



EARNINGS RELEASE

Managing high value-added processes

June 2023

- *This document has been prepared by CIE Automotive, S.A. ("CIE Automotive"), and is for information purposes only. No reliance may or should be placed for any purposes whatsoever on the information contained in this document or on its completeness, accuracy or fairness. This document and the information contained herein are strictly confidential and are being shown to you solely for your information. The information may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) or published in whole or in part, for any purpose or under any circumstances.*
- *This document is an advertisement and not a prospectus for the purposes of applicable measures implementing EU Directive 2003/71/EC (such Directive, together with any applicable implementing measures in the relevant home Member State under such Directive, the "Prospectus Directive") and as such does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of CIE Automotive or any of its affiliates or subsidiaries, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Investors should not subscribe for or purchase any securities referred to in this advertisement except on the basis of the information contained in any prospectus eventually published in accordance with the Prospectus Directive. The information and opinions contained in this document are provided as at the date of the document and are subject to change.*
- *This document is not an offer of securities for sale in the United States, Australia, Canada or Japan. The information contained herein does not constitute an offer of securities for sale in the United States, Australia, Canada or Japan. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Copies of this document are not being, and should not be, distributed or sent into the United States. This document does not constitute an offer of securities to the public in the United Kingdom or in any other jurisdiction. The distribution of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.*
- *Certain financial and statistical information contained in this document is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain management financial measures included in this document have not been subject to a financial audit.*
- *The information and opinions contained in this document are provided as at the date of the document and are subject to verification, completion and change without notice. Neither CIE Automotive nor any of its parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, undertakes any obligation to amend, correct or update this document or to provide the recipient with access to any additional information that may arise in connection with it.*
- *CIE's management uses recurrently and in a consistent way during business management certain Alternative Performance Measures, APM which include terms about results, balance sheet and cash flow. CIE understands that those APMs are helpful to explain its activity evolution, so they are presented, defined and reconciled with financial statements in this presentation's Appendix.*

1. JUNE 2023 RESULTS

2. BALANCE SHEET

3. 2025 GOALS

4. CIE IN STOCK EXCHANGE

APPENDIX



1. JUNE 2023 RESULTS

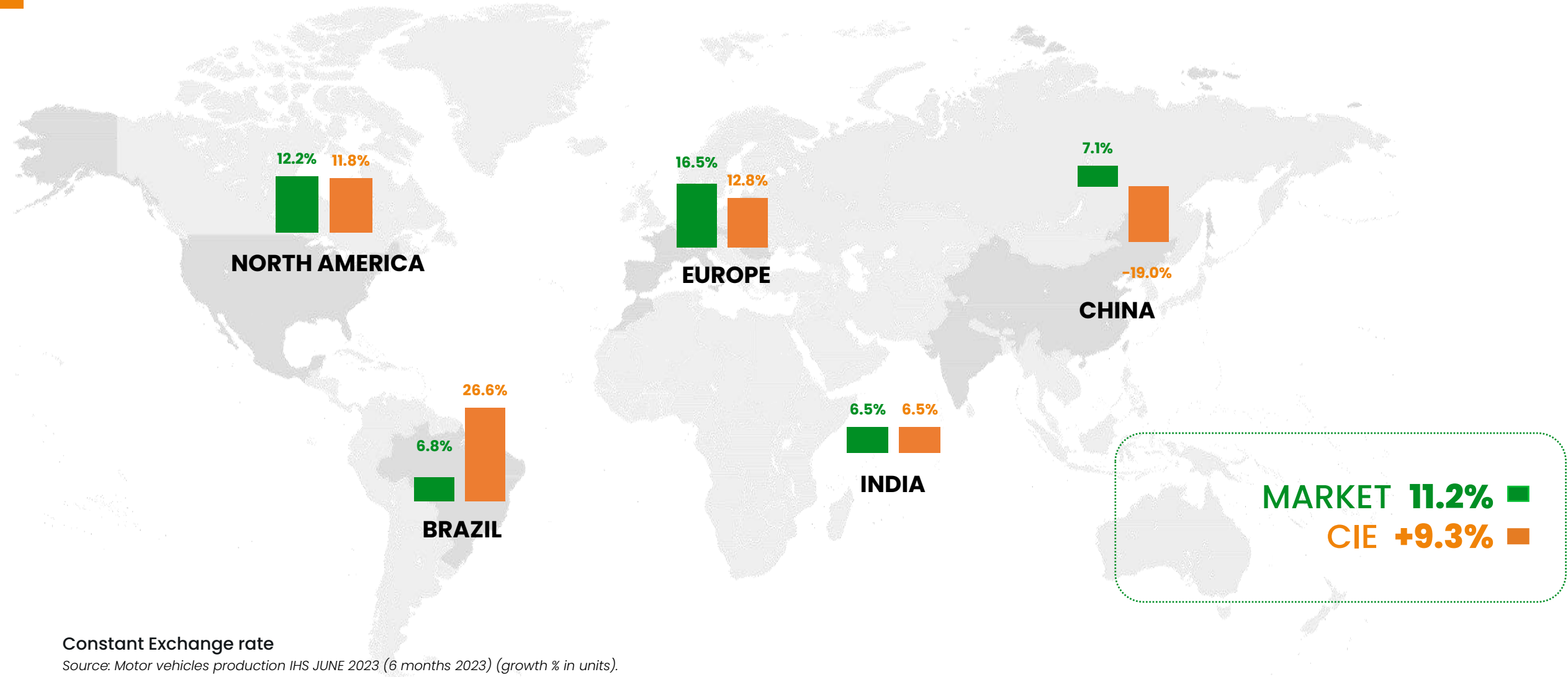
CIE AUTOMOTIVE 2023 - HIGHLIGHTS

| | | | | |
|---|---------------------------|------------|--|--|
| 1 | TURNOVER | 2,011.1 €m | +8.1% vs June 2022 | CONSOLIDATED GROWTH |
| 2 | EBITDA | 363.9 €m | 18.1% EBITDA MARGIN vs 17.1% June 2022 | STRENGTHENING OF OPERATING MARGINS |
| 3 | NET INCOME | 178.3 €m | +11.2% vs June 2022 | CONTINUOUS AND SUSTAINED GROWTH |
| 4 | OPERATING CASH | 230.5 €m | 65.6% OPERATING CASH/EBITDA | HIGH LEVEL OF CASH GENERATION |
| 5 | LIQUIDITY RESERVE | 1,566 €m | | STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT |
| 6 | NFD/EBITDA ^(*) | 1.72x | vs 2.28x June 2022 | CONTINUOUS DEBT RATIOS IMPROVEMENT |
| 7 | SHARE PRICE | 28.0€ | +18.2% vs June 2022 | TARGET PRICE CONSENSUS 31.06€ |

(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP

1. JUNE 2023 RESULTS

Sales evolution 2023 vs 2022



Constant Exchange rate

Source: Motor vehicles production IHS JUNE 2023 (6 months 2023) (growth % in units).

