

**ANNUAL REPORT
FOR THE YEAR ENDING ON 31 MARCH 2024**

Gyöngyöshalász, June 26, 2024



Vijesh Kadamath Mohanan
Managing Director

ASSETS	31/03/2023	31/03/2024
A. INVESTED ASSETS	143 936	139 763
<i>I. Intangible assets</i>	8 747	8 855
1. Capitalised value of reorganisation	0	0
2. Capitalised R&D	7 053	7 367
3. Intellectual properties and rights	1 694	1 488
4. Softwares	0	0
5. Goodwill	0	0
6. Advance payment to intangibles	0	0
7. Revaluation of intangibles	0	0
<i>II. Tangible assets</i>	135 189	130 908
1. Land and buildings	46 119	45 302
2. Technological equipments	82 309	79 057
3. Other equipments	4 513	4 144
4. Animals	0	0
5. Fixed assets under construction (CWIP)	2 191	2 262
6. Advance payments to CWIP	57	143
7. Revaluation of Tangibles	0	0
<i>III. Long-term financial assets</i>	0	0
1. Permanent holdings in affiliated parties	0	0
2. Long-term loans given to affiliated parties	0	0
3. Long-term, significant holdings	0	0
4. Long-term loans given to companies with significant holdings	0	0
5. Other permanent holdings	0	0
6. Long-term loans given to companies in other holding relationships	0	0
7. Other long-term loans	0	0
8. Securities representing long-term lending	0	0
9. Value adjustment of financial investments	0	0
B. CURRENT ASSETS	30 713	25 347
<i>I. Stocks</i>	18 558	16 882
1. Raw materials and packagings	6 538	6 822
2. Semi-finished production	2 543	1 927
3. Living stocks	0	0
4. Finished products	9 229	7 890
5. Commercial goods	248	243
6. Advances to stock	0	0
<i>II. Receivables</i>	10 821	7 700
1. Trade debtors	140	6
2. Receivables from affiliated parties	10 057	7 334
3. Receivables from companies with significant holdings	0	0
4. Receivables from companies in other shareholding relationships	0	0
5. Bills receivables	0	0
6. Other receivables	624	360
<i>III. Securities</i>	0	0
1. Shares and participations of affiliated parties	0	0
2. Significant holdings	0	0
3. Other participations	0	0
4. Own shares, participation	0	0
5. Securities for sale representing credit relationship	0	0
<i>IV. Liquid assets</i>	1 334	765
1. Cash, checks	0	0
2. Bank deposits	1 334	765
C. PREPAYMENT AND ACCRUED ASSETS	54	158
1. Accrued income	0	0
2. Accrued costs and expenses	54	158
3. Deferred expenses	0	0
TOTAL ASSETS	174 703	165 268

Gyöngyöshalász, June 26, 2024


Vijesh Kadamath Mohanan
Managing Director

Apollo Tyres (Hungary) Kft.
Balance sheet version "A" as at 31 March 2024
balances in million HUF



LIABILITIES	31/03/2023	31/03/2024
D. SHAREHOLDER'S EQUITY	145 926	137 932
I. Subscribed capital	103	103
of which: repurchased ownership shares at face value	0	0
II. Subscribed but unpaid capital (-)	0	0
III. Capital reserve	112 204	112 204
IV. Retained earnings	19 726	11 254
V. Tied-up reserve	7 053	7 367
VI. Valuation reserve	0	0
VII. Profit/Loss after tax	6 840	7 004
E. PROVISIONS	190	215
1. Provisions for expected losses	190	215
2. Provisions for future and contingent liabilities	0	0
3. Other provisions	0	0
F. LIABILITIES	14 792	13 920
<i>I. Subordinated liabilities</i>	<i>0</i>	<i>0</i>
1. Subordinated liabilities to affiliated parties	0	0
2. Subordinated liabilities to companies with significant holdings	0	0
3. Subordinated liabilities to companies with a share-ownership relationship	0	0
4. Subordinated liabilities to other business organizations	0	0
<i>II. Long-term liabilities</i>	<i>0</i>	<i>0</i>
1. Long-term loans	0	0
2. Convertible bonds	0	0
3. Debts on the issuance of bonds	0	0
4. Investment and development credits	0	0
5. Other long-term loans	0	0
6. Long-term liabilities to affiliated parties	0	0
7. Long-term liabilities to companies with significant holdings	0	0
8. Long-term liabilities to companies with another share-ownership relationship	0	0
9. Other long-term liabilities	0	0
<i>III. Short-term liabilities</i>	<i>14 792</i>	<i>13 920</i>
1. Short-term loans	0	0
of which: convertible bonds	0	0
2. Short-term credits	0	0
3. Advances received from customers	0	0
4. Trade creditors	9 526	9 745
5. Bills payable	0	0
6. Short-term liabilities to affiliated parties	2 984	2 173
7. Short-term liabilities to companies with significant holdings	0	0
8. Short-term liabilities to companies with another share-ownership relationship	0	0
9. Other short-term liabilities	2 282	2 002
G. ACCRUED EXPENSES AND DEFERRED INCOME	13 795	13 201
1. Accrued income	0	0
2. Accrued costs and expenses	1 110	1 303
3. Deferred income	12 685	11 898
TOTAL EQUITY AND LIABILITIES	174 703	165 268

