

Translation from English by a sworn expert

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

Financial Statements

For the years ended December 31, 2025, and 2024

(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, 2025, and 2024, 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, 2025, and 2024, 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 have 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 in accordance with 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. We believe 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(l) and 7 in the financial statements, which describe that the Company carried out significant transactions with its related companies. Our opinion has not been modified in relation to 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 under the FRS and for such internal control as management may determine is necessary to prepare financial statements 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 in accordance with 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 a 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 that of a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal controls.
- Obtain an understanding of internal control relevant to the audit by designing 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 in our audit report to the related disclosures in the financial statements 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, April 28, 2026.



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

Statement of Financial Position

(Pesos)

Assets	December 31 <u>2025</u>	December 31 <u>2024</u>	Liabilities and stockholder's equity	December 31 <u>2025</u>	December 31 <u>2024</u>
Current assets			Current liabilities:		
Cash and cash equivalents (note 4)	S 60,299,668	454,364,189	Suppliers	21,256,893	22,983,521
Accounts receivable (note 6)	67,952,126	56,207,803	Employee Profit Sharing	10,403,661	10,361,811
Related parties (note 7)	15,272,992	14,093,990	Provisions (note 12)	93,940,480	49,910,629
Inventories, net (note 8)	737,779,735	401,750,463	Accrued expenses	3,492,419	14,229,521
Prepayments (note 9)	53,352,780	8,956,684	Related parties (note 7)	618,039,297	584,153,282
Recoverable taxes (note 16)	<u>82,760,301</u>	<u>17,874,842</u>	Customer advances	15,687,302	11,450,806
Total current assets	1,017,417,602	953,247,971	Short-term contractual obligations (note 13)	<u>126,132,697</u>	<u>158,233,599</u>
Property, plant and equipment, net (note 10)	2,705,624	3,188,477	Total current liabilities	888,952,749	851,323,169
Deferred income tax and ESPS (note 15)	155,552,225	140,265,213	Employee benefits (note 14)	5,767,768	9,003,371
Non-tangible assets, net (note 11)	1,252,720	1,399,154	Long-term contractual obligations (note 13)	<u>150,061,932</u>	<u>116,162,985</u>
			Total liabilities	1,044,782,449	976,489,525
			stockholder's equity:		
			Capital stock (note 17)	38,457,700	38,457,700
			Retained earnings	<u>93,688,022</u>	<u>83,153,590</u>
			Total stockholder's equity	132,145,722	121,611,290
			Commitments and contingent liabilities (note 21)		
	<u>S 1,176,928,171</u>	<u>1,098,100,815</u>		<u>S 1,176,928,171</u>	<u>1,098,100,815</u>

See accompanying notes to the financial statements.



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

Income Statement

Years ended December 31, 2025 and 2024

(Pesos)

	<u>2025</u>	<u>2024</u>
Net sales (note 18)	S 3,537,324,196	3,413,011,676
Cost of sales (note 19)	<u>3,271,847,043</u>	<u>3,143,646,110</u>
Gross profit	265,477,153	269,365,566
Overhead:		
Sales (note 19)	121,465,860	117,982,308
Management (note 19)	117,475,613	107,001,095
Other income (note 20)	(95,249,086)	(71,935,364)
Other expenses (note 20)	<u>1,928,469</u>	<u>1,747,555</u>
Total overhead:	<u>145,620,856</u>	<u>154,795,594</u>
Operating income	119,856,297	114,569,972
Comprehensive financing result:		
Interest income	(2,057,911)	(4,963,054)
Foreign exchange gain, net	<u>277,601</u>	<u>1,046,576</u>
Comprehensive financing result, net	<u>2,335,512</u>	<u>6,009,630</u>
Income before income taxes	122,191,809	120,579,602
Income taxes (note 15):		
On tax basis	51,482,339	66,008,832
Deferred income tax	(11,465,259)	(15,687,639)
Deferred Worker Profit Sharing (PTU)	<u>(3,821,753)</u>	<u>(5,213,641)</u>
Total income taxes	<u>36,195,327</u>	<u>45,107,552</u>
Net income	S <u><u>85,996,482</u></u>	<u><u>75,472,050</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, 2025 and 2024

(Pesos)

