

JAGUAR LAND ROVER KOREA CO., LTD.

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
MARCH 31, 2026 AND 2025
(With Independent Auditors' Report Thereon)**

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Independent Auditors' Report

Based on a report originally issued in Korean

The Board of Directors and Shareholder
Jaguar Land Rover Korea Co., Ltd.:

Opinion

We have audited the financial statements of Jaguar Land Rover Korea Co., Ltd. (the "Company"), which comprise the statements of financial position as of March 31, 2026 and 2025, the statements of income, changes in 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 the Company as of March 31, 2026 and 2025, and its operation, changes in equity and its cash flows for the years then ended in accordance with Accounting Standards for Non-public Entities. ("K-GAAP").

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with K-GAAP, and for such internal control as management determines is necessary to enable the preparation of 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 applicable, matters related to going concern and 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.

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



Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs 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 on the basis of these financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain 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 responsive to 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 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements and the reasonableness of accounting estimates and 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 a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp
Seoul, Korea
May 20, 2026

This report is effective as of May 20, 2026 the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

JAGUAR LAND ROVER KOREA CO., LTD.

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
MARCH 31, 2026 and 2025**

The accompanying financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, Jaguar Land Rover Korea Co., Ltd.

Robin Michael Colgan
Chief Executive Officer
JAGUAR LAND ROVER KOREA CO., LTD.

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2026 AND 2025

<u>A S S E T S</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
	(In Korean won)	
CURRENT ASSETS:		
Cash and cash equivalents	₩ 43,904,484,795	₩ 35,198,502,331
Accounts receivable - trade, net of allowance for doubtful accounts of ₩132,316,818 as of March 31, 2026 and ₩166,559,503 as of March 31, 2025	12,996,081,661	14,965,456,237
Accounts receivable - other (Note 12)	74,396,772,558	91,564,276,561
Accrued income	194,276,654	158,620,480
Advance payments	100,000,000	100,000,000
Prepaid expenses	666,561,375	534,287,474
Prepaid special consumption tax	313,895,294	166,245,111
Prepaid value added tax	-	1,385,185,784
Deferred income tax assets (Note 9)	20,140,377,954	10,713,833,271
Current income tax assets	-	-
Inventories, net (Notes 3, 11)	158,336,786,669	169,670,371,236
 Total Current Assets	 311,049,236,960	 324,456,778,485
NON-CURRENT ASSETS:		
Property and equipment, net	78,923,225	133,786,045
Leasehold deposits	1,583,081,600	1,382,650,000
Other deposits, net of allowance (Note 14)	3,882,390,000	3,882,390,000
Deferred income tax assets (Note 9)	13,181,430,774	20,038,659,229
 Total Non-current Assets	 18,725,825,599	 25,437,485,274
 TOTAL ASSETS	 ₩ 329,775,062,559	 ₩ 349,894,263,759

(Continued)

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF MARCH 31, 2026 and 2025

<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>	March 31, 2026	March 31, 2025
	(In Korean won)	
CURRENT LIABILITIES:		
Accounts payable - trade (Notes 12,17)	₩ 85,469,876,718	₩ 112,268,298,466
Accounts payable - other (Notes 12,17)	18,455,767,263	28,052,512,542
Accrued expenses (Note 17)	53,477,354,220	54,126,728,713
Advance receipts	2,284,481,697	140,875,912
Value added tax payable	713,739,511	-
Current income tax liabilities	1,008,031,322	10,107,589,968
Deferred revenue (Note 4)	32,340,700,972	23,350,807,183
Current warranty provision(Notes 5)	20,198,262,263	11,666,097,131
	<u>213,948,213,966</u>	<u>239,712,909,915</u>
NON-CURRENT LIABILITIES:		
Accrued severance indemnities, net	4,240,560,361	3,748,872,821
Warranty provision (Note 5)	17,887,460,873	3,042,290,185
Deferred revenue (Note 4)	73,025,390,401	79,956,279,544
	<u>95,153,411,635</u>	<u>86,747,442,550</u>
TOTAL LIABILITIES	<u>309,101,625,601</u>	<u>326,460,352,465</u>
SHAREHOLDER'S EQUITY:		
Capital stock (Notes 1,6)	50,000,000	50,000,000
Additional paid-in capital (Note 6)	5,933,957,086	5,933,957,086
Retained earnings (Note 7)	14,689,479,872	17,449,954,208
TOTAL SHAREHOLDER'S EQUITY	<u>20,673,436,958</u>	<u>23,433,911,294</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>₩ 329,775,062,559</u>	<u>₩ 349,894,263,759</u>

See accompanying notes to the financial statements.