Gyöngyöshalász, June 26, 2024


Vijesh Kadamath Mohanan
Managing Director

Apollo Tyres (Hungary) Kft.
Profit and Loss statement by total cost method for the year ending 31 March 2024
balances in million HUF



	<u>31/03/2023</u>	<u>31/03/2024</u>
1. Net domestic sales	161	4 822
2. Net external sales	111 814	97 699
I. Net sales revenue	111 975	102 521
3. Change in stocks of finished goods and in work in progress	3 169	- 2 744
4. Own work capitalized	43	0
II. Work performed by the company for its own purposes and capitalized	3 212	- 2 744
III. Other operating income	1 009	1 640
of this: impairment loss reversed	0	0
5. Raw materials and consumables	67 911	54 957
6. Value of services consumed	15 956	15 456
7. Value of other services	389	422
8. Cost of goods sold	1 288	37
9. Value of services sold (mediated)	115	103
IV. Material type costs	85 659	70 975
10. Wages and salaries	7 499	8 333
11. Other personnel costs	2 548	2 453
12. Contributions on wages and salaries	1 200	1 316
V. Personnel cost	11 247	12 102
VI. Depreciation	9 782	9 511
VII. Other expenditure	2 040	1 960
of this: impairment loss	0	0
A. INCOME FROM OPERATIONS	7 468	6 869
13. Dividend and business interests received (due)	0	0
Of this: received from affiliated companies	0	0
14. Exchange gain on the sale of business interests	0	0
Of this: received from affiliated companies	0	0
15. Interest income and exchange gain from financial investments	0	0
Of this: received from affiliated companies	0	0
16. Other interests and interest type income received	139	157
Of this: received from affiliated companies	102	144
17. Other income from financial transactions	10 166	2 709
VIII. Income from financial transactions	10 305	2 866
18. Expenses and exchange loss on business shares	0	0
Of this: given to affiliated companies	0	0
19. Exchange loss on financial investments	0	0
Of this: given to affiliated companies	0	0
20. Interest payable and type expenses	0	0
Of this: given to affiliated companies	0	0
21. Impairment loss of business interests, securities, bank deposits	0	0
22. Other expenses on financial transactions	10 870	2 632
IX. Expenses on financial transactions	10 870	2 632
B. PROFIT/LOSS ON FINANCIAL TRANSACTIONS	- 565	234
C. PRE-TAX PROFIT/LOSS	6 903	7 103
X. Tax expense	63	99
D. PROFIT/LOSS AFTER TAX	6 840	7 004

Gyöngyöshalász, June 26, 2024


Vijesh Kadamath Mohanan
Managing Director

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

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APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

1. INTRODUCING THE COMPANY

Registered office of business of Apollo Tyres (Hungary) Kft. (hereinafter: the Company):	3212 Gyöngyöshalász, Apollo road 106., Hungary
Year of commencing operations:	2014
Company registration number:	10-09-036536
Founders:	Apollo Tyres (Europe) B.V. (formerly Apollo Tyres B.V.)
Owners as at 31 March 2024 and their voting power:	Apollo Tyres (Europe) B.V. - 100,00%
Owner's registered office:	7547 Enschede, Ir. Schiffstraat 370., Netherlands
Subscribed capital as at 31 March 2024:	HUF 103 million
Scope of activity:	Tire, tube manufacturing
Managing Directors of the Company:	Benoit Rene-Marie Rivallant , Cornelis Krusemanstraat 7.3., Amsterdam 1075NB, Netherlands Vishal Kumar Mittal , Elysium, 71 Royston Park Road, Hatch End, Pinner, HA5 4AB Middlesex, United Kingdom Vijesh Kadamath Mohanan , Ernakulam, Palluruthy Po, Aiswarya Lane, Kadameth House, Sreeragam 14/423F., Kerala, IN-682006, India
Persons authorized to represent the Company:	Benoit Rene-Marie Rivallant , Cornelis Krusemanstraat 7.3., Amsterdam 1075NB, Netherlands Vishal Kumar Mittal , Elysium, 71 Royston Park Road, Hatch End, Pinner, HA5 4AB Middlesex, United Kingdom Vijesh Kadamath Mohanan , Ernakulam, Palluruthy Po, Aiswarya Lane, Kadameth House, Sreeragam 14/423F., Kerala, IN-682006, India

Vijesh Kadamath Mohanan is leading the Finance & Accounting Department of the Company. Balga Szabolcs (chartered accountant registration number: 181624) is responsible for preparing the Company's annual financial statements as specified in Section 150 (2) of the Accounting Act.

Based on the owner's decision the balance sheet date of the company is 31st March, hence the reporting period is between April 1, 2023 and March 31, 2024

The statutory auditing of accounting documents is compulsory for the Company. The figures were authenticated by an auditor. The audit fee for financial year 2023-2024 was EUR 36,750.- + VAT, other services (tax advisory, other services providing certainties) were not rendered by auditors.