		<u>Retained earnings</u>		<u>Total stockholders' equity</u>	
		<u>Capital stock</u>	<u>Legal reserve</u>		<u>Pending application</u>
Balance as of January 1, 2024	\$	38,457,700	7,681,540	153,207,537	199,346,777
Declared dividends 2024		-	-	(153,207,537)	(153,207,537)
Net profit 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
Declared dividends 2025		-	-	(75,462,050)	(75,462,050)
Legal reserve			10,000	(10,000)	-
Net profit 2025		-	-	85,996,482	85,996,482
Balance as of December 31, 2025	\$	<u>38,457,700</u>	<u>7,691,540</u>	<u>85,996,482</u>	<u>132,145,722</u>

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, 2025 and 2024  
(Pesos)

	<b>2025</b>	<b>2024</b>
Operating activities:		
Income before income taxes	\$ 122,191,809	120,579,602
Prepaid services	(34,997,401)	(27,476,433)
Depreciation and amortization	1,513,256	851,161
Interest credited	<u>(2,057,911)</u>	<u>(4,963,054)</u>
	86,649,753	88,991,276
Accounts receivable	(11,744,323)	(47,939,824)
Related parties	(1,179,002)	1,931,969
Recoverable taxes	(66,287,447)	41,372,364
Inventories	(336,029,272)	300,954,995
Prepayments	(44,396,096)	92,940
Suppliers	(1,726,628)	(3,459,867)
Provisions	44,029,851	8,394,444
Accrued expenses	(10,737,102)	(25,326,602)
Employee Profit Sharing	41,850	436,431
Accounts payable to related parties	33,886,015	(270,840,019)
Income tax paid	(50,080,350)	(126,761,840)
Customer advances	4,236,494	5,937,472
Employee benefits	(3,235,603)	1,462,824
Contractual obligations	<u>36,795,446</u>	<u>66,645,214</u>
Net cash flows from operating activities	<u>(319,776,414)</u>	<u>41,891,777</u>
Investment activities:		
Purchase of property, machinery and equipment	(883,967)	(3,081,244)
Interest collected	<u>2,057,910</u>	<u>4,963,054</u>
Net cash flows from investing activities	1,173,943	1,881,810
Excess cash to be applied in financing activities	(318,602,471)	43,773,587
Financing activities:		
Dividends paid	<u>(75,462,050)</u>	<u>(153,207,537)</u>
Net cash flows from financing activities	(75,462,050)	(153,207,537)
Net (decrease) in cash and cash equivalents	(394,064,521)	(109,433,950)
Cash and cash equivalents at the beginning of the year	<u>454,364,189</u>	<u>563,798,139</u>
Cash and cash equivalents at the end of the year	\$ <u><u>60,299,668</u></u>	<u><u>454,364,189</u></u>

See accompanying notes to the financial statements.



**(1) Company's Business**

Jaguar Land Rover México, S. A. P. I. de C. V. (the Company) is a non-public entity under Mexican law, headquartered at Av. Javier Barros Sierra No. 540, Santa Fe, Álvaro Obregón, Mexico City. It primarily buys and sells luxury cars and parts for the Jaguar and Land Rover brands in Mexico. Founded on April 17, 2008, it is a subsidiary of Jaguar Land Rover Limited and conducts the specific operations outlined in note 7. Tata Motors Limited is the parent company of the group's interests.

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

**(2) Authorization and basis of presentation -**

**Authorization**

The presentation of the financial statements and related notes was authorized by the Chief Executive Officer, Raúl Peñafiel García, on April 28, 2026, under the General Law of Commercial Corporations and the Company's Bylaws.

**Basis of Presentation**

**(a) Statement of Compliance -**

The accompanying financial statements were prepared in accordance with Mexican Financial Reporting Standards (FRS).

**(b) Opinions, Estimates, and Assumptions –**

**(c)**

Preparing financial statements involves management making estimates and assumptions that influence the reported values of assets and liabilities, as well as disclosing contingent assets and liabilities as of the financial statement date. Additionally, management must report the revenues and expenses for the relevant period. Actual outcomes may vary from these estimates and assumptions.

**Opinions**

The information on opinions regarding the application of accounting policies that have the most significant effect 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 pose a significant risk to 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 the fair value measurement of financial and non-financial assets and liabilities.



When determining the fair value of any asset or liability, the Company uses market data whenever possible. Fair values are categorized into 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).

If the 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 range as the lowest observable input that is significant to the overall measurement.

During 2025 and 2024, the Company made no transfers between fair value levels.

**(d) Functional and reporting currency -**

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

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

**(e) Income Statement Presentation -**

The Company presents comprehensive income in a single statement that includes only the items that comprise net income or loss. This statement 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 (OCI).