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2026 and 2025

	March 31, 2026	March 31, 2025
	(In Korean won)	
SALES :		
Sales of merchandise	₩ 572,196,182,652	₩ 590,277,520,361
Sales of parts	109,104,438,978	126,704,169,636
Rendering of services	1,261,618,576	1,170,123,908
Subtotal	682,562,240,206	718,151,813,905
COST OF SALES (Notes 3,12 and 13):		
Cost of sales of merchandise	(528,585,853,833)	(557,346,778,687)
Cost of sales of parts	(82,387,158,336)	(88,675,074,222)
Subtotal	(610,973,012,169)	(646,021,852,909)
GROSS PROFIT	71,589,228,037	72,129,960,996
SELLING AND ADMINISTRATIVE EXPENSES (Note 15, 16)	(52,814,084,839)	(52,003,909,830)
OPERATING INCOME	18,775,143,198	20,126,051,166
OTHER INCOME (EXPENSES):		
Interest income	857,121,455	726,423,820
Gain(loss) on foreign currency transactions, net	(4,681,592)	376,876,284
Others, net	190,098,037	1,287,471,593
Subtotal	1,042,537,900	2,390,771,697
INCOME BEFORE INCOME TAX EXPENSE	19,817,681,098	22,516,822,863
INCOME TAX EXPENSE (Note 9)	(5,153,201,226)	(5,091,868,655)
NET INCOME	₩ 14,664,479,872	₩ 17,424,954,208
EARNINGS PER SHARE (Note 8)	₩ 1,466,448	₩ 1,742,495

See accompanying notes to the financial statements.

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED MARCH 31, 2026 and 2025

	<u>Capital stock</u>	<u>Capital surplus</u>	<u>Retained earnings</u>	<u>Total shareholder's equity</u>
	(In Korean won)			
Balance, April 1, 2024	₩ 50,000,000	₩ 5,933,957,086	₩ 13,192,878,020	₩ 19,176,835,106
Dividend payable	-	-	(13,167,878,020)	(13,167,878,020)
Net income	-	-	17,424,954,208	17,424,954,208
Balance, March 31, 2025	<u>₩ 50,000,000</u>	<u>₩ 5,933,957,086</u>	<u>₩ 17,449,954,208</u>	<u>₩ 23,433,911,294</u>
Balance, April 1, 2025	₩ 50,000,000	₩ 5,933,957,086	₩ 17,449,954,208	₩ 23,433,911,294
Dividend payable	-	-	(17,424,954,208)	(17,424,954,208)
Net income	-	-	14,664,479,872	14,664,479,872
Balance, March 31, 2026	<u>₩ 50,000,000</u>	<u>₩ 5,933,957,086</u>	<u>₩ 14,689,479,872</u>	<u>₩ 20,673,436,958</u>

See accompanying notes to the financial statements.