The auditor company and the personally responsible auditor:

Ernst & Young Kft.
1132 Budapest, Váci út 20.
Company registry number: 01-09-267553
Barabás Csaba (Chamber of Auditors ID number: 005787)

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

2. BUSINESS CONDITIONS

The Company is one of the latest manufacturing facilities within Apollo Tyres group. The group of companies employs approximate 19 thousand persons all around the world and has manufacturing facilities in India and in the Netherlands as well. The Company continued to ramp up its production capability during the year for passenger car tyre.

3. ACCOUNTING POLICY

The Company keeps its books and records in compliance with the Accounting Act and the accounting principles generally accepted in Hungary. The Company's accounting policy, valuation methods and procedures are summarized as follows:

3.1 The basis of accounting

Both the enclosed balance sheet, reflecting the financial position of the Company as at 31 March 2024, and the income statement from April 1, 2023 to March 31, 2024 have been prepared in accordance with the provisions of the Act.

3.2 Balance sheet preparation date

For period ending March 2024, the Company designated April 15 of the year following the balance sheet date as the balance sheet preparation date in accordance with the provisions of the Accounting Policy.

3.3 Major error

Errors are to be construed as major if, in the year when discovered by audit, the aggregate amount of all errors (whether negative or positive) for the same year and the aftereffects thereof - increasing or decreasing the equity - exceeds 2 per cent of the balance sheet total of the financial year audited. From the point of view of the annual report, the Company considers income and expenses that exceed HUF 3,000 million on an annual basis to be exceptional. In addition those income and expenses that did not arise in the previous year and are not part of the normal course of business, or individual items, are considered to be exceptional occurrences. These income and expenses are detailed in the notes for the respective row of the annual report.

3.4 Intangible assets

The Company records intangible assets at purchase price/direct development cost. The Company amortizes software over a period of 5 years or more. Other intangible assets are amortized over the expected useful life considering the provisions of the Accounting Act.

3.5 Tangible assets

The Company records tangible assets at purchase price/direct production cost. The cost (purchase, manufacturing) of an asset shall mean the expenditure required for the acquisition, creation, installation of the asset incurred before commissioning or delivery thereof to the warehouse, and which may be attached to the asset in question. The cost (original cost) includes the purchase price reduced by any discounts and increased by any premium, the costs and charges paid to intermediaries, or for the delivery, loading, foundation, installation and commissioning services supplied in connection with the purchase, commissioning and delivery of the asset to the warehouse, any commission, as well as the taxes and similar levies, and customs charges.

The Company records tangible assets with an individual purchase price below HUF 200 thousand in one lump sum upon commissioning (capitalization) as ordinary depreciation.

The Company applies the straight-line depreciation method using the expected useful life and residual value of tangible assets. The depreciation rates are determined using the expected useful lives. The Company processes and books the depreciation on a monthly basis within the business year.

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

3.6 Receivables

Domestic receivables

Domestic trade receivables are recorded in the books at the amounts invoiced and recognized by the partners, reduced by any impairment recognized.

Foreign receivables

Foreign trade receivables are measured in accordance with the provisions of the Accounting Act and the Company's Accounting Policy.

3.7 Inventories

Raw material and Stores & spares inventories are valued at moving average price. Finished goods and Work in progress are valued at the lower of actual cost and net selling price. In case the selling price is lower than the actual cost, impairment loss is accounted. Inventories are valued on actual cost or net realizable value, whichever is the lower.

3.8 Liabilities

Domestic trade payables

The Company records domestic trade payables at the amounts invoiced by the partners and recognized by the Company.

Foreign trade payables

Foreign trade payables are measured in accordance with the provisions of the Accounting Act and the Company's Accounting Policy. The Company records payables invoiced by foreign suppliers in foreign currencies at their book value, reduced by settlements made and adjusted in all cases by aggregated exchange differences.

3.9 Year-end revaluation of items denominated in foreign currency

The Company revaluated its items denominated in foreign currency on 31 March 2024.

The Company converts amounts denominated in foreign currency to HUF using the official currency exchange rates published by the National Bank of Hungary. Based on the principles laid down in the Accounting Policy, the items denominated in foreign currency always get revalued on the balance sheet date.

3.10 Consolidated annual report

The consolidated annual report of the Company is prepared by Apollo Tyres (Europe) B.V. (registered seat: 7547 Enschede, Ir. Schiffstraat 370., Netherlands). The ultimate owner of the Company is Apollo Tyres Ltd., (registered seat: 3rd Floor, Areekal Mansion, Near Manorma Junction, Panampilly Nagar, Kochi - 682036, India).

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

4. FORM OF THE BALANCE SHEET AND THE INCOME STATEMENT

The Company prepares version "A" of the balance sheet. The Company determines its profit/loss by applying the total cost method.

5. CASH FLOW STATEMENT

The Company's financial position and liquidity as of 31 March 2024 is illustrated by the following cash-flow statement.