**(3) Summary of significant accounting policies -**

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

**(a) Cash and cash equivalents -**

Cash and cash equivalents include deposits in bank accounts, foreign currency, and other similar cash equivalents that are readily realizable. As of the date of the financial statements, interest earned and valuation gains or losses are included in the results of 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, are purchased, or are issued or assumed, based on an agreement.

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 redemption 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 based on 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 cash flows. 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 principal and interest amounts).
- A business model that seeks both the recovery of contractual flows, as in the previous model, and the profit from 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 the change in the business model, without amending any previously recognized gains or losses, such as interest or impairment losses.

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

- The financial assets are held within a business model whose objective is to hold such financial assets to recover contractual cash flow; 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 PIPO).



*Financial assets: Business model evaluation*

The Company evaluates the business model's objective for holding a financial asset at the portfolio level, as this best reflects business management and provides information to Management. The information subject to this 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 terms of financial assets with the terms of the liabilities those assets are funding or with 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 within it) and 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); and
- frequency, volume, and timing of prior-period sales, as well as the reasons for those sales and expectations for future sales activity.

Any transfers of financial assets to third parties in transactions that do not qualify for cancellation are not treated as sales for this purpose, consistent with the Company's continued appreciation of the assets.

*Financial Assets*

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

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

*Financial assets: Subsequent calculation, 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 the redeemed cost using the effective interest method
<i>Loans and receivables</i>	It is determined at the 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 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.

*Financial liabilities: Classification, subsequent calculation, gains and losses*

Financial liabilities are recognized at fair value and subsequently measured at redemption cost. Financial liabilities arising from the assumption or offer of financial instruments are initially recognized at the fair value of the obligation they represent. They are subsequently measured using the redemption cost method, with issuance-related expenses, premiums, and discounts 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 income.



iii. Accounts Write-off

Financial Assets

The Company does not recognize financial assets when the contractual rights applicable to the cash flows from financial assets expire, or when the rights to receive the contractual cash flows are transferred 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 recognize financial liability upon payment, cancellation, or expiration of its contractual obligations. It also does not recognize financial liability when the conditions are modified, and the cash flows of the amended liability are substantially different. In that case, a new financial liability shall be recognized at fair value based on the latest conditions.

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

iv. Compensation

Financial assets and financial liabilities shall be offset, and their net amount shall be presented in the statement of financial position only if 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 assess whether financial assets carried at redemption 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 asset.

Evidence that specific financials 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 under the agreement for more than 90 days;
- any restructuring of loans or advances by the Company on terms the Company would not otherwise consider;
- if the borrower is likely to file for bankruptcy or undergo other financial reorganization; or
- Lack of an active market for the corresponding financial assets due to current financial constraints.

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

Loss estimates for financial assets, determined at redemption cost, are deducted from the assets' gross carrying amount.

Write-offs



The gross carrying amount of a financial asset is written off (in whole or in part) to the extent that there is no realistic possibility of recovery. For customers, the Company writes off the gross carrying amount when a financial asset has a maturity of 90 days, based on historical recovery experience with similar assets. For corporate customers, the Company makes an individual assessment of 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 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 inventory, transporting it to its current location, and conditioning it.

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 necessary estimates to recognize decreases in the value of its inventories due to impairment, obsolescence, slow turnover, and other events that reduce the value of inventory items below their recorded value.

**(d) Prepayments-**

Prepayments mainly include advances for advertising and marketing.

Prepayments are recognized at the amount paid when paid, provided that the associated future economic benefit is expected to be received by the Company. Once the goods or services are received, the Company recognizes the prepayment amount as an asset or an expense for the period, depending on whether the purchased asset will undoubtedly generate future economic benefit.

The Company periodically evaluates the recoverability of prepayments and the likelihood that they will not generate future economic benefits; the amount deemed unrecoverable 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 Accrued depreciation and Accrued 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 (as the Company's management considers this method best reflects the use of such assets) and is based on their estimated useful lives, with the following annual depreciation rates.

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

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

There were no indications of impairment as of December 31, 2025, and as of December 31, 2024.



**(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, 2025, and 2024.

**(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 the net book value exceeds the 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 to recognize the effect on the results for the period.

**(h) Provisions-**

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

Interest Floor Plan	It includes the remission applied throughout the year for the interest on each unit's first 30 days of sale, calculated at a fixed amount 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 obligations in which the transfer of assets or performance of services is virtually unavoidable and arises from 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 it because of past services provided, and the obligation can be reasonably estimated.

