

**Apollo Tyres (NL) B.V.
Annual Accounts 2021-22**

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Supervisory Board Report

The Supervisory Board of Apollo Tyres (NL) B.V. presents its report for the year ended March 31, 2022

Introduction

After the robust rebound in economic activity that started in spring 2021, the growth momentum in the EU slowed down in the last quarter of 2021. While the EU economy closed the gap with its pre-pandemic output level in 2021-Q3, headwinds to growth intensified towards end of 2021: notably, the surge in COVID-19 infections, high energy prices and continued supply-side disruptions. Growth continues to be shaped by the pandemic, with many EU countries under pressure from a combination of increased strain on healthcare systems and staff shortages due to illness, precautionary quarantines, or care duties. Logistic and supply bottlenecks, including shortages of semiconductors and some metal commodities, are also set to keep weighing on production, at least throughout the first half of the year.

Russia's invasion into Ukraine started on 24th February 2022 and is already into its 3rd month. This is a serious setback to Europe's strong yet incomplete recovery from the pandemic. Even as fiscal and monetary support underpinned an impressive rebound in employment almost to levels last seen before the pandemic, spiking energy and food prices are now cutting deeply into household consumption and economic uncertainty is poised to restrain investments.

Despite a very challenging environment, the European Tyre industry has been resilient through the pandemic. Tyre manufacturers are facing multiple opportunities as the sector is rapidly transforming in response to new developments in vehicle technology, mobility and regulatory policies. Overall performance of the European tyre industry in 2021 has been very positive. According to the European Tyre and Rubber Manufacturers' Association (ETRMA), Passenger tyres replacement market segment has recorded an impressive growth of 14% in 2021 and 9% in the first quarter of 2022. On the contrary, Passenger tyres Original Equipment (OE) segment recorded a decline of 8% in 2021 mainly linked to the chip's shortage

Truck tyre segment also recorded sharp growth of 25% in OE segment and 12% in replacement market segment respectively in 2021. Replacement market segment recorded 10% further growth in the first quarter of 2022

Agriculture tyre replacement market segment however recorded a decline of 3% in 2021 and further 7% in the first quarter of 2022

Changes in the Board

There have been no changes in the composition of the Supervisory Board during the year.

Meetings of Supervisory Board

The Supervisory Board met four times during the financial year on the following dates:

May 7, 2021
July 30, 2021
October 27, 2021
January 28, 2022

Role of Supervisory Board

The role of Supervisory Board is to supervise policies and business activities of the company and to provide advice in best interest of the company, its shareholders, and employees.

Supervisory Board Remuneration

During the financial year ended March 31, 2022, EUR 20,000 was paid as remuneration

to Works Council Nominee Director for his services.

Amsterdam, The Netherlands, June 15, 2022

On behalf of the Supervisory Board

Neeraj Kanwar

Akshay Chudasama

Henk Volberda

Report by the Board of Directors

The board of directors of Apollo Tyres (NL) B.V. put on record the company's annual accounts for the year ended March 31, 2022

The company

Apollo Tyres (NL) B.V. 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 and its subsidiaries have been referred to as the group in the sections below.

The group focuses on developing, manufacturing, marketing, sales and distribution of tyres across various categories including passenger car, Truck & Bus, agriculture, industrial vehicles and bicycles. The group sells passenger vehicle tyres under two brands, Vredestein and Apollo. The groups European headquarters is based at Amsterdam, Netherlands and production facilities are based in Enschede, Netherlands. Sales operations are managed by various subsidiary companies across Europe. The group's distribution network covers Europe, its products are also exported to various other countries. The group is well known for its distinctive designs created in collaboration with the Italian industrial design bureau, Giugiaro Design Company.

Financial information

<i>(in millions of euros)</i>	2021-22	2020-21
Revenue	586.0	490.3
Profit before Depreciation, Interest, Taxes & Exceptional item (EBITDAE)	60.7	22.5
Profit before Interest, Taxes & Exceptional items (EBITE)	35.9	(8.6)
Exceptional items	-	(68.8)
Net Financing expenses	(1.4)	(0.9)
Taxes	(9.9)	15.8
Net Profit for the year	24.6	(62.7)

Economy & Market Overview

After the robust rebound in economic activity that started in spring 2021 and continued unabated through early autumn, the growth momentum in the EU slowed down to 0.4% in the last quarter of 2021, from 2.2% in the previous quarter. While a slowdown was already expected in the Autumn 2021 Economic Forecast, after the EU economy closed the gap with its pre-pandemic output level in 2021-Q3, it was sharper than projected as headwinds to growth intensified: notably, the surge in COVID-19 infections, high energy prices and continued supply-side disruptions.

Growth continues to be shaped by the pandemic, with many EU countries under pressure from a combination of increased strain on healthcare systems and staff shortages due to illness, precautionary quarantines, or care duties. Logistic and supply bottlenecks, including shortages of semiconductors and some metal commodities, are also set to keep weighing on production, at least throughout the first half of the year. Last but not the least, energy prices are now

expected to remain elevated for longer than expected in the Autumn Forecast, thereby exerting a more protracted drag on the economy and higher inflationary pressures.

War in Ukraine

Russia's invasion into Ukraine started on 24th February 2022 and is already into its 3rd month. This is a serious setback to Europe's strong yet incomplete recovery from the pandemic. Even as fiscal and monetary support underpinned an impressive rebound in employment almost to levels last seen before the pandemic, spiking energy and food prices are now cutting deeply into household consumption and economic uncertainty is poised to restrain investments.

During these months, the company has assessed the impact of its Raw material sourcing from troubled countries and there are no major sourcing currently from these countries at the reporting date. Also the company has successfully developed alternate sources of supplies wherever needed to ensure zero dependence on supply from Russia – Ukraine region.

From the sales perspective, the company has very limited exposure & very few customers in this region. As the sales exposure is very minimal hence this does not have any impact on the business.

Accordingly there is no major impact on the Business Operations of the company due to the War

Industry Structure & Development

Automobile Industry

Sales of new passenger cars in the European Union fell in 2021 because of the semiconductor shortage that negatively impacted car production throughout the year, especially during the second half of 2021. Despite the record low base of comparison of 2020, sales in 2021 fell by 2.4% to 9.7 million units, still 3.3 million units below pre-pandemic level in 2019. Passenger car registrations in the EU continued to decline during the first quarter of 2022 and fell by 12.3% compared to the same period last year

On the contrary, Sales of new commercial vehicles in European Union recovered and increased by 9.6% in 2021 to 1.88 million units, still below pre-pandemic level of 2.1 million units in 2019. New commercial vehicles registrations in the EU again declined during first two months of 2022 and fell by steep 13.5% compared to the same period last year

Tyre Industry

Despite a very challenging environment, the European Tyre industry has been resilient through the pandemic. Tyre manufacturers are facing multiple opportunities as the sector is rapidly transforming in response to new developments in vehicle technology, mobility and regulatory policies. Overall performance of the European tyre industry in 2021 has been very positive. According to the European Tyre and Rubber Manufacturers' Association (ETRMA), Passenger tyres replacement market segment has recorded an impressive growth of 14% in 2021 and 9% in the first quarter of 2022. On the contrary, Passenger tyres Original Equipment (OE) segment recorded a decline of 8% in 2021 mainly linked to the chips shortage

Truck tyre segment also recorded sharp growth of 25% in OE segment and 12% in replacement market segment respectively in 2021. Replacement market segment recorded 10% further growth in the first quarter of 2022

Apollo Tyres (NL) B.V.

Agriculture tyre replacement market segment however recorded a decline of 3% in 2021 and further 7% in the first quarter of 2022

During 2021 the All-Season category in passenger tyre segment continued its growth story and achieved strong 35% growth over the last year, compared to a 14% overall growth in replacement market. The density of players in the All Season segment keeps on increasing, resulting in strong price pressures

During 2021 the UHP category in passenger tyre segment also registered strong growth of 20% over the last year, compared to a 14% overall growth in replacement market

Performance by market

During the year, the company achieved 10% growth in passenger car tyres sales broadly in line with the market growth and maintained its market share. The company continued focus on highly profitable Ultra-high performance (UUHP) segment and realized remarkable 35% growth, while sales in the non-UHP segment slightly declined mainly related to supply related challenges during the year. The company also stabilized specialization of its manufacturing plant in Enschede, Netherlands now primarily producing UUHP segment of passenger car tyres and continued to focus on premium agricultural tyres and Spacemaster tyres

In agricultural tyre segment, the company also achieved 10% growth in sales. In Industrial Construction segment we increased sales considerably both replacement and OE (adding key customers) segments

TBR segment closed the year with significant growth of 72% over FY21 vs market growth of 12%. The company increased its footprint in most of the countries across Europe along-with achieving improvement in its price positioning

In bicycle tyres segment, the covid pandemic had both positive and negative impact on our business. While lockdowns lasted, cycling became increasingly popular: anxiety over public transportation and surge in exercise has meant that more people choose to use (electric) bicycles. This led to spike in demand and a growth in sales.

The company's overall Revenue increased 20% during the financial year. The company continues to be dominantly a replacement market player and its revenue share from that market remains the same as last year at the level of 80% in FY22. Total revenue during the year constituted 67% from Passenger car tyre, 18% from Agriculture tyres & 14% from Commercial vehicle tyres and balance 1% from other categories.

Brand promotion initiatives

The ongoing cooperation between the Apollo brand and Manchester United is being used to promote the brand throughout the European region. We again sponsored the Mille Miglia, one of the most prestigious classic car events in the world which was postponed last year due to covid situation. With key focus on our German market, we started sponsorship with German Golf Association for the first time. For supporting our classic car tyre segment, we have started sponsoring Classic Car Rallies in Germany and Austria (Ennstal Classic in Germany, Int. Vredestein Pannonia-Carnuntum Historic Oldtimer Event). We also renewed our existing connection with the Hungarian sports club and football team - Diósgyőr Sport Club (DVTK). Regionally targeted Digital marketing campaigns were extended with strong focus on social media, e.g. Facebook and Instagram. We carried our communication campaign with message"

we've earned our stripes" and advocating our podium positions/test results in passenger cars and OHT product segments.

For the first time after removal of covid restrictions in September-21, we conducted product experience & customer intimacy event with the participation of ca. 100 European key customers in Portugal in Portimão GP. Continuing our social media initiatives, we conducted an Influencer event in Lapland/Sweeden (Vredestein Takes on Lapland) where 8 influencers from Poland, Italy, Germany, France and Netherlands have experienced our Wintrac Pro and shared their experiences with their followers.

For the TBR segment, we continue to collaborate with TOR Truck Racing and participated in season's FIA European Truck Racing Championship which was withdrawn last year due to the situation surrounding COVID-19.

For OHT segment, to demonstrate our enhanced product range, we participated in BAUMA Exhibition (World's Leading Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment)

OE Journey

On the PCT front, Volkswagen Group has selected Apollo Tyres' latest Vredestein Quatrac all-season tyres as original equipment (OE) for the new Caddy and Audi has selected Apollo Tyres' latest Vredestein Ultrac and Sportrac summer tyres as original equipment (OE) for the Audi A1 Sportback, with factory fitment on selected models. On the OHT front, we further increased our sales with Key OEM's new cooperation started with premium customers like Caterpillar & Liebherr. On the TBR front, we have finalized our very first OEM collaboration with SchwarzMuller

New product introductions

During the year, focus was to introduce new sizes to almost all our PCT product range introduced in the previous year as a commitment to our product story. These upgraded products with renewed energy are helping us consolidate and grow our position in the market.

To strengthen our position in UUHP segment (19" and above), we introduced 24 new sizes equally among our All-Season and Winter offers, Quatrac Pro and Wintrac Pro respectively. We added 29 sizes for the family and executive car segment, 18 sizes in the new summer product Ultrac and 11 sizes in the new winter offer, Wintrac. We also bolstered our Van portfolio with 6 sizes each in All-Season and Winter offer Comtrac 2 All Season+ and Comtrac 2 Winter+ including new sizes in 17". For the Apollo brand, we revamped our business model to make the business leaner and more efficient. We were also able to leverage our global footprint and optimize our product sourcing.

