

Translation from Spanish by a sworn expert

Jaguar Land Rover México, S. A. P. I. de C. V.

Financial Statements

For the years ended December 31, 2024, and 2023

(Including Independent Auditors' Report)



Letterhead: **KPMG. Mexico City**

Independent Auditors' Report

To the Board of Directors and Stockholders
Jaguar Land Rover Mexico, S. A. P. I. de C. V.

Opinion

We have audited the accompanying financial statements of Jaguar Land Rover México, S. A. P. I. de C. V. (the Company), which comprise the statement of financial position as of December 31, 2024, and 2023, the statement of income, statement of changes in shareholders' equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jaguar Land Rover México, S. A. P. I. de C. V., as of December 31, 2024, and 2023, and the results of operations and cash flows for the year then ended, in conformity with Mexican Financial Reporting Standards (MFRS) (*Normas de Información Financiera (NIFs)*).

Basis of the opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are described below in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company by the ethical requirements that apply to the audit of the financial statements subject matter hereof in Mexico, and we have fulfilled our other ethical responsibilities under those requirements. The audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis paragraph

We draw attention to Notes 3(1) and 7 in the financial statements, which describe the Company's significant transactions with its related companies. Our opinion remains unchanged regarding this matter.

Responsibilities of management and those in charge of the Company's governance related to the financial statements.

Management is responsible for preparing and fairly presenting the attached financial statements in accordance with the FRS and for establishing such internal control as management may determine is necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, matters related to an operating company, and using the basis of accounting unless management intends to liquidate the Company or cease operations, or there is no other realistic alternative.

Those charged with governance, as aforesaid, are responsible for overseeing the Company's financial reporting process.



Auditors' responsibilities when auditing financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance means a high degree of certainty but does not guarantee that an audit conducted under ISAs will always detect a material misstatement when it exists. 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 based on the financial statements.

As part of an audit under ISAs, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in connection with those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- Assess the appropriateness of the accounting policies, the reasonableness of accounting estimates, and the related disclosures made by management.
- Conclude 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 an operative company. If we conclude that material uncertainty exists, we are required to draw attention to the related disclosures in our audit report, or if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

We contact those charged with the company's governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any material deficiencies in internal control that we may identify during our audit.

KPMG CARDENAS DOSAL, S. C.

(Signed)

C.P.C. María del Rocío Becerra Ortega

Mexico City, June 02, 2025.



Jaguar Land Rover México, S. A. P. I. de C. V.

Statement of Financial Position

Years ended December 2024 and 2023

(Pesos)

Assets	2024	2023	Liabilities and shareholders' equity	2024	2023
Current Assets:					
Cash and cash equivalents (note 4)	\$ 454,364,189	563,798,139	Suppliers	22,983,521	26,443,388
Accounts receivable (note 6)	56,207,803	8,267,980	Employee Profit Sharing	10,361,811	9,925,380
Related parties (note 7)	14,093,990	16,025,959	Provisions (note 12)	49,910,629	41,516,186
Inventories, net (note 8)	401,750,463	702,705,458	Income taxes (note 15)	-	44,937,282
Prepayments (note 9)	8,956,684	9,049,624	Accrued expenses	14,229,521	39,556,122
Recoverable taxes (note 16)	17,874,842	43,431,480	Related parties (note 7)	584,153,282	854,993,301
	<u>953,247,971</u>	<u>1,343,278,640</u>	Customer advances	11,450,806	5,513,336
Total del activo circulante	953,247,971	1,343,278,640	Short-term contractual obligations (note 13)	158,233,599	146,283,626
Property, plant and equipment, net (note 10)	3,188,477	1,019,186	Total current liabilities	851,323,169	1,169,168,621
Deferred income tax and ESPS (note 15)	140,265,213	119,363,933	Employee benefits (note 14)	9,003,371	7,540,547
Non-tangible assets, net (note 11)	1,399,154	1,338,362	Long-term contractual obligations (note 13)	116,162,985	88,944,176
	<u>1,399,154</u>	<u>1,338,362</u>	Total liabilities	976,489,525	1,265,653,344
			Shareholders' equity:		
			Capital stock	38,457,700	38,457,700
			Retained earnings	83,153,590	160,889,077
			Total shareholders' equity	121,611,290	199,346,777
			Commitments and contingent liabilities (notes 21)		
	<u>\$ 1,098,100,815</u>	<u>1,465,000,121</u>		<u>\$ 1,098,100,815</u>	<u>1,465,000,121</u>



Jaguar Land Rover México, S.A.P.I. de C.V.

Income Statement

Years ended December 31, 2024 and 2023

(Pesos)

		<u>2024</u>	<u>2023</u>
Net sales (notes 18)	\$	3,413,011,676	3,618,056,468
Cost of sales (note 19)		<u>3,143,646,110</u>	<u>3,347,915,649</u>
Gross profit		<u>269,365,566</u>	<u>270,140,819</u>
General Expenses:			
Sales (note 19)		117,982,308	94,975,649
Management (note 19)		107,001,095	91,993,049
Other income (note 20)		(71,935,364)	(80,697,885)
Other Expenses		<u>1,747,555</u>	<u>1,602,764</u>
Total General Expenses		<u>154,795,594</u>	<u>107,873,577</u>
Operating income		<u>114,569,972</u>	<u>162,267,242</u>
Comprehensive financing result:			
Interest income		(4,963,054)	(4,675,725)
Foreign exchange gain, net		<u>1,046,576</u>	<u>93,565</u>
Comprehensive financing result, net		<u>(6,009,630)</u>	<u>(4,769,290)</u>
Income before income taxes		<u>120,579,602</u>	<u>167,036,532</u>
Income taxes (note 15):			
On tax basis		66,008,832	89,506,951
Deferred income tax		(15,687,639)	(31,295,498)
Deferred PTU		<u>(5,213,641)</u>	<u>-</u>
Total income taxes		<u>45,107,552</u>	<u>58,211,453</u>
Net income	\$	<u><u>75,472,050</u></u>	<u><u>108,825,079</u></u>

See accompanying notes to the financial statements.



Jaguar Land Rover México, S. A. P. I. de C. V.

Statement of changes in stockholders' equity

Years ended December 31, 2024 and 2023

(Pesos)

	Capital Stock	Retained earnings		Total stockholders' Equity
		Legal Reserve	Pending Application	
Balance as of January 1, 2023	\$ 38,407,700	7,681,540	182,779,679	228,868,919
Capital increases (merger)	50,000	-	-	50,000
Declared dividends	-	-	(138,878,590)	(138,878,590)
Merger profit/loss carryforward (JLR Serv)	-	-	481,369	481,369
Net income 2023	-	-	108,825,079	108,825,079
Balances as of December 31, 2023	38,457,700	7,681,540	153,207,537	199,346,777
Declared dividends	-	-	(153,207,537)	(153,207,537)
Net income 2024	-	-	75,472,050	75,472,050
Balance as of December 31, 2024	\$ 38,457,700	7,681,540	75,472,050	121,611,290

See accompanying notes to the financial statements.



Jaguar Land Rover México, S.A.P.I de C.V.