**Post-Employment Benefits**

**Defined Benefit Plans**

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

The labor cost of the current service, which represents the cost of the employee benefit period for completing one additional year of service under 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, and by considering changes in the net defined benefit liability (asset) during the period due to 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 reductions in obligations in the period, which significantly reduce the cost of future services and 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 results for the period in which they are incurred.

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

**Taxes on income for the period -**

Income tax and ESPS, payable for the year are determined in accordance with current tax regulations and presented as a short-term liability, net of advances made during the year.

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

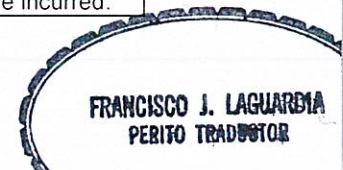
Deferred income taxes and ESPS are recorded under the asset and liability method, which compares the book and tax values of these items. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying 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 made. Current and deferred income taxes are recognized and classified in the income statement for the period.

**(k) Revenues from contracts with customers -**

Revenue is determined by the obligation to perform as specified in any agreement with a customer. The Company recognizes revenue when it transfers control of the goods or services to the customer.

Information about the nature and timing of the satisfaction of performance obligations under agreements 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. For automobiles, invoices are generally due immediately or collected in advance. For parts, invoices are usually payable within 30 days.	Revenues from the sale of vehicles and spare parts are recognized upon invoicing and 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 such services are recognized in the period in which they are incurred.



**(l) Concentration of business -**

Concentrations arise when several counterparties engage in similar business transactions or activities in the same geographic region, or when their economic conditions make them similarly affected by changes in economic, political, or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to changes affecting a particular industry.

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

The credit risk in accounts receivable is diversified by the customer base and its geographic dispersion. Ongoing evaluations of customer credit conditions are conducted, 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 the principal holding company. The Company's products are offered to a diverse range of customers, with no significant concentration in any one customer.

**(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 statements of cash flows using the indirect method.

**(o) Contingencies-**

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

**(4) Cash and cash equivalents-**

As of December 31, 2025, and 2024, cash is described below:

	2025	2024
Cash and deposits in bank accounts:		
Cash equivalents	\$	
Investments <sup>(i)</sup>	60,299,668	454,364,189
	\$ 60,299,668	454,364,189

<sup>(i)</sup> Investments on demand with daily availability of principal and interest.

**(5) Foreign currency position-**

As of December 31 2025, and 2024, the Company had no monetary assets and liabilities denominated in foreign currencies.



As of December 31, 2025 and 2024 \$ 277,601 and \$1,046,576 of foreign exchange profits were recorded.

The exchange rates used in any conversion process concerning the reporting currency as of December 31, 2025, and 2024 are as follows:

Country of Origin	Currency	Exchange Rate	
		2025	2024
United States of America	U.S. Dollar	\$ 17.9667	20.2683

As of December 31, 2025 and 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 measured at fair value because their carrying amounts are close to 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.

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

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

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

##### Credit risk:

Credit risk is the potential loss that any issuer of a financial instrument may impose on a counterparty by failing to meet its obligations.

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



*Accounts receivable*

The Company's exposure to credit risk is primarily influenced by the individual characteristics of each dealer. However, management also considers factors that may affect the credit risk of its dealer base, including industry-wide default risk 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, financial statements, credit bureau information, industry information, and, in some cases, bank references. Sales limits are set for each distributor and reviewed regularly. Any sales exceeding these limits require approval from 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, 2025, and 2024, accounts receivable consist of the following:

		2025	2024
Accounts receivable from customers	\$	67,952,126	56,207,803
	\$	67,952,126	56,207,803

*Evaluation of expected credit loss for accounts receivable from customers*

The Company allocates credit risk ratings based on data determined to be predictive of the 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 on experienced credit judgment. Credit risk ratings are defined using both qualitative and quantitative factors that indicate the risk of default.

Expected credit loss is calculated for each dealer based on the past year's delinquency status and actual credit loss experience. These rates are multiplied by scaling factors to reflect differences among economic conditions during the period when the 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, 2025, and 2024:

December 31, 2025	Weighted average loss rate	Gross carrying amount	Provision for loss	Credit deterioration
Current (non-past due)		\$ 67,952,126		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
		\$ 67,952,126		



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	-	

Liquidity risk:

Liquidity risk is 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 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 a level that exceeds expected cash outflows from financial liabilities. The Company also monitors expected cash inflows from accounts receivable and cash outflows to suppliers and other payables. As of December 31, 2025, and 2024, expected cash inflows from accounts receivable with maturities between 1 and 30 days amounted to \$67,952,126 and \$56,207,803.