	2023	2024
1a Profit before tax	6,903	7,103
of which: financially settled aid received for operation funding	0	0
1b-1 Adjustments in profit before tax (Non-repayable funds received)	0	0
1b-2 Adjustments in profit before tax (Revaluation of funds held in foreign currencies)	5	0
1 Adjusted profit before tax (1a+1b)	6,908	7,103
2 Depreciation	9,782	9,511
3 Impairment loss and reversal	0	0
4 Difference between formation and utilization of provisions	142	25
5 Result of fixed asset sales, (-) gain, (+) loss	-11	-2
6 Changes in accounts payable	-3,367	-156
7 Changes in other short-term liabilities	-495	-309
8 Changes in accrued and deferred liabilities	-1,384	-594
9 Changes in trade receivables	2,736	2,857
10 Changes in current assets (without receivables and liquid assets)	-3,075	1,940
11 Changes in accrued and deferred assets	-10	-104
12 Tax paid (on profit)	-61	-70
13 Dividends and profit-sharing paid	-4,500	-14,998
I. Cash flows from ordinary activities (Operating cash flow)	6,665	5,203
14 Purchase of fixed assets	-6,742	-5,774
15 Sale of fixed assets	17	2
16 Repayment, termination or redemption of long term loans and bank deposits	0	0
17 Long- and short-term loans and bank deposits	0	0
18 Dividends and profit-sharing received	0	0
II. Investment cash flow	-6,725	-5,772
19 Receipts from shares issue, capital raising (capital increase)	0	0
20 Receipts from the issue of bonds and debt securities	0	0
21 Borrowings	0	0
22 Non-repayable assets received	0	0
23 Cancellation of shares, disinvestment (capital reduction)	0	0
24 Redeemed bonds and debt securities	0	0
25 Loan installment payments, repayment of loans	0	0
26 Non-repayable liquid assets transferred	0	0
III. Financial cash flow	0	0
IV. Changes in liquid assets (rows I+II+III)	-60	-569
27 Revaluation of funds held in foreign currencies	-5	0
V. Changes in funds as shown in the balance sheet (rows IV+27)	-65	-569
Opening cash balance (Balance sheet row B/IV. - Liquid assets)	1,399	1,334
Closing cash balance (Balance sheet row B/IV. - Liquid assets)	1,334	765

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

6. INTANGIBLE AND TANGIBLE ASSETS

As at 31 March 2024, the intangible assets of the Company includes software and R&D related intangibles. Changes in capitalized tangible assets and construction in progress are presented in the table below.

Apollo Tyres (Europe) B.V. (ATEU), the Parent Company has taken the long term loan against the guarantee of Apollo Tyres (Hungary) Kft. The Company has given pledge over certain movable tangible assets including mortgage over the Real Estate, pledge of rights & receivables and its Bank accounts and also there is a pledge on the shares of the Company owned by ATEU.

	INTANGIBLE ASSETS		TANGIBLE ASSETS										
	Capitalized R&D	Intellect. property	Intangible assets TOTAL	Land	Buildings	Electrical installations	Plant & Machinery	Other machines	Vehicles	Furniture and fixture	Capital work in process	Advance Payments to CWIP	Tangible assets TOTAL
GROSS VALUE													
Balance as at 31 March 2023	9,409	3,225	12,634	1,863	38,730	11,895	105,600	9,398	11	539	2,191	57	170,284
Additions	1,878	48	1,926	0	361	125	873	518	0	2	1,447	86	3,412
Disposals													0
Decrease													0
Reclassification				4			1,135	237			-1,376		0
Balance as at 31 March 2024	11,287	3,273	14,560	1,863	39,095	12,020	107,608	10,153	11	541	2,262	143	173,696
ACCUMULATED DEPRECIATION													
Balance as at 31 March 2023	2,356	1,531	3,887	0	4,174	2,195	23,291	4,952	10	473	0	0	35,095
Depreciation for financial year	1,564	254	1,818	0	829	478	5,260	1,098	0	28			7,693
Disposals													0
Reclassification													0
Balance as at 31 March 2024	3,920	1,785	5,705	0	5,003	2,673	28,551	6,050	10	501	0	0	42,798
NET VALUE													
Balance as at 31 March 2024	7,367	1,488	8,855	1,863	34,092	9,347	79,057	4,103	1	40	2,262	143	130,908
Balance as at 31 March 2023	7,053	1,694	8,747	1,863	34,556	9,700	82,309	4,446	1	66	2,191	57	135,189

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

7. STOCKS

The Company has the below inventories on stock as at 31/03/2024.