Note: In 2023 the companies Golde Bengaluru India Pvt Ltd. and Golde Pune Automotive India Private Ltd. have been transferred, as well as Billforge de México S de RL de CV, Somaschini International Inc, Somaschini North América LLC and Somaschini Realty LLC to India and North America respectively. This reclassification has not had significant impacts.

1. JUNE 2023 RESULTS

| €m | 30/06/2022 | 30/06/2023 | |
|---------------------|------------|--------------|---------------|
| Turnover | 1,861.2 | 2,011.1 | +8.1% |
| EBITDA | 318.9 | 363.9 | +14.1% |
| % EBITDA / turnover | 17.1% | 18.1% | |
| EBIT | 232.2 | 270.1 | |
| % EBIT / turnover | 12.5% | 13.4% | |
| EBT | 221.9 | 238.9 | |
| Net income | 160.3 | 178.3 | +11.2% |

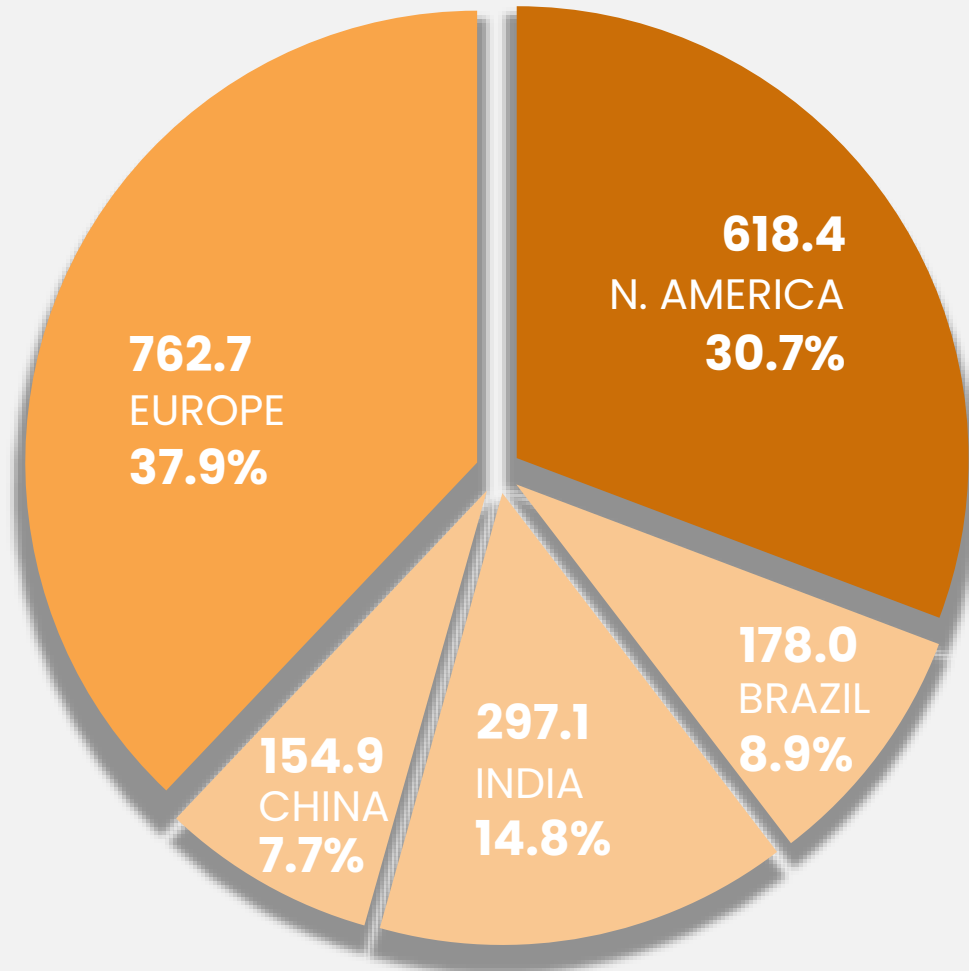
Note: In order to provide greater transparency and clarity to the information, it is compared with the automotive data published as comparable in the consolidated financial statements published by CIE as of 30/06/2022. The information is different from that published by CIE in 2022 because, according to accounting standards, the specific impacts on the different lines of the income statement of those businesses discontinued in 2022 must be eliminated. See annex with the reconciliation at the end of this document.

- Strong growth in all lines of results, highlighting the solid improvement in operating margins, in a highly inflationary market. EBIT >13%