With these product introductions, our summer tyre segment has reached the next level of performance in this segment while replacing 2 existing patterns - Sportrac 5 and Ultrac Satin and helped make the summer portfolio simpler and sharper. For the summer sports segment, our upgraded product range Ultrac Vorti and Ultrac Vorti R is boosting the performance and excitement in the market.

Our renewed Winter tyre range, Wintrac & Wintrac Pro provides a more rounded and improved performance in winter conditions than the predecessor Snowtrac. The new naming also resonates the family feeling with offering for the UHP segment – Wintrac Pro.

For our agricultural business, no new products launched. However, 18 new sizes for Traxion 65 and Traxion Optimall were introduced to further enhance our product offering in the market

In TBR business, we introduced 4 new sizes in the three new segments (Long Haul, Coach,

Urban) and 2nd generation of our most popular regional trailer tyre.

In the bicycle tyre segment, the company recovered its market footprint on the back of products developed and industrialized last year from the completely new sourcing facility. These 'new' products are of the highest ever quality are expected to pave the way for profitable growth.

Major awards/ recognitions

In the passenger tyre segment, as a reward for our continuous efforts in producing test winning tyres, we won podium positions and accolades from leading industry magazines and test reports in Europe, namely AutoBild, AutoBild Sportscars, TireRack, AutoZietung, AutoMotorSport, AutoExpress, ADAC etc. We were 20 times test winners and 16 times podium finishers during the year for various passenger tyre segments.

Research & Development

Company has been developing products and technology to cater to a global market and focuses on the development of Passenger Car tyres. Its activities include Material science, Simulation technology, Design & Construction, CAE/FEA, Process development and Testing. Engineering professionals with very diverse backgrounds form the backbone of our R&D. The development process is strongly linked to Manufacturing, Marketing and Sales. The organization structure is flat to facilitate and enhance cross-functional approaches and drive innovation. Development initiatives are focused on following four main pillars:

Product:

- ❖ Development of new advanced product generation of for PCR, Agri radial and TBR.
- ❖ Development new product lines to support the expansion to new Markets and Geographies.

Technology:

- ❖ Development of Ultra Low Rolling Resistance, Wet Grip Increase and Noise Reduction (Silent Tyre) to be ready for future tyre performance requirements.
- ❖ Development of Electric vehicle tyres
- ❖ Research on Vehicle dynamics and Virtual Testing by FEA-Simulations in collaboration with different Universities
- ❖ Development of virtual prototyping enhancing the efficiency and effectiveness in R&D and being in line with the OEM requirements.
- ❖ Development and implementation of Tyre Sensor Technology

Materials:

- ❖ Development and implementation of innovative sustainable raw materials in polymers, fillers and resins and on renewable materials partnering with premium universities and suppliers e.g. regenerated Carbon Black, Silica and SSBR's
- ❖ Development of innovative compounds and reinforcement including new generations of polymers, fillers and resins
- ❖ Artificial Intelligence in Compounding

Design to cost:

- ❖ Optimization of materials to reduce product costs
- ❖ Optimization of processes to increase productivity

During the year, company has spent Euro 25 Million on R&D activities.

Company Policy

Apollo Tyres (NL) B.V.

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The company has implemented its strategic policy, which defines its vision, mission and way of doing business as mentioned below:

The Apollo Way

Defining values specific to the group means we can attract the right employees, customers and suppliers. It also makes for a more targeted decision-making process, which ensures that we can always act in a dedicated manner. In addition, our actions and methods become more reliable, enhancing trust and creating relationships that are longer lasting. We expect all employees to express these values in their behaviour.

Environmental Issues

There are no environmental issues outstanding.

Risk Management

The group's activities expose it to a variety of risks including market risk, price risk, interest risk, credit risk, currency risk, raw material risk, environmental & regulatory risk, product liability, and liquidity risk etc. The company's overall risk management seeks to minimise potential adverse effects on the company's financial performance.

Foreign Currency Risk: The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises because future commercial transactions are denominated in a foreign currency (not EUR). Forward foreign exchange contracts are executed with the specific intention of minimizing the impact of foreign currency fluctuations on income. The exchange rate risk primary arising on the export of tyres to the United Kingdom, Hungary, Norway, Sweden, Poland, Switzerland and the United States. Companies risk management policy requires up to 50 per cent of net currency exposure anticipated for a period of 6 to 12 months in advanced to be hedged. Derivative counter parties are limited to high-credit-quality financial institutions. Management continually monitors the entity's exposures to foreign currency risks as well as its use of derivative instruments. As of balance sheet date, there is a limited number of derivatives or forward contracts.

The company has a management team that continually monitors its exposures to interest rate risks and uses variable rate debt to finance its operations.

Credit risk: Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Company has adopted a policy of only dealing with creditworthy counterparties and does not transact with entities with a below standard credit history. Company's account receivables are largely secured with credit insurance coverage to limit the credit risk. To the extent of uninsured portion, company uses information supplied by credit rating agencies, publicly available financial information and its own trading records to rate its exposure. A credit management team continuously monitors the exposure and the credit ratings of its counterparties.

Liquidity / Cash flow Risk: Board of directors has established an appropriate liquidity risk management framework for the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facility, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities. At balance sheet date the company does not have any utilisation under the working capital facility, have a headroom of about Euro 15 Mn. under Factoring facility, have a bank balance of Euro 38.2 Mn. and is well within the agreed covenants as defined in the financing agreement.

Price Risk: The Company's sales and purchase is exposed to inflation and general demand/supply situation. Major raw material is natural rubber and various other petroleum-

based chemicals. Tyre industry like many other industries is going through a steep increase not only in raw material costs, energy costs but also ocean freight costs and general supply chain disruptions. This situation is further worsened due to war situation in Ukraine towards later part of the year The company is normally able to pass on the impact of inflation to its customers in normal course of business. Management keeps track of price developments in the market based on various industry indices to ensure its competitiveness is not compromised.

Insurance coverage: Bigger risks in respect of property, loss of profits and liability have been brought under a insurance policy. Risks in the case of claims and legal action are monitored closely and where necessary provisions are made.

Risk management framework: The Company has an established enterprise risk management framework up to the last level of management. A Risk Management Steering Committee, headed by the President of the company, with representations from all functional heads, embraces the identification, assessment, mitigation, monitoring and reporting of material risks faced by the company.

Each business risk is measured on a scale of 1 to 3 for two key parameters likelihood and impact. Combined score of these two criteria is considered to decide the overall risk rating of low, medium or high as under:

Likelihood criterion: How likely in the near future will the event take place

- ❖ Within 6 months: High score of 3
- ❖ 6 to 12 months: Medium score of 2
- ❖ Above 1 year: Low score of 1

Impact criterion: Financial impact on profitability

- ❖ More than Euro 1 Million: High score of 3
- ❖ Euro 400k to Euro 1 Million: Medium score of 2
- ❖ Below Euro 400k: Low score of 1

Overall risk rating (combined score)

- ❖ High: Risk score from 7 to 9
- ❖ Medium: Risk score from 3 to 6
- ❖ Low: Risk score up to 2

The objective of the Committee is to assist the Board of Directors in maintaining high standards of business conduct and good risk management practices to protect the company’s assets, achieve sustainable business growth, avoid major surprises and ensure compliance with applicable legal and regulatory requirements. As at 31st March 2022, committee has reported following key risks and mitigation plans to the board:

		Function	Risk identified	Likelihood/ Impact	Mitigating controls of management
1.	Strategic & Financial	Sales	High customer concentration	High	Company is monitoring 2 key KPIs to track the customer concentration in the relevant market: a) Max concentration ratio by country and customer segment & b) Share of account with key customers.

					The company is also working on Brand specific strategies to reduce over-dependence with focus on different customers
2.	Operational & Financial	Supply Chain Management	Risk of not being able to provide the right level of customer service (internal & external)	High	Company has a weekly tracking by core team comprising senior management level & Europe Executive S&OP level. Further key initiatives are implemented like forecasting and inventory quality improvement, scorecard & business efficiency measurement process
3.	Operational	Manufacturing	Risk of production stoppage due to multiple older machines in inadequate technical condition at Enschede Plant, Netherlands	Medium	The company has carried out complete evaluation of the plant on adequacy of the plant assets and machineries to execute the newly defined plant purpose. Critical asset list is available and Plant has identified assets and machineries to be made redundant post restructuring
4.	Strategic	Quality	Non-conformity of tyres regarding label values (Wet/snow grip, RR and Noise) EU 2020/740	Medium	Quality department is putting in place a Standard Operating Procedure (SOP) across the organization to prevent gap between actual product performance and label values

Development in Human Resources & Industrial Relations

The company has a diverse composition of employees in nationality, age, gender, education and work background. Currently the Company does not have any female members in the Board. The Company shall be making efforts to appoint female members to its Board.

As the group continues growth path, human resources are a key factor for success. The company seeks to create a mutually beneficial nurturing environment where employees experience personal and professional growth even as they work towards organisational goals. We kept our habits to congratulate colleagues who had service anniversary and those who were awarded with prestigious "Employee of the year" recognition. The "Kaizen" program

enriched & resulted into several-hundred ideas from the employees.

The average number of employees in the Group was 878 for the year 2021-22

Training & Development initiatives

During the year, the company introduced new modules on digital learning and training activities and the focus area was to make professional training process shorter & Introduce talent management including the succession planning. The company's digital learning tool "Apollo Virtual Learning Academy" has proved to be extremely efficient and productive during the pandemic situation. Various e-learning programs were organized via the organization wide platform. For Key Account Managers in Sales, a specialized skill enhancement program was carried out. Programs around health & well-being were also launched to support employees in the long work from home situation

Safety, Health, Wellbeing & Environment

Working in a safe and healthy environment with a maximum focus on wellbeing will continue to be a precondition for the success of our company. We will also continue with the theme of vitality and employability. On regular basis, the company is issuing coronavirus guidelines to the employees to follow local regulations and government advisories in respective countries. Detailed guidelines have been issued about procedures on safe work environments across all work locations.

Social responsibility and/or corporate philanthropy

The company continued to support the WEP initiative in the Netherlands and this is now part of the social responsibility policy and CLA agreements. It offers unemployed people the opportunity to gain work experience at the company and increase their chances of sustainable employment. The initiative focused on people with a disadvantage on the labour market. On an annual basis we offer working experience to 10 un-employed people within our company

During the year, several CSR activities were carried out by our Hungarian plant e.g. quarterly blood donation camps, establishing a web-based information platform to guide employees about the healthy behavior. The plant continued to donate tyres to Hungarian Blood Transfusion Services and Gyöngyös Ambulance Services. The plant also organized charity campaign for kids-ward of Gyöngyös hospital and collected toys and clothes for the little patients.

Industrial relations

Company in The Netherlands has three Employees' Unions and the Management holds regular meetings with Union representatives to brief them about operational performance of the company and future plans. During the year the company has set-up a new Works Council for the Central European functions after completion of specialization of Enschede plant in the Netherlands. This is in addition to its existing Works Council for the Enschede Plant. Both the Works councils are now actively involved in the operations and plans of the company. HR team has worked hand in hand with Unions & Works Councils on various employee related matters during the year.

The company has a diverse composition of employees in nationality, age, gender, education and work background. Currently the Company does not have any female members in the Board. The Company shall be making efforts to appoint female members to its Board.