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2026 and 2025

	March 31, 2026	March 31, 2025
	(In Korean won)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	₩ 14,664,479,872	₩ 17,424,954,208
Expenses (income) not involving cash outflows:		
Provision for severance indemnities	748,308,519	1,130,591,070
Warranty provision	7,311,013,522	5,514,192,914
Depreciation	54,862,820	54,862,820
Amortization	-	7
Bad debt expense(reversal)	(34,242,685)	21,766,861
Loss(Gain) on inventory revaluation	(1,426,008,873)	56,101,515
Subtotal	6,653,933,303	6,777,515,187
Changes in assets and liabilities resulting from operations:		
Accounts receivable - trade	2,003,617,261	(2,759,792,208)
Accounts receivable - other	17,167,504,003	(23,943,432,752)
Accrued income	(35,656,174)	38,942,760
Prepaid expenses	(132,273,901)	(273,117,377)
Prepaid special consumption tax	(147,650,183)	193,744,055
Value added tax (VAT) receivable	1,385,185,784	955,603,272
Deferred income tax assets	(2,569,316,228)	(5,241,964,148)
Current tax assets	-	1,286,028,510
Inventories	12,759,593,440	310,815,588
Accounts payable - trade	(26,798,421,748)	(40,127,352,910)
Accounts payable - other	(9,596,745,279)	2,491,473,407
Accrued expenses	(649,374,493)	28,312,599,635
Advance receipts	2,143,605,785	(17,532,071)
Value-added tax (VAT) payable	713,739,511	-
Current income tax liabilities	(9,099,558,646)	10,107,589,968
Deferred revenue	2,059,004,646	13,343,755,328
Warranty provision	16,066,322,298	(4,311,455,520)
Payments of severance indemnities	(256,620,979)	(193,725,224)
Subtotal	5,012,955,097	(19,827,819,687)
Net cash provided by operating activities	26,331,368,272	4,374,649,708

See accompanying notes to the financial statements.

(Continued)

JAGUAR LAND ROVER KOREA CO., LTD.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2026 and 2025

	March 31, 2026	March 31, 2025
	(In Korean won)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash inflows from investing activities:		
Decrease in other deposits	-	50,000,000
Subtotal	-	50,000,000
Cash outflows for investing activities:		
Increase in rent deposits	200,431,600	-
Increase in other deposits	-	50,000,000
Subtotal	(200,431,600)	(50,000,000)
Net cash provided by(used in) investing activities	(200,431,600)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash outflows for financing activities:		
Dividend payment	17,424,954,208	13,167,878,020
Net cash used in financing activities	(17,424,954,208)	(13,167,878,020)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	8,705,982,464	(8,793,228,312)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,198,502,331	43,991,730,643
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	₩ 43,904,484,795	₩ 35,198,502,331

See accompanying notes to the financial statements.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

1. GENERAL:

Jaguar Land Rover Korea Co., Ltd. (the “Company”), was incorporated on October 1, 2008, through the spin-off from Premier Automotive Group Korea Co., Ltd. (“PAG Korea”), under the Foreign Capital Inducement Law of the Republic of Korea in order to engage in the import and distribution of Jaguar and Land Rover brand vehicles and parts in Korea. As of March 31, 2026, the Company’s total issued common stock amounted to ₩50,000 thousand and the Company is wholly owned by Jaguar Land Rover Limited, a UK corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements will be submitted for approval to the shareholder’ meeting to be held on June 30, 2026.

The significant accounting policies followed by the Company in preparation of the financial statements are as follows.

a. Statement of compliance

The financial statements have been prepared in accordance with Accounting Standards for Non-public Entities in the Republic of Korea (“K-GAAP”), as prescribed in the Act on External Audits of Corporations in the Republic of Korea.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise noted.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

c. Use of estimates and judgments

The preparation of the financial statements in conformity with K-GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 - Deferred revenue
- Note 5 - Provision for warranties
- Note 9 - Income taxes
- Note 14 - Commitments and Contingencies

d. Basis of Presentation

The Company maintains its official accounting records in Korean won and prepares statutory financial statements in the Korean language (“Hangul”) in conformity with accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Accounting Standards for Non-Public Entities in the Republic of Korea (KAS-NPEs). The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company’s financial position, results of operations, changes in shareholder’s equity or cash flows, is not presented in the accompanying financial statements.

e. Cash Equivalents

Cash equivalents are highly liquid investments and short-term financial instruments with maturities of three months or less from the acquisition date, which are readily convertible without significant transaction cost and do not have significant risk of changes in interest rates.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

f. Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts to cover estimated losses on receivables based on management's analysis of the collectability of individual outstanding receivables.

g. Inventories

Inventories are stated at the lower of cost or net realizable value, with cost being determined using the identified cost method, except for parts which cost is determined using the moving-average method and inventory in transit for which cost is determined using the specific identification method. The Company maintains perpetual inventory system, which is adjusted to physical inventory counts performed at year-end.

