

Apollo Tyres AG Baden

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

Financial Statements for the year ended March 31, 2023



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

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Apollo Tyres AG for the year ended March 31, 2023.

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

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

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

Zurich, April 28, 2023
Grant Thornton AG

Tobias Bader
Audit expert
Auditor in Charge

Pascal Knecht
Audit expert

Enclosures:

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

APOLLO TYRES AG

BALANCE SHEETS AS AT MARCH 31, 2023 AND 2022

	<u>SWISS FRANCS</u>		
	<u>NOTES</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		3'044'124	4'695'164
Trade accounts receivables - group companies		697'185	1'050'826
Other short-term receivables - third parties		5'728	1'032
Other short-term receivables - shareholders		2'751'014	-
Prepaid expenses		280'344	313'789
Total current assets		<u>6'778'395</u>	<u>6'060'812</u>
TOTAL ASSETS		<u><u>6'778'395</u></u>	<u><u>6'060'812</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
SHORT-TERM LIABILITIES			
Trade accounts payables		3'397	4'943
Trade accounts payables - group companies		33'688	150'225
Provision for tax		235'000	199'000
Short-term provisions		10'400	17'500
Total short-term liabilities		<u>282'485</u>	<u>371'668</u>
SHAREHOLDERS' EQUITY			
Share capital		3'748'652	3'748'652
Legal capital reserves			
Reserves from capital contribution		948'400	948'400
General legal retained earnings		72'000	-
Accumulated profit			
Result carried forward		20'091	(398'485)
Profit for the year		1'706'767	1'390'577
Total shareholders' equity		<u>6'495'910</u>	<u>5'689'144</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>6'778'395</u></u>	<u><u>6'060'812</u></u>

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INCOME STATEMENTS FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

		<u>SWISS FRANCS</u>	
	<u>NOTES</u>	<u>01.04.2022-31.03.2023</u>	<u>01.04.2021-31.03.2022</u>
INCOME			
Royalty	C) 2.	<u>3'612'405</u>	<u>3'439'136</u>
Total operating income		3'612'405	3'439'136
OPERATING EXPENSES			
Directors' fees	C) 4.	(8'000)	(8'000)
Legal and professional expenses		(426'170)	(542'085)
Audit fee		(10'280)	(9'880)
Intercompany administration expenses	C) 3.	(31'500)	(31'500)
Advertisement and publicity expenses	C) 3.	(1'154'820)	(1'240'880)
Miscellaneous expenses		<u>(1'686)</u>	<u>(1'215)</u>
Total operating expenses		(1'632'456)	(1'833'560)
Operating result		1'979'949	1'605'577
OTHER EXPENSES / INCOME			
Financial income		18'582	-
Financial expenses		(96'409)	(33'253)
Total other expenses / income		<u>(77'827)</u>	<u>(33'253)</u>
Profit for the year before taxes		1'902'121	1'572'323
Direct Taxes		(195'354)	(181'746)
Profit for the year		<u><u>1'706'767</u></u>	<u><u>1'390'577</u></u>

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2023 AND 2022

A) COMPANY INFORMATION

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

B) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

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

2. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

3. Provisions

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

4. Operating income

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

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2023
AND 2022

C) NOTES ON ACCOUNTS:

1. Shareholder:

Particulars	2023/22	2022/21
Holding Company	Apollo Tyres Coöperatief U.A. Amsterdam, Netherlands	Apollo Tyres Coöperatief U.A. Amsterdam, Netherlands

2. Transactions with Related Parties (Royalties)

Details	Currency	2023/22	2022/21
Invoiced royalty charges as per trademark agreement Apollo Tyres Ltd, Gurgaon, India	CHF	1'314'374	1'207'445
Invoiced royalty charges as per trademark agreement Apollo Tyres (NL) B.V., Enschede, The Netherlands	CHF	546'743	474'281
Invoiced royalty charges as per trademark agreement Apollo Tyres (Middle East) FZE, Dubai, U.A.E	CHF	1'229'447	1'190'598
Invoiced royalty charges as per trademark agreement Apollo Tyres Africa (Pty) Ltd., Durban, South Africa	CHF	5'489	10'338
Invoiced royalty charges as per trademark agreement Apollo Tyres (Thailand) Ltd, Bangkok, Thailand	CHF	516'352	533'842
Invoiced royalty charges as per trademark agreement Apollo Tyres (Malaysia) Sdn Bhd., Petaling Jaya, Malaysia	CHF	0	22'632
Total	CHF	3'612'405	3'439'136

APOLLO TYRES AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 MARCH, 2023
AND 2022

3. Transactions with Related Parties (operating expenses)

Details	Currency	2023/22	2022/21
Administration expenses Apollo Tyres (Schweiz) AG, Switzerland	CHF	31'500	31'500
Services IBSF/MU (included in legal and professional expenses) Apollo Tyres (UK) Holdings LTD, London, UK	CHF	333'098	447'372
Sponsoring agreement Apollo Tyres Ltd, Gurgaon, India	CHF	1'154'820	1'240'880

4. Payment for Directorship Fee

Details	Currency	2023/22	2022/21
Payment for Director Ship Fee (Mr. Peter Ackermann)	CHF	8'000	8'000

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

The company had no employees for the financial years 2023/22 and 2022/21.

6. Subsequent events

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

APOLLO TYRES AG

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER 31.03.2023

Accumulated earnings	CHF	20'091
Profit for the year	<u>CHF</u>	<u>1'706'767</u>
Available earnings	<u>CHF</u>	<u>1'726'858</u>

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

Dividend	CHF	1'625'000
Transfer to the general legal reserves	CHF	86'000
Balance to be carried forward	<u>CHF</u>	<u>15'858</u>
Available earnings	<u>CHF</u>	<u>1'726'858</u>