Change of Name

With the objective of distinguishing between a Corporate and a Brand image of the overall

Apollo Group, the company carried out an exercise to change the name of the company and a few of its European subsidiaries. This change is a move towards corporate restructuring and for the purpose of simplification and operational convenience. The name of the company was changed from "Apollo Vredestein B.V." to "Apollo Tyres (NL) B.V." Information about old and new names of the subsidiaries of the company whose names are changed is mentioned below:

Old Name	New Name
Apollo Vredestein (UK) Ltd	Apollo Tyres (UK) Sales Ltd
Apollo Vredestein Schweiz AG	Apollo Tyres (Schweiz) AG
Apollo Vredestein Kft.	Apollo Tyres (Hungary) Sales Kft.
Apollo Vredestein SAS	Apollo Tyres (France) SAS
Apollo Vredestein Belux	Apollo Tyres (Belux) SA
Apollo Vredestein GmbH	Apollo Tyres (Germany) GmbH
Apollo Vredestein Nordic AB	Apollo Tyres (Nordic) AB
Apollo Vredestein Gesellschaft m.b.H.	Apollo Tyres (Austria) Gesellschaft m.b.H.
Apollo Vredestein Iberica SAU	Apollo Tyres (Iberica) SA
Apollo Vredestein Opony Polska Sp. Zo.o.	Apollo Tyres (Polska) Sp Zo.o

Outlook

Economic Outlook:

Economic activity is set to regain traction, also as supply conditions normalise and inflationary pressures moderate. Looking beyond the short-term turbulence, the fundamentals underpinning this expansionary phase continue to be strong. A continuously improving labour market, high household savings, still favourable financing conditions, and the full deployment of the Recovery and Resilience Facility (RRF) are all set to sustain a prolonged and robust expansionary phase.

Tyre Market Outlook:

European Tyre industry is facing strong headwinds of increasing cost pressure on account of raw materials, energy costs and supply chain disruptions and these factors are causing inflationary pressure on the customers. The company expects tyre market growth in 2022 generally in line with European economic forecast

All Season and UUHP segment will remain our focus passenger tyre segment and we currently offers the widest portfolio of All Season sizes in the market and will further grow that with new sizes in FY23. For the Apollo brand, we will refresh our summer portfolio with two new product lines, both for the family & executive segment as well as entry-level cars. We will also supplement our All-Season offer on Apollo with new sizes in Alnac 4G All Season for the UHP segment. Strong on our success with Audi, BMW and Mercedes over the last years, we keep on working on new projects with the premium OEMs in Europe

Sustainability related information

Corporate Social Responsibility is an indispensable part of today's world and it is important to take this responsibility as a company, both towards employees, customers and our environment. At Apollo Tyres, we want to make a positive impact on the living environment, the environment and sustainability and we are fully engaged in this within manufacturing operations. We also want to contribute outside our factory by supporting biodiversity projects in the region, among other things, we increase the flora and fauna, which in turn has a positive influence on the living environment. In collaboration with the municipality of Enschede, The Netherlands we provided support for a sustainability project in which the flooding in a certain

neighborhood in Enschede was tackled. The result is an above-ground stream with vegetation on the banks, which means that the water is now better able to find its way. In addition, this project gave an impulse to the quality of life and quality in this neighbourhood. This project was broadcast on Television channel RTLZ on 15th & 16th January in the Netherlands

Having due regard to the Company's current financial position together with its forecast results, cash flow and financial position in the coming year, the directors confirm that the company has the resources to continue in operational existence for the foreseeable future. Our aim is to meet the needs of our stakeholders in ways that are economically, environmentally, and socially responsible.

Developments after March 31, 2022

There are no significant developments. At the time of reporting date, there are no impacts on the Business Operations of the company due to the War

The Board would like to thank all employees, business partners, bankers, customers and other associates for their commitment and efforts in the past year.

Amsterdam, The Netherlands, June 15 ,2022

On behalf of the Board of Directors

Benoit Rivallant

Sunam Sarkar

Vishal Kumar Mittal

Rakesh Dewan

Consolidated financial statements

Consolidated financial statements

Consolidated statement of financial position

Before profit appropriation

(Euro x1,000)	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	103.179	111.320
Right-of-use assets	4	14.376	18.719
Intangible assets	5	33.922	52.971
Deferred tax assets	6	10.561	21.138
Other non-current assets	7	933	182
Total non-current assets		162.971	204.331
Current assets			
Inventories	8	78.754	53.975
Trade receivables	9	100.669	85.403
Cash and bank balances	10	36.489	33.996
Other current assets	11	15.987	4.055
Derivative financial assets	14	-	6.205
Corporate Advance tax paid	12	2.483	117
Total current assets		234.382	183.751
Total assets		397.353	388.082

(Euro x1,000)	Notes	As at 31 March 2022	As at 31 March 2021
Equity and liabilities			
Total group equity	13	156.007	167.233
Non-current liabilities			
Lease liabilities	4	8.575	13.753
Deferred tax liability	6	21.027	26.371
Pension liabilities	15	9.163	9.728
Other non current liabilities	16	59.086	50.950
Total non-current liabilities		97.851	100.802
Current liabilities			
Trade and other payables	17	134.928	107.566
Lease liabilities	4	6.336	5.446
Derivative financial liabilities	14	-	6.102
Corporate Income Tax Payable	12	2.231	931
Total current liabilities		143.495	120.046
Total equity and liabilities		397.353	388.082

Consolidated statement of income

(Euro x1,000)	Notes	Period ended 31 March 2022	Period ended 31 March 2021
Revenue	20	585.038	489.445
Other operating Income	21	974	863
Total Income		586.012	490.308
Changes in inventories of finished goods and work in progress	22	-23.272	40.244
Raw materials and Purchase of Finished goods	23	382.609	251.593
Employee expenses	24	85.390	104.810
Depreciation and amortisation expenses	25A	24.583	31.205
Other expenses	25A	80.554	71.094
Total expenses		549.864	498.945
Result before interest, taxes & non-recurring items		36.148	-8.637
Non-recurring items (Restructuring expenses)	25B	-	68.784
Result before interest and taxes		35.953	-77.482
Interest expense	26	-1.490	-963
Interest income	26	-	7
Result before taxes		34.659	-78.438
Income tax expense	27	-9.939	15.725
Result for the year		24.719	-62.713

Consolidated statement of comprehensive income

(Euro x1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Result for the year	24.719	-62.713
Items that will never be reclassified to profit and loss		
Actuarial gains or losses on pension plans gross	784	1.089
Tax effect on actuarial gains and losses	-181	-327
Items that are or may be reclassified to profit and loss		
Translation differences on foreign operations	374	-1
Total other comprehensive income	977	761
Total comprehensive income for the year	25.530	-61.952

The total comprehensive income is attributable to the owner of the parent company.

Consolidated statement of changes in equity

(Euro x 1,000)	Issued Capital	Share premium reserves	Translation of foreign operations	Legal Reserves	Actuarial gains or losses on pension plans	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2020	43	20.226	460	48.762	-3.087	183.095	-20.313	229.185
Profit for the period							-62.713	-62.713
Other comprehensive income, net of income tax			-1		762			761
Dividends						-		-
Transfers to and from reserves				-9.686		-10.627	20.313	-
Total as at 31 March 2021	43	20.226	459	39.075	-2.325	172.469	-62.713	167.233
Profit for the period							24.719	24.719
Other comprehensive income, net of income tax			374		603			977
Dividends						-36.921		-36.921
Transfers to and from reserves				-18.648		-44.065	62.713	-
Total as at 31 March 2022	43	20.226	833	20.427	-1.722	91.483	24.719	156.007

The Legal reserves of the company (Translation of Foreign Operations, Legal Reserves & Actuarial gain/loss on Pension) are non-distributable.

Consolidated statement of cash flows

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Profit before tax for the year	34.659	-78.438
Depreciation and amortisation	24.583	31.205
Impairment fixed assets	-	13.516
Interest	1.490	728
Non-Cash Items	316	136
Cash flows from operating activities	61.047	-32.624
<i>Movements in working capital</i>		
Decrease /(increase) in inventories	-24.779	44.483
Decrease /(increase) in Trade receivables	-722	-15.046
Decrease /(increase) in other non-current assets	-751	12
Decrease /(increase) in other current assets	-14.299	317
(Decrease)/increase in current liabilities	32.729	-39.549
(Decrease)/increase in non-current liabilities	2.228	50.602
Cash increase due to working capital	-5.595	40.819
Cash generated from operations	55.452	8.194
Net tax paid	-3.431	-507
Net cash generated by operating activities	52.021	7.688
<i>Cash flows from investing activities</i>		
Payments for property, plant and equipment	-2.931	-2.726
Capitalization intangibles	-3.262	-1.941
Proceeds from disposal of property, plant and equipment	205	4.952
Net cash (used in) /generated by investing activities	-5.988	284
<i>Cash flows from financing activities</i>		
Payment of lease liabilities	-6.100	-6.068
Interest received	-	7
Dividend paid	-36.921	-
Interest paid	-1.489	-963
Net cash used in financing activities	-44.510	-7.024
Other comprehensive income	970	766
Adjustment opening balance Retained earnings	-	-
Net decrease/increase in cash and cash equivalents	2.493	1.714
Cash and cash equivalents at the beginning of the financial year	33.996	32.283
Cash and cash equivalents at the end of the financial year including bank overdraft	36.489	33.996

Notes to the consolidated annual accounts for 2021-22

1. General information

Apollo Tyres (NL) B.V. is a private company with limited liability, incorporated in Enschede, the Netherlands. The registered office address of Apollo Tyres (NL) B.V. is IR E L C Schiffstraat 370, 7547 RD Enschede, The Netherlands. Apollo Tyres (NL) B.V. is registered in the Dutch trade register under number 34223268. As at reporting date, Apollo Tyres B.V. owns 100% of the shares in Apollo Tyres (NL) B.V. The ultimate parent of Apollo Tyres (NL) B.V. is Apollo Tyres Ltd., India. Apollo Tyres Ltd. files its annual report with Bombay Stock Exchange (India). Apollo Tyres (NL) B.V. concentrates on manufacturing, marketing, sales and distribution of tyres and supplies tyres for passenger cars, commercial vehicles, agricultural and industrial vehicles and bicycles. The company's distribution network extends through Europe. The company's products are also sold in North America. The 2021-2022 financial statements are prepared by the Board of Directors and authorized by the Supervisory Board on May 6, 2022 and will be submitted for adoption to the general meeting of shareholders.

2. Accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards published by the International Accounting Standards Board (IASB) as adopted by the European Union and Title 9 BW 2 of Dutch civil code. The consolidated financial statements have been prepared at historical cost, unless indicated otherwise. The accounting policies outlined below were applied consistently for all the periods presented in these consolidated financial statements. The financial data of subsidiaries are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code. Comparative figures have been adjusted retrospectively. The financial statements have been prepared under the assumption that the Group operates on a going concern basis.

2.1 Application of new and revised International Financial Reporting Standards(IFRS)

New Standards and interpretations

A number of new and amended standards are effective from 1 January 2021, but they do not have a material effect on the Group's financial statements.

Standards and interpretations effective and not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Annual improvements to IFRS standards 2018-2020.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

2.2. Basis for Consolidation

The consolidated financial statements include the financial statements of Apollo Tyres (NL) B.V. and its subsidiaries, being the entities controlled by Apollo Tyres (NL) B.V. Control is achieved where Apollo Tyres (NL) B.V. has the power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's return.

The financial data of subsidiaries acquired during the year under review are consolidated as of the moment that Apollo Tyres (NL) B.V. obtains control. The financial data of subsidiaries disposed of during the year under review are included in the consolidation until the moment that Apollo Tyres (NL) B.V. loses control. Apollo Tyres (NL) B.V. did not lose control of any subsidiary during the reporting period. There are no significant restrictions on the ability of group to access or use the assets and settle the liabilities of the group. There are no contractual arrangements that require the parent or its subsidiaries to provide financial support to a consolidated entity. If necessary, the figures for the subsidiaries' financial statements are adjusted to bring the statements in line with the accounting standards applied by Apollo Tyres (NL) B.V. The financial data of the consolidated subsidiaries are fully included in the consolidated financial statements after elimination of all intercompany balances and transactions. Unrealized profits and losses on intercompany transactions are eliminated from the consolidated financial statements. Proportion of ownership interest and voting power held by the group, directly or indirectly are:

	As at 31 March 2022	As at 31 March 2021
Vredestein Consulting B.V., Enschede - The Netherlands	100%	100%
Finlo B.V., Enschede - The Netherlands	100%	100%
Apollo Tyres (Belux) SA, Brussels- Belgium	100%	100%
Apollo Tyres (Germany) GmbH, Vallendar - Germany	100%	100%
Apollo Tyres (UK) Sales Ltd, Kettering - United Kingdom	100%	100%
Apollo Tyres (France) SAS, Paris - France	100%	100%
Apollo Tyres (Austria) Gesellschaft m.b.H., Vienna - Austria	100%	100%
Apollo Tyres (Iberica) SA, Cornellà de Llobregat - Spain	100%	100%
Apollo Tyres (Nordic) AB, Hisings Backa - Sweden	100%	100%
Apollo Tyres (Schweiz) AG, Baden -Switzerland	100%	100%
Apollo Tyres (Hungary) Sales Kft., Budapest - Hungary	100%	100%
Apollo Tyres (Polska) Sp Zo.o, Warschau - Poland	100%	100%

Apollo Tyres (NL) B.V. is part of the Apollo Tyres Ltd group, based in Gurgaon, India. All transactions with related parties within the Apollo group are based on regular business activities, following arms' length principle.