When the net realizable value of inventories is less than the acquisition cost, the carrying amount is reduced to the net realizable value and any difference is charged to current operations. In that case, the situation that caused the loss on valuation of inventories is dissolved; new market value is more than the carrying amount; and the carrying amount is increased to the new market value, until it does not exceed the original acquisition cost.

h. Property and Equipment

Property and equipment are stated at cost (acquisition cost or manufacturing cost, plus expenditure directly related to preparing the asset ready for use in time for a place, net of sales discount given) and assets acquired from investment in-kind, by donation or free of charge are stated at fair value. When an asset is exchanged for a similar kind asset, the asset received is stated at the carrying value of the asset given. When an asset is exchanged for a different-kind asset, the asset received is stated at the fair value of the asset given. When there is uncertainty as to the fair value of the asset given, the asset received is recorded at its fair value.

If the costs incurred after acquisition or completion increase the future economic benefit of an asset, such costs are capitalized. If the costs can be objectively measured and incurred to replace an existing asset, the existing asset is removed from the financial statements. Costs incurred to repair and maintain assets are expensed as incurred.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

Property and equipment are depreciated using the straight-line method from the time when the assets are ready for use (ready for their intended use by the management in time and place) over their economic useful lives summarized below. Depreciation expense is recognized as manufacturing cost if it relates to manufactured goods or as selling and administrative expense for all other cases, as incurred.

	Useful lives (years)
Leasehold equipment	5
Office equipment	5

i. Intangible assets

Intangible assets measured at acquisition cost less accumulated amortization.

Intangible assets are amortized using the straight-line method from the time when the assets are ready for use over their economic useful lives(3 or 5 years) with zero residual value.

Amortization expense is recognized as selling and administrative expense or cost of sales for all other cases, as incurred.

j. Impairment of Assets

At the end of the reporting period, the Company reviews the carrying values of assets, except for financial assets, inventories, assets generated from construction contracts, deferred tax assets, biological assets and non-current assets of discontinued operations to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the asset is reduced to its recoverable amount, and an impairment loss is immediately recorded in profit or loss. If a tangible asset (an individual asset or cash-generating unit) has impairment indication and cash flow from disposition of asset is less than its carrying amount, the carrying value of the asset is reduced to the net proceed on disposition, and an impairment loss is immediately recorded in profit or loss.

Also, in regard of impairment loss indicators, assets not in use and assets held for future use are estimated for recoverable amounts.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of goodwill is estimated to be less than its carrying amount, an impairment loss is allocated to reduce the carrying value of the goodwill, and then allocated to reduce the carrying value of individual assets (or cash-generating unit(s)). The allocated amounts to individual assets cannot be lower than the larger of estimated recovered amount, value in use amount or zero.

k. Translation of Assets and Liabilities Denominated in Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the transaction date. Gains or losses arising from foreign currency transactions and the translation of foreign currency assets and liabilities are charged or credited to current operations. There was no foreign currency assets and liabilities as of March 31, 2026.

l. Accrued Severance Indemnities

In accordance with the Company's policy, all employees in service are entitled to receive severance indemnity payments upon termination of their employment, based on their current rate of salary and length of service. The accrual for severance indemnities is determined based on the amount that would be payable assuming all employees were to terminate at the date of reporting period-end.

Actual payment for severance indemnities amounted to ₩256,621thousand and ₩193,725thousand for the years ended March 31, 2026 and 2025, respectively.

m. Warranty Provision

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is highly likely that reimbursement will be received and the amount of the receivable can be measured reliably.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

n. Revenue Recognition

Revenue is recognized at the collected price or the collectible price, less sales discount or sales returns, when goods or products sold are delivered. The Company recognizes the portion of sales price related to the service plan and other programs included in the price of goods as deferred income, which are recognized as revenue when the related services are provided in subsequent periods.