Cash Flow Statements

Years ended December 31, 2024 and 2023

(Pesos)

	<u>2024</u>	<u>2023</u>
Operating activities:		
Income before income taxes	\$ 120,579,602	167,036,532
Prepaid services	(27,476,433)	(29,401,063)
Depreciation and amortization	851,161	718,699
Amortization for right of use	-	2,979,629
Interest gains	<u>(4,963,054)</u>	<u>(4,675,725)</u>
Subtotal	88,991,276	136,658,072
Accounts receivable	(47,939,824)	10,336,249
Related parties	1,931,969	1,430,861
Recoverable taxes	41,372,364	(35,095,797)
Inventories	300,954,995	(424,325,514)
Prepayments	92,940	(1,371,283)
Suppliers	(3,459,867)	19,997,472
Provisions	8,394,444	17,674,911
Accrued expenses	(25,326,602)	35,871,749
Employee Profit Sharing	436,431	(5,194,565)
Accounts payable to related parties	(270,840,019)	461,886,453
Income tax paid	(126,761,840)	(19,278,629)
Customer advances	5,937,472	5,511,228
Employee benefits	1,462,824	1,285,088
Contractual obligations	<u>66,645,214</u>	<u>154,395,695</u>
Net cash flows from operating activities	41,891,777	359,781,990
Investment activities:		
Purchase of property, machinery and equipment	(3,081,244)	(123,387)
Interest collected	<u>4,963,054</u>	<u>4,734,368</u>
Net cash flows from investing activities	1,881,810	4,610,981
Excess cash to be applied in financing activities	43,773,587	364,392,971
Financing activities:		
Right-of-use liability (interest)		(3,072,745)
Cash from capital issuance		50,000
Dividends Paid	(153,207,537)	(138,878,590)
Increase due to merging transaction		<u>481,369</u>
Net cash flows from financing activities	<u>(153,207,537)</u>	<u>(141,419,966)</u>
Net (decrease) increase in cash and cash equivalents	(109,433,950)	222,973,005
Cash and cash equivalents at the beginning of the year	<u>563,798,139</u>	<u>340,825,134</u>
Cash and cash equivalents at the end of the year	<u>\$ 454,364,189</u>	<u>563,798,139</u>

See accompanying notes to the financial statements.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(1) Company's business and outstanding operations -

Jaguar Land Rover México, S. A. P. I. de C. V. (the Company) purchases and sells luxury automobiles and components for the domestic market of the Jaguar and Land Rover brands. The Company was incorporated on April 17, 2008, and is a subsidiary of Jaguar Land Rover Limited, with whom it carries out certain operations described in note 7. Tata Motors Limited is the leading holding company of the economic group of interests to which the Company belongs.

The Company's operating and fiscal year runs from January 1 to December 31.

Outstanding Operations -

- a) Based on the provisions of Article 223 of the General Law of Commercial Corporations (the "L.G.S.M."), Jaguar Land Rover Mexico S.A.P.I. de C.V. and Jaguar Land Rover Servicios Mexico S.A. de C.V., agreed to merge as resolved at the Extraordinary General Shareholders' Meetings held on August 31, 2023 held at their corporate domiciles, the former subsisting as the merging company and the latter as the merged company, as a consequence of which the assets, liabilities, rights, obligations and liabilities of the merged company were incorporated to the merging company, without any reserves or limitations whatsoever.
- b) The concepts and figures recognized in the Company as a result of the merger mentioned above are as follows:

	Total merged balances as of September 29, 2023	
Cash and cash equivalents	\$	1,893,814
Cumulative VAT		2,086
Unpaid cumulative VAT		(5,082)
Income Tax from previous years		625,190
Deferred Income Tax		905,893
Income Tax for the year		774,279
Security Deposits		467,881
Related Parties transactions Receivable		(2,688,799)
Computer Equipment		21,761
Leasehold improvements		22,568
Total Assets		2,019,591
V.A.T. Receivable		245,091
Related Parties transactions (Payable)		(1,740,045)
Variable Capital Stock		(50,000)
Retained Earnings from previous years		(481,370)
Electric Power		6,737
Payments Difference		(2)
Total Liabilities and Shareholders' Equity	\$	(2,019,591)



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(2) Authorization and basis of presentation -

Authorization

Presentation of the financial statements and related notes was authorized by the Chief Executive Officer, Raúl Peñafiel García, on June 2, 2025. Under the General Law of Commercial Corporations and the Company's Bylaws, the shareholders are empowered to amend the financial statements after they are delivered.

Under the General Law of Commercial Corporations and the bylaws of Jaguar Land Rover México, S. A. P. I. de C. V., the shareholders can amend the financial statements after they are issued. The financial statements will be submitted for approval at the next Shareholders' Meeting.

Basis of Presentation

(a) Statement of Compliance -

The accompanying financial statements were prepared under Mexican Financial Reporting Standards (F.R.S.).

(b) Opinions, Estimates and Assumptions -

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as to disclose contingent assets and liabilities as of the date of the financial statements. Additionally, management must report the amounts of revenues and expenses during the reporting period. Actual results may differ from such estimates and assumptions.

Opinions

The information on opinions in the application of accounting policies with the most significant effect on the amounts that have a substantial impact on the amounts recognized in the financial statements is described in the following notes:

- Notes 18 and 13 -- Revenue Appreciation: Determination of whether revenue from the sale of vehicles and spare parts, as well as dealer incentives, is recognized over time or at a specific time.
- Note 15 – Income taxes (Income Taxes (I.T.)) - Deferred taxes;
- Note 12 – Provisions: main assumptions to determine the expected expense.

Assumptions and uncertainties in connection with estimates

Information about assumptions and uncertainties that have a significant risk in detriment of the assets and liabilities carried in the following year is included in the following notes:

- Note 14 – Evaluation of defined benefit obligations: key actuarial assumptions;
- Note 15 – Income Taxes: Appreciation of deferred tax assets.

Determination of fair value

Certain of the Company's accounting policies and disclosures require calculating the fair values of financial and non-financial assets and liabilities.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

When determining the fair value of any asset or liability, the Company applies market data whenever possible. Fair values are categorized into different levels within a fair value hierarchy based on the inputs used in the valuation techniques, as shown below:

Level 1: quoted prices (unadjusted) in the markets for similar assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 observed for the asset or liability, either directly (i.e., prices) or indirectly (i.e., from prices).

Level 3: data or inputs to determine the asset or liability that are not based on observable market data (unobservable inputs).

In the event inputs used to measure the fair value of an asset or liability are classified in different levels of the fair value level, then the fair value measurement shall be classified in the same level of the fair value hierarchy as the lowest observable input that is significant to the overall measurement.

During 2024 and 2023, the Company made no transfers between fair value levels.

(c) Functional and reporting currency -

The financial statements are presented in the Mexican peso reporting currency, the same as the recording and functional currency.

For disclosure purposes, any reference to pesos or "\$" in the financial statement notes means Mexican pesos, and when reference is to dollars, it means dollars of the United States of America.

(d) Income Statement Presentation -

Since the Company is a commercial enterprise, its ordinary costs and expenses are based on its function, which allows us to know its gross profit margin.

Additionally, the operating income line item is presented, resulting from reducing net sales, other income, cost of sales, and expenses, considering that this line item contributes to a better understanding of the Company's economic and financial performance.

The Company presents comprehensive income in a single statement that includes only the items that comprise net income or loss and is called a "Statement of Income" because during the year and the immediately preceding year (presented for comparative purposes), the Company did not generate Other Comprehensive Income (O.C.I.).