2.3 Foreign currency

The balance sheet and income statement are stated in euros, which is the functional currency of Apollo Tyres (NL) B.V. and the presentation currency for the consolidated financial statements. Receivables, debts and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date. Assets and liabilities of foreign subsidiaries

Apollo Tyres (NL) B.V.

are translated using the exchange rates at the date of the balance sheet. The income statements of foreign subsidiaries are converted at the average exchange rates applying for the periods involved. These exchange rates approximate the exchange rates at the dates of the transactions. Exchange rate differences arising from interests in foreign subsidiaries have been recorded under the other comprehensive income as a separate item.

2.4 Estimates

Apollo Tyres (NL) B.V. makes certain estimates and assumptions when preparing the consolidated financial statements. These estimates and assumptions have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Important estimates and assumptions relate largely to provisions, pensions, intangible fixed assets, deferred tax assets and liabilities. Actual results may differ from these estimates and assumptions. All assumptions, expectations and forecasts that are used as a basis for estimates in the consolidated financial statements represent as accurately an outlook as possible for Apollo Tyres (NL) B.V. These estimates only represent Apollo Tyres (NL) B.V.'s interpretation as of the dates on which they were prepared.

2.5 Net sales / Revenue recognition

Net sales represent the income from the supply of goods, after deduction of discounts, credit notes and the like, taxes levied on revenue, and elimination of intra-group sales.

Revenue arises mainly from the sale of tyres to business customers. To determine whether to recognize revenue, the company follows a 5-step process according to IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers. When the company acts as a principal revenue is recognised in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods

Revenue from product sales is generally recognised when the product is delivered to the client and when there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Delivery does not occur until products have been shipped, risk of loss has transferred to the client and client acceptance has been obtained, client acceptance provisions have lapsed, or the company has objective evidence that the criteria specified in the client acceptance provisions are either perfunctory or have been satisfied

2.5B Government grants

A government grant is recognised only when there is reasonable assurance that (a) the company will comply with any conditions attached to the grant and (b) the grant will be received.

The grant is recognised as income over the period necessary to match them with the

related costs, for which they are intended to compensate, on a systematic basis.

2.6 Taxation

Income tax includes current and deferred tax. Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity. Current tax is the expected income tax payable or receivable in respect of taxable profit or loss for the year, taking into account tax concessions and non-deductible costs.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The most significant temporary differences arise from the depreciation differences of property, plant and equipment, measuring the net assets at Cost. A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

2.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of machines and equipment and vehicles, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

- Lease payments included in the measurement of the lease liability comprise the following:

Apollo Tyres (NL) B.V.

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.8 Property, plant and equipment

Property, plant and equipment include all expenditure of a capital nature and are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated according to the straight-line method, with the rate depending on the expected useful life of the asset concerned. No allowance is made for residual values. The expected useful lives are reviewed at each reporting date, and if they differ materially from previous estimates, the depreciation schedules are changed accordingly.

Assets held for sale are valued at the lower of book value and market value, less sales costs. The term of depreciation is generally:

- Accommodations: 25 years
- Buildings: 30 years
- Moulds and formers: 4 years
- Furniture and fixture: 4-10 years
- Plant and machinery: 10-25 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.9 Intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;

- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalised costs are written-down over estimated useful lives, which is 6 years. The depreciation takes place on the straight-line basis.

Software is valued at historical cost. It mainly consists of customised software, which is depreciated according to the straight-line method, with the rate depending on the expected useful life of the asset concerned (5 years).

Brand name rights have no foreseeable limit to the period over which they are expected to generate net cash inflows for the entity.

For intangible assets with indefinite lives, no indications for impairment are applicable, but instead every year an impairment test calculation is made.

The residual value, useful life and amortization /depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

2.10 Impairment or disposal of tangible and intangible fixed assets

On each balance sheet date, Apollo Tyres (NL) B.V. tests whether there are indications that an individual non-current asset may be subject to impairment. If there are such indications, the recoverable amount of the asset involved is estimated in order to determine the extent to which impairment may apply. If it is not possible to determine the recoverable amount of the individual asset, then Apollo Tyres (NL) B.V. determines the recoverable amount of the cash-generating unit to which the asset belongs. Impairment applies if the carrying value of an asset exceeds its recoverable amount. The recoverable amount is equal to the proceeds or value to the business, whichever is the greater, the business value being the present value of the expected future cash flows from the use of the asset and its ultimate disposal. Impairment is charged to the income statement in the period in which it occurs, unless it relates to a revalued asset at acquisition date due to an acquisition of an entity or a group of entities.

2.11 Inventories

Inventories are valued at the lower of cost and estimated net realizable value after providing for obsolescence and other losses, where considered necessary. The net realizable value is the estimated sales price less the estimated selling expenses.

In case of **raw materials, consumables and sourced finished goods**, cost comprises cost of purchase and other costs incurred in bringing such inventories to their present location and condition. The purchase price is determined on a moving weighted average basis.

In case of **produced finished goods and goods in progress**, cost comprises raw material cost and conversion cost determined on a standard cost basis. Standard cost

includes all expenses directly attributable to the manufacturing process as well as suitable portion of related production overheads, based on normal operating capacity. General costs not relating to production, sales and financing costs are not considered. Inventory value is converted from standard cost to actual cost at the end of each periods.

2.12 Financial instruments

I. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 14). On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

III. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the

financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

IV. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

V. Derivative financial instruments and hedge accounting

The company holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value. Fair value of the derivatives is equal to inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (level 2). Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss. The company does not apply hedging accounting.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

VI. Impairment

Non-derivative financial assets:

Financial instruments and contract assets

The company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

2.13 Pension liabilities

Defined contribution plan Apollo Tyres NL B.V

At reporting date, employees of Apollo Tyres (NL) B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance company. Apollo Tyres (NL) B.V. has no legal or constructive obligation to pay further contributions and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.

Defined benefit plan ApolloTyres (Germany) GmbH

At reporting date, employees of Apollo Tyres (Germany) GmbH participated in defined benefit pension plan. This plan augments the pension provided by the state and provides additional support for the employees in the case of early disability or for surviving relatives in case of the death of an employee. Employees are entitled to this pension plan after 5 years of employment. The benefits of the defined benefit pension plan in Germany are based primarily on years of service and employees' compensation. The mortality level was assessed in accordance with the German Mortality table 2005 G Heubeck. Independent actuary carries out valuation of the obligation under the pension plan. Actuarial gains or losses are recognised in the other comprehensive income. The present value of the DBO was measured using the projected unit credit method. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

2.14 Provisions

Provisions are set aside to cover present legal or constructive obligations, arising from events on or before the balance sheet date, where it is likely that the company will have to meet these obligations and to the extent that the obligations can be estimated reliably. The level of the provisions reflects the best estimate of Apollo Tyres (NL) B.V. on the balance sheet date, regarding expected expenditures. If material, the liabilities are discounted to their present value. Provisions are recognized when a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reliably estimated. Provisions are recognized when it is probable that an outflow of economic resources will be required and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

2.15 Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.16 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Other components of equity include the following:

- *Actuarial gains or losses on pension plans* – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.
- *Translation reserve* – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into EURO.
- *Retained earnings* include all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs

2.18 Cash Flow Statement

The cash flow statement is prepared using the indirect method. The cash balance in the cash flow statement consists solely of immediately available cash. Cash flows in foreign currencies are translated using the exchange rate on the transaction date. Cash dividends are included in the cash flow from financing activities. The costs of acquisitions and other investments, as long as paid in cash, are included in cash from investing activities. Currency translation effects on foreign operations are presented in the cash flow statement in order to achieve reconciliation between the cash and cash equivalents at the beginning and the end of the period.

2.19 Information by segment

IFRS 8 requires Apollo Tyres (NL) B.V. to identify operational segments separately based on internal reports that are regularly reviewed by the management in order to allocate resources to the segments and to assess their performance. Apollo Tyres (NL) B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

3. Property, plant and equipment

(Euro x 1,000)	Land & accommodations	Building	Moulds & formers	Assets under construction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2020	19.018	52.698	88.126	5.643	9.754	423.934	599.174
Transfer		35	1.307	-6.082	24	4.026	-689
Foreign currency translation difference		-			-4		-4
Additions		17		533	24	58	632
Disposals		-6	-2.661		-77	-2.524	-5.269
Balance as at 31 March 2021	19.018	52.744	86.773	94	9.722	425.493	593.843
Foreign currency translation difference							-4
Additions		57	458	1.378	147	892	2.932
Disposals			-234		-63	-6.111	-6.408
Balance as at 31 March 2022	19.018	52.800	86.997	1.472	9.806	420.273	590.366
Accumulated depreciation							
Balance as at 31 March 2020	2.489	32.847	81.498		7.372	335.207	459.413
Depreciation for financial year	155	655	3.193		538	9.652	14.194
Impairments						13.516	13.516
Disposals		-6	-1.993		-77	-2.524	-4.600
Foreign currency translation difference					-1	3	1
Balance as at 31 March 2021	2.645	33.496	82.699		7.832	355.853	482.523
Depreciation for financial year	110	650	2.245		480	7.383	10.869
Disposals			-181		-63	-5.961	-6.205
Foreign currency translation difference							
Balance as at 31 March 2022	2.754	34.146	84.763		8.249	357.275	487.187
Balance NET BLOCK as at 31 March 2022	16.264	18.655	2.234	1.472	1.557	62.998	103.179
Balance NET BLOCK as at 31 March 2021	16.373	19.248	4.074	94	1.891	69.640	111.320

- a) Property, plant and equipment are primarily valued at cost.
- b) In FY 21, due to specialization of its plant in Enschede, number of machines were identified as redundant. The fair value of these machines were established by an independent valuer at 2.8 Mn (Book value Eur 15.1 Mn). The difference between the book value & the fair value of these assets was hence recognised as impairment provision (Note 24B). There are no such costs for FY22.
- c) The tangible fixed assets have an assessed value of EUR 581 million for insurance purposes as at 31 March 2022. (31 Mar 2021: Eur 314 Mn)

4. Leases

The Group distinguishes three types of leases:

- Premises: warehouses and offices. Contracts typical run for multiple year periods and have extension options.

- Machines and equipment: comprise different types of operational and warehousing machines and equipment
- Lease cars.

Information about leases for which the Group is a lessee is presented below. For accounting policy see Note 2.

Right-of-use assets

(Euro x 1,000)	Premises	Vehicles	Machine and equipment	Total
Carrying amount at 31 March 2021	14.132	2.352	2.235	18.719
Investments		1.586	25	1.560
Currency differences	-11	2	-	9
Depreciation	-3.748	-1.640	-556	-5.946
Carrying amount at 31 March 2022	10.373	2.300	1.703	14.376

Lease liabilities

(Euro x 1,000)	Premises	Vehicles	Machine and equipment	Total
Balance at 31 March 2021	14.589	2.375	2.236	19.200
Additions	-	1.530	25	1.555
Currency differences	-17	2	1-	-14
Repayments	-3.853	-1.673	-572	-6.099
Interest charged to the income statement	164	32	17	213
Balance at 31 March 2022	10.882	2.321	1.707	14.911

Amounts recognised in profit or loss

(Euro x 1,000)	Premises	Lease cars	Machine and equipment	Total
Depreciation of right-of-use assets	3.748	1.640	556	5.945
Interest on lease liabilities	164	32	17	213
Total	3.912	1.672	573	6.158

Ageing of lease liabilities

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 March 2022				
Lease liabilities	6.336	2.685	4.624	1.266

EXTENSION OPTIONS

Some leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise

the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

LEASE EXPENSES IN OUR OPERATING EXPENSES

The total amount in our operating expenses related to short-term leases, low value assets and expenses related to variable lease payments not included in the measurement of lease liabilities is € 2.2 million.