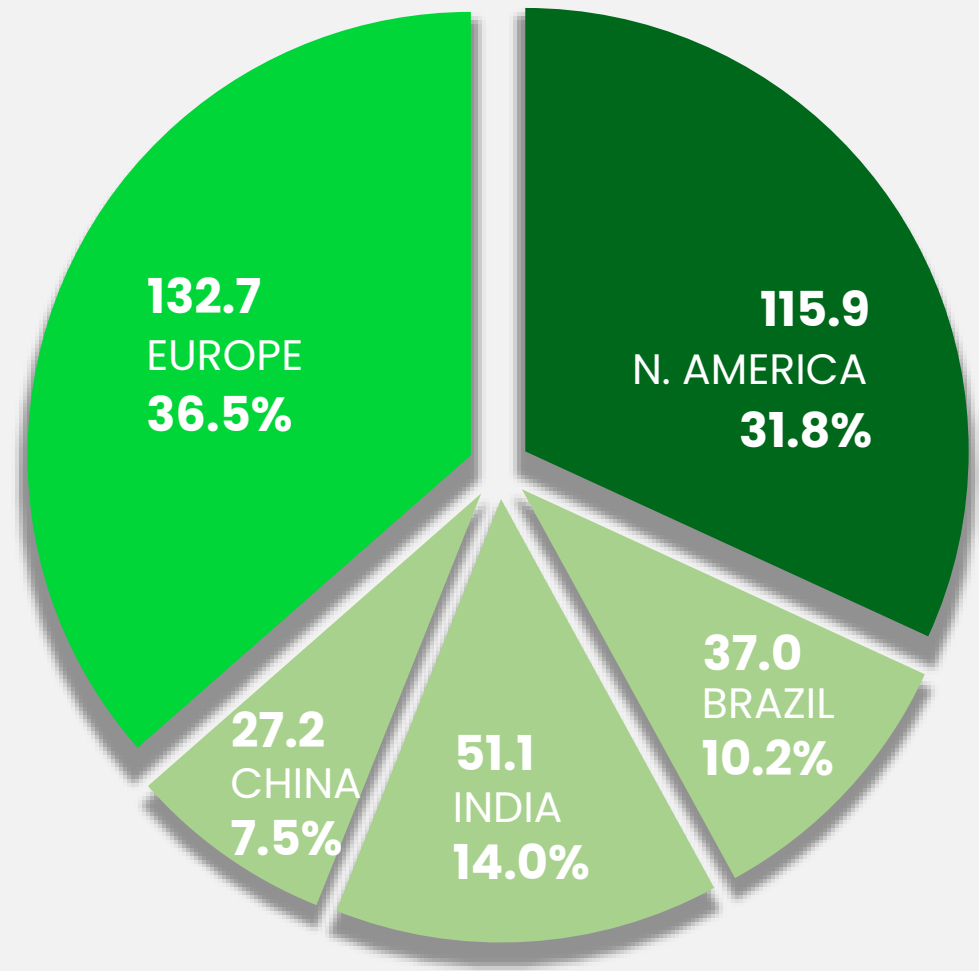
1. JUNE 2023 RESULTS

2023 Geographies contribution

TURNOVER



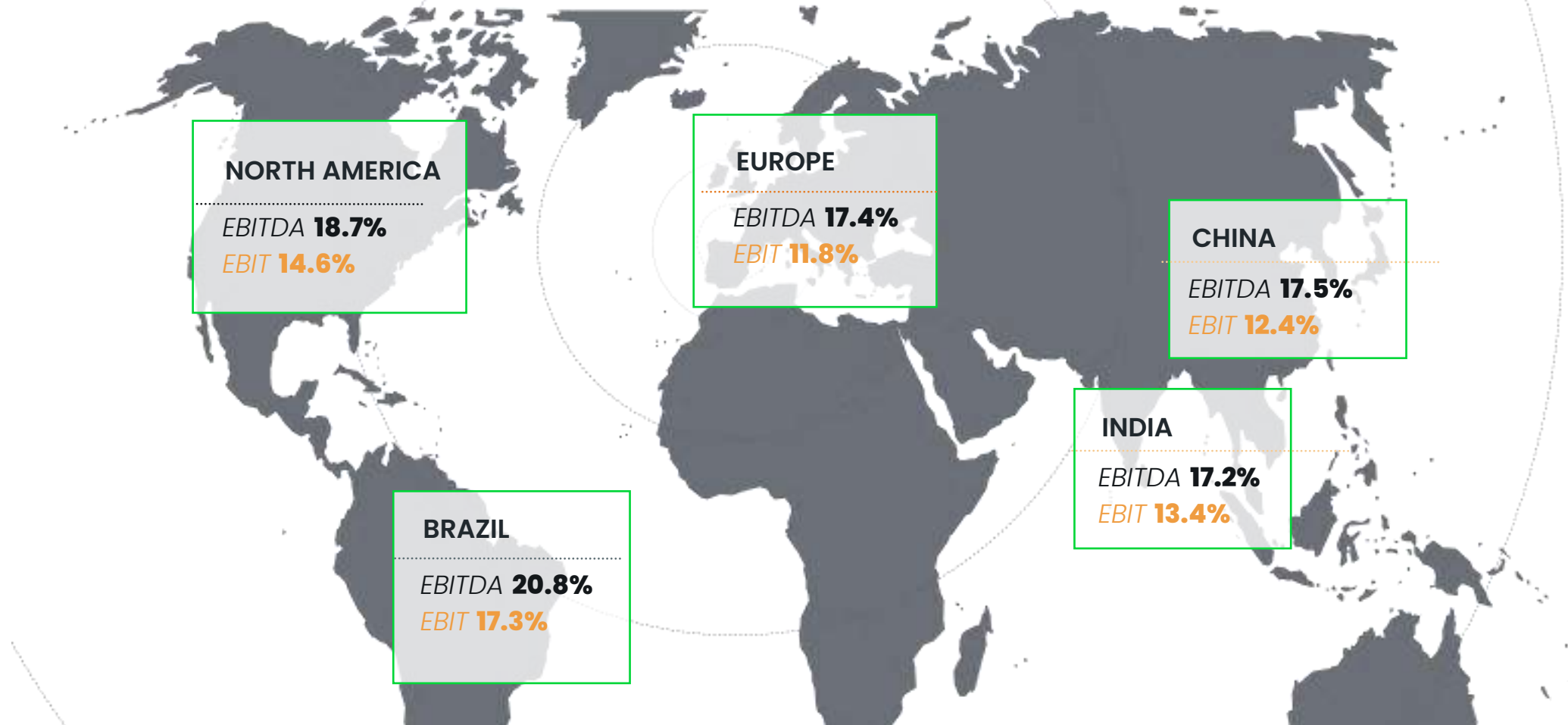
EBITDA



Data in million euros (€m)

1. JUNE 2023 RESULTS

2023 Geographies profitability



- All geographies contribute to CIE's success by reaching a minimum double-digit EBIT margin

* The reclassification of the companies Golde Bengaluru India Pvt Ltd. and Golde Pune Automotive India Private Ltd., as well as Billforge de Mexico S de RL de CV, Somaschini International Inc, Somaschini North America LLC and Somaschini Realty LLC to India and North America respectively, has not had significant impact on margins

2. BALANCE SHEET

Balance sheet evolution

| €m | 31/12/2022 | 30/06/2023 |
|------------------------------|----------------|----------------|
| Fixed assets | 3,560.8 | 3,552.2 |
| Net Working Capital | (501.0) | (472.1) |
| TOTAL NET ASSETS | 3,059.8 | 3,080.1 |
| Equity | 1,504.6 | 1,604.4 |
| Net Financial Debt | 1,289.8 | 1,201.4 |
| Others (net) | 265.4 | 274.3 |
| TOTAL NET LIABILITIES | 3,059.8 | 3,080.1 |
| Non-recourse factoring | 324.5 €m | 346.9 €m |

2. BALANCE SHEET

Cash Flow June 2023

€m

| | |
|-------------------------------|--------------|
| EBITDA | 363.9 |
| Financial Expenses | (36.1) |
| Maintenance Capex | (46.4) |
| Tax Payments | (38.5) |
| IFRS 16 Leases ⁽¹⁾ | (12.4) |
| OPERATING CASH FLOW | 230.5 |

% EBITDA⁽²⁾ **65.6%**

| | |
|--|--------------|
| Growing Capex | (58.4) |
| Net Working Capital Variation | (28.2) |
| Other movements | 9.9 |
| OPERATING FINANCIAL CASH FLOW | 153.8 |
| Business combinations ⁽³⁾ | (10.8) |
| Payment of dividends and own shares transactions | (54.5) |
| FINANCIAL CASH FLOW | 88.5 |

(1) Payment of rental fees registered in EBITDA according to the application of IFRS 16 standard.