o. Income Tax Expense

The Company recognizes deferred income tax assets or liabilities for the temporary differences between the carrying amount of an asset and liability for the financial reporting purposes and the amounts used for income tax purposes. A deferred tax liability is generally recognized for all taxable temporary differences with some exceptions and a deferred tax asset is recognized to the extent when it is probable that taxable income will be available against which the deductible temporary difference can be utilized in the future. Deferred income tax asset (liability) is classified as a current or non-current asset (liability) depending on the classification of related asset (liability) in the statements of financial position. Deferred income tax asset (liability), which does not relate to a specific asset (liability) account in the statement of financial position, such as a deferred income tax asset recognized for tax loss carryforwards, is classified as a current or non-current asset (liability) depending on the expected reversal period. Deferred income tax asset and liability in the same tax jurisdiction and in the same current or non-current classification are presented on a net basis. Current and deferred income tax expenses are included in income tax expense in the statements of income and additional income tax or tax refunds for the prior periods are included in income tax expense for the current period when recognized. However, income tax resulting from transactions or events, which was directly recognized in shareholder's equity in current or prior periods, or business combinations is directly adjusted to equity account or goodwill (or a gain from a bargain purchase in business combination).

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

- p. New and revised K-GAAP adopted in the current period

The Company did not adopt any new or amended K-GAAP that are mandatorily effective for the year ended March 31, 2026.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

3. INVENTORIES:

Details of inventories as of March 31, 2026 and 2025 are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Merchandise	₩ 13,146,702	₩ 10,319,951
Parts	35,470,405	35,514,894
Inventory in transit	113,344,727	128,886,582
Valuation reserve	<u>(3,625,047)</u>	<u>(5,051,056)</u>
Total	<u>₩ 158,336,787</u>	<u>₩ 169,670,371</u>

The reversal on valuation of inventory, which was deducted in the cost of sales, amounted to ₩1,426,009 thousand for year ended March 31, 2026 and the loss on valuation of inventory, which was included in the cost of sales, amounted to ₩56,101 thousand for year ended March 31, 2025.

4. DEFERRED REVENUE:

Changes in deferred revenue for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Beginning balance	₩ 103,307,087	₩ 89,963,332
Provision	25,626,047	43,931,936
Release	<u>(23,567,042)</u>	<u>(30,588,181)</u>
Ending balance	<u>₩ 105,366,092</u>	<u>₩ 103,307,087</u>

The sales price of vehicle includes the consideration for the future maintenance service at the time of sale. Therefore, the company recognizes revenue on shipment for pure portion of vehicle sales, and the price of such services plans are deferred at the time of the sale and is recognized as revenue when the related services are provided subsequently.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

5. WARRANTY PROVISION:

(1) Changes in warranty provision for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Beginning balance	₩ 14,708,387	₩ 4,558,411
Provision	36,300,423	14,461,432
Usage	(12,923,087)	(4,311,456)
Ending balance (*)	₩ 38,085,723	₩ 14,708,387

(*) As of the end of the current period, the warranty provisions include the expected amount of ₩28,989,409 thousand to be reimbursed from the headquarters, and recorded as receivables.

(2) There were no provisions occurred by Atmospheric Environment Conservation Act for the years ended March 31, 2026 and 2025.

6. CAPITAL STOCK:

Details of capital stock as of March 31, 2026 and 2025 are as follows (In Korean won):

	March 31, 2026	March 31, 2025
Authorized shares	40,000 shares	40,000 shares
Issued and outstanding shares:		
Common stock	10,000 shares	10,000 shares
Par value per share	₩ 5,000	₩ 5,000
Capital stock	₩ 50,000,000	₩ 50,000,000

There were no changes in capital stock for the years ended March 31, 2026 and 2025.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

7. RETAINED EARNINGS:

The statements of appropriation of retained earnings for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
RETAINED EARNINGS BEFORE APPROPRIATIONS:		
Unappropriated retained earnings carried over from prior period	₩ -	₩ -
Net income	14,664,480	17,424,954
End of period	<u>14,664,480</u>	<u>17,424,954</u>
APPROPRIATION		
Dividend	<u>14,664,480</u>	<u>17,424,954</u>
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT PERIOD	<u>₩ -</u>	<u>₩ -</u>

Details of calculation of dividend payout ratio for the years ended March 31, 2026 and 2025 are as follows (In Korean won):