5. Intangible Assets

(Euro x 1,000)	Develop- ment	Brand names	Software	Total
As at 31 March 2020				
Cost	93.846	12.900	24.165	130.911
Depreciation	-45.085	-	-22.287	-67.371
Book value	48.762	12.900	1.878	63.540
<i>Changes in book value</i>				
Reclassification investments			689	689
Divestments	-2.110		-79	-2.189
Investments	1.941	-	-	1.941
Foreign currency translation difference	-	-	1	1
Depreciation for financial year	-9.518	-	-1.493	-11.011
Balance	-9.686	-	-882	-10.569
As at 31 March 2021				
Cost	93.678	12.900	24.752	131.329
Depreciation	-54.602	-	-23.756	-78.358
Book value	39.075	12.900	996	52.971
<i>Changes in book value</i>				
Divestments- acquisition value	-22.297			-22.297
Divestments- cumul. depreciation	7.736		18	7.754
Investments	3.107	-	155	3.262
Foreign currency translation difference	-	-	-	-
Depreciation for financial year	-7.194	-	-575	-7.768
Balance	-18.648	-	-401	-19.050
As at 31 March 2022				
Cost	74.487	12.900	24.907	112.294
Depreciation	-54.060	-	-24.312	-78.372
Book value	20.427	12.900	595	33.922

The Brand names have an indefinite life as the company has no intention to change names. An impairment test on the Brand names was carried out as at Mar 31, 2022, details of the test are outlined in table below. Based on the present value-in-use calculation, no impairment is deemed necessary:

Test method	"Relief from Royalty method" I
-------------	--------------------------------

Discount Rate	8.2%
Growth Rate	2.0%
No. of years for which cash flows were considered to calculate DCF	4 years
Book Value (Eur'000)	12.900
Test Result	No Impairment Loss

Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

6. Deferred tax

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Deferred tax asset movement		
At beginning of the year as previously reported	21.138	2.381
Current year charge	-10.576	18.756
At end of the year	10.562	21.138

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Deferred tax liability movement		
At beginning of the year as previously reported	26.371	23.659
Current year charge	-5.344	2.713
At end of the year	21.027	26.371

Deferred tax	Period ended 31 March 2022	Period ended 31 March 2021
Deferred tax assets:		
Tax losses carried forward	16.969	23.915
Pension benefit plans and jubilee provision	317	2.020
Lease liability	3.847	4.786
Profit elimination on unsold stock	25	51
Others	-	964
Gross deferred tax asset	21.160	31.736
Net off deferred tax liability	-10.599	-10.599
Total deferred tax asset	10.562	21.138
Deferred tax liability		
Property, plant and equipment	27.851	33.312
Brand names	3.367	3.263
Intangible Assets	407	395
Gross Deferred Tax Liability	31.626	36.970
Net off Deferred Tax Asset	-10.599	-10.599
Total deferred tax liability	21.027	26.371
Net deferred tax liability	10.467	5.233

Deferred tax is recognized in respect of temporary differences between the carrying

amounts of assets and liabilities for financial reporting purposes and their tax bases. The most significant temporary differences arise from the depreciation differences of property, plant and equipment, pension liability and taxable losses carried forward. Brand names have no fiscal value.

7. Other non-current assets

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Rent deposits	933	182

The amortized cost approximates fair value.

8. Inventories

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Raw materials	6.662	5.032
Work in progress	3.128	2.143
Finished & Traded goods in stock	43.694	32.922
Finished & Traded goods in transit	19.716	8.201
Consumable stores	5.555	5.677
Total	78.754	53.975

Part of inventories have been ceded as security for liabilities of the company. The cost of inventories recognized as an expense during the year in respect of continuous operations was EUR 359 million.(2021:EUR 279 Mn) Inventories include an allowance for slow moving/obsolete stock of EUR 0.9 million (2021:0.4 million).

9. Trade receivables

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Trade receivables	109.998	94.538
Allowance for doubtful debts	-9.330	-9.135
Total	100.669	85.403

All trade receivables shorter than a year are valued at nominal value, which is a reasonable approximation of fair value of the receivables. The credit period generally ranges from 14 days to 90 days and customer loses the incentive if not paid in time. Apollo Tyres (NL) B.V. has no significant concentrations on credit risks. It has a policy which prevent sales to customers with a below standard credit history. Apollo Tyres (NL) B.V. has also a good credit management team, which is responsible for overdue receivables. Credit limit is granted after assessing the credit worthiness of customer. Credit report from independent credit rating agency like D&B or equivalent is used. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which no allowance for doubtful debts has been recognized because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Receivable balances that are held to collect are subsequently measured at amortized cost and are subject to impairment as explained in the impairment section of this note. The company derecognizes receivables on entering into factoring transactions if the company has transferred substantially all risks and rewards or if the company does not retain control over those receivables.

The Net Receivable position as at 31 Mar 2022 includes an amount of EUR 10.2 million received under the Non Recourse Purchase of Eligible Receivables agreement.

Ageing of past due but not impaired receivables

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
0 - 60 days	3.001	3.413
61 - 180 days	-844	-1.384
more than 180 days	-317	-189
Total	1.840	1.843

The total not past due for FY 2021-2022 amounts to EUR 89.6 million (2021:EUR 83.6 Mn). This amount includes an amount of EUR 9 million due from Apollo Group companies.(2021: EUR11.3 Mn)

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-9.135	-5.089
Movement to allowance recognized in statement of income	-314	-1.371
Reclass of accrual on Debtor balances to Doubtful	119	2.675
Amounts written off during the year as uncollectible		
Balance at end of year	-9.330	-9.135

10. Cash and bank balances

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Cash at bank	36.489	33.996

Cash is at free disposal of the company. Negative balances are included as debt (note 18).

11. Other current assets

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Prepayments	577	1.287
VAT recoverable	13.486	1.843
Other receivables	1.924	924
Total	15.987	4.055

12. Corporate tax (receivable/payable)

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Corporate Advance Tax Paid	2.483	117
Provision for tax	-2.231	-931
Net corporate tax position	253	-815

The corporate income tax position are netted by country and jurisdiction.

13. Total group equity

Reference is made to the note on shareholders' equity in the company financial statements for a detailed note on the share of the legal entity in the group equity.

14. Derivative financial assets and liabilities

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Current assets relating to derivative financial instruments	-	6.205
Current liabilities relating to derivative financial instruments	-	6.102
Total net position	-	103

All derivatives relate to forward foreign currency contracts. There were no Derivatives open as per 31 Mar 2022.

Forward exchange contracts hedge the risk of volatility of future trade activities in foreign currencies. The amount disclosed in the previous year relates mainly to positions in EUR-GBP, EUR-SEK and EUR-PLN.

See note 30 for more information on risk management and financial instruments. We do not apply hedge accounting for derivative financial instruments.

15. Pension Liabilities

The pension liability as recorded in the balance sheet relates to the defined benefit plan of Apollo Tyres (Germany) GmbH in Germany and defined contribution plan of Apollo Tyres (NL) B.V. in the Netherlands. For the defined benefit plan an actuary of a certified actuarial firm performed plan of Apollo Tyres (Germany) GmbH an actuarial calculation.

At reporting date, employees of Apollo Tyres (NL) B.V. participated in defined contribution pension plan. Under this pension plan, fixed contributions are paid to the Insurance Company. Apollo Tyres (NL) B.V. has no legal or constructive obligation to pay further contributions and the insurance service provider is responsible to hold sufficient assets to pay all employee benefits relating to employee service. Contributions that will not be settled within 12 months are discounted and recognized as liability.

The pension liability Apollo Tyres (Germany) GmbH is valued using the German Law on Modernisation of Accounting Regulations (BilMoG). The entity has no specific (governance)

responsibilities with regards to the plan. As the plan is state operated, no entity specific / plan specific risk are applicable other than described above. The valuation method applied is based on the project unit credit method. The 2018 G Standard Tables of Prof. Dr. Heubeck are used as biometric basis. The service period is limited to 40 years resulting in a maximum yearly entitlement (for the first 5 years of credited service) of 0.60% of Average Pay up to the final average social security contribution ceiling (SSCC) and 15% of Average pay exceeding the final average SSCC. For each year of credited service exceeding 5 years there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1% of Average pay exceeding the final average SSCC. For each year of credited service there is an entitlement of 0.40% of Average Pay up to the final average SSCC and 1.20% of Average pay exceeding the final average SSCC.

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Pension liabilities		
Defined benefit plan	9.163	9.728
Defined contribution plan	-	-
At end of the year	9.163	9.728

Extracts of defined benefit plan are as follows:

Assumptions Apollo Tyres (Germany) GmbH	Period ended 31 March 2022	Period ended 31 March 2021
Inflation	2.0%	1.75%
Indexation non-active members	2.0%	1.75%
Mortality table	Heubeck 2018G	Heubeck 2018G
Individual salary increase (dependent on age)	3%	3%
Discount rate	1.7%	1.1%

Defined benefit pension plan (Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation		
Balance at beginning of the year	-9.727	-10.817
Service costs	-225	-263
Interest expense	-105	-64
Benefits paid	292	328
Remeasurements due to experience	-121	112
Remeasurements due to demographic assumptions	-	-
Remeasurements due to change in financial assumptions	724	977
Balance at end of year	-9.163	-9.727

Net balance pensions liability

Defined benefit obligation		
Plan assets		
Unfunded status	-9.163	-9.727
Net balance pensions liability	-9.163	-9.727

Movement of net liability

Balance at beginning of the year	-9.727	-10.817
Service cost		
<i>Past service cost</i>		
<i>Current service cost</i>	-225	-263
Interest expense	-105	-64
Defined benefit cost recognized in profit and loss	<u>-330</u>	<u>-327</u>
Defined benefit cost recognized in OCI	603	1.089
Benefits paid / contributions paid	292	328
Other adjustments	-	-
Balance at end of the year	<u>-9.163</u>	<u>-9.727</u>

The defined benefit cost recorded in profit and loss is recognized in the income statement. The key assumptions regarding the calculation of the defined benefit obligation are included below. These summarize the effects on the defined benefit obligation if there would be a change in the assumption mentioned.

Sensitivity analysis	Change in assumption	Change in defined benefit obligation
Discount rate	Increase by 1.00%	-15.36%
Salary increase	Increase by 0.50%	+1.32%
Inflation	Increase by 0.25%	+3.17%

Maturity profile**(Euro x 1,000)**

Expected payments during fiscal year ending 31/03/2023	288
Expected payments during fiscal year ending 31/03/2024	297
Expected payments during fiscal year ending 31/03/2025	304
Expected payments during fiscal year ending 31/03/2026	322
Expected payments during fiscal year ending 31/03/2027	333
Expected payments during fiscal year ending 31/03/2028 through 31/3/2032	1.785

Analyses of Defined Benefit Obligation by Participant Category**(Euro x 1,000)**

Active participants	3.448
Deferred participants	1.539
Pensioners	4.176

Expected Contributions for the period ending 31/03/2022

Employer	0
Plan participants	0

Weighted average Duration of Defined Benefit Obligations: 17.04 years

Asset information	Allocation percentage 31/03/2022 Quoted	Allocation percentage 31/03/2022 Unquoted	Allocation percentage 31/03/2022 Total
Equity and debt securities			
Cash and cash equivalents			
Derivatives			
Other		100%	100%
Total		100%	100%

16. Other non-current liabilities

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Jubilee benefits	1.216	1.281
Delayed tax payments related to Covid	57.870	49.669
Total Other non current liabilities	59.086	50.950

Movement in the Jubilee provision

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Opening balance	1.281	1.971
Movements in Jubilee benefits	-65	-690
Closing balance	1.216	1.281

Jubilee Benefits

There is a jubilee scheme in place for all employees of Apollo Tyres (NL) B.V. on Dutch payroll. For 12.5, 25 and 40 years of service, benefits are paid to the personnel.