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, excluding the impact of netting agreements:

December 31, 2025	Carrying amount	Total	Contractual cash flows			
			12 months or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>						
Suppliers	\$ 21,256,894	(21,256,894)	(21,256,894)			
Related parties	618,039,297	(618,039,297)	(618,039,297)			
Lease liabilities						
	\$ 639,296,191	(639,296,191)	(639,296,191)			

December 31, 2024	Carrying amount	Total	Contractual cash flows			
			12 months or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>						
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)	-	-	-



Market risk:

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

Currency risk:

The Company is not exposed to currency risk because its parent company invoices its inventories in the 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. This is achieved by subscribing to fixed-interest-rate instruments, borrowing at variable interest rates, and using hedging instruments to mitigate interest rate risk.

The Company determines whether an economic relationship exists between the hedging instrument and the hedged item by considering reference interest rates, terms, repricing, maturity dates, and notional or nominal amounts.

The Company does not measure fixed-rate financial assets and liabilities at fair value through profit or loss. 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-**

Accounts receivable from related parties as of December 31, 2025, and 2024 are summarized as follows:

	2025	2024
Jaguar Land Rover Limited	\$ 15,272,992	14,093,990
	\$ 15,272,992	14,093,990

Accounts payable to related parties as of December 31, 2025, and 2024 are summarized as follows:

	2025	2024
Jaguar Land Rover Limited	\$ 618,039,297	584,153,282

As of December 31, 2025, and 2024, balances payable to related parties are current account balances, without interest, payable in cash within 180 days, and for which there are no guarantees.

Transactions with related parties in the years ended December 31, 2025, and 2024 were as follows:

	2025	2024
<b>Purchase of auto and spare parts inventories:</b>		
Jaguar Land Rover Limited	\$ 3,347,723,870	2,606,352,491
	5,428,046	7,467,493

**Other miscellaneous services provided:**

Jaguar Land Rover Limited	\$		
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**Miscellaneous income from guarantees:**

Jaguar Land Rover Limited	\$	24,785,743	22,014,450
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**Income from LACRO-RECHARGE expense reimbursements**

Jaguar Land Rover Limited	\$	65,582,580	50,684,197
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**(8) Inventories-**

As of December 31, 2025, and 2024, inventories are summarized as follows:

	2025	2024
Inventory of cars	\$ 53,332,326	110,934,026
Cars in transit	596,600,556	184,712,384
Spare parts inventory	79,486,847	89,469,719
Spare parts in transit	10,116,694	22,491,420
	739,536,423	407,607,549
Estimate for obsolescence and slow turnover	(1,756,688)	(5,857,086)
	\$ 737,779,735	401,750,463

For the years 2025 and 2024, the Company did not determine an estimate for the impairment of Jaguar and Land Rover vehicles held for display and "demo" purposes, as no loss in market value is expected.

**(9) Prepayments-**

As of December 31, 2025, and 2024, prepayments are summarized as follows:

	2025	2024
Advanced payments to suppliers	\$ 47,725,080	5,254,669
Prepaid insurance	5,627,700	3,702,015
	\$ 53,352,780	8,956,684

**(10) Furniture and equipment, net-**

As of December 31, 2025, and 2024, furniture and equipment consist of the following:

Acquisition cost		Furniture and equipment	Computer equipment	Others	Total
Balance as of January 1, 2024	\$	1,456,298	3,018,163	1,182,030	5,656,491
Additions		676,515	69,273	2,134,103	2,879,891
Disposals		-	-	-	-
Balance as of December 31, 2024		2,132,813	3,087,436	3,316,133	8,536,382
Balance as of January 1, 2025		2,132,813	3,087,436	3,316,133	8,536,382
Additions			106,541	1,454,100	1,560,641
Disposals		(676,515)			(676,515)
Balance as of December 31, 2025	\$	1,456,298	3,193,977	4,770,233	9,420,508

Accrued depreciation and impairment		Furniture and equipment	Computers and accessories	Others	Total
Balance as of January 1, 2024	\$	1,363,450	2,091,826	1,182,030	4,637,306
Depreciation		13,949	538,656	157,994	710,599
Impairment		-	-	-	-
Disposals		-	-	-	-
Others*		-	-	-	-
<b>Balances as of December 31, 2024</b>		<b>1,377,399</b>	<b>2,630,482</b>	<b>1,340,024</b>	<b>5,347,905</b>
Balance as of January 1, 2025		1,377,399	2,630,482	1,340,024	5,347,905
Depreciation		11,213	405,605	950,161	1,366,979
Disposals		-	-	-	-
Others*		-	-	-	-
<b>Balances as of December 31, 2025</b>	\$	<b>1,388,612</b>	<b>3,036,087</b>	<b>2,290,185</b>	<b>6,714,884</b>