	<u>31/03/2023</u>	<u>31/03/2024</u>
Raw materials	4,047	4,190
Stores and spares	2,491	2,632
Work in progress and semi-finished goods	2,543	1,927
Finished products	9,229	7,890
Commercial goods	248	243
Total	18,558	16,882

8. RECEIVABLES

8.1 Trade debtors

The balance of trade receivables as at 31 March 2024 was as follows:

	<u>31/03/2023</u>	<u>31/03/2024</u>
<u>Trade debtors</u>		
Domestic receivables	140	6
Total	140	6

8.2 Receivables from affiliated parties

Receivables from affiliated companies as at 31 March 2024 are as below:

	<u>31/03/2023</u>	<u>31/03/2024</u>
<u>Receivables from affiliated parties</u>		
Apollo Tyres (Europe) B.V.	3,171	7,221
Apollo Tyres (NL) B.V.	6,834	30
Apollo Tyres Ltd., India	16	0
Apollo Tyres Global R&D	36	83
Total	10,057	7,334

8.3 Other receivables

The balance of other receivables as at 31 March 2023 was as follows:

	<u>31/03/2023</u>	<u>31/03/2024</u>
Advance payments to construction trustee	376	0
Local and other taxes	115	172
Security deposits, bails	55	64
Receivables against employees	32	35
Supplier advances	25	62
Miscellaneous receivables	21	27
Total	624	360

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

9. LIQUID ASSETS

The Company had the following liquid assets as at 31 March 2024:

	<u>31/03/2023</u>	<u>31/03/2024</u>
HUF bank accounts	618	245
EUR bank accounts	410	383
USD bank accounts	219	9
GBP bank accounts	1	5
Term deposits	86	123
Total	<u>1,334</u>	<u>765</u>

The Company submitted bank guarantees to the Ministry of Foreign Affairs and Trade for 120% of the subsidy amount received during the previous financial year. Security deposits were given to the banks for the issuance of the above bank guarantees.

10. PREPAYMENTS

The summary of prepayments as at 31 March 2024 is as follows:

	<u>31/03/2023</u>	<u>31/03/2024</u>
Tuition fee	51	65
Insurance premium	3	93
Total	<u>54</u>	<u>158</u>

11. SHAREHOLDERS' EQUITY

Subscribed capital as at 31 March 2024:

<u>Shareholder</u>	Total face value (HUF mn)		Share	
	<u>31/03/2023</u>	<u>31/03/2024</u>	<u>31/03/2023</u>	<u>31/03/2024</u>
Apollo Tyres (Europe) B.V.	103	103	100%	100%

Change in shareholders' equity in Financial year 2023-2024:

	Subscribed capital	Capital reserve	Retained earnings	Tied-up reserve	Profit for the period	Total equity
Total as at 31/03/2023	103	112,204	19,726	7,053	6,840	145,926
Dividend payment	0	0	-8,158	0	-6,840	-14,998
Profit for the period	0	0	0	0	7,004	7,004
Tied-up reserve adjustment-R&D related	0	0	-314	314	0	0
Total as at 31/03/2024	<u>103</u>	<u>112,204</u>	<u>11,254</u>	<u>7,367</u>	<u>7,004</u>	<u>137,932</u>

The Sole Member of the Company (ATEU) plans that HUF 11,700 million shall be paid to the owner of the Company as dividend, for which the coverage is the retained earnings above the profit of the period (HUF 7,004 million). Furthermore HUF 7,367 million Tied-up reserve decreases the free reserves related to the Capitalized R&D.

APOLLO TYRES (HUNGARY) KFT
SUPPLEMENTARY NOTES FOR THE YEAR ENDING ON 31 MARCH 2024
All amounts are in million forints unless otherwise indicated

12. PROVISIONS

<u>Provisions for expected losses</u>	<u>31/03/2023</u>	<u>31/03/2024</u>
Untaken leave days	133	181
Legal case	57	34
Total	190	215

HUF 29 million provision was reversed in the current year related to the legal case.
No provision was made for environmental protection.

13. SHORT TERM LIABILITIES

13.1 Trade creditors (accounts payable)

The balance of trade payables as at 31 March 2024:

	<u>31/03/2023</u>	<u>31/03/2024</u>
Domestic trade creditors	1,856	2,070
Foreign trade creditors	7,670	7,675
Total	9,526	9,745

13.2 Short-term liabilities to affiliated parties

Short-term liabilities to affiliated parties on 31 March 2024:

<u>Name of affiliated company</u>	<u>31/03/2023</u>	<u>31/03/2024</u>
Apollo Tyres Ltd. India	249	451
Apollo Tyres Singapore (Holdings) Pte Ltd.	1,467	1,475
Apollo Tyres UK Pvt Ltd.	59	82
Apollo Tyres (NL) B.V.	36	26
Apollo Tyres Global R&D	1,173	126
Saturn F1 Pvt Ltd	0	13
Total	2,984	2,173

13.3 Other short-term liabilities

Other short-term liabilities as at 31 March 2024:

	<u>31/03/2023</u>	<u>31/03/2024</u>
Liabilities towards employees	430	232
Payable VAT	1,246	1,012
Liabilities towards government/tax authority	606	758
Total	2,282	2,002

14. ACCRUALS

Accruals on 31 March 2024:

<u>Accrued expenses</u>	<u>31/03/2023</u>	<u>31/03/2024</u>
Manufacturing related services	363	431
Electricity & gas	329	420
Bonus accruals	162	192
Meal related costs	77	68
Manpower related	67	84
IT & telecommunication	9	19
Transport services	41	82
Other expense payable	62	7
Total	1,110	1,303

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Deferred income	Total subsidy received	Balance on 31/03/2023	Reversed in this fin. year	Balance on 31/03/2024
Cash State Subsidy	16,080	12,326	761	11,565
One-time compensation scheme (VNT3)	359	359	26	333
Total	16,439	12,685	787	11,898

The cash subsidy was approved and granted by the Hungarian Government in accordance with the prevailing norms. The subsidy agreement defines contractual obligations and criteria for the Company. The monitoring period started in April 2020 for the period of 5 years. The monitoring period of VNT3 scheme started in Apr 2023 and lasts for 2 years.