For the provision as at Mar 31, 2022, following was considered: Salary Increase: 2.5%, Discount Rate 1.5%, Retirement Age: 65 years and Retention rate: 6.4%

Risks in the case of claims and legal action are monitored closely and where necessary provisions are made. There were no payments in the current year.

17. Trade and other payables

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Trade payables	28.289	22.013
Payable to related parties	52.690	28.105
Sales deductions	12.826	10.030
Interest accrued but not due	245	117
Tax & social premiums	2.344	3.956
Tax & Social Premiums (Government Dues)	5.426	10.894
Other employees payable	4.439	7.221
13th month	697	848

Leave pay	1.838	2.122
Holiday allowance	1.748	1.998
Statutory payable	9.756	12.618
Statutory payable (Government Dues)	1.004	892
Other payables and accruals	11.945	10.172
Total trade and other payables	134.170	107.566

The credit period on purchases generally ranges from 15 days to 60 days. Apollo Tyres (NL) B.V. has financial risk management policies put in place to ensure that all payables are paid within the pre-agreed credit terms.

No interest is calculated with respect to the payables to related parties given the short term character and periodic settling of balances. No pledges and or securities are applicable.

18. Borrowings

During FY20, the Company's parent Company ,Apollo Tyres (Europe) B.V. has signed a new financing agreement for the long term loan (EUR 175 Million, of which EUR 133 Million outstanding per 31 March 2022) with a consortium of Banks led by Standard Chartered Bank, the proceeds for which were utilized for repayment of the previous facility loan.

The Company has provided guarantee for the loan which is secured by a pledge on its movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of Real Estate being the Land and Buildings located in the Netherlands.

Company's sister company, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledged of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

19. Gearing Ratio

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Net debt	-36.489	-33.996
Equity	156.007	167.233
Net debt to equity ratio	0%	0%

Net debt is defined as the sum of the borrowings and cash and bank balances (see note 10). As per 31 March 2022 the company had no borrowings.

20. Revenue

IFRS 8 requires Apollo Tyres (NL)B.V. to identify operational segments separately based on internal reports that are regularly reviewed by the management in order to allocate resources to the segments and to assess their performance. Apollo Tyres (NL)B.V. identifies only one operational cash generating unit: Europe. Sales and activities outside Europe are marginal.

21. Other operating Income

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Royalty Income	153	39
Profit on sale of assets	72	344
Subsidies and other	750	480
Total	974	863

22. Changes in inventories of finished goods and work in progress

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Opening Stock		
Work in progress	2.143	2.483
Stock-in-trade	8.201	6.528
Finished goods	32.922	74.499
	43.266	83.510
Closing Stock		
Work in progress	3.128	2.143
Stock-in-trade	19.716	8.201
Finished goods	43.694	32.922
	66.538	43.266
Changes in work in progress and finished goods	-23.272	40.244

23. Raw materials and consumables used

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Raw materials consumed	54.803	39.745
Purchase of finished goods	327.806	211.848
Total	382.609	251.593

24. Employee expenses

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Wages, salaries and welfare	71.436	83.021
Pension & social contribution	13.955	21.789
Total employees cost	85.390	104.810

Pension & social contribution include company pension expenses (see note 15), none of it

related to Defined Benefit plans.

25 A. Depreciation, amortisation and other expenses

Depreciation and amortisation expenses

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Amortisation of intangible assets	7.768	11.011
Depreciation right-of-use assets	5.946	6.001
Depreciation of property, plant and equipment	10.869	14.194
Total costs	24.583	31.205

Other expenses

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Stores and spares consumed	2.144	3.218
Power and fuel	5.753	4.148
Repairs and maintenance :-		
- Machinery	4.159	2.803
- Others	1.753	2.160
Travelling, conveyance and vehicle expenses	2.081	1.423
Freight and forwarding	29.858	23.014
Advertisement and publicity	16.491	14.352
Research and development	4.468	7.305
Operating lease rent - property, plant & equipment	398	979
Legal and professional expenses	1.553	936
Corporate charges	4.764	2.144
Other cost	7.132	8.611
Total other operating expenses	80.554	71.094

25 B. Non-recurring expenses (Restructuring expenses)

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Staff transition compensation	-	52.732
Spare part inventory compensation	-	2.537
Fixed asset impairment	-	13.515
Total costs	-	68.784

For FY21, the company announced on 5th March, 2020 its intention to specialize its Enschede plant in the Netherlands, bringing the production in Enschede to a level where only high-performance tyres will be produced at a profitable level. Aligning the plant to the intended specialization and sustainable production level, unfortunately resulted in the company having to reduce its workforce in the Netherlands by approximately 540 employees.

For the current year, the company has not incurred any expense on the specialization. The provisions created in the books have been used specifically to meet out the obligations as created at the end of last year for the purpose.

26. Interest

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Interest expenses	1.489	963
Interest income	-	-7
Total	1.489	956

27. Income tax expense

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Current taxation	2.364	580
Deferred taxation	7.575	-16.304
Total	9.939	-15.725

Apollo Tyres (NL) B.V. forms part of the fiscal unity with Apollo Coöperatief U.A. , head of the fiscal unity. Apollo Tyres (NL) B.V. is therefore jointly and severally liable for the liabilities of the fiscal unity. The corporate income tax is calculated as if the company was separately liable for tax. The taxation according the profit and loss account is calculated at applicable rates taking into account permanent and temporary differences.

A reconciliation of income tax expense to the tax based on the Dutch statutory rate is as follows:

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Income before taxes	34.659	-78.438
Tax based on Dutch tax rate	8.628	-19.610
Reduction in tax rate	230	3.543
Higher statutory rate of foreign countries	189	68
Non-deductible expenses	16	554
Recognition of tax effect on previously unrecognised tax losses	-	-709
Other	876	430
Total	9.939	-15.724

The tax effects related to components of other comprehensive income is:

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Actuarial gains and losses on pension plans	-181	327

Below is the detail for the current year deferred taxation:

(Euro x 1,000)	Period ended 31 March 2022
Tax effect of items constituting deferred tax liabilities:	
Deviating valuation property, plant and equipment	5.461
Tax effect of items constituting deferred tax assets:	
Carried forward tax loss	8.526
Deviation valuation employee benefits	-12
Lease liability	-939
	7.576

28. Financial assets by category

As at 31 March 2022	Amortised costs	FVTPL	FVTOCI	Total
(Euro x1,000)				
Cash and cash equivalents	36.489			36.489
Trade receivables	100.669			100.669
Derivative financial assets		-		-
Other current assets	15.987		-	15.987
	153.145	-	-	153.145

As at 31 March 2021	Amortised costs	FVTPL	FVTOCI	Total
(Euro x1,000)				
Cash and cash equivalents	33.996			33.996
Trade receivables	85.403			85.403
Derivative financial assets		6.205		6.205
Other current assets	4.055		-	4.055
	123.454	6.205	-	129.659

29. Financial liabilities by category

As at March 2022	FVTOCI	Amortised costs	FVTPL	Total
(Euro x1,000)				
Pension liabilities	9.163			9.163
Other non-current liabilities		59.086		59.086
Trade and other payables	-	134.170		134.170
	9.163	193.256	-	202.419

As at March 2021	FVTOCI	Amortised costs	FVTPL	Total
(Euro x1,000)				
Pension liabilities	9.728			9.728
Other non-current liabilities		50.950		50.950
Trade and other payables	-	108.633		108.633
Derivative financial liabilities			6.102	6.102
	9.728	159.583	6.102	175.413

30. Risk management

General

As a strategy, we target long-term growth in net sales and EBITDA. In addition, we set financial targets for return on average capital employed (based on the operating result). An enabling condition in our policy is a healthy financing structure that maintains a balance between adequate solvency, the leverage of loan capital and sufficient available funding. Our cash flows are strong. As a result of its activities, Apollo Vredenstein B.V. is exposed to various financial risks. We apply a group-wide treasury policy for adequate management of our cash flows and financing flows and the financial risks relating to them, including (re)financing risks, currency risks and interest rate risks.

A summary is provided below of the main financial risks relating to our objectives, categorised as liquidity risks, currency risks, interest rate risks and credit risks. We also state how we manage these risks.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Apollo Tyres (NL) B.V. has adopted a policy of only dealing with creditworthy counterparties. The entity does not transact with entities with a below standard credit history. Apollo Tyres (NL) B.V. uses information supplied by credit rating agencies, publicly available financial information and its own trading records to rate its major counterparties. A credit management team continuously monitors the exposure of Apollo Tyres (NL) B.V. and the credit ratings of its counterparties. A Risk Management Steering Committee, headed by the CEO of the company, with representations from all functional heads, embraces the assessment, mitigation and monitoring of credit risks faced by the company. The management steering committee also uses credit insurance in various countries to limit the credit risk.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. It has a policy which prevent sales to customers with a below standard credit history. Credit limit is granted after assessing the credit worthiness of customer. Credit report from independent credit rating agency like D&B or equivalent is used. The credit risk on liquid funds and derivatives is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

The company does not require collateral in respect of trade and other receivables. The company does not have trade receivable for which no loss allowance is recognised because of collateral.

The company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated

separately for exposures in different geographic regions and customer segments.

Loss rates are based on actual credit loss experience over past periods, adjusted for current conditions and the company's view of economic conditions over the expected lives of the receivables.

The maximum credit risk is equal to the carrying amount of each financial instrument on the balance sheet and relates to the following items :

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	36.489	33.996
Derivative financial assets	-	6.205
Trade receivables	100.669	85.403
Other current assets	15.987	4.055
Total costs	153.145	129.659

Impairment losses on financial assets recognised in profit or loss only relate to trade receivables and were EUR 0.3 million as per March 31, 2022 (2021: 1.4 million).

Capital risk management

The company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business.

Liquidity risk management

Ultimate responsible for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the company's short, medium and long-term funding and liquidity management requirements. Apollo Tyres (NL) B.V. manages liquidity risk by maintaining adequate reserves and banking facility, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities. Note 18 set out the details of the borrowing agreements with the banks.

We had no borrowings as at 31 March 2022. The company therefore has credit facilities that are sufficient for the existing and expected credit requirements of the group.

The extent of the risk that the ratios agreed with lenders are exceeded is regularly determined. With the present (positive) net cash position of EUR 31.2 million, the leverage ratio is zero.

Table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 March 2022				
Pension liabilities	288	297	957	7.621
Other non-current liabilities		23.148	34.272	
Trade and other payables	134.170			

As at 31 March 2021

Pension liabilities	284	284	898	8.262
Other non-current liabilities		39.735	11.215	
Derivative financial liabilities	6.102			
Trade and other payables	107.566			

Exchange rate risk

Foreign exchange risk arises because future commercial transactions are denominated in a foreign currency (not EUR). The management monitors continually the entity's exposures to foreign currency risks.

In addition to the above mentioned transaction related currency risk, the company is also subject to translation related currency risk as a result of consolidation of business units with different functional currencies. The translation related currency risks are not hedged by means of derivatives.

The sensitivity of the operating result of 2021-22 in respect of the currency risk of our positions outside the euro area to a 10% change in the exchange rate of the euro is EUR 2.3 million.

Within the operating result, the negative impact of appreciated foreign currencies on cost of goods sold (transaction impact) are offset by the positive impact of appreciated foreign currencies in translating the operating result of non-EUR business (translation impact). Gains or losses on forward currency contracts (reported in operating result) offset the currency risk from purchasing contracts in foreign currencies from a cash and net profit perspective

Interest rate risk

The company has a management team that continually monitors its exposures to interest rate risks and uses variable rate debt to finance its operations.