(3) Summary of significant accounting policies -

The accounting policies below have been uniformly and consistently applied by the company in preparing the financial statements presented.

(a) Cash and cash equivalents -

Cash and cash equivalents include deposits in bank accounts, foreign currencies, and other similar cash equivalents that are immediately realized. As of the date of the financial statements, interest earned, and



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

valuation gains or losses are included in the results of the operations as part of the comprehensive financing result.

(b) Financial instruments -

i. Initial recognition and determination

Financial assets and liabilities—including accounts receivable and accounts payable—are initially recognized when they originate or are purchased or when they are issued or assumed, both on an agreement basis.

Financial assets and liabilities are initially determined and recognized at fair value plus (in the case of financial assets or liabilities not determined at fair value through comprehensive income) transaction costs directly attributable to their purchase or issue when subsequently determined at redeemed cost. A receivable without a significant financing component is initially determined at the transaction price.

ii. Classification and subsequent calculation

Financial Assets

On initial recognition, financial assets are classified into the following categories according to the business model and the specifications of the contractual cash flows thereof, as follows:

- Accounts receivable include accounts receivable from the sale of goods and services and other accounts receivable from activities other than the sale of goods and services.

The classification of financial assets is based on both the business model and the characteristics of the contractual flows of the assets. Based on the business model, a financial asset or a class of financial assets (a portfolio) can be managed under the assumptions mentioned on the following page.

- A model that seeks to recover the agreed-upon cash flows (represented by the amount of principal and interest).
- A business model that seeks both the recovery of contractual flows, as in the previous model, and to obtain a profit through the sale of financial assets leads to the displacement of a combined model for managing such financial assets.
- A model that seeks to obtain the highest return by purchasing and selling financial assets.

Financial assets are not reclassified after initial appreciation, except when the Company changes its business model. In such cases, all affected financial assets shall be reclassified to the new category upon occurrence of the business model change.

The reclassification of investments in financial instruments between categories is applied prospectively from the date of change in the business model without amending any previously recognized gains or losses, such as interest or impairment losses.

Financial assets shall be determined at redemption cost if the two conditions mentioned below are met and are not classified as determined at fair value through profit or loss.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

- the financial assets are held within a business model whose objective is to keep such financial assets to recover contractual cash flows; and
- the contractual terms of the financial assets give rise, at specified dates, to cash flows represented solely by payments of principal and interest outstanding (Principal and Interest Payment Only, or S.P.P.I.).

Financial assets: Business model evaluation

The Company evaluates the business model's objective in which a financial asset is held at the portfolio level, as this best reflects the business management, and information is provided to Management. The information subject matter thereof includes the assumptions mentioned below:

- the policies and objectives outlined for the portfolio and the operation of those policies in practice. Such policies include whether management's strategy focuses on collecting contractual interest income, maintaining a particular interest rate profile, coordinating the term of financial assets with the term of the liabilities that those assets are funding or expected cash outflows, or realizing cash flows through the sale of assets;
- how portfolio performance is evaluated and reported to the Company's management;
- the risks affecting the performance of the business model (and the financial assets held in the business model) and, in particular, how those risks are managed;
- how business managers are compensated (e.g., whether compensation is based on the fair value of assets under management or on contractual cash flows earned); and
- frequency, volume, and timing of sales in prior periods, as well as the reasons for those sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for cancellation are not considered sales for this purpose, consistent with the Company's continuing appreciation of the assets.

Financial Assets

The Company classified its financial assets in one of the following categories:

- accounts receivable;
- held to maturity;
- at fair value through profit or loss;

Financial assets: Subsequent calculation and gains and losses

<i>Financial assets at fair value through profit or loss</i>	It is determined at fair value with changes in income, including interest.
<i>Financial assets held to maturity</i>	It is determined at redeemed cost using the effective interest method
<i>Loans and receivables</i>	It is determined at redeemed cost using the effective interest method
<i>Available-for-sale financial assets</i>	It is determined at fair value, and changes in fair value, other than impairment losses on income, interest, and foreign currency differences



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

	on debt instruments, were recognized in other comprehensive income within shareholders' equity. When such assets were canceled, the cumulative gain or loss recognized in other comprehensive income in shareholders' equity was reclassified to earnings.
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Financial liabilities: Classification, subsequent calculation, gains and losses

Financial liabilities are recognized at fair value and determined at redemption cost. Financial liabilities arising from the assumption or offer of financial instruments are initially recognized at a fair value of the obligation they represent. They shall be subsequently determined under the redeemed cost method, using the effective interest rate, where expenses, premiums, and discounts related to the issuance are redeemed at the effective interest rate. Interest income, foreign currency conversion gains, and losses are recognized in income. Any canceled gain or loss shall be included in the income.

iii. Accounts Write-off

Financial Assets

The Company does not acknowledge financial assets when the contractual rights applicable to the cash flows from financial assets expire or in the event of transfer of the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of the financial assets are transferred, or in which the Company neither transfers nor retains substantially all the risks and benefits of ownership and does not retain control over the financial assets.

Financial Liabilities

The Company does not acknowledge financial liability when its contractual obligations are paid, canceled, or expired. It also does not recognize financial liabilities when the conditions are modified, and the cash flows of the amended liability are substantially different. In this case, a new financial liability shall be recognized based on the latest conditions at fair value.

In the event of cancellation of any financial liability, the difference between the carrying amount of the expired financial liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is acknowledged in profits or losses.

iv. Compensation

Financial assets and financial liabilities shall be offset, and their net amount shall be presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Credit-impaired financial assets

As of the date of the financial statements, the Company shall consider whether financial assets carried at redeemed cost are credit impaired. A financial asset shall be regarded as "credit-impaired" when one or more events have occurred and have a detrimental impact on the estimated future cash flows of the financial assets.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Evidence that specific finances are subject to Credit-impaired includes the inputs listed below:

- significant financial problems of the issuer or the borrower;
- a default or an event of default for more than 90 days in the agreement;
- any loan or advances restructuring by the Company on terms that the Company would not otherwise consider;
- if the borrower is likely to incur bankruptcy or other financial reorganization; or
- Lack of an active market for the corresponding financial asset due to the existing financial constraints.

Presentation in the Statement of Financial Position of the allowance for projected credit losses

Loss estimates for financial assets determined at the redeemed cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (partially or in whole) to the extent that there is no realistic possibility of recovery. For customers, the Company has a policy of writing off the gross carrying amount when the financial asset has a maturity of 90 days based on historical experience of recoveries of similar assets. For corporate customers, the Company makes an individual assessment regarding the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets written off may be subject to legal action to ensure compliance with the Company's procedures for recovering amounts due.

(c) Inventories and cost of sales -

Inventories are stated at the lower of cost or net redeemable value. Net realizable value is the estimated selling price less the remaining cost. The cost of inventories of vehicles and spare parts is generally based on the specific identification method and the average cost method, respectively. It includes expenses incurred in acquiring inventories, transporting them to their current location, and conditioning them.

The cost of sales represents the cost of inventories at the time of purchase, increased by any reductions in the net redeemable value of inventories during the year, if applicable.

The Company records the necessary estimates to recognize decreases in the value of its inventories due to impairment, obsolescence, slow turnover, and other events that cause the items included in the inventory to be less than their recorded value.

