	1,536,408	1,448,135
Repairs and maintenance	4,057,418	4,200,640
Independent professional services	1,403,725	1,667,554
Transport expenses	1,925,049	1,477,953
Insurance premiums	45,302	39,530
Banking and similar services	17,100	23,077
Advertising, publicity and public relations	9,206,689	8,648,493
Utilities	46,320	59,306
Other operating expenses	794,903	574,346
Taxes other than income tax	55,242	57,719
<b>Total</b>	<b>19,088,156</b>	<b>18,196,753</b>

In periods ended 31 March 2023 and 2022 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	31/03/2023	31/03/2022
Audit Fees	45,000	41,000
<b>Total</b>	<b>45,000</b>	<b>41,000</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, 2023 and the year ended March 31, 2022 is as follows:

Description	31/03/2023	31/03/2022
Accessory incomes	984,564	173,461
<b>Total</b>	<b>984,564</b>	<b>173,461</b>

#### 19.6. Financial income and costs

Finance income included EUR 668,678 and EUR 23,880 for the year ended 31 March 2023 and 2022, 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 9 and 20.1).

The financial expenses amounting to 41,767 and 33,772 euros for the years ended on March 31, 2023 and 2022, respectively, correspond to the expenses originated by the interest of the long-term remuneration of defined benefits (see Note 13).

#### 19.7. Other results

The heading "Other results" basically includes the costs of restructuring the dealer network.

### **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 2023 is as follows (in euros):

	Jaguar Land Rover Ltd	Jaguar Land Rover Germany	Jaguar Land Rover Austria	Jaguar Land Rover Portugal Veiculos e Peças, Lda.	Jaguar Land Rover France	Jaguar Land Rover Italy	Jaguar Land Rover Belux	Jaguar Land Rover Netherland	Total
Purchases	(280,259,809)	-	-	-	(81,739)	(113,399)	-	-	(280,454,947)
Other operating expenses	(1,641,182)	-	-	-	-	-	(25,598)	-	(1,666,780)
Guarantees	15,606,415	-	-	-	-	-	-	-	15,606,415
Sales	210,400	-	-	10,225,776	6,905,756	64,115	-	-	17,406,047
Services Redenred	1,266,365	628,345	60,330	1,786,825	142,386	201,011	107,114	60,252	4,252,628
Interest Income	668,678	-	-	-	-	-	-	-	668,678
<b>Total</b>	<b>(264,149,133)</b>	<b>628,345</b>	<b>60,330</b>	<b>12,012,601</b>	<b>6,966,403</b>	<b>151,727</b>	<b>81,516</b>	<b>60,252</b>	<b>(244,187,959)</b>
Customers	343,298	-	-	2,648,726	607,900	209,761	-	-	3,809,685
Suppliers	(35,762,190)	-	-	-	(5,987)	(14,335)	(25,598)	-	(35,808,110)
<b>Total group</b>	<b>(35,418,892)</b>	<b>-</b>	<b>-</b>	<b>2,648,726</b>	<b>601,913</b>	<b>195,426</b>	<b>(25,598)</b>	<b>-</b>	<b>(31,998,425)</b>
<b>Loans to Group companiers</b>	<b>74,404,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,404,264</b>

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 France	Jaguar Land Rover Italy	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	-	3,131,000
Suppliers	(26,395,393)	-	-	-	(4,885)	(3,472)	(7,500)	(26,411,250)
<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>
<b>Loans to Group companiers</b>	<b>60,390,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,390,183</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,

- d) 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,
- e) 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,
- f) 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 2023, 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	
	31/03/2023	31/03/2022
Company's directors	445,982	395,672
Senior executives	426,970	422,621

The remuneration received by the members of the Board of Directors and Senior Management during the year ended March 31, 2023 and 2022 for pension plans amount to 57,636 and 45,841 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 2022, the guarantees provided by Jaguar Land Rover, S,L, to various entities in order to secure normal commercial transactions amounted to EUR 1,468,874 .

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

From the end of the financial year to the date of preparation of the accounts, no significant event has occurred.

**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 29, 2023 . These Financial Statements and Management Report corresponding to the year ended 31 March 2023 are being spread on 3 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