31. Fair value information**Financial instruments by category**

The table in note 28 sets out the carrying amount of the various financial instruments by category as at the balance sheet date

Method for fair value measurement of financial instruments

We use a three-level fair value hierarchy:

Level 1

The financial asset at fair value through profit or loss is measured by reference to quoted prices in an active market. As per 31 March, 2022 the company had no assets in this category.

Level 2

As there are no external market prices on which to base the value of receivables, and borrowings, their fair value is determined from generally accepted valuation models. The value determined in this way is equal to the price at which the derivative can be sold in a transparent market. We set the values regularly in consultation with accepted external market parties.

For the valuation of forward currency contracts, the future cash flows in the contract currency are discounted at a rate based on the term and contract currency. The present value at the balance sheet date in the contract currency is translated at the closing

exchange rate ruling on the same day.

Level 3

Financial instruments carried at fair value determined by reference to input that is not based on observable market data only apply to the pension liabilities in relation to the defined benefit plans in Germany.

The other receivables, borrowings and commitments are carried at amortised cost. The fair values of the other items do not differ materially from their carrying amount.

The following table summarizes the assets and liabilities categorized by this hierarchy. The table summarizes only the fair value measurement that has not been previously disclosed. The valuation technique used to describe level 3 measurements (pensions) has been disclosed in note 14.

At 31 March 2022	(Euro x 1,000)			
	Level 1	Level 2	Level 3	Total
Derivative financial assets		-		
Pension liability			9.163	9.163

32. Auditor's remuneration

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Audit fee	436	383
Other auditing services	80	10
Total auditor's remuneration	516	393

The auditor's remuneration is charged to the financial year for which the audit was performed.

33. Board of directors and all key personnel's' remuneration

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Board of directors' remuneration	849	701
Post-employment benefits	13	24
Other benefits	-	-
Termination benefits	-	-
Share-based payment benefits	-	-
Total Board of directors remuneration	862	725
Key management compensation	1.584	1.516
Total board and key personnel remuneration	2.446	2.241

The supervisory directors received a total remuneration of EUR 20,000 (2021: EUR 8944) for the current financial year. No loans, advances or guarantees have been issued in favour of members of the board or supervisory board.

34. Related party

34.1 Related party indebtedness

This note is related to intercompany balances between Apollo Tyres (NL) B.V. and companies that are ultimately controlled by Apollo Tyres Ltd (ultimate parent).

Intercompany balances between Apollo Tyres (NL) B.V. and its subsidiaries (other related

Apollo Tyres (NL) B.V.

transactions) have been eliminated. Related party transactions were made on terms equivalent to transactions with third parties.

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Receivable from:		
Reifencom GmbH	5.669	7.247
Apollo Tyres Global R&D	280	665
Apollo Tyres Middle-East	54	-
Apollo Tyres Hungary	127	-
Apollo Tyres Limited, India (ultimate parent)	841	733
Apollo Tyres South Africa	152	37
Vredestein Tyres North America Inc.	1.819	2.377
Total Receivables	8.943	11.059
Payable to:		
Apollo Tyres (Germany) GmbH	-	11
Saturn F1	46	8
Reifencom GmbH	-	33
Apollo Tyres Coop	327	59
Apollo Tyres Brasil	301	301
Apollo Tyres Global R&D	-	-620
Apollo Tyres UK	1.304	338
Apollo Tyres B.V. (parent)	4.193	-
Apollo Tyres Limited, India (ultimate parent)	17.755	6.139
Apollo Tyres Singapore	2.366	2.587
Apollo Tyres Hungary	26.139	19.197
Apollo Tyres AG, Switzerland	148	52
Total Payables	52.579	28.105

Management has assessed the collectability of receivables from related parties. No interest is calculated with respect to the payables to related parties given the short term character and periodic settling of balances. No pledges and or securities are applicable.

34.2 Related party transactions – Income

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Apollo Tyres South Africa (sister)	115	209
Apollo Tyres Middle-East (sister)	544	842
Apollo Tyres Thailand (sister)	-	56
Apollo Tyres Limited, India (ultimate parent)	2.220	1.693
Reifencom GmbH	16.774	20.784
Vredestein Tyres North America Inc.	17.712	12.347
Total	37.365	35.932

34.3 Related party transactions – Expenses

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Apollo Tyres Global R&D (sister)	7.412	8.330
Apollo Tyres UK (sister)	4.787	2.683
Apollo Tyres Limited, India (ultimate parent)	66.831	28.651

Apollo Tyres AG, Switzerland (sister)	416	391
Apollo Tyres Singapore	13.105	10.770
Apollo Tyres GmbH	4	96
Apollo Tyres Hungary	227.132	149.808
Saturn F1	338	62
Reifencom GmbH	16	87
Total	320.041	200.878

35. Average number of employees

	Period ended 31 March 2022	Period ended 31 March 2021
Direct departments (production)	499	1.023
Non-direct departments	169	152
Total	667	1.175
Other countries	211	199
Total average number of employees	878	1.374

36. Capital commitment

36.1 Capital commitment

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Capital commitment	2.583	1.349

Capital commitments relate to various commitments in relation to planned investments in tangible and intangible fixed assets.

36.2 Other commitments not shown in the balance sheet

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of its leases, i.e. these leases are on-balance sheet. The Group uses a practical expedient when applying IFRS 16 for low value and short-term leases. Commitments on low value leases and short term leases are therefore still included in the commitments not shown in the balance sheet as at 31 March 2022. Furthermore the commitments not shown in the balance sheet comprise of other operating commitments, committed capital expenditure and other financial commitments. The commitments not shown in the balance sheet amounted to zero at 31 March 2022:

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Due in year one	-	534
Due between years two and five	-	39
Due after five years	-	-
Total	-	573

37. Contingent liabilities

The company had no contingent liabilities as per end of March 2022 (March 2021:0). The company provided securities for the rent of buildings (2.4Mn) in the form of bank guarantees. (2021:995K)

Company financial statements

Company financial statements

Company statement of financial position

Before profit appropriation

(Euro x 1,000)	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Intangible assets	1	33.915	52.971
Property, plant and equipment	2	102.586	110.659
Right-of-use assets	3	12.072	16.323
Deferred tax assets		7.581	18.408
Receivables from participating interests		45	45
Investment in subsidiaries	4	59.981	55.200
Total non-current assets		216.179	253.606
Current assets			
Inventories	5	70.328	46.581
Trade receivables	6	32.253	32.739
Receivables from group companies	7	39.048	29.173
Derivative financial assets		-	6.204
Other current assets	8	15.223	1.652
Cash and bank balances		26.166	26.705
Total current assets		183.018	143.053
Total assets		399.197	396.659

(Euro x 1,000)	Notes	As at 31 March 2022	As at 31 March 2021
Equity and liabilities			
Equity			
Issued capital		43	43
Share premium reserves		20.226	20.226
Legal reserves		20.427	39.075
Translation of foreign operations		836	552
Actuarial gains / losses on pension plans		-1.721	-2.325
Retained earnings and other reserves		94.707	173.582
Profit for the year		23.290	-60.601
Total equity	9	157.808	170.552
Provisions		1.150	1.230
Non-current liabilities			
Deferred tax liability	10	21.092	26.436
Other long term liabilities	10	57.870	49.669
Lease liabilities	4	7.637	12.346
Total non-current liabilities		86.599	88.451
Current liabilities			
Trade and other payables	11	58.376	60.993
Debt to group companies	12	90.297	64.884
Lease liabilities	4	4.966	4.447
Derivative financial liabilities		-	6.102
Total current liabilities		153.640	136.426
Total equity and liabilities		399.197	396.659

Company statement of income

(Euro x 1,000)	Notes	Period ended 31 March 2022	Period ended 31 March 2021
Profit from investment in subsidiaries	14	3.832	4.124
Other profit after Tax		18.751	-64.725
Profit of the year		23.290	-60.601

Notes to the separate annual accounts for 2021-2022

Valuation principles and accounting policies relating to the determination of the result

The company financial statements of the company are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. We utilise the option afforded by Section 362(8) of Book 2 of the Dutch Civil Code to apply the accounting policies used for the consolidated financial statements to the holding company financial statements, with exception of the valuation for investments in subsidiaries, see Note 4. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). The policies include those covering the presentation of financial instruments as equity or loan capital. The financial data of Apollo Tyres B.V. are incorporated in the consolidated financial statements. Therefore, an abbreviated income statement is presented for the company under article 2:402 of the Dutch Civil Code.

1. Intangible Assets

(Euro x 1,000)	Develop- ment	Brand names	Software	Total
As at 31 March 2021				
Cost	93.678	12.900	24.752	131.329
Depreciation	-54.602	-	-23.756	-78.358
Book value	39.075	12.900	996	52.971
<i>Changes in book value</i>				
Divestments- acquisition value	-22.297			-22.297
Divestments- cumul. depreciation	7.736		18	7.754
Investments	3.107	-	118	3.225
Foreign currency translation difference	-	-	-	-
Depreciation for financial year	-7.194	-	-544	-7.738
Balance	-18.648	-	-408	-19.056
As at 31 March 2022				
Cost	74.830	12.900	24.871	112.637
Depreciation	-54.060	-	-24.282	-78.372
Book value	20.427	12.900	589	33.915

2. Property, plant and equipment

(Euro x 1,000)	Land & accommodations	Building	Moulds & formers	Assets under construction	Furniture & Fixture	Plant & Machinery	Total
GROSS BLOCK							
Balance as at 31 March 2021	19.018	52.467	86.816	94	8.188	424.779	591.363
Additions		45	458	1.378	71	970	2.922
Transfer							0
Disposals			-234	-		-6.173	-6.407
Balance as at 31 March 2022	19.018	52.512	87.040	1.472	8.258	419.576	587.878
Accumulated depreciation							
Balance as at 31 March 2021	2.645	33.313	82.699		6.706	355.342	480.704
Depreciation for financial year	109	633	2.244		402	7.333	10.717
Disposals			-181			-5.952	-6.133
Impairment							0
Balance as at 31 March 2022	2.754	33.946	84.762		7.108	356.723	485.292
Balance as at 31 March 2022- Net	16.264	18.566	2.278	1.472	1.150	62.857	102.586
Balance as at 31 March 2021	16.373	19.154	4.118	94	1.483	69.437	110.659

3. Leases

The Group distinguishes three types of leases:

- Premises: warehouses, offices, retail shops. Contracts typical run for multiple year periods and have extension options. The contracts for the Dutch distribution center and the Dutch headquarter office are the most significant leases.
- Machines and equipment: comprise different types of operational and warehousing machines and equipment and medical devices. The Group leased certain machines and equipment under a number of leases, which were classified as finance leases under IAS 17 (see note 4).
- Vehicles.

Information about leases for which the Group is a lessee is presented below. For accounting policy see Note 2.1.

Right-of-use assets

(Euro x 1,000)	Premises	Vehicles	Machine and equipment	Total
Carrying amount at 31 March 2021	13.642	1.051	1.630	16.323
Investments	-	302	-	302
Depreciation	-3.452	-565	-536	-4.553
Carrying amount at 31 March 2022	10.190	787	1.094	12.072

Lease liabilities

(Euro x 1,000)	Premises	Vehicles	Machine and equipment	Total
Balance at 31 March 2021	14.085	1.064	1.644	16.793
Additions	-	303	-	303
Repayments	-3.544	-580	-551	-4.675
Interest charged to the income statement	152	13	17	183
Balance at 31 March 2022	10.693	800	1.110	12.603

Amounts recognised in profit or loss

(Euro x 1,000)	Premises	Vehicles	Machine and equipment	Total
Depreciation of right-of-use assets	3.452	565	536	4.553
Interest on lease liabilities	152	13	17	183
Total	3.604	578	553	4.736

Ageing of lease liabilities

(Euro x 1,000)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 March 2022				
Lease liabilities	4.966	2.396	4.102	1.139

Extension Options

Some property leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Lease expenses in Our Operating expenses

The total amount in our operating expenses related to short-term leases, low value assets and expenses related to variable lease payments not included in the measurement of lease liabilities is €1.1 million.

4. Investments in subsidiaries

Subsidiaries

In accordance with article 2:362 (8) of the Dutch Civil Code, subsidiaries that are included in the consolidation are stated at net asset value, but not lower than nil.