(d) Prepayments-

Prepayments mainly include advances for advertising and marketing.

Prepayments are recognized for the amount paid when made, provided that the associated future economic benefit is expected to be received by the Company. Once the goods or services are received, the Company



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

acknowledges the amount related to prepayments as an asset or expense for the period, depending on whether the asset purchased will undoubtedly generate a future economic benefit.

The Company periodically evaluates the ability of prepayments to lose their ability to generate future economic benefits and recoverability; the amount considered not recoverable is recognized as an impairment loss in the income statement for the period.

(e) Furniture and equipment-

Furniture and equipment are initially recognized at acquisition cost, net of accumulated depreciation and accumulated impairment losses. The purchase value of furniture and equipment includes the costs incurred initially to acquire or construct them, as well as those incurred subsequently to replace or extend their useful life. If any item of furniture and equipment comprises various components with different estimated useful lives, the significant components are depreciated over their individual useful lives. Repair and maintenance costs are recognized in the statement of income as incurred.

Depreciation of furniture and equipment is determined using the straight-line method (since the Company's management considers that this method best reflects the use of such assets) and based on their estimated useful lives, using the following annual depreciation rates.

	Rates
Computer equipment	30%
Office furniture and equipment	10%
Tools	33.33%

Furniture and equipment are canceled upon sale or when no future economic benefits are expected from their use or sale. Any gain or loss on cancellation (calculated as the difference between the net sale proceeds and the asset's carrying amount) is included in the income statement when the asset is canceled.

There were no indications of impairment as of December 31, 2024, and 2023.

(f) Intangible assets-

Licenses and software are recorded at acquisition cost. Redemption is calculated under the straight-line method based on the estimated useful lives of the assets. The amortization period varies from 1 to 20 years, depending on the license years. There were no indications of impairment as of December 31, 2024, and 2023.

(g) Impairment of the recoverable value of furniture and equipment -

The Company considers the net book value of machinery, equipment, and intangible assets to determine whether there is an indication that such value exceeds its recoverable amount. The recoverable amount represents the potential net income that can be reasonably expected from using or selling such assets. If it is determined that the net book value exceeds the recoverable amount, the Company shall record sufficient estimates recognizing the effect on the results for the period.

(h) Provisions-



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects the time value of money, as quoted in the market, and the specific risk of the related liability. The unwinding of the discount is recognized as a finance cost.

Interest Floor Plan	It includes the remission exercised throughout the year for the interest of each unit's first 30 days of sale, which is calculated at a fixed value at the time of invoicing. Through the Bancomer banking institution, we compensate this benefit for the benefit of distributors.
Expenses	A provision for expenses is recognized for those obligations where the transfer of assets or performance of services is virtually unavoidable and arises due to past events.
Others	Includes roadside assistance service, calculated based on a fixed amount for each unit sold. It is reserved for each sales unit and generated to ensure customer service, including assistance and support throughout the process. Marketing Expenses generated and executed during the year are also included.

(i) Employee benefits-

Short-term direct benefits

Short-term direct benefits are recognized in profit or loss when the employee services are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or constructive obligation to pay this amount because of past services provided, and the obligation can be reasonably estimated.

Post-Employment Benefits

Defined Benefit Plans

The Company's net obligation corresponding to defined benefit plans for seniority premium and termination of employment is calculated separately for each plan. It estimates the number of future benefits that employees have earned in the current and prior periods and discounts such amount.

Actuaries calculate defined benefit plan obligations annually using the projected unit credit method. When the calculation results in a possible asset for the Company, the asset recognized is limited to the present value of the economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. Any minimum funding requirement should be considered when calculating the present value of the economic benefits.

The labor cost of the current service, which represents the cost of the employee benefit period for having completed one more year of service based on the benefit plans, is recognized in operating costs and expenses. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by multiplying the discount rate used to measure the defined benefit obligation by the net defined benefit liability (asset) at the beginning of the annual reporting period, considering changes in the net defined benefit liability (asset) during the period because of estimates of contributions and benefit payments.

Amendments to the plans that affect the cost of past services are recognized in the income statement immediately in the year the amendment occurs, without the possibility of deferral in subsequent years. Likewise, the effects of settlement events or reduction of obligations in the period, which significantly reduce

Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

the cost of future services and significantly reduce the population subject to benefits, respectively, are recognized in the period's results.

Remeasurements (formerly actuarial gains and losses) resulting from differences between projected and actual actuarial assumptions at the end of the period are recognized in the period in which they are incurred in the results for the period.

(j) Income taxes and employee statutory profit sharing (PTU)-

Taxes on income for the period -

Income tax and E.S.P.S. payable for the year is determined under the current tax regulations and is presented as a short-term liability net of advances made during the year.

Deferred Income taxes and employee statutory profit sharing (PTU)-

Deferred income taxes and ESPS are recorded under the asset and liability method, which compares the book and tax values of these assets and liabilities. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and in the case of income taxes, for tax loss carryforwards and other recoverable tax credits. Deferred income tax assets and liabilities are calculated using the rates provided in the related law, which will be applied to taxable income in the years when the temporary differences are expected to reverse. The effect of changes in tax rates on deferred income taxes is recognized in the results of the period in which such changes are enacted.

(k) Revenues from contracts with customers -

Revenue is determined based on the obligation to perform specified in a contract with a customer. The Company recognizes revenue when it transfers control over the goods or services to the customer.

Information about the nature and timing of the satisfaction of performance obligations under contracts with customers, including significant payment terms and related revenue appreciation policies, is shown below:

Type of product	Nature and timing of fulfillment of the obligations, including significant payment terms	Revenue appreciation policy
Luxury automobiles and spare parts	When the products are invoiced upon shipment to the distributor, the customer obtains control of the automobile or parts. In the case of automobiles, invoices are generally due immediately or collected in advance. In the case of parts, invoices usually are payable within 30 days.	Revenues related to the sale of vehicles and spare parts are recognized when invoiced upon shipment to the distributor.
Services included	The Company offers a five-year maintenance service package (after-sales services).	Charges from such services are deferred as a contractual obligation and acknowledged when the consumer activates his rights or when they expire. On the other hand, costs related to

Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

		such services are identified in the period they are incurred.
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(l) Concentration of business -

Concentrations arise when several counterparties engage in similar business transactions or activities in the same geographic region or have economic aspects that would cause their ability to meet contractual obligations to be similarly affected due to changes in economic, political, or other conditions. Concentrations show the relative sensitivity of the Company's performance to changes affecting a particular industry.

To avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines focused on maintaining a diversified portfolio. Identified concentrations of credit risk are monitored and managed as appropriate.

The credit risk in accounts receivable is diversified due to the customer base and its geographic dispersion. Ongoing evaluations of customer credit conditions are performed, and no collateral is required to guarantee recovery.

The Company makes most of its inventory purchases from Jaguar Land Rover Limited, a related company and principal holding company. The Company's products are offered to a diverse range of customers, with no significant concentration on any one customer. On the other hand, until August 31, 2023, the Company received most of its administrative services from Jaguar Land Rover Servicios Mexico, S. A. de C. V., a related company.