Carrying amount		Furniture and equipment	Computer equipment	Others	Total
As of January 1, 2024	\$	92,848	926,337	-	1,019,185
As of December 31, 2024	\$	755,414	456,954	1,976,109	3,188,477
As of December 31, 2025	\$	67,686	157,890	2,480,047	2,705,624

For the years ended December 2025, and 2024, depreciation expenses amounted to \$1,366,882 and \$710,599 respectively.

**(11) Intangible assets-**

As of December 31, 2025, and 2024, intangible assets are summarized as follows:

	2025	2024
Licences	\$ 8,993,747	8,993,747
Minus:		
Accrued amortization	7,741,027	7,594,593
<b>Net</b>	<b>\$ 1,252,720</b>	<b>1,399,154</b>

As of December 31, 2025, and 2024, intangible assets are summarized as follows: \$146,434 and \$140,562, 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, 2024	\$ 26,971,280	3,293,741	11,157,607	8,488,001	49,910,629
Increases charged to Profit & Loss / (write-offs)	150,576,738	46,254,386	38,151,976	4,588,850	239,571,950
Cancellation	-	-	-	-	-
Payments	(118,471,001)	(46,032,425)	(27,939,906)	(3,098,767)	(195,542,099)
<b>Balances as of December 31, 2025</b>	<b>\$ 59,077,017</b>	<b>3,515,702</b>	<b>21,369,677</b>	<b>9,978,084</b>	<b>93,940,480</b>

	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	35,915,504	25,389,331	224,982,235
Cancellations	-	-	-	-	-
Payments	(108,294,441)	(48,313,351)	(36,566,915)	(23,413,085)	(216,587,792)
<b>Balances as of December 31, 2024</b>	<b>\$ 26,971,280</b>	<b>3,293,741</b>	<b>11,157,607</b>	<b>8,488,001</b>	<b>49,910,629</b>

- (i) It is recorded for all expenses and agreements that the company has at year-end and for which accruals have been recorded during the year.
- (ii) Includes employee benefits accrued during the year.
- (iii) Includes the remission applied throughout the year for interest on the first 30 days of each unit's sale, calculated at a fixed value at the time of invoicing. Through Bancomer bank, we compensate for this benefit granted to distributors.
- (iv) Includes a roadside assistance service, calculated as a fixed amount per unit sold. This amount is reserved for each unit sold and generated to provide customer service, including roadside assistance and support. Marketing expenses incurred during the year are also included.

(13) Contractual obligations-

The contractual obligations arise from the following program:

	Prepaid services	Sale incentives	Total
2026	\$ 36,253,829	89,878,868	126,132,697
2027 and after	150,061,932	-	150,061,932
	<b>\$ 186,315,761</b>	<b>89,878,868</b>	<b>276,194,629</b>

On the other hand, the relationship between obligation balances and behavior under contractual terms is presented below:



		Prepaid services	Sale incentives	Total
Beginning balance 2025	\$	151,157,358	123,239,226	274,396,584
Additions		70,155,804	359,725,990	429,881,794
Applied to Profit & Loss		(34,997,401)	(393,086,348)	(428,083,749)
<b>As of December 31, 2025</b>	<b>\$</b>	<b>186,315,761</b>	<b>89,878,868</b>	<b>276,194,629</b>

		Prepaid services	Sale incentives	Total
<b>Beginning balance 2024</b>	<b>\$</b>	<b>116,262,078</b>	<b>118,965,724</b>	<b>235,227,802</b>
Additions		62,371,713	278,060,425	340,432,138
Applied to Profit & Loss		(27,476,433)	(273,786,923)	(301,263,356)
<b>As of December 31, 2024</b>	<b>\$</b>	<b>151,157,358</b>	<b>123,239,226</b>	<b>274,396,584</b>

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

The Company offers a five-year service package (after-sales services). Applicable service charges are deferred as a contractual obligation and recognized when consumers exercise their rights or at expiration. Costs related to these services are recognized in the period in which they are incurred.

Services are appreciated in income when they are performed.