	March 31, 2026	March 31, 2025
Dividend		
Dividend per share (Dividend rate)	₩ 1,466,448 (29,329%)	₩ 1,742,495 (34,850%)
Issued and outstanding shares: Common stock	<u>10,000 shares</u>	<u>10,000 shares</u>
Total	<u>₩ 14,664,479,872</u>	<u>₩ 17,424,954,208</u>

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

8. EARNINGS PER SHARE:

Basic net income per share for the years ended March 31, 2026 and 2025 are calculated as follows (In Korean won):

	March 31, 2026	March 31, 2025
Net income	₩ 14,664,479,872	₩ 17,424,954,208
Number of common share outstanding	10,000	10,000
Earnings per share	₩ 1,466,448	₩ 1,742,495

The number of common shares outstanding was not changed for the years ended March 31, 2026 and 2025.

9. INCOME TAX:

(1) Details of income tax expense

Income tax expense for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Current income tax charge	₩ 5,119,475	₩ 10,333,833
Income tax for prior periods	2,603,042	-
Changes in deferred tax assets	(2,569,316)	(5,241,964)
Income tax expense	₩ 5,153,201	₩ 5,091,869

(Note) Changes in deferred tax assets related to temporary differences for the years ended March 31, 2026 and 2025, are as follows (in thousands of Korean won):

	March 31, 2026	March 31, 2025
Beginning balance	₩ 30,752,492	₩ 25,510,528
Ending balance	33,321,809	30,752,492
Changes in deferred tax assets	₩ (2,569,317)	₩ (5,241,964)

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
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9. INCOME TAX: Continued

(2) Reconciling items between income before tax and income tax expense

Reconciling items between income before tax and income tax expense for the years ended March 31, 2026 and 2025, are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Income before income tax expense	₩ 19,817,681	₩ 22,516,823
Statutory tax rate	9.9%~24.2%	9.9%~23.1%
Income tax expense at statutory rate	4,115,884	4,739,386
Adjustments (Note)	1,037,317	352,483
Income tax expense	₩ 5,153,201	₩ 5,091,869
Effective tax rate	26.00%	22.61%

(Note) Adjustment items between income tax expense at statutory tax rate and the recorded tax expense for the years ended March 31, 2026 and 2025, are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
Non-deductible expenses	₩ (200,083)	₩ 352,502
Others	1,237,400	(19)
Total	₩ 1,037,317	₩ 352,483

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

9. INCOME TAX: Continued

(3) Accumulated temporary differences and deferred tax assets as of March 31, 2026 and 2025, are as follows (In thousands of Korean won):

	March 31, 2026	March 31, 2025
<u><Accumulated temporary differences></u>		
Beginning balance, net	₩ 133,127,673	₩ 110,435,188
Increase in the current period	4,565,752	22,692,485
Ending balance, net	137,693,425	133,127,673
Income tax rate (Note)	24.2%	23.1%
Deferred tax assets	₩ 33,321,809	₩ 30,752,492
<u><Deferred tax assets></u>		
Current assets	₩ 20,140,378	₩ 10,713,833
Non-current assets	13,181,431	20,038,659
Deferred tax assets	₩ 33,321,809	₩ 30,752,492

(Note) The average tax rate, which is expected to be applied in the period in which the related temporary differences are expected to reverse, was used for the measurement of deferred tax assets and deferred tax liabilities.

Changes in accumulated temporary differences for the years ended March 31, 2026 and 2025 are as follows (In Korean won):

March 31, 2026

		Beginning balance	Changes	Ending balance	Current assets	Non-current assets
Warranty provision	₩	14,708,387	23,377,336	38,085,723	20,198,262	17,887,461
Accounts receivable		(8,906,798)	(20,082,611)	(28,989,409)	(28,989,409)	-
Accrual expenses		15,370,970	198,302	15,569,272	15,569,272	-
Inventory		5,051,057	(1,426,009)	3,625,048	3,625,048	-
Severance Indemnity		3,748,873	491,688	4,240,561	-	4,240,560
Deferred revenue		103,307,087	2,059,005	105,366,091	73,025,390	32,340,701
Accrued income		(151,903)	(32,197)	(184,100)	(184,100)	-
Business use passenger vehicles		-	(19,761)	(19,761)	(19,761)	-
	₩	133,127,673	4,565,752	137,693,425	20,140,378	13,181,431