(m) Financing Result (F.R.)-

The F.R. includes financial income and expenses, comprised of the following:

- interest income;
- interest expense;
- foreign currency gain or loss on financial assets and financial liabilities;

Transactions in foreign currencies are recorded at the exchange rate, which is in effect on the dates of execution or settlement. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect on the date of the statement of financial position. Exchange differences incurred in connection with assets or liabilities assumed in foreign currencies are taken to income for the year.

(n) Presentation in the cash flow statements -

The Company has elected to present the statements of cash flows using the indirect method.

(o) Contingencies-

Significant obligations or losses related to contingencies are acknowledged when the effects materialize and there are reasonable elements for their quantification. If such reasonable elements do not exist, qualitative disclosure is included in the notes to the financial statements. Contingent revenues, earnings or assets are acknowledged until their sale is specific.

(4) Cash and cash equivalents-

As of December 31, 2024, and 2023, cash is described below:



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

		2024	2023
Cash and deposits in bank accounts:			
Cash equivalents	\$		
Investments ⁽¹⁾		454,364,189	563,798,139
	\$	454,364,189	563,798,139

⁽¹⁾ Investments on demand with daily availability of principal and interest.

(5) Foreign currency position-

As of December 2024, and 2023, the Company had no monetary assets and liabilities denominated in foreign currencies.

As of December 31, 2024 and 2023 \$1,046,576 and \$93,565 of foreign exchange profits were recorded.

The exchange rates used in the different conversion processes concerning the reporting currency as of December 31, 2024, and 2023 are as follows:

Country of Origin	Currency	Exchange Rate	
		2024	2023
United States of America	U.S. Dollar	\$ 20.2683	16.8935

As of December 31, 2024, the Company had no foreign currency hedging instruments.

(6) Financial Instruments-

Fair values-

The Company has investments in financial assets and liabilities that are not determined at fair value since their carrying amount approximates fair value.

Risk management

The Company is exposed to the following financial risks from its operation with financial instruments:

- credit risk,
- liquidity risk
- market risk

Financial risk management policies

The Board of Directors oversees the Company's risk management policies. The Board of Directors is responsible for developing and supervising the Company's risk management policies.


FRANCISCO J. LAGUARDIA
PERITO TRADUCTOR

Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

The Company's risk management policies identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, and monitor risks and compliance. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

The Company, through training and management procedures, maintains a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management strategy for the risks faced by the Company. The Company's Committee is assisted by the Internal Audit department, which conducts periodic reviews of risk management controls and procedures, the results of which are reported to the Committee.

Credit risk:

Credit risk represents the potential loss that an issuer of a financial instrument may cause to the counterparty by not meeting its obligations.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Accounts receivable

The Company's exposure to credit risk is primarily affected by the individual characteristics of each dealer. However, management also considers factors that may impact the credit risk of its dealer base, including the default risk of the industry and the sectors in which the dealers operate.

The Company has established a credit policy under which each new distributor is individually reviewed for creditworthiness before being offered the Company's standard payment and delivery terms. The Company's review includes external ratings where available, financial statements, credit bureau information, industry information, and, in some cases, bank references. Sales limits are provided for each distributor and are reviewed regularly. Any sales over such limits require the approval of the risk management committee.

The Company limits its exposure to credit risk related to accounts receivable by establishing payment terms between 1 and 30 days. As of December 31, 2024, and 2023, accounts receivable consists of the following:

	2024	2023
Accounts receivable from customers	\$ 56,207,803	8,267,980
	\$ 56,207,803	8,267,980

Evaluation of expected credit loss for accounts receivable from customers

The Company allocates credit risk rating exposure based on data determined to be predictive of risk of loss (including, but not limited to, external ratings, audited financial statements, management's cash flow statements and projections, and available press information on customers) and the application of experienced credit judgment and experience. Credit risk ratings are defined using both qualitative and quantitative factors that indicate the default risk.

Expected credit loss is calculated for each dealer based on the past year's delinquency status and actual credit loss experience. Such rates are multiplied by scaling factors to reflect differences between economic



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

conditions during the period in which historical data was collected, current conditions, and the Company's view of economic conditions over the expected life of the receivables.

The following table shows information about credit risk exposure and expected credit losses for trade receivables as of December 31, 2024, and 2023:

December 31, 2024	Weighted average loss rate	Gross carrying amount	Provision for loss	Credit deterioration
Current (non-past due)		\$ 56,207,803		No
Overdue between 1 - 30 days				No
Overdue between 31 - 60 days				No
Overdue between 61 - 90 days				No
Over 90 days past due				No
		\$ 56,207,803		

December 31, 2023	Weighted average loss rate	Gross carrying amount	Provision for loss	Credit deterioration
Current (non-past due)	-	\$ 7,253,885	-	No
Overdue between 1 - 30 days	-	-	-	No
Overdue between 31 - 60 days	-	-	-	No
Overdue between 61 - 90 days	-	-	-	No
Over 90 days past due	100%	1,014,095	-	No
		\$ 8,267,980	-	

Liquidity risk:

Liquidity risk represents the possibility that the Company may struggle to meet its obligations related to its financial liabilities, which are settled by delivering cash or another financial asset. The Company's approach to managing its liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both ordinary and extraordinary conditions, without incurring unacceptable losses or jeopardizing the Company's reputation.

The Company intends to maintain cash and cash equivalents at an amount that exceeds the expected cash outflows from financial liabilities. The Company also monitors the expected cash inflows from accounts receivable and cash outflows from suppliers and other payables. As of December 31, 2024, and 2023, expected cash flows from accounts receivable with maturities between 1 and 30 days amounted to \$56,207,803 and \$8,267,980.

Liquidity risk exposure

The following are the remaining contractual maturities of financial liabilities as of the date of the financial statements. The amounts are presented gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

December 31, 2024	Carrying amount	Total	Contractual cash flows			
			12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Suppliers	\$ 22,983,521	(22,983,521)	(22,983,521)			
Related parties	584,153,282	(584,153,282)	(584,153,282)			
Lease liabilities						
	\$ 607,136,803	(607,136,803)	(607,136,803)			

December 31, 2023	Carrying amount	Total	Contractual cash flows			
			12 months or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Suppliers	\$ 26,443,388	(26,443,388)	(26,443,388)	-	-	-
Related parties	854,993,301	(854,993,301)	(854,993,301)	-	-	-
Lease liabilities	-	-	-	-	-	-
	\$ 881,436,689	(881,436,689)	(881,436,689)	-	-	-

Market risk:

Market risk means changes in market prices, such as exchange rates, interest rates, and commodities, that may affect the Company's revenues.

Currency risk:

The Company is not exposed to currency risk since its parent company invoices its inventories in local currency (MXN); however, it has some transactions with local suppliers denominated in foreign currency, and therefore it is exposed to such items to the extent that there is an asymmetry between the currencies in which the transactions it carries out are denominated. The currency in which such transactions are mainly denominated is the U.S. dollar (USD).

Interest rate risk

The Company maintains a position to ensure that part of its exposure to interest rate risk is hedged on a fixed-rate basis. The above is achieved by subscribing to fixed-interest-rate instruments, borrowing at variable interest rates, and utilizing hedging instruments to mitigate interest rate risk.

The Company determines whether there is an economic relationship between the hedging instrument and the hedged item based on reference interest rates, terms, repricing, maturity dates, and notional or nominal amounts.

The Company does not account for fixed-rate financial assets and liabilities through profit or loss at fair value. It does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates on the date of the financial statements would not affect income.