(2) Operating Cash Flow on the value of EBITDA corrected with the effect of the IFRS 16 standard.

(3) Acquisition of the Brazilian company Iber-Oleff Brasil Ltda.

(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP.

| €m | 30/06/2022 | 31/12/2022 | 30/06/2023 |
|---------------------------------|--------------|--------------|--------------|
| NFD | 1,392.0 | 1,289.8 | 1,201.4 |
| Adjusted NFD ^(*) | 1,376.6 | 1,270.0 | 1,181.9 |
| NFD/EBITDA^(*) | 2.28X | 1.98X | 1.72X |

Debt ratios improvement and operating financial cash flow generation with very high shareholder remuneration

2. BALANCE SHEET

Financial position

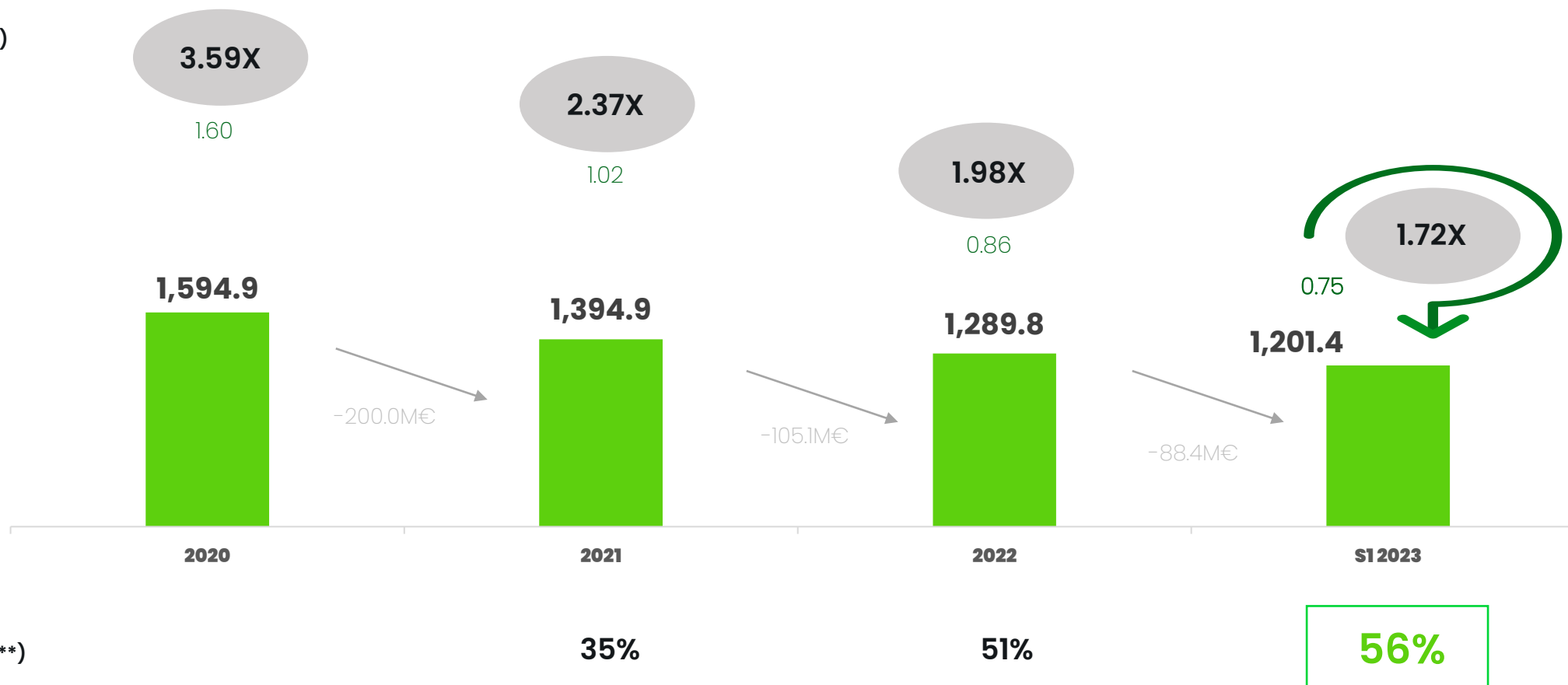
STRENGTHENING OUR FINANCIAL POSITION

NFD/EBITDA (*)

NFD/Equity

NFD

GFD at fixed interest rate (**)