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

9. INCOME TAX: Continued

<u>March 31, 2025</u>		<u>Beginning balance</u>	<u>Changes</u>	<u>Ending balance</u>	<u>Current assets</u>	<u>Non-current assets</u>
Warranty provision	₩	4,558,411	10,149,976	14,708,387	11,666,097	3,042,290
Accounts receivable		-	(8,906,798)	(8,906,798)	(8,906,798)	-
Accrual expenses		7,565,437	7,805,533	15,370,970	15,370,970	-
Inventory		4,994,956	56,101	5,051,057	5,051,057	-
Severance Indemnity		2,812,006	936,867	3,748,873	-	3,748,873
Bad debt allowance		725,203	(725,203)	-	-	-
Deferred revenue		89,963,331	13,343,756	103,307,087	23,350,807	79,956,280
Accrued income		(184,156)	32,253	(151,903)	(151,903)	-
	₩	<u>110,435,188</u>	<u>22,692,485</u>	<u>133,127,673</u>	<u>46,380,230</u>	<u>86,747,443</u>

10. STATEMENTS OF CASH FLOWS:

The Company's statements of cash flows are prepared using the indirect method. The cash and cash equivalents in the statements of cash flows are the same as the cash and cash equivalents in the statements of financial position.

There were no significant non-cash transactions for the years ended March 31, 2026 and 2025.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

11. INSURANCE:

Insured coverage carried by the Company as of March 31, 2026 is as follows (In thousands of Korean won):

Insured	Insured period	Insured coverage	Insurance company
Directors and officers Insurance	2025.10.01~2026.10.01	KRW 1,393,270	AIG Korea Inc.
Commercial Liability Insurance	2025.05.31~2026.05.31	KRW 7,407,408	Hyundai Marine & Fire Insurance Co., Ltd.
Property package insurance	2025.05.31~2026.05.31	KRW 415,207,526	Hyundai Marine & Fire Insurance Co., Ltd.
Car repair Insurance	2019.05.30~2027.05.30	KRW 82,647,311	Hyundai Marine & Fire Insurance Co., Ltd.
Repair Insurance	2022.04.01~2031.05.31	KRW 1,340,000	DB Insurance Co., Ltd.
Corporate Insurance	2023.07.06~2031.07.05	KRW 4,000	DB Insurance Co., Ltd.
Employee welfare Insurance	2025.10.14~2026.10.14	KRW 133,301,880	Meritz Fire & Marine Insurance Co., Ltd
Personal information protection insurance	2026.01.01~2027.01.01	KRW 1,000,000	Heungkuk Fire & Marine Insurance Co., Ltd.

The Company carries comprehensive insurance for its vehicles with KB Insurance Co., Ltd.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES:

(1) Details of parent and subsidiary relationships as of March 31, 2026 and 2025, are as follows:

Description	March 31, 2026	March 31, 2025
Ultimate parent	Tata Motors Ltd.	Tata Motors Ltd.
Parent	Jaguar Land Rover Ltd.	Jaguar Land Rover Ltd.

(2) Significant transactions and account balances with related parties as of and for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

Description	Related parties	March 31, 2026	March 31, 2025
<u>Transactions:</u>			
Vehicle purchase (Note)	Jaguar Land Rover Ltd.	₩ 500,133,427	₩ 513,031,992
Parts purchase (Note)		60,141,519	57,193,445
Warranty reimbursement		51,019,951	61,841,733
Other income (expense)		(528,891)	1,960,113
Parts Sales	Jaguar Land Rover Taiwan Co.,	-	107,023
<u>Accounts balances:</u>			
Accounts receivable - other (Note)	Jaguar Land Rover Ltd.	₩ 43,323,207	₩ 81,392,723
Accounts payable – trade and other	Jaguar Land Rover Ltd.	85,785,270	113,349,254

(Note) The amounts represent purchase gain on transfer price adjustment and the reimbursement related to the warranty provisions.