(7) Related parties-



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Accounts receivable from related parties as of December 31, 2024, and 2023 are summarized as follows:

	2024	2023
Jaguar Land Rover Limited	\$ 14,093,990	16,025,959
	\$ 14,093,990	16,025,959

Accounts payable to related parties as of December 31, 2024, and 2023 are summarized as follows:

	2024	2023
Jaguar Land Rover Limited	\$ 584,153,282	854,993,301

As of December 31, 2024, and 2023, balances payable to related parties correspond to current account balances, without interest, payable in cash within 180 days, for which there are no guarantees.

Transactions with related parties in the years ended December 31, 2024, and 2023 were as follows:

	2024	2023
Purchase of auto and spare parts inventories:		
Jaguar Land Rover Limited	\$ 2,606,352,491	3,197,468,248
Other miscellaneous services provided:		
Jaguar Land Rover Limited	\$ 7,467,493	6,881,850
Miscellaneous income from guarantees:		
Jaguar Land Rover Limited	\$ 22,014,450	20,481,457
Income from LACRO-RECHARGE expense reimbursements		
Jaguar Land Rover Limited	\$ 50,684,197	49,798,014



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(8) Inventories-

As of December 31, 2024, and 2023, inventories are summarized as follows:

	2024	2023
Inventory of cars	\$ 110,934,026	328,374,964
Cars in transit	184,712,384	265,981,032
Spare parts inventory	89,469,719	101,186,722
Spare parts in transit	22,491,420	8,819,825
Inventory of advertising items		-
	407,607,549	704,362,543
Estimate for obsolescence and slow turnover	(5,857,086)	(1,657,085)
	\$ 401,750,463	702,705,458

For the years 2024, and 2023, the Company did not determine an estimate related to the impairment of Jaguar and Land Rover vehicles held for display and "demo" purposes, as no loss of market value is expected.

(9) Prepayments-

As of December 31, 2024, and 2023, prepayments are summarized as follows:

	2024	2023
Advanced payments to suppliers	\$ 5,254,669	5,651,220
Prepaid insurance	3,702,015	3,398,404
	\$ 8,956,684	9,049,624

(10) Furniture and equipment, net-

As of December 31, 2024, and 2023, furniture and equipment consist of the following:

Acquisition cost		Furniture and equipment	Computer equipment	Others	Total
Balance as of January 1, 2023	\$	1,456,298	2,917,344	1,182,030	5,555,672
Additions		-	100,819	-	100,819
Disposals		-	-	-	-
Balance as of December 31, 2023		1,456,298	3,018,163	1,182,030	5,656,491
Balance as of January 1, 2024		1,456,298	3,018,163	1,182,030	5,656,491
Additions		675,515	69,273	2,134,103	2,879,891
Disposals		-			
	\$	2,132,813	3,087,436	3,316,133	8,536,382



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Accumulated depreciation and impairment		Furniture and equipment	Computer equipment	Others	Total
Balance as of January 1, 2023	\$	1,336,882	1,558,630	1,159,462	4,054,974
Depreciation		26,568	533,196	22,568	582,332
Impairment		-	-	-	-
Disposals		-	-	-	-
Others*		-	-	-	-
Balances as of December 31, 2023		1,363,450	3,018,163	1,182,030	5,656,491
Balance as of January 1, 2024		1,363,450	3,018,163	1,182,030	5,656,491
Depreciation		13,949	538,656	157,994	710,599
Disposals		-	-	-	-
Others*		-	-	-	-
Balances as of December 31, 2024	\$	1,377,399	2,630,482	1,340,024	5,347,905

Carrying amount		Furniture and equipment	Computer equipment	Others	Total
As of January 1, 2023	\$	1,456,298	2,917,344	1,182,030	5,555,672
As of December 31, 2023	\$	92,848	926,337	-	1,019,185
As of December 31, 2024	\$	755,414	456,954	1,976,109	3,188,477

For the years ended December 2024, and 2023, depreciation expenses amounted to \$710,599, and \$559,764 respectively.

(11) Intangible assets-

As of December 31, 2024, and 2023, intangible assets are summarized as follows:

		2024	2023
Licences	\$	8,993,747	8,792,393
Minus:			
Accumulated amortization		7,594,593	7,454,031
Net	\$	1,399,154	1,338,362


FRANCISCO J. LAGUARDIA

Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

As of December 31, 2024, and 2023, intangible assets are summarized as follows \$140,562 and \$136,367, respectively.

(12) Provisions-

Provisions are summarized as shown below:

	Expenses (i)	Employee Benefits (ii)	Interest floor plan (iii)	Others (iv)	Total
Balances as of December 31, 2023	\$ 19,939,861	3,255,552	11,809,018	6,511,755	41,516,186
Increases charged to Profit & Loss / (write-offs)	115,325,860	48,351,540	35,915,503	25,389,331	224,982,234
Cancellation Payments	(108,294,441)	(48,313,351)	(36,566,915)	(23,413,085)	(216,587,792)
Balances as of December 31, 2024	\$ 26,971,280	3,293,741	11,157,607	8,488,001	49,910,629

	Expenses (i)	Employee Benefits (ii)	Interest floor plan (iii)	Others (iv)	Total
Balances as of December 31, 2022	\$ 10,113,934	4,866,909	747,412	8,113,020	23,841,276
Increases charged to Profit & Loss / (write-offs)	110,072,099	36,537,747	34,097,868	38,550,367	219,258,081
Cancellations Payments	(102,475,959)	(38,141,138)	(23,036,262)	(37,929,812)	(201,583,171)
Balances as of December 31, 2023	\$ 17,710,074	3,263,518	11,809,018	8,733,575	41,516,186

- (i) It is recorded for all expenses and contracts that the company has at year-end and for which they have been accrued during the year.
- (ii) Includes employee benefits that have been accrued during the year.
- (iii) Includes the remission exercised throughout the year for the interest of the first 30 days of sale of each unit, which is calculated at a fixed value at the time of invoicing. Through Bancomer bank we compensate for this benefit granted to distributors.
- (iv) Includes roadside assistance service, which is calculated on the basis of a fixed amount for each unit sold. Reserved for each unit sold and generated for the purpose of providing customer service as roadside assistance and support. Marketing expenses generated and executed during the year are also included.

(13) Contractual obligations-



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

The contractual obligations arise from the following program:

		Prepaid services	Sale incentives	Total
2024	\$	34,994,373	123,239,226	158,233,599
2025 and later		116,162,985	-	116,162,985
	\$	151,157,358	123,239,226	274,396,584

On the other hand, the connection between obligation balances and behavior by contract is presented below:

		Prepaid services	Sale incentives	Total
Beginning balance 2024	\$	116,262,078	118,965,725	235,227,802
Additions		62,371,713	278,060,425	340,432,138
Applied to Profit & Loss		(27,476,433)	(273,786,923)	(301,263,356)
As of December 31, 2024	\$	151,157,358	123,239,226	274,396,584

		Prepaid services	Sale incentives	Total
Beginning balance 2023	\$	80,479,626	29,753,544	110,233,170
Additions		65,183,515	314,344,756	379,528,271
Applied to Profit & Loss		(29,401,063)	(225,132,576)	(254,533,639)
	\$	116,262,078	118,965,724	235,227,802

The contractual obligation calculated based on the Company's current incentives to its distributors, among others, are discounts on cash payment, monthly interest-free financing, and bonus for the distributor and for the salesperson on the sale of a unit, and such incentives are published in monthly bulletins, and includes a performance bonus obligation.