15. SALES REVENUE

15.1 *Net sales revenue*

The net sales revenue is as below for the year ending on 31 March 2024.

	2023	2024
Tyre sales	110,962	100,942
Mediated services/ cross charges	1,004	1,541
Other revenue	9	38
Total	111,975	102,521
<i>of which sales to ultimate parent company</i>	<i>1</i>	<i>5</i>
<i>of which sales to other related company</i>	<i>111,813</i>	<i>100,959</i>

Revenue breakdown by region

	2023	2024
Hungary	161	4,822
Within European Union	111,813	97,694
Out of European Union	1	5
Total	111,975	102,521

15.2 *Other operating income*

Other operating income in the year ending on 31 March 2024:

	2023	2024
Cash Subsidy	761	761
Sale of certified energy efficiency investment	155	313
One-time compensation scheme - VNT3	0	26
Fixed asset sales	11	2
Miscellaneous income	82	538
Total	1,009	1,640

16. MATERIAL TYPE COSTS

The import purchases are detailed in the below table.

<u>Import purchases from within the EU</u>		2023	2024
Goods purchased		36,134	29,679
Services availed		8,904	8,700
Total		45,038	38,379
<u>Import purchases from outside the EU</u>		2023	2024
Goods purchased		25,867	18,140
Services availed		3,305	2,461
Total		29,172	20,601

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16.1 Raw materials and consumables

Raw material costs in the year ending on 31 March 2024:

	2023	2024
Raw material	59,313	47,674
Engineering material	2,602	2,471
Electricity	4,589	3,639
Gas	1,130	883
Other	277	290
Total	67,911	54,957

16.2 Value of services consumed

Services consumed in the year ending on 31 March 2024:

	2023	2024
R&D charges	6,819	5,629
Group management charges - other	1,530	1,614
Transport, internal movement	2,287	2,334
Travel costs	71	92
Maintenance	1,777	2,004
Leased manpower	850	828
Legal, professional and recruitment fees	138	107
Cleaning, gardening & security	477	572
Rental fees (office, car)	561	657
Freight	685	618
Environmental protection related (waste removal & consultancy)	395	652
Other material type services	366	349
Total	15,956	15,456
	<i>of which services rendered by ultimate parent company</i>	<i>1,366</i>
	<i>of which services rendered by other related company</i>	<i>735</i>
	<i>6,983</i>	<i>6,508</i>

16.3 Other services

Other services used in the year ending on 31 March 2024:

	2023	2024
Insurance	325	346
Bank charges	60	63
Duties, fees of authorities	4	13
Total	389	422

16.4 Value of services sold (mediated)

The value of mediated services is HUF 103 million in the year ending on 31 March 2024 (HUF 115 million in the previous financial year). This HUF 103 million is the rental fee of real properties, that is provided/charged by the Company to its colleagues.

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17. PERSONNEL COSTS

Wages, salaries and other personnel costs paid in financial year 2023-2024:

	<u>2023</u>	<u>2024</u>
Wages and salaries	7,499	8,333
Other personnel costs	2,548	2,453
Contributions on wages and salaries	1,200	1,316
Total	<u>11,247</u>	<u>12,102</u>

	<u>2023</u>	<u>2024</u>
Wage contributions		
Social Contribution Tax	1,097	1,195
Vocational Training Contribution	0	2
Rehabilitation Contribution	103	119
Total	<u>1,200</u>	<u>1,316</u>

Actual year	Wages and salaries	Other personnel costs	Average statistical headcount
Technicians/team members	6,330	914	815
Professional qualified staff	2,003	1,539	247
Total	<u>8,333</u>	<u>2,453</u>	<u>1,062</u>

The data of professional qualified staff colleagues include individuals seconded to our Company by the Indian parent company (Apollo Tyres Ltd., India) Their average statistical headcount is 29 in the actual year (it was 44 in the previous financial year).

18. OTHER EXPENDITURE

Other expenditure in the year ending on 31 March 2024:

	<u>2023</u>	<u>2024</u>
Work in progress & R&D material scrapping	187	354
Other taxes	355	563
Detention charges	44	9
Carbon emission related	9	7
Scrapping	1,417	987
Miscellaneous expenditure	28	40
Total	<u>2,040</u>	<u>1,960</u>

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19. PROFIT/LOSS ON FINANCIAL TRANSACTIONS

Financial income and expenditure in the year ending on 31 March 2024:

	2023	2024
<u>Income from financial transactions</u>		
Realised foreign exchange gain	9,774	2,709
Unrealised foreign exchange gain on revaluation	392	0
Other interests and interest type income received	139	157
Of this: received from affiliated companies	102	144
Total	10,305	2,866
<u>Expenses on financial transactions</u>		
Interest payable and type expenses	0	0
Realised foreign exchange loss	10,870	2,299
Unrealised foreign exchange loss on revaluation	0	333
Total	10,870	2,632
Profit/loss on financial transactions	-565	234

The financial result includes a realized foreign exchange loss of HUF 2 million from the forward transactions of currency conversion.