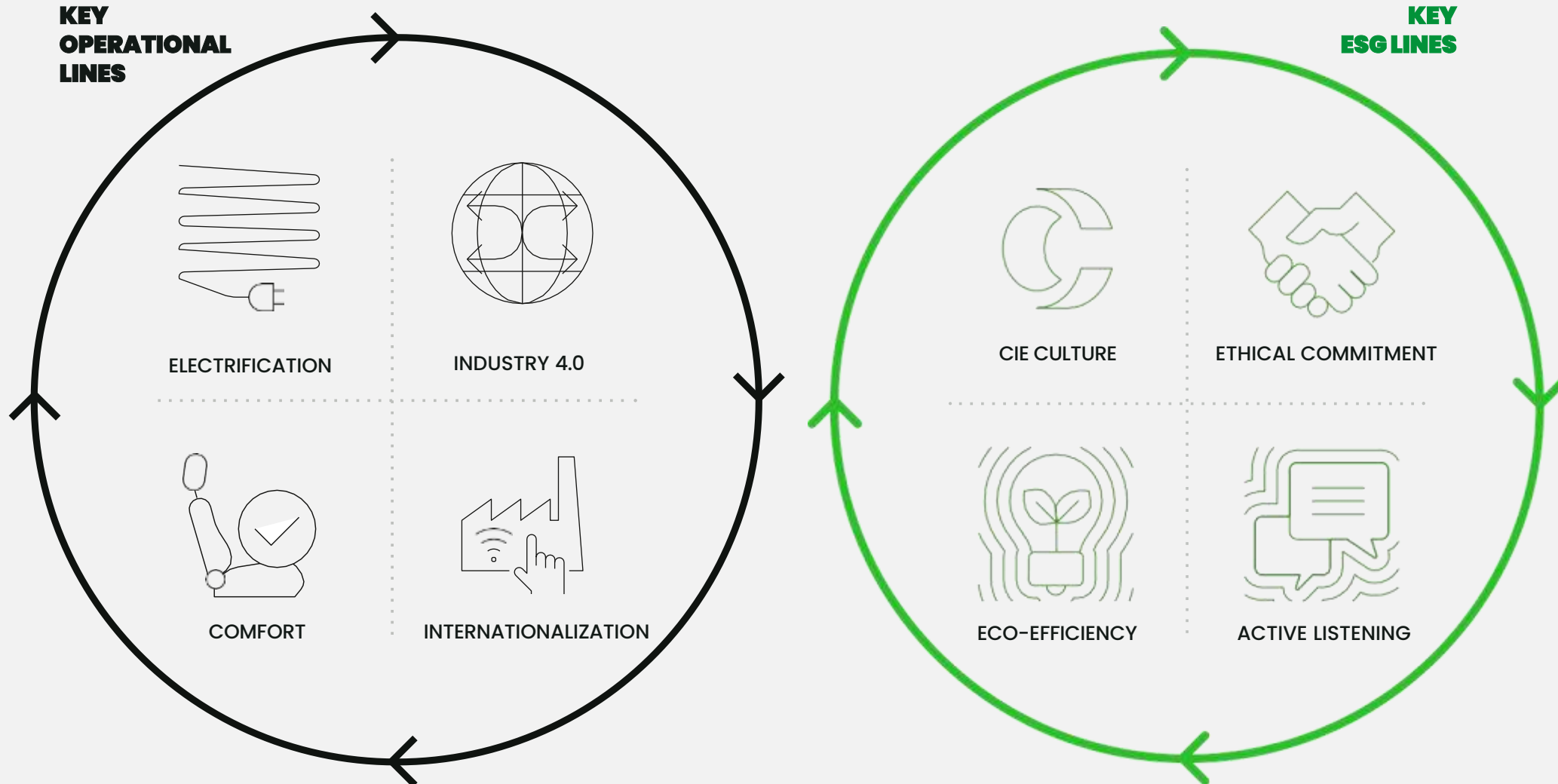


(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP

(**) Gross financial debt (GFD) at fixed interest rate

3. 2025 GOALS

Strategic Lines



3. 2025 GOALS

Operational commitments 2025 and progress in 2021/2022

OPERATIONAL COMMITMENTS 2025

- 1 Revenue growth** **≈20 percentage points** above market growth over the five-year period
- 2 An EBITDA margin** exceeding **19% in 2025**
- 3 CAPEX** of **≈€1 billion** over the five-year period, **≈5%** of revenue per year
- 4 Annual income tax payment** of **≈2% of revenue**
- 5 Sustained generation of cash** from operations equivalent to **≈65%** of EBITDA. **≈€500 million** starting in 2025.

PROGRESS IN 2021/2022

≈70% of goal achieved thanks to **strong organic growth** in all geographies

>50% of goal achieved despite **the impact of inflation** on our cost base

In line with the goal, having invested on average **≈5% of sales** in these 2 years

In line with the goal, having paid **≈2% of sales** for income tax in these 2 years

>60% of goal achieved, having already generated **€400 million per year** of operating cash

3. 2025 GOALS

Operational commitments 2025 and progress in 2021/2022



Due to the positive evolution of the Plan in 2021/2022 and to our good perspectives for the coming years, we can confirm the maintenance of all our 2025 commitments.

*Furthermore, we confirm that thanks to our cash generation capacity, **we could invest up to €1,500m** - of which almost 10% has already been invested in 2021/2022 - without exceeding 2x NFD/EBITDA at the end of the Plan. This investment may be used for **any type of corporate operation** (M&A, buy-back, purchase of minority stakes...); whichever maximizes the generation of value at any given time.*

3. 2025 GOALS

ESG Targets – Progress in the first two years of the plan

**ALL 2021–2022
ESG TARGETS
HAVE BEEN MET**



| | KPI: | TARGET |
|---------------------------|---|--------|
| COMPLIANCE | • Training on Code of Conduct | >95% |
| SUPPLY CHAIN | • Countries purchasing with ESG criteria | 100% |
| | • Suppliers audited with ESG criteria | 25% |
| COMMERCIAL | • Self-assessed plants in NQC >80% | 75% |
| | • Platforms with customers for self-assessment in ESG | 100% |
| | • Commercial staff trained in ESG | 80% |
| M&A | • Integrations with the ESG Manual implemented | 100% |
| FINANCE | • Complying sustainable financing requirements | 100% |
| INVESTOR RELATIONS | • Feedback to key ESG analysts | 100% |