13. Gain (LOSS) ON TRANSFER PRICE ADJUSTMENT:

The Company purchased most of inventories from related parties, Jaguar Land Rover Ltd. Transfer price adjustment received (paid) from related parties are accounted for as cost of sales. Gain on transfer price for inventory purchase in current year was ₩30,072 million won and Gain on transfer price for inventory purchase in previous years was ₩70,612 million won .

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

14. COMMITMENTS AND CONTINGENCIES:

(1) Retailer and Repairer Agreement

As of March 31, 2026, the Company has entered into dealer sales and service agreements with 9 companies, including Chunil Automobile, KCC Automobile and others.

(2) Litigations

As of March 31, 2026, the Company is involved in one legal litigation cases as a defendant with total claim amounting to ₩57,400 thousands of Korean won. The plaintiff's claim was dismissed in the first trial, and on April 30, 2025, the plaintiff has appealed, filing a claim for damages related to the recall.

(3) As of March 31, 2026, the Company maintains general loan commitment of ₩637,673 thousands of Korean won with Citibank Korea Inc.

(4) As of March 31, 2026, the Company maintains agreement with KB Capital Co., Ltd for payment guarantee for credit extension to dealers. As of March 31, 2026, the guaranteed amount is ₩3,882,000 thousands of Korean won.

(5) As of March 31, 2026, the Company receives a payment guarantee of ₩5,000 thousands of Korean won and deposited funds of ₩310,300 thousands of Korean won from Seoul Guarantee Insurance.

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

15. VALUE-ADDED INFORMATION:

Details of valued-added information included in cost of sales and selling and administrative expense for the years ended March 31, 2026 and 2025 are as follows (In thousands of Korean won):

Description	March 31, 2026	March 31, 2025
Salary	₩ 5,961,241	₩ 6,230,023
Provision for severance indemnities	748,309	1,130,591
Employee welfare	1,806,608	1,713,325
Depreciation	54,863	54,863
Amortization	-	7
Rent	4,544,467	4,355,444
Taxes and dues	42,521	105,883

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

16. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the years ended March 31, 2026 and 2025 are as follows
(In thousands of Korean won):

	March 31, 2026	March 31, 2025
Salary	₩ 5,961,241	₩ 6,230,023
Provision for severance indemnities	748,309	1,130,591
Employee welfare	1,806,608	1,713,325
Education	27,966	91,041
Provision for warranties	7,311,014	5,514,193
Vehicle maintenance	459,325	430,909
Fee	2,615,156	2,619,796
Transportation	1,723,328	1,949,327
Supplies	98,565	66,527
Repairs and maintenance	495,825	469,676
Depreciation	54,863	54,863
Communication	953,346	1,098,324
Rent	4,544,467	4,355,444
Travel	136,789	186,128
Insurance	61,891	45,525
Entertainment	15,420	21,077
Taxes and dues	42,521	105,883
Membership fee	119,054	123,762
Advertising	21,027,527	20,886,131
Promotion	4,612,403	4,838,062
Bad debt expense (reversal)	(34,243)	21,767
Others	32,710	51,536
	<hr/>	<hr/>
Total	₩ 52,814,085	₩ 52,003,910

JAGUAR LAND ROVER KOREA CO., LTD.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 and 2025

17. FINANCIAL INSTRUMENTS:

(1) Contractual maturities of the Company's financial liabilities as of March 31, 2026 and 2025 are as follows (In thousands of Korean won):

Description	Under 3 months	
	March 31, 2026	March 31, 2025
Accounts payable-trade	₩ 85,469,877	₩ 112,268,298
Accounts payable-other	18,455,767	28,052,513
Accrued expenses (Note)	52,330,436	52,641,797

(Note) Salary-related liabilities are excluded.

(2) Liquidity risk

The Company establishes short-term and long-term fund management plans. The Company then analyzes and reviews actual cash outflow and its budget to match the maturity profiles of financial assets and liabilities. Management of the Company believes that financial liability may be redeemed by cash flow arising from operating activities and financial asset.