The Company offers a five-year service package (after-sales services). The applicable service charges are deferred as a contractual obligation and are acknowledged when consumers activate their rights or at expiration. On the other hand, costs related to such services are recognized in the period in which they are incurred.

Services are appreciated in income when they are performed.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(14) Employee benefits-

Under the Federal Labor Law, the Company has certain obligations for severance pay, indemnities, and seniority premiums payable to employees who cease working for the Company under specific circumstances.

The Company records annually the net periodic cost to create the net defined benefit liability (NPL) for severance indemnities and seniority premiums as accrued under actuarial calculations performed by independent actuaries. Such calculations are based on the projected unit credit method. Therefore, a provision shall be made for the liability that, at present value, will cover the defined benefit obligation on the estimated retirement date of all employees working at the Company.

The economic assumptions were:

	2024	2023
Interest rate	10%	9.90%
Discount rate	10%	9.90%
Salary increase rate	6%	10.00%
Minimum wage increase rate	Variable	4.00%
Long-term inflation rate	4%	5.00%

As of December 31, 2024, and 2023, the balances of labor obligations for severance indemnities and seniority premiums are shown as follows:

The cost of defined benefits is summarized as follows, under the items required to be disclosed by current FRS D-3ar:

	Seniority premium		Indemnification		Total	
	2024	2023	2024	2023	2024	2023
Labor cost of current service	\$ 91,307	75,355	660,581	555,696	751,888	631,051
Interest cost OBD	\$ 53,761	43,155	640,973	517,607	694,734	560,762
Actuarial losses (gains) earned due to changes in assumptions	\$ 83,443	0	348,119	0	431,562	0
Loss or (Gain) from a Reduction in Personnel (RP)	\$ 0	0	(415,359)	0	(415,359)	0



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Year net cost (YNC)	\$	228,511	118,510	1,234,314	1,073,303	1,462,825	1,191,813
Remeasurements of P.N.B.D. (or A.N.B.D.) recognized at year net cost		0	(18,401)	0	111,676	0	93,275
Defined Benefit Costs	\$	228,511	100,109	1,234,314	1,184,979	1,462,825	1,285,088
Beginning balance	\$	569,886	469,777	6,970,661	5,785,682	7,540,547	6,255,459
Defined benefit costs	\$	228,511	100,109	1,184,979	1,184,979	1,462,824	1,285,088
Net Liabilities (or assets) on defined benefit net costs	\$	798,397	569,886	8,204,974	6,970,661	9,003,371	7,540,547

(15) Income Taxes-

Income TAXES

For the 2024 and 2023 tax years, according to the Income Tax Law, the corporate income tax rate is 30%.

The Income Tax Law provides criteria and limits for the application of certain deductions, such as the possible non-deductibility of payments made to related parties if certain requirements are not met.

As of December 31, 2024, and 2023, income tax charged to income is summarized as follows:

		2024	2023
Incurring Income Tax	\$	66,008,832	89,506,951
Deferred Income Tax		(15,687,639)	(31,295,498)
Total	\$	50,321,193	58,211,453

Tax expense attributable to income from continuing operations before income taxes and O.C.I. was different from that which would result from applying the 30% income tax rate to income before income taxes as a result of the items mentioned on the following page:

		2024	2023
"Expected" expense	\$	45,434,999	50,110,960
Increase (decrease) resulting from:			
Tax effect of inflation, net		2,905,956	5,394,990
Non-deductible expenses		665,839	987,283
General import taxes refunded			-
Other, net		1,314,398	1,718,220
Income tax expense (benefit)	\$	50,321,193	58,211,453



Jaguar Land Rover México, S. A. P. I. de C. V.
Notes to the financial statements
For the years ended December 31, 2024, and 2023
(Pesos)

As of December 31, 2024, and 2023, deferred income tax is summarized as follows:

	2024	2023
Deferred tax assets:		
Contractual obligations	\$ 82,318,975	70,568,341
Provisions	14,885,869	12,454,856
Employee profit sharing	3,108,543	2,988,700
Employee benefits	2,701,011	2,262,164
Estimate for obsolescence and slow turnover	1,757,126	497,126
Customer advances fixed assets and intangible assets	427,385	739,125
	105,198,910	89,510,312
Deferred liabilities		
Prepayments	1,110,604	1,109,521
Deferred statutory profit sharing (PTU) assets	10,097,976	8,955,799
	11,208,580	10,065,320
	93,990,330	79,444,992
Insufficiency	11,208,580	10,066,279
Deferred tax assets, net	\$ 105,198,910	89,511,271

The allowance for deferred income tax assets covers 100% of the assets arising from the allowances for doubtful accounts, obsolescence, and slow-moving assets.

In assessing the capability to recover deferred assets, Management considers that some or all will not be recovered. Realization of deferred assets depends on the generation of taxable income in the periods in which the temporary differences are deductible. In making this assessment, management considers the expected reversal of deferred liabilities, projected taxable income, and planning strategies.

Employee Profit Sharing

a) Employee Profit Sharing Rate

The Employee Profit Rate incurred in the period under the current legal rate of 10% and the limits provided in the applicable laws are divided by the amount of Employee Profit Sharing determined by applying the legal rate of 10% and multiplying the result by the same legal rate in effect. During fiscal year 2023, the Company determined taxable income.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

- b) As of December 31, 2024, and 2023 the Company has recognized deferred ESPS on the following temporary items:

	2024	2023
Deferred tax assets:		
Contractual obligations	\$ 27,439,658	23,522,780
Provisions	4,961,955	4,151,939
Employee benefits	900,337	754,055
Estimate for obsolescence and slow turnover	585,710	165,709
Customer advances, fixed assets, and intangible assets	142,462	246,375
	34,030,122	28,840,537
Deferred liabilities:		
Prepayment	370,201	369,840
Active Deferred Employee Profit Sharing, net	33,659,921	28,471,018
Provision insufficiency	1,406,382	1,381,645
Active Deferred Employee Profit Sharing, net	\$ 35,066,303	29,852,663

(16) Recoverable taxes-

This concept consists of the items described in the following table:

	2024	2023
Income tax	\$ 17,100,563	-
Value added tax	774,279	43,431,480
Total	\$ 17,874,842	43,431,480

(17) Shareholders' equity -

As of December 31, 2024, and 2023, common stock is represented by fully subscribed and paid-in common registered shares, without par value, as shown below:

Class	Capital	Shares	Amount
I	Minimum, Fixed	50,000	\$ 50,000
II	Variable	38,407,700	38,407,700
		38,457,700	38,457,700



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

Under the General Corporations Law, the Company shall set aside at least 5% of net income each year to increase the legal reserve until it reaches 20% of common stock. As of December 31, 2024, and 2023, the legal reserve amounts to Ps.7,681,540 and is presented in retained earnings.

Profits distributed more than the balances of the CUFIN account (net tax profit account) will be subject to corporate income tax at the rate in effect at the time of distribution. Payment of such tax may be credited against income tax.

(a) Dividends-

On August 29, 2024, the General Ordinary Shareholders' Meeting resolved to declare dividends from retained earnings for \$153,207,537, which were paid through electronic transfers on September 6, 2024.