3. 2025 GOALS

ESG Commitment – New 2025 environmental commitment



We secure the short term with the current KPIs till 2025



Project Supply Chain Race to Zero



SBTi alignment



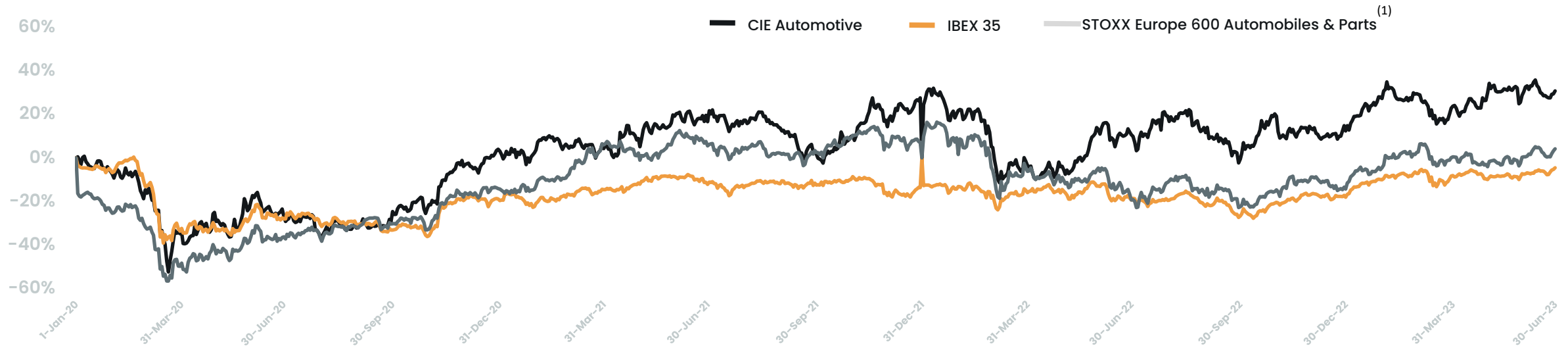
Limit global warming to 1.5°C



Carbon neutrality in 2050

4. CIE IN STOCK EXCHANGE

Share Price Performance CIE Automotive



During 2020, the pandemic severely impacted CIE Automotive's stock. 2021 added to pandemic bottlenecks, shortages and inflation in the supply chain (semiconductors, raw materials, freights, energy, labor force...). In 2022 the complex environment increased (invasion of Ukraine, China's "Zero Covid" policy, soaring inflation, rising interest rates...), which has led to an indiscriminate stock market correction in the sector.

Despite this adverse context, CIE Automotive delivered excellent results quarter after quarter, once again confirming its resilience and consolidating its position on the podium of the industry's most profitable companies with the best future, which we understand is still far from being reflected in its share price.

After the exit from the Ibex 35 (June 2022) and in this first semester of 2023, the share has had a better evolution and we expect this positive trend to continue, correcting and better aligning the fundamental value of the company and its share price.

(1) STOXX Europe 600 Automobiles & Parts includes: OEMS: BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.

Alternative performance measurement (APMS)

| PERFORMANCE MEASURES | DEFINITION |
|------------------------------------|---|
| EBITDA | Net Operating Income + Depreciation |
| Adjusted EBITDA | Annualized EBITDA of 12 last months in those companies incorporated to the perimeter during the period. It includes 50% of the EBITDA of Chinese JV SAMAP, which is based on the current agreements with the partner, is consolidated by the equity method. |
| EBIT | Net Operating Income. |
| EBT | Earnings before taxes. |
| Net Income | Recurrent profit attributable to the company's shareholders. |
| Net Financial Debt (NFD) | Debt with banks and other financial institutions – Cash and equivalents – Other Financial Assets. |
| Adjusted Net Financial Debt | Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, consolidated by the equity method as per the current partner agreements reached. |
| Gross Financial Debt (GFD) | Debt with banks and other financial institutions. |

JUNE 2022 PROFIT COMPARABLE

| €m | JUNE CIE P&L PUBLISHED IN 2022 ⁽¹⁾ | INTERRUPTION ADJUSTMENT | 2022 JUNE CIE P&L COMPARABLE ⁽²⁾ |
|--|--|----------------------------|--|
| Turnover | 1,976.5 | (115.3) | 1,861.2 |
| EBITDA | 323.8 | (4.9) | 318.9 |
| EBIT | 233.6 | (1.4) | 232.2 |
| EBT | 222.2 | (0.3) | 221.9 |
| <i>Tax expense</i> | <i>(43.3)</i> | 0.1 | <i>(43.2)</i> |
| <i>Discontinued Activities</i> | <i>0.9</i> | 0.2 | <i>1.1</i> |
| Profit for the year | 179.8 | 0 | 179.8 |
| <i>Attributable to non-controlling interests</i> | <i>(19.5)</i> | 0 | <i>(19.5)</i> |
| Net Income | 160.3 | 0 | 160.3 |

(1) CIE Group income statement published on 30/06/2022.

(2) CIE Group income statement on 30/06/2022 as comparable considering the interruption of the German forging business.





CIE Automotive



***MANAGING HIGH VALUE
ADDED PROCESSES***

**INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS OF 30th JUNE 2023**

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30th JUNE 2023

| Thousand euro | Note | 30.06.2023 | 31.12.2022 |
|--|-------------|-------------------|-------------------|
| Property, plant, and equipment | 5/6 | 1,643,111 | 1,613,447 |
| Intangible assets | | 1,834,279 | 1,859,024 |
| Goodwill | 5/6 | 1,805,576 | 1,827,378 |
| Other intangible assets | 5/6 | 28,703 | 31,646 |
| Non-current financial assets | 7 | 45,551 | 32,428 |
| Investments in joint ventures and associates | 7 | 58,005 | 57,929 |
| Deferred tax assets | - | 227,398 | 198,003 |
| Other non-current assets | - | 30,892 | 34,194 |
| Non-current assets | | 3,839,236 | 3,795,025 |
| Inventories | - | 476,805 | 494,849 |
| Trade debtors and other accounts receivables | | 434,328 | 414,404 |
| Trade and other receivables | - | 329,367 | 309,457 |
| Other current assets | - | 34,334 | 47,636 |
| Current tax receivables | - | 70,627 | 57,311 |
| Other current financial assets | 7 | 64,360 | 92,855 |
| Cash and cash equivalents | 8 | 675,052 | 732,053 |
| Current assets | | 1,650,545 | 1,734,161 |
| Disposal group assets classified as held for sale | 9 | 99,164 | 114,201 |
| TOTAL ASSETS | | 5,588,945 | 5,643,387 |

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30th JUNE 2023

| Thousand euro | Note | 30.06.2023 | 31.12.2022 |
|---|-------------|-------------------|-------------------|
| Equity attributable to the parent company's shareholders | | 1,226,533 | 1,143,340 |
| Share capital | 10 | 29,952 | 30,637 |
| Treasury shares | 10 | (521) | (60,326) |
| Share premium | 10 | 152,171 | 152,171 |
| Retained earnings | - | 1,313,430 | 1,290,885 |
| Interim dividend | - | - | (49,049) |
| Translation differences | - | (268,499) | (220,978) |
| Non-controlling interests | - | 377,837 | 361,309 |
| TOTAL EQUITY | | 1,604,370 | 1,504,649 |
| Deferred income | - | 14,484 | 16,313 |
| Non-current provisions | 12 | 148,081 | 135,298 |
| Non-current borrowings | 11 | 1,436,641 | 1,669,109 |
| Other non-current financial liabilities | 7 | - | 5,872 |
| Deferred tax liabilities | - | 200,980 | 176,237 |
| Other non-current liabilities | - | 141,575 | 145,449 |
| Non-current liabilities | | 1,927,277 | 2,131,965 |
| Current borrowings | 11 | 549,554 | 472,013 |
| Trade creditors and other payables | | 1,078,321 | 1,091,827 |
| Trade and other payables | - | 991,698 | 1,026,609 |
| Current tax liabilities | - | 86,623 | 65,218 |
| Other current financial liabilities | 7 | 138 | 140 |
| Current provisions | 12 | 137,101 | 173,519 |
| Other current liabilities | - | 195,331 | 169,176 |
| Current liabilities | | 1,960,445 | 1,906,675 |
| Disposal group liabilities classified as held for sale | 9 | 82,369 | 83,785 |
| TOTAL LIABILITIES | | 3,970,091 | 4,122,425 |
| TOTAL EQUITY AND LIABILITIES | | 5,588,945 | 5,643,387 |