**(14) Employee benefits-**

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

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



The economic assumptions were:

	2025	2024
Interest rate	9%	10%
Discount rate	9%	10%
Salary increase rate	6.5%	6%
Minimum wage increase rate	Variable	Variable
Long-term inflation rate	4%	4%

As of December 31, 2025, and 2024, 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-3:

	Seniority premium		Indemnification		Total	
	2025	2024	2025	2024	2025	2024
Labor cost of current service	\$ 117,406	91,307	(3,110,322)	660,581	(2,992,916)	751,888
Interest cost OBD	\$ 76,431	53,761	767,553	640,973	843,984	694,734
Actuarial losses (gains) earned due to changes in assumptions	\$ 112,792	83,443	(1,199,464)	348,119	(1,086,672)	431,562
XLoss or (Gain) from a Reduction in Personnel (RP)	\$ -	-	-	(415,359)	-	(415,359)
Year net cost (YNC)	\$ 306,629	228,511	(3,542,233)	1,234,314	(3,235,604)	1,462,825
Remeasurements of P.N.B.D. (or A.N.B.D.) recognized at year net cost	-	-	-	-	-	-
<b>Defined Benefit Costs</b>	<b>\$ 306,329</b>	<b>228,511</b>	<b>(3,542,233)</b>	<b>1,234,314</b>	<b>(3,235,604)</b>	<b>1,462,825</b>
Beginning balance	\$ 798,397	569,886	8,204,974	6,970,661	9,003,371	7,540,547
Defined benefit costs	\$ 306,630	228,511	(3,542,233)	1,234,313	(3,235,603)	1,462,824
<b>Net Liabilities (or assets) on defined benefit net costs</b>	<b>\$ 1,105,027</b>	<b>798,397</b>	<b>4,662,741</b>	<b>8,204,974</b>	<b>5,767,768</b>	<b>9,003,371</b>

**(15) Income Taxes-**

Income TAXES

For the 2025 and 2024 tax years, according to the Income Tax Law, the corporate income tax rate is 30%.

The Income Tax Law sets out criteria and limits on the application of certain deductions, including the potential non-deductibility of payments to related parties if certain requirements are not met.

As of December 31, 2025, and 2024, income tax charged to income is summarized as follows:



	2025	2024
Incurring Income Tax	\$ 51,482,339	66,008,832
Deferred Income Tax	(11,465,259)	(15,687,639)
<b>Total</b>	<b>\$ 40,017,080</b>	<b>50,321,193</b>

Tax expense attributable to income from continuing operations before income taxes and O.C.I. differed from that which would result from applying the 30% income tax rate to income before income taxes due to the items listed on the following page:

	2025	2024
"Expected" expense	\$ 36,657,543	45,434,999
Increase (decrease) resulting from:		
Tax effect of inflation, net	2,478,432	2,905,956
Non-deductible expenses	1,413,599	665,839
Other, net	(532,494)	1,314,398
<b>Income tax expense (benefit)</b>	<b>\$ 40,017,080</b>	<b>50,321,192</b>

As of December 31, 2025, and 2024, deferred income tax is summarized as follows:

	2025	2024
<b>Deferred tax assets:</b>		
Contractual obligations	\$ 82,858,389	82,318,975
Provisions	28,182,144	14,885,870
Employee profit sharing	3,121,098	3,108,543
Employee benefits	1,730,330	2,701,011
Estimate for obsolescence and slow turnover	527,007	1,757,126
Customer advances fixed assets and intangible assets	245,201	427,385
	116,664,169	105,198,910
<b>Deferred liabilities</b>		
Prepayments	1,429,851	1,110,604
Deferred statutory profit sharing (PTU) assets	11,666,417	10,097,976
	13,096,268	11,208,580
	103,567,901	93,990,330
Insufficiency	13,096,268	11,208,580
<b>Deferred tax assets, net</b>	<b>\$ 116,664,169</b>	<b>105,198,910</b>

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

In assessing the recoverability of deferred assets, Management expects that some or all will not be recovered. Realization of deferred assets depends on the generation of taxable income in the periods when 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 subject to the limits provided in applicable law, is 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 2024, the Company determined taxable income.

b) As of December 31, 2025, and 2024, the Company has recognized deferred ESPS for the following temporary items:

