

Apollo Tyres AG Baden

Report of the Statutory Auditor on the Limited Statutory Examination
to the General Meeting of the Shareholders

Financial Statements for the year ended March 31, 2024



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Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of the Shareholders of Apollo Tyres AG, Baden

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Apollo Tyres AG for the year ended March 31, 2024.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Zurich, April 29, 2024
Grant Thornton AG

Tobias Bader
Audit Expert
Auditor in Charge

Sandro Niederberger

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

APOLLO TYRES AG

BALANCE SHEETS AS AT MARCH 31, 2024 AND 2023

	<u>SWISS FRANCS</u>		
	<u>NOTES</u>	<u>31.03.2024</u>	<u>31.03.2023</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		5'463'122	3'044'124
Trade accounts receivables - group companies		875'702	697'185
Other short-term receivables - third parties		5'977	5'728
Other short-term receivables - shareholders		-	2'751'014
Prepaid expenses		274'026	280'344
Total current assets		<u>6'618'827</u>	<u>6'778'395</u>
TOTAL ASSETS		<u><u>6'618'827</u></u>	<u><u>6'778'395</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
SHORT-TERM LIABILITIES			
Trade accounts payables		3'351	3'397
Trade accounts payables - group companies		41'391	33'688
Provision for tax		274'000	235'000
Short-term provisions		12'000	10'400
Total short-term liabilities		<u>330'742</u>	<u>282'485</u>
SHAREHOLDERS' EQUITY			
Share capital		3'748'652	3'748'652
Legal capital reserves			
Reserves from capital contribution		948'400	948'400
Legal retained earnings			
General legal retained earnings		158'000	72'000
Accumulated profit			
Result carried forward		15'858	20'091
Profit for the year		1'417'174	1'706'767
Total shareholders' equity		<u>6'288'084</u>	<u>6'495'910</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>6'618'827</u></u>	<u><u>6'778'395</u></u>

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INCOME STATEMENTS FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

		<u>SWISS FRANCS</u>	
	<u>NOTES</u>	<u>01.04.2023-31.03.2024</u>	<u>01.04.2022-31.03.2023</u>
INCOME			
Royalty	C) 2.	<u>3'158'714</u>	<u>3'612'405</u>
Total operating income		3'158'714	3'612'405
OPERATING EXPENSES			
Directors' fees	C) 4.	(8'000)	(8'000)
Legal and professional expenses	C) 3.	(462'236)	(426'170)
Audit fee		(14'080)	(10'280)
Intercompany administration expenses	C) 3.	(31'500)	(31'500)
Advertisement and publicity expenses	C) 3.	(1'102'421)	(1'154'820)
Miscellaneous expenses		<u>(1'796)</u>	<u>(1'686)</u>
Total operating expenses		(1'620'032)	(1'632'456)
Operating result		1'538'682	1'979'949
OTHER EXPENSES / INCOME			
Financial income		141'992	18'582
Financial expenses		(103'265)	(96'409)
Total other expenses / income		<u>38'727</u>	<u>(77'827)</u>
Profit for the year before taxes		1'577'409	1'902'121
Direct Taxes		(160'235)	(195'354)
Profit for the year		<u><u>1'417'174</u></u>	<u><u>1'706'767</u></u>

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2024 AND 2023

A) COMPANY INFORMATION

Apollo Tyres AG is registered under number CHE-113.719.058 in the Canton of Aargau. Legal domicile is at Mellingerstrasse 2a, 5400 Baden, Switzerland.

B) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that the company's financial statements may be influenced by the creation and release of hidden reserves.

2. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Swiss Francs ("CHF"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Non-Swiss Franc denominated assets and liabilities of the company are translated into Swiss Francs at year-end rates of exchange. Income and expense items are translated at monthly average rates of exchange or the rate ruling at the date of the transaction. Foreign currency transaction gains and losses, except for unrealized gains, are included in the income statement. Loans granted in foreign currencies are translated at the rate of the balance sheet date, whereby unrealized losses are recorded but unrealized profits are not recognized.

3. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

4. Operating income

Operating income comprises of royalties from group companies. It is based on contractual agreements and recognized on an accrual basis.

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2024
AND 2023

C) NOTES ON ACCOUNTS:

1. Shareholder:

Particulars	2024/23	2023/22
Holding Company	Apollo Tyres Coöperatief U.A. Amsterdam, Netherlands	Apollo Tyres Coöperatief U.A. Amsterdam, Netherlands

2. Transactions with Related Parties (Royalties)

Details	Currency	2024/23	2023/22
Invoiced royalty charges as per trademark agreement Apollo Tyres Ltd, Gurgaon, India	CHF	965'334	1'314'374
Invoiced royalty charges as per trademark agreement Apollo Tyres (Europe) B.V., Enschede, The Netherlands	CHF	469'697	546'743
Invoiced royalty charges as per trademark agreement Apollo Tyres (Middle East) FZE, Dubai, U.A.E	CHF	788'893	1'229'447
Invoiced royalty charges as per trademark agreement Apollo Tyres Africa (Pty) Ltd., Durban, South Africa	CHF	12'184	5'489
Invoiced royalty charges as per trademark agreement Apollo Tyres (Thailand) Ltd, Bangkok, Thailand	CHF	478'333	516'352
Invoiced royalty charges as per trademark agreement Apollo Tires US Inc., Atlanta, USA	CHF	444'273	0
Total	CHF	3'158'714	3'612'405

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2024
AND 2023

3. Transactions with Related Parties (operating expenses)

Details	Currency	2024/23	2023/22
Administration expenses Apollo Tyres (Schweiz) AG, Switzerland	CHF	31'500	31'500
Services IBSF/MU (included in legal and professional expenses) Apollo Tyres (UK) Holdings LTD, London, UK	CHF	424'416	333'098
Sponsoring agreement Apollo Tyres Ltd, Gurgaon, India	CHF	1'102'421	1'154'820

4. Payment for Directorship Fee

Details	Currency	2024/23	2023/22
Payment for Director Ship Fee (Mr. Peter Ackermann)	CHF	8'000	8'000

5. Annual average number of full-time equivalents for the reporting years

The company had no employees for the financial years 2024/23 and 2023/22.

6. Subsequent events

There have been no significant events after the balance sheet date which could have an impact on the financial statements.

APOLLO TYRES AG

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER 31.03.2024

Result carried forward	CHF	15'858
Profit for the year	CHF	<u>1'417'174</u>
Available earnings	CHF	<u><u>1'433'032</u></u>

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of available earnings:

Dividend	CHF	1'350'000
Transfer to the general legal retained earnings	CHF	71'000
Balance to be carried forward	CHF	<u>12'032</u>
Available earnings	CHF	<u><u>1'433'032</u></u>