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| Thousand euro | Note | Six-month period ended | |
|--|----------|------------------------|---------------------|
| | | 2023 | 2022 ^(*) |
| OPERATING REVENUE | | 2,105,521 | 1,972,058 |
| Revenue | - | 2,011,122 | 1,861,165 |
| Other operating income | - | 88,808 | 94,973 |
| Change in inventories of finished goods and work in progress | - | 5,591 | 15,920 |
| OPERATING EXPENSES | | (1,835,430) | (1,739,849) |
| Consumption of raw materials and secondary materials | - | (1,200,752) | (1,187,113) |
| Employee benefit expense | - | (333,245) | (301,891) |
| Depreciation, amortisation, and impairment | 5/6 | (93,786) | (86,708) |
| Other operating expenses | - | (207,647) | (164,137) |
| OPERATING PROFIT | | 270,091 | 232,209 |
| Finance income | - | 15,931 | 11,504 |
| Finance costs | - | (59,217) | (21,242) |
| Net exchange differences | - | (252) | 1,446 |
| Result of financial instruments at fair value | 7 | 8,251 | (7,208) |
| Share in profit/(loss) of joint ventures and associates | 7 | 4,115 | 5,212 |
| PROFIT BEFORE TAX | | 238,919 | 221,921 |
| Income tax | 13 | (51,691) | (43,175) |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | | 187,228 | 178,746 |
| PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS AFTER TAX | 9 | 16,224 | 1,054 |
| PROFIT FOR THE PERIOD | | 203,452 | 179,800 |
| PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | - | (25,173) | (19,531) |
| PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | | 178,279 | 160,269 |
| Earnings per share from continuing operations (euro) | 10 | | |
| - Basic | | 1.399 | 1.314 |
| - Diluted | | 1.399 | 1.314 |
| Earnings per share from discontinued operations (euro) | 10 | | |
| - Basic | | 0.091 | 0.008 |
| - Diluted | | 0.091 | 0.008 |

(*) Recasted financial information, see Note 3

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| Thousand euro | Note | Six-month period ended 30 th June | |
|---|------|---|---------------------|
| | | 2023 | 2022 ^(*) |
| PROFIT FOR THE PERIOD | | 203,452 | 179,800 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | |
| Foreign currency translation differences | - | (53,618) | 138,503 |
| Net investment coverage | 3.9 | 1,459 | (9,445) |
| Cash flow hedges | 7 | (1,347) | 740 |
| Other comprehensive income for the period | - | 63 | 104 |
| Tax impact | - | 323 | (178) |
| Total entries that may be reclassified to profit or loss | | (53,120) | 129,724 |
| Actuarial gains and losses | - | (123) | (9) |
| Tax impact | - | 46 | (8) |
| Total items that may not be reclassified to profit or loss | | (77) | (17) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | | 150,255 | 309,507 |
| Attributable to parent company owners | | 129,722 | 283,540 |
| Continuing operations | - | 118,281 | 282,630 |
| Discontinued operations | - | 11,441 | 910 |
| Attributable to non-controlling interests | | 20,533 | 25,967 |

(*) Recasted financial information, see Note 3

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30thJUNE 2023

| Thousand euro | Share Capital | Treasury shares | Share premium | First time conversion reserve and other revaluation reserves | Translation differences | Retained earnings | Interim dividend | Non-controlling interests | Total equity |
|---|---------------|-----------------|----------------|--|-------------------------|-------------------|------------------|---------------------------|------------------|
| Balance at 31st December 2022 | 30,637 | (60,326) | 152,171 | (37,582) | (220,978) | 1,328,467 | (49,049) | 361,309 | 1,504,649 |
| COMPREHENSIVE INCOME for 2023 | - | - | - | (1,036) | (47,521) | 178,279 | - | 20,533 | 150,255 |
| Distribution of 2022 profit | - | - | - | - | - | (99,238) | 49,049 | - | (50,189) |
| Treasury share transactions (Note 10) | - | 2,688 | - | - | - | 1,024 | - | - | 3,712 |
| Share Capital reduction (Note 10) | (685) | 57,117 | - | - | - | (56,432) | - | - | - |
| Other movements ^(*) | - | - | - | - | - | (52) | - | (4,005) | (4,057) |
| Balance at 30th June 2023 | 29,952 | (521) | 152,171 | (38,618) | (268,499) | 1,352,048 | - | 377,837 | 1,604,370 |

(*) It mainly refers to dividends distributed to non-controlling interests.

| Thousand euro | Share Capital | Treasury shares | Share premium | First time conversion reserve and other revaluation reserves | Translation differences | Retained earnings | Interim dividend | Non-controlling interests | Total equity |
|---|---------------|-----------------|----------------|--|-------------------------|-------------------|------------------|---------------------------|------------------|
| Balance at 31st December 2021 | 30,637 | (401) | 152,171 | (52,444) | (236,658) | 1,138,061 | (44,113) | 380,369 | 1,367,622 |
| COMPREHENSIVE INCOME for 2022 | - | - | - | 607 | 122,664 | 160,269 | - | 25,967 | 309,507 |
| Distribution of 2021 profit | - | - | - | - | - | (87,207) | 44,113 | - | (43,094) |
| Treasury share transactions (Note 10) | - | (58,320) | - | - | - | (550) | - | - | (58,870) |
| Business combinations (Note 1) | - | - | - | - | (974) | (1,324) | - | (23,013) | (25,311) |
| Other movements ^(*) | - | - | - | - | - | (1,120) | - | (4,655) | (5,775) |
| Balance at 30th June 2022 | 30,637 | (58,721) | 152,171 | (51,837) | (114,968) | 1,208,129 | - | 378,668 | 1,544,079 |

(*) It mainly refers to dividends distributed to non-controlling interests.