	2025	2024
<b>Deferred tax assets:</b>		
Contractual obligations	\$ 27,619,463	27,439,658
Provisions	9,394,048	4,961,955
Employee benefits	576,777	900,337
Estimate for obsolescence and slow turnover	175,669	585,710
Customer advances, fixed assets, and intangible assets	81,733	142,462
	37,847,690	34,030,122
<b>Deferred liabilities:</b>		
Prepayment	476,617	370,201
<b>Active Deferred Employee Profit Sharing, net</b>	<b>37,371,073</b>	<b>33,659,921</b>
Provision insufficiency	1,516,983	1,406,382
<b>Active Deferred Employee Profit Sharing, net</b>	<b>\$ 38,888,056</b>	<b>35,066,303</b>

(16) Recoverable taxes-

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

	2025	2024
Income tax	\$ 14,607,790	17,100,563
Value added tax	68,152,511	774,279
<b>Total</b>	<b>\$ 82,760,301</b>	<b>17,874,842</b>

(17) Shareholders' equity -

As of December 31, 2025, and 2024, common stock consists of fully subscribed and paid-in registered common 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
		<b>38,457,700</b>	<b>38,457,700</b>

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, 2025, and 2024, the legal reserve is Ps.7,691,540 and is presented within retained earnings.

Profits distributed in excess of 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 June 27, 2025, the General Ordinary Shareholders' Meeting resolved to declare dividends of \$75,462,050 from retained earnings, which were paid via electronic transfers on July 11, 2025.

On February 9, 2024, the General Ordinary Shareholders' Meeting resolved to declare dividends of \$153,207,537 from retained earnings, which were paid via 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 2025 and 2024, the Company's revenues are as shown below:

	Luxury cars	Spare parts	Discounts and warranties	Total
2025	\$ 3,732,527,165	179,802,070	(375,005,039)	3,537,324,196
2024	3,557,709,011	174,247,050	(318,944,385)	3,413,011,676

As of December 2025 and 2024, revenues expected to be recognized within the next five years related to unsatisfied performance obligations amount to \$186,315,761 and \$151,157,358, respectively. These revenues are derived primarily from short- and long-term maintenance and service agreements.



(19) General expenses and costs-

Below are the main items comprising general costs and expenses as of December 31, 2025, and 2024.

	Cost of Sales	2025 Sales Expenses	Administrative Expenses
Cost of vehicles and parts, net	\$ 3,032,710,239	-	-
Transportation and storage	59,759,715	-	-
Customs and import charges	141,032,394	-	-
Subscriptions and insurance	8,532,108	-	5,210,832
Advertising and marketing	-	84,080,188	-
Public Relations	-	7,507,262	-
Customer Service Center	-	3,345,472	-
Training and coaching	-	22,242,986	2,290,686
Administrative services	-	-	10,065,764
Wages, salaries, and benefits	-	-	51,482,268
Professional Services	-	-	11,409,225
Employee benefits	-	-	388,390
Depreciation and amortization	-	-	1,513,256
Travel expenses	-	-	6,479,150
Social security expenses	-	-	9,451,320
Miscellaneous	29,812,587	4,289,952	19,184,722
<b>Total</b>	<b>\$ 3,271,847,043</b>	<b>121,465,860</b>	<b>117,475,613</b>

		2024	
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
<b>Total</b>	<b>\$ 3,143,646,110</b>	<b>117,982,308</b>	<b>107,001,095</b>



**(20) Other operating income and expenses -**

As of December 31, 2025, and 2024, other income and expenses are summarized as follows:

	2025	2024
Other income:		
Recovery from England, armoring commission	\$ 69,882,900	54,570,334
Reimbursement	13,984,924	10,958,364
Deferred Employee Profit Sharing	-	-
Commissions on oil purchase	3,793,860	2,667,032
Others	7,254,433	3,387,810
Car leases	332,969	351,824
	\$ 95,249,086	71,935,364

**(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) (c) Under the Income Tax Law, companies that carry out transactions with related parties are subject to tax limitations and obligations regarding the determination of the agreed prices, since such prices must be comparable to those used with or between independent parties in similar transactions. It is essential to note that, if 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.


**(22) Improvements to FRS 2025**

In December 2025 and 2024, the CINIF issued documents titled "Improvements to FRS 2026" and "Improvements to FRS 2025," which contain specific amendments to certain existing FRS. The main improvements that result in accounting changes are as follows:

**FRS C-19 Financial instruments payable - Effective for years beginning on or after January 1, 2026, with early application permitted as of 2024. Any changes should be recognized under FRS B-1, Accounting Changes and Error Corrections. Management estimates that adopting this improvement to the FRS will not have a significant impact.**

*The undersigned, 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, May 13, 2026

  
Francisco J. Laguardia  
Sworn Translator