On February 9, 2023, the General Ordinary Shareholders' Meeting resolved to declare dividends from retained earnings for Ps. 138,878,594, which were paid through electronic transfers.

Dividends paid to individuals and corporations domiciled abroad based on profits generated as of 2014 are subject to an additional 10% withholding tax.

(18) Income-

During 2024 and 2023, the Company's revenues are as shown below:

		Luxury cars	Spare parts	Discounts and warranties	Total
2024	\$	3,557,709,011	174,247,050	(318,944,385)	3,413,011,676
2023		3,761,674,218	171,022,716	(314,640,466)	3,618,056,468

As of December 2024, and 2023, revenues expected to be recognized within the next five years related to unsatisfied performance obligations amount to \$151,157,358 and \$116,262,078, respectively. Such revenues are substantially derived from short- and long-term maintenance and service agreements.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(19) General expenses and costs-

Below are the main items comprising general costs and expenses as of December 31, 2024, and 2023.

	Cost of Sales	2024 Sales Expenses	Administrative Expenses
Cost of vehicles and parts, net	\$ 2,917,470,212		
Transportation and storage	56,227,923		
Customs and import charges	141,663,091		
Subscriptions and insurance	9,807,127		5,193,817
Advertising and marketing		72,212,681	
Public Relations		29,845,909	
Customer Service Center		3,163,698	
Training and coaching		12,100,645	2,090,867
Administrative services			9,969,116
Wages, salaries and benefits			46,173,797
Professional Services			13,159,905
Employee benefits			3,498,675
Depreciation and amortization			851,161,
Travel expenses			7,095,114
Social security expenses			7,947,514
Miscellaneous	18,477,757	659,375	11,021,129
Total	\$ 3,143,646,110	117,982,308	107,001,095
		2023	
Cost of vehicles and parts, net	\$ 3,111,709,734	-	-
Transportation and storage	48,767,296	-	-
Customs and import charges	173,424,442	-	-
Subscriptions and insurance	4,572,331	-	3,420,559
Advertising and marketing	-	65,482,412	-
Public Relations	-	15,429,643	-
Customer Service Center	-	2,824,870	-
Training and coaching	-	10,410,135	1,943,993
Administrative services	-	-	10,035,022
Wages, salaries and benefits	-	-	40,850,019
Professional Services	-	-	11,634,807
Employee benefits	-	-	1,584,868
Depreciation and amortization	-	-	718,699
Travel expenses	-	-	5,012,087
Social security expenses	-	-	6,621,350
Miscellaneous	9,441,846	828,589	10,171,645
Total	\$ 3,347,915,649	94,975,649	91,993,049



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

(20) Other operating income and expenses -

As of December 31, 2024, and 2023, other income and expenses are summarized as follows:

	2024	2023
Other income:		
Recovery from England, armoring commission	\$ 54,570,334	50,250,935
Reimbursement	10,958,364	10,058,761
Deferred Employee Profit Sharing	-	14,908,052
Commissions on oil purchase	2,667,032	3,139,498
Others	3,387,810	2,010,784
Car leases	351,824	329,855
	\$ 71,935,364	80,697,885

(21) Contingencies and commitments -

- (a) Contingent liabilities arising from employee benefits are mentioned in note 3(i).
- (b) Under current tax laws, the authorities can review up to five tax years before the last income tax return is filed.
- (c) Under the Income Tax Law, companies that carry out transactions with related parties are subject to tax limitations and obligations regarding determining the agreed prices since such must be comparable to those used with or between independent parties in similar transactions. It is essential to take into consideration that in the event the competent tax authorities review the prices and reject the amounts determined they may require, in addition to collecting the corresponding tax and other items (restatement and surcharges), penalties on the omitted taxes, which could be up to 100% of the restated tax amounts.
- (d) On November 6, 2024, an individual filed against the Company under file number 5594/2024-1, a lawsuit for termination of the purchase agreement entered into on September 29, 2023, the return of \$1,480,371, and a bonus and/or minimum compensation payment of 20% of the price of the property, as well as payment of expenses and costs arising from the processing of the lawsuit.

(22) Improvements to FRS 2024

In December 2024, the CINIF issued a document called "Improvements to FRS 2024", which contains specific amendments to some existing FRS. The main improvements that generate accounting changes are as follows:

FRS A-1 Conceptual Framework for Financial Reporting Standards - Effective for years beginning on or after January 1, 2025, allowing early application as of 2024 if the disclosures of the FRS applicable to the type of entity in question are adopted in advance. Includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or a non-public interest entity. It divides the disclosure requirements of the FRS into two categories: (i) disclosures applicable to all entities in general (public interest entities and non-public interest entities), and (ii) additional disclosures that are mandatory only for public interest entities. Any changes should be recognized under FRS B-1 Accounting Changes and Error Corrections. Management estimates that the adoption of this improvement to the FRS will not have a significant impact.



Jaguar Land Rover México, S. A. P. I. de C. V.

Notes to the financial statements

For the years ended December 31, 2024, and 2023

(Pesos)

FRS B-2, Statement of cash flows -Effective for fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any accounting changes generated should be recognized under FRS B-1. This amendment enhances the disclosure requirements for financing agreements with suppliers. Management estimates that the adoption of this improvement to FRS will not have a significant impact.

FRS B-3, Other comprehensive income, FRS B-16 Financial statements of non-profit entities and FRS C-3 Accounts receivable - Effective for fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any accounting changes generated should be recognized in accordance with FRS B-1. This improvement modifies the requirements of these NIFs regarding the presentation of discounts, rebates, and returns in a separate item within the statement of comprehensive income, to eliminate any inconsistency with the provisions of FRS D-1 Revenue from Contracts with Customers. Management estimates that the adoption of this improvement to FRS will not have a significant impact.

FRS C-6, Property, plant and equipment- Effective for fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any accounting changes generated should be recognized under FRS B-1. This improvement eliminates the special depreciation method as an alternative depreciation method and includes a description of each depreciation method in the FRS. Management estimates that the adoption of this improvement to FRS will not have a significant impact.

FRS C-19, Financial instrument payable- Effective for fiscal years beginning on or after January 1, 2026, allowing its early application in 2024. Any accounting changes generated should be recognized under FRS B-1. This improvement adds specific requirements for identifying financial liability when a cash payment is made using an electronic payment system. Management estimates that the adoption of this improvement to FRS will not have a significant impact.

FRS D-1, Revenue from contracts with customers- Effective for fiscal years beginning on or after January 1, 2025, allowing its early application in 2024. Any accounting changes generated should be recognized under FRS B-1. This improvement modifies the scope of the FRS to include within it the recognition of contracts that are economically similar to an insurance contract, provided that the conditions specified in the FRS are met and eliminates in such cases the option of applying for IFRS 17 Insurance Contracts on a supplementary basis. Management estimates that the adoption of this improvement to FRS will not have a significant impact.

I, Francisco J. Laguardia, an Expert Translator certified according to Resolution 42-04/2024, dated February 13, 2024, issued by the Judicial Board, which contains the List of Expert Witnesses authorized to assist the Superior Court of Justice in Mexico, effective February 23, 2024, do certify that this is an accurate and correct translation from the original text in Spanish.

Mexico City, June 6, 2025



Francisco J. Laguardia
Sworn Translator