20. CORPORATE INCOME TAX

Taxable income and pre-tax profit as per the Corporate Income Tax Act in the years ended on 31 March 2024:

	2023	2024
Pre-tax profit/loss	6,903	7,103
Depreciation recognized as per the Accounting Act	9,782	9,511
Net value of disposed of assets according to the accounting act	6	0
Provisions created	143	25
Penalties from authorities	17	20
Donation and charity	0	1
Waived claim, not considered as irrecoverable	0	9
Total additions to taxable income	9,948	9,566
Depreciation recognized as per the Corporate income tax Act	9,782	9,511
Net value of disposed of assets according to the corporate income tax act	6	0
Students involved in training from vocational schools	2	2
Total deductions from the taxable income	9,790	9,513
Tax base for the current year	7,061	7,156
Carry forward loss from previous years	-3,531	-1,638
Final tax base	3,530	5,518
Calculated corporate income tax	317	496
Development tax allowance	-254	-397
PAYABLE CORPORATE INCOME TAX	63	99

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21. HAZARDOUS WASTE INVENTORY

The change in the hazardous waste inventory for this financial year is detailed below.

Hazardous waste type	EWC code	Opening (kg)	Generated (kg)	Dispatched (kg)	Closing (kg)
Waste additive containing hazardous substances	070214*	0	109,170	96,420	12,750
Waste oil	130205*	0	540	540	0
Oil-water sludge	130502*	13,840	52,680	38,520	28,000
Sludge from oil-water separator	130508*	0	3,150	3,150	0
Packaging waste containing or contaminated with hazardous substances	150110*	2,080	36,210	37,290	1,000
Filter materials, cloth contaminated with hazardous substances	150202*	300	2,160	1,420	1,040
Laboratory chemicals containing or contaminated with hazardous substances	160506*	0	100	0	100
Liquid waste containing hazardous substances	161001*	3,950	66,330	49,280	21,000

22. THE FINANCIAL AND PROFIT SITUATION OF THE COMPANY

	<u>2023</u>	<u>2024</u>
Shareholder's equity	145,926	137,932
Total equity and liability	<u>174,703</u>	<u>165,268</u>
Equity ratio	<u>83.53%</u>	<u>83.46%</u>

The equity ratio is the proportion of a company's equity to its total capital. This ratio indicates the extent to which the company is financed by its own sources and the level of exposure to external creditors or investors. A high equity ratio can strengthen the financial stability and independence of the company.

	<u>2023</u>	<u>2024</u>
Shareholder's equity	145,926	137,932
Invested assets	<u>143,936</u>	<u>139,763</u>
Coverage of invested assets	<u>101.38%</u>	<u>98.69%</u>

The coverage of invested assets compares the value of assets owned or used by the company to the sum of its own and external sources. This ratio helps assess the extent to which the company can cover the value of its assets through its own equity and external financing sources, which can be an indication of the company's financial stability and sustainability.

	<u>2023</u>	<u>2024</u>
Liquid assets	1,334	765
Short-term liabilities	<u>14,792</u>	<u>13,920</u>
Quick ratio	<u>9.02%</u>	<u>5.50%</u>

The quick ratio measures the immediate liquidity of a company's assets in relation to its short-term liabilities. It helps assess the company's ability to meet immediate payment obligations and the extent to which it has liquid assets to cover short-term liabilities.

	<u>2023</u>	<u>2024</u>
Current assets	30,713	25,347
Short-term liabilities	<u>14,792</u>	<u>13,920</u>
Liquidity ratio	<u>207.63%</u>	<u>182.09%</u>

The liquidity ratio measures the ability of a company's current assets to cover its short-term liabilities. This ratio helps assess how well the company can meet its short-term payment obligations and manage liquidity risk related to financial obligations.

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	<u>2023</u>	<u>2024</u>
EBITDA	16,685	16,614
Investment of the year	2,191	2,262
Self-financing of investments	<u>7.62</u>	<u>7.34</u>

Self-financing of investments means that the company uses its own generated financial resources to finance investment projects instead of relying on external sources such as loans or equity investments. This allows the company to increase liquidity, reduce financing risks, and strengthen its long-term financial stability.

	<u>2023</u>	<u>2024</u>
Net sales revenue	111,975	102,521
Total assets	174,703	165,268
Return on assets	<u>0.64</u>	<u>0.62</u>

Return on assets is a ratio that compares the profit generated by a company to the average value of assets employed. This ratio helps assess how efficiently the company utilizes its assets in generating profit and how productive it is in utilizing its assets.

	<u>2023</u>	<u>2024</u>
Income from operations	7,468	6,869
Net sales revenue	111,975	102,521
Profit margin	<u>6.67</u>	<u>6.70</u>

The profit margin is a measure of how much profit a business generates from the revenue of its sold products or services. Higher values generally indicate better performance. A higher profit margin indicates that the business efficiently manages its resources and is better able to cover costs.