Subsidiaries with negative equity value are valued at nil. When the company partially or in whole is liable for the debts of such subsidiary, or has the factual obligation to facilitate that subsidiary for (the companies part in) payments of its debts, a provision is formed. This provision is calculated taking into account any bad debt provisions already formed for

receivables on such subsidiary. The equity and results of the subsidiaries have been determined in accordance with the accounting policies of Apollo Tyres (NL) B.V.

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Net Position at beginning of year	54.776	50.334
Investments:		
Adjustments prior year	558	-609
Opening FCTR on investment	185	
Dividends	-	-185
Repayment of capital	-	-58
Accumulated OCI	-1.100	762
Foreign exchange result	315	-15
Result Participations	4.539	4.548
Net position	59.274	54.776
Negative participations	707	424
Position at end of year	59.981	55.200

5. Inventories

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Raw materials	6.661	5.032
Work in progress	3.128	2.143
Finished goods	24.615	19.039
Stock-In-Trade	29.376	14.447
Consumable stores	5.790	5.920
Total	69.571	46.581

6. Trade receivables

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Trade receivables	39.353	39.721
Allowance for doubtful debts	-7.000	-6.982
Total	32.253	32.739

All trade receivables shorter than a year are valued at nominal value which is a reasonable approximation of fair value of the receivables. The credit period generally ranges from 14 days to 90 days and customer loses the incentive if not paid in time. Apollo Tyres (NL) B.V. has no significant concentrations on credit risks. It has a policy which prevent sales to customers with a below standard credit history. Apollo Tyres (NL) B.V. has also a good credit management team, which is responsible for overdue receivables. Credit limit is granted after assessing the credit worthiness of customer. Credit report from independent credit rating agency like D&B or equivalent is used. Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which no allowance

for doubtful debts has been recognized because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The Net Receivable position as at 31 Mar 2022 includes an amount of Eur 10.2 million (2021: Eur 6.2 million) received under the Non recourse Purchase of Eligible Receivables agreement

Ageing of past due but not impaired receivables

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
0 - 60 days	1.999	2.490
61 - 180 days	325	615
more than 180 days	463	1.945
Total	2.787	5.050

The total not past due for FY 2021-2022 amounts 33.0 million euro (2021:28.9 Mn Eur) This includes EUR 3.3 million from Apollo Group companies. (2021: Eur 0.6 Mn)

Movement in the allowance for doubtful debts

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-6.982	-2.447
Movement to allowance recognized in statement of income	-18	-1.720
Reclass of balances from customer accrual to allowance	-	-2.815
Amounts written off during the year as uncollectible	-	-
Balance at end of year	-7.000	-6.982

7. Receivables from group companies

(Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
Receivable from Apollo Tyres (BeLux) SA	4.363	3.055
Receivable from Apollo Tyres (France) SAS	4.261	4.439
Receivable from Apollo Tyres (UK) Sales Limited	3.634	1.676
Receivable from Apollo Finlo B.V.	209	209
Receivable from Apollo Tyres (Austria) Gesellschaft GmbH	4.901	5.194
Receivable from Tyres (Nordic) AB	5.948	3.847
Receivable from Apollo Tyres (Hungary) Sales Kft.	5.082	2.953
Receivable from Apollo Tyres (Polska) Sp Zo.o	8.536	4.261
Receivable from ATGRD	-	243
Receivable from Apollo Tyres SA	152	37
Receivable from Apollo Tyres Middle East	54	237
Receivable from Apollo Tyres kft	128	645
Receivable from Apollo Tyres Inc.	1.780	2.377
Total	39.048	29.173

No interest is calculated with respect to the payables to related parties given the short term character and periodic settling of balances. No pledges and or securities are applicable.

8. Other current assets

Euro x 1,000)	As at 31 March 2022	As at 31 March 2021
VAT recoverable	10.902	163
IC Loan ATEU	1.000	
Prepayments & Other Receivables	943	1.489
CIT Receivable	2.378	
Total	15.223	1.652

9. Equity

Ordinary shares

Authorised

Ordinary shares: 200,000 ordinary shares of EUR 1,00 each.

Issued

Ordinary shares: 42,491 ordinary shares of EUR 1,00 each.

All shares issued are fully paid and registered.

There were no changes in the share capital.

(Euro x 1,000)	Issued Capital	Share premium reserves	Translation of foreign operations	Legal Reserves	Actuarial gains or losses on pension plans	Other Reserves	Retained earnings	Profit for the period	Total Equity
Total as at 31 March 2020	43	20.226	567	48.762	-3.087	21.042	163.320	-20.467	230.406
Profit for the period								-60.601	-60.601
Other comprehensive income, net of income tax			-15		762				747
Transfers to and from reserves				-9.686			-10.781	20.467	-
Total as at 31 March 2021	43	20.226	552	39.075	-2.325	21.042	152.539	-60.601	170.552
Profit for the period								23.290	24.398
Other comprehensive income, net of income tax			284		603				887
Dividend							-36.921		-36.921
Transfers to and from reserves				-18.648			-41.953	60.601	-
Total as at 31 March 2022	43	20.226	836	20.427	-1.721	21.042	73.665	23.290	157.807

The company's legal reserve amounts to EUR 20.4 million (2021: EUR 39.0). The legal reserves consist of investments in development activities. The legal reserves are non-distributable.

Reconciliation consolidated equity and results to company only equity and results:

(Euro x 1,000)	Result period ended 31 March 2022	Equity per 31 March 2022
Consolidated	24.719	156.007
Consolidation adjustments:		
Negative participations	-707	138
Mark-up on IC profits on unsold stock	-26	-26
Lease (net effect)	59	59
Provision doubtful debts	170	170
German Pension	-926	1.703
FCTR	-	-243
Company only	23.290	157.808

Adjustment 1 is taken in company towards the negative equity value in Apollo Tyres (Hungary) Kft and Finlo B.V., and the movement in equity (from negative to positive in 2022) in Apollo Tyres (Austria) GmbH.

Proposal for result appropriation

The board of directors had proposed an interim dividend payout of EUR 37 million. The supervisory board has approved this. The proposed dividend payout has been reflected in the financial statements. The board of directors had proposed to add the profit for the year ended 31 March 2022 to the other reserves of the company.

Appropriation of profit for the Financial year 2021-22

The annual report for FY 2021-22 is determined in the general meeting of the shareholders to be held in July 2022

10. Deferred tax liability and Other long term liabilities

For the deferred tax liability in the separate annual accounts of the company reference is made to note 6 of the consolidated Financial Statements of the company as the deferred tax liability is mainly on the balance sheet of Apollo Tyres (NL) B.V.

Other long term liabilities as of March 31st 2022 (EUR 57.87 million) relate to delayed tax payments due to COVID.

11. Trade and other payables

Trade and other payables as of March 31st 2022 mainly consists of (Euro x 1,000):

- Trade payables	26.481
- Employees payable	7.356
- Other payables	24,539
Total	58.376

12. Payable to Group companies

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
IC Payable ATGRD	280	-
IC Payable ATBV	4.193	-
IC Payable AT Coop	327	59
IC Payable AT Nordic	3	
IC Payable AT UK	1.304	336
IC Payable ATL India	17.755	6.139
IC Payable ATAG	148	60
IC Payable AT Brazil	301	301
IC Payable AT Singapore	2.366	2.587
IC Payable AT Hungary Kft	26.103	19.178
IC Payable AT Germany Gmbh	-	11
IC Payable Saturn F1	46	8
IC Payable Vredestein Consulting	3.100	3.165
IC Payable AT Gmbh	25.291	23.944
IC Payable AT Mktg BV	-	-
IC Payable AT Schweiz	1.858	1.979
IC Payable AT Iberica	2.713	3.728
A/R Factoring Control account – SUBS	4.020	4.020
IC Payable AT Middle East	-	-
IC Payable AT Malaysia	-	-
Other	233	-
Translation Differences –IC Payable	256	-631
Total	90.297	64.884

13. Borrowings

During FY21, the Company's parent Company Apollo Tyres (Europe) B.V. has signed a new financing agreement for the long term loan (EUR 175 Million) with a Consortium of Banks led by Standard Chartered Bank, the proceeds for which were utilized for repayment of the previous facility loan.

The Company has provided guarantee for the loan which is secured by a pledge on its movable tangible assets (other than stock in trade, raw materials and trade receivables) and a mortgage of Real Estate being the Land and Buildings located in the Netherlands.

Company's sister company, Apollo Tyres (Hungary) Kft. has also provided guarantee for the loan which is secured by a pledged of Fixed Assets and movable tangible assets (other than stock in trade, raw materials and trade receivables).

14. Profit from investments in subsidiaries

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Apollo Tyres (Germany) GmbH	2.584	4.840
Apollo Tyres (BeLux) SA	524	-17
Apollo Tyres (France) SAS	439	63
Apollo Tyres (UK) Limited	289	-77
Apollo Tyres (Austria) Gesellschaft GmbH	496	46
Apollo Tyres (Nordic) AB	239	-352
Apollo Tyres (Hungary) Kft.	-649	-58
Apollo Tyres (Polska) Opony Polska	273	73
Apollo Tyres (Norge) AS	-	-
Apollo Tyres (Schweiz) AG	120	57
Apollo Tyres (Spain) Iberica SA	224	-
Apollo Tyres Consulting B.V.	-	-28
Adjustment for negative participations	-707	-424
Total	3.832	4.124

15. Board of directors' remuneration

(Euro x 1,000)	Period ended 31 March 2022	Period ended 31 March 2021
Board of directors' remuneration	862	872

The supervisory directors received a remuneration of EUR 20,000 for the current financial year. No loans, advances or guarantees have been issued in favour of members of the board or supervisory board.

Contingent liabilities

The company had no contingent liabilities as per end of March 2022 (March 2021:0). The company provided securities for the rent of buildings (Eur 2.4 Mn) in the form of bank guarantees (March 2021: 995k).

Post balance sheet events

The company has no subsequent events post balance sheet date.

Signing the financial statements

Enschede, The Netherlands, June 15, 2022

The Board of directors:

Benoit Rivallant

Sunam Sarkar

Vishal Kumar Mittal

Rakesh Dewan

The Supervisory Board:

Neeraj Kanwar

Henk Volberda

Akshay Chudasama

Other information

Other information

Provisions of the articles of association concerning profit appropriation

Article 32: profit and distribution of profits

1. The profits shall be at the disposal of the shareholders meeting, subject to the following provisions:
 - a. the company may only make distributions of profits to shareholders to the extent that the shareholders' equity exceeds the paid and called up part of its capital plus the reserves, which are required to be maintained by law;
 - b. distribution of profits may only be made after adoption of the annual accounts showing that the distribution is permissible.
2. The company may make interim distributions provided that the requirements of paragraph I sub a have been met.
3. The shares that the company holds in its own capital shall not be included for the purpose of calculating the profit distribution, unless a right of usufruct has been established on those shares in favour of persons other than the company or if depositary receipts were issued for those shares.
4. As of one month after the declaration, the dividend shall be at the disposal of the shareholders, unless the shareholders meeting determines another term. After five years have passed, the claims shall expire. Dividends that are not disposed of within five years after their becoming available for payment shall revert to the company.
5. A loss may only be offset against the reserves which are prescribed by law to the extent that it is permitted by law.

Independent auditors report

The independent auditors report is stated on the following pages.

To: the general meeting of Apollo Tyres (NL) B.V.

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements

Our opinion

We have audited the financial statements 2021-2022 of Apollo Tyres (NL) B.V. based in Enschede. The financial statements comprise the consolidated and company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Apollo Tyres (NL) B.V. as at 31 March 2022 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Apollo Tyres (NL) B.V. as at 31 March 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 March 2022.
2. The following statements for the year ended 31 March 2022: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 March 2022.
2. The company profit and loss account for the year ended 31 March 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.



We are independent of Apollo Tyres (NL) B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- report by the supervisory board;
- report by the board of directors;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.



Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.



We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 15 June 2022

Grant Thornton Accountants en Adviseurs B.V.

Digitally signed by R. Lagendijk MSc RA