	<u>2023</u>	<u>2024</u>
Profit after tax	6,840	7,004
Subscribed capital	103	103
Return on equity	<u>6,641%</u>	<u>6,800%</u>

Return on equity is a measure of how much profit a business generates in relation to its equity. This ratio helps understand how effectively the business utilizes the capital invested by the owners and to what extent it can provide returns on that capital. The ratio is presented in percentage form, and higher values generally indicate better performance.

23. FEES OF EXECUTIVE OFFICERS

Three Managing Directors of the Company, by name Benoit Rene-Marie Rivallant and Vishal Kumar Mittal are not present in Hungary. The third Director, Vijesh Kadamath Mohanan resides in Hungary in secondment, our Company bears the cost of all his salary. Nevertheless none of the Managing Directors get any remuneration for their executive mandate, including pension payment obligations, advances / loans given, guarantees undertaken on their behalf.

Gyöngyöshalász, June 26, 2024


Vijesh Kadamath Mohanan
Managing Director

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BUSINESS REPORT

FOR THE YEAR ENDING 31 MARCH 2024

1. Ownership

Apollo Tyres (Hungary) Kft. (hereinafter referred to as Company) is a 100% subsidiary of Apollo Tyres (Europe) B.V. and ultimately held by Apollo Tyres Ltd, India, a listed multinational organisation and a global tyre manufacturer.

The Company was founded on June 4, 2014 with the aim to set up a 'state of the art' automotive tyre manufacturing facility in Hungary that produces both passenger car tyres and commercial vehicle tyres.

2. Production and business outlook

The Company is one of the latest manufacturing facilities within Apollo Tyres group. The Company continued to ramp up its production capability during the year for passenger car tyre segment.

Our continuous focus on Return on Capital Employed and sweating our assets helped us to suffice our production demand.

Company has its own R&D Satellite centre within the plant concentrating on the new product development, process improvements, development of sustainable raw materials and focusing on improving the efficiencies in coordination with the R&D Europe which is located in Enschede, Netherlands and R&D Asia located in Chennai, India.

The Company does not have a price risk because we sell tyres to affiliated companies only on a cost plus margin model. The Company does not have any loan taken, hence there is no interest commitment/exposure. Since the sales goes only through group companies, the cash flow is protected.

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In order to be protected from the fluctuation of the power and gas prices the Company has covered certain portion of its energy requirement through future deals.

3. Employment

The average statistical headcount of the Company was 1,034 in financial year of 2023-2024. We closed this financial year with the headcount of 1,029 ((March 31, 2024). Together with the leased & expat colleagues the total headcount is 1,089. The average monthly attrition is 1,5% per month which is better than the industrial average.

As part of identifying improvement areas in the employee experience in workplace we conducted "Apollo Voice" and "Psychosocial" surveys and the relevant identified actions implemented. In order to have the transparent communications the Company conducted Town Hall meetings with the participation of majority of employees.

Employer branding: The Company is certified as Top Employer for 2023 and 2024 as a result of various initiatives taken by the Company. We continuously receive student groups for factory visit to strengthen our cooperation with vocational schools and universities. Like every year, the Company has attended job fairs for talent acquisition. We are in close cooperation with the Heves County Chamber of Commerce as well.

This year we launched the so-called "You can count on us!" program that supports employees in legal, labour, financial and mental issues, anonymously, 24 hours a day, in English and Hungarian.

CSR

Our colleagues participated quarterly blood donations – it became tradition, we continuously support the Hungarian Blood Transfusion Services.

Apollo Safe way has been launched as a Global initiation related to the private & work health and safety consciousness of the employees.

We put a focus on sustainability, biodiversity around the Plant areas.

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We joined a waste collection campaign and collected all the waste around the plant.

Award, recognition

We kept our habits to congratulate colleagues who had service anniversary and we also have the systems to award employees with exceptional performance by way of “Roll of Honour”.

The “Kaizen” program enriched: we had several-hundred ideas from the employees and the Hungarian Plant participated in the corporate Ideathon program also.

Apollo Tyres globally has a comprehensive award system to identify and recognize the high performance and the results according to the company values.

4. Other

Environmental protection is treated by our Company with special responsibility and emphasis in compliance with all relevant legal requirements.

The Company has taken various initiatives to save the energy as part of sustainability initiatives and has installed the 9.2 MW solar facility for the power generation in April 2023. During the financial year 2023-24 the Company has generated 15% of total power consumption through solar energy. The Company has also taken various initiatives in energy savings and saved 39,209 GJ of energy during the year. Company is always aiming at improving the energy conservation and focusing on achieving its sustainability goals.

There were no major events after the balance sheet date of this financial year, i.e. after 31 March 2024.

Gyöngyöshalász, June 26, 2024

A handwritten signature in blue ink, appearing to read 'Vijesh', is written over a diagonal blue line that extends from the bottom left towards the top right.

Vijesh Kadamath Mohanan

Managing Director