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| Thousand euro | Note | Six-month period ended 30 th June | |
|--|----------|---|---------------------|
| | | 2023 | 2022 ⁽¹⁾ |
| PROFIT BEFORE TAX FROM CONTINUING AND DISCONTINUED OPERATIONS | | 261,215 | 223,445 |
| Adjustments to the profit of the period | | 99,517 | 93,078 |
| Depreciation, amortisation and impairment charges | 5/6 | 93,786 | 86,708 |
| Finance profit/(loss) and exchange rate differences | 4 | 35,287 | 15,500 |
| Profit/(loss) from joint ventures and associates | 7 | (4,115) | (5,212) |
| Other adjustments to the profit of the period ⁽¹⁾ | | (25,441) | (3,918) |
| Changes in working capital | | (38,817) | (38,598) |
| Net variation of provisions | 12 | (44,554) | (1,382) |
| Other changes in net working capital | | 5,737 | (37,216) |
| Other cash flows from operating activities | | (49,763) | (44,311) |
| Interests paid and collected | | (35,354) | (8,384) |
| Taxes paid | | (38,539) | (45,140) |
| Cash generated from operating activities from discontinued operations | 9 | 24,130 | 9,213 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | 272,152 | 233,614 |
| Payments due from past business combinations | 2/3.8 | (13,571) | (238) |
| Acquisition of property, plant and equipment | 5 | (109,205) | (89,880) |
| Acquisition of intangible assets | 5 | (1,042) | (1,908) |
| Acquisitions to non-controlling interests | 1 | - | (25,311) |
| Proceeds from the sale of property, plant and equipment and intangible assets | | 6,857 | 713 |
| Proceeds from dividends distributed by joint ventures and associates | 7 | 1,766 | 1,771 |
| Disbursements for investment in joint and associated businesses | 7 | (572) | (1,704) |
| Acquisition/Withdrawal of financial assets | 7 | 23,461 | 50,605 |
| Cash generated from investing activities from discontinued operations | 9 | (1,452) | (2,229) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | (93,758) | (68,181) |
| Transactions with treasury shares | 10 | 3,712 | (58,870) |
| Proceeds from borrowings | 11 | 109,500 | 173,998 |
| Loan repayments | 11 | (247,746) | (100,941) |
| Income (net of reimbursements) from high-rotation borrowings | 11 | (53,316) | (40,331) |
| Income (net of reimbursements) from commercial paper program | 11 | 62,500 | (119,800) |
| Hedge instrument cancellation | 7 | 729 | - |
| Grants received (net) | | 2,542 | 3,452 |
| Variation of other debts (net) | | (2,826) | (3,226) |
| Lease payments | 5 | (12,354) | (11,469) |
| Dividends paid to shareholders of the parent company | 10 | (49,049) | (44,113) |
| Other payments/proceeds to/from non-controlling interests | | (8,901) | (7,223) |
| Cash generated from financing activities from discontinued operations | 9 | (28,759) | (5,544) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | (23,968) | (214,067) |
| Exchange gains/(losses) on cash and cash equivalents | | (17,508) | 36,358 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (63,082) | (12,276) |
| Cash and equivalents at beginning of the period | | 742,253 | 659,583 |
| Cash and equivalents at end of the period | 8 | 675,052 | 639,156 |
| Cash and equivalents at end of the period classified as discontinued operations | 9 | 4,119 | 8,151 |

⁽¹⁾ Recasted financial information, see Note 3

⁽¹⁾ Includes, among others, the profit before taxes from discontinued activities, (2023: €22.3 million; 2022: €1.5 million), as cash flows generated by these activities are separately presented on the Consolidated Statement of Cash flows.

INDEX

| Note | | Page |
|-------------|--|--------------|
| 1 | General information | 1-2 |
| 2 | Business combinations | 3 |
| 3 | Basis of presentation and summary of significant accounting policies | 4-13 |
| 4 | Segment information | 13-16 |
| 5 | Property, plant and equipment, and intangible assets | 16-19 |
| 6 | Goodwill and fixed assets impairment | 19-22 |
| 7 | Financial assets and derivatives | 23-26 |
| 8 | Cash and cash equivalents | 26-27 |
| 9 | Disposal groups classified as held for sale and discontinued operations | 27-29 |
| 10 | Equity | 29-31 |
| 11 | Borrowings | 31-34 |
| 12 | Provisions | 34-36 |
| 13 | Corporate income tax | 36-37 |
| 14 | Related party transactions | 37-39 |
| 15 | Subsequent events | 39 |
| | APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES | 40-43 |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

1. General information

1.1 CIE Automotive Group and activity

The CIE Automotive Group carries out its activities in the Automotive business. This business is carried out through an industrial group formed by several companies that are mainly engaged in the design, manufacture and sale of automotive components and sub-assemblies, on the global automotive market, using complementary technologies – aluminium, forging, metal and plastics – and several associated processes: machining, welding, painting and assembly, as well as the design and production of roof systems.

Its main facilities are in the following territories: Spain (Biscay, Araba/Álava, Gipuzkoa, Navarre, Barcelona, Cádiz, Orense and Pontevedra), Germany, France, Portugal, Czechia, Romania, Italy, Morocco, Lithuania, Slovakia, North America (Mexico and the United States of America), South America (Brazil), India, the People's Republic of China and Russia.

CIE Automotive, S.A.'s (the parent company) registered office is in Spain at "Alameda Mazarredo 69, 8th floor, Bilbao".

Group structure

At present, CIE Automotive, S.A. (publicly listed company) has a 100% direct share in the following companies: CIE Berriz, S.L., Advanced Comfort Systems Ibérica, S.L.U., Advanced Comfort Systems France, S.A.S., Autokomp Ingeniería, S.A.U., CIE Automotive Boroa, S.L.U., CIE Roof Systems, S.L.U. and CIE Automotive Roof Systems Korea, Ltd; mainly, holding companies to which the CIE Automotive Group's productive companies report to.

The list of subsidiaries, joint arrangements and associates at 30th June 2023, together with the information concerning them, is disclosed in the Appendix I to these abbreviated Consolidated Interim Financial Statements.

All subsidiaries under the control of the CIE Automotive Group have been consolidated using the full consolidation method.

The subsidiaries consolidated under the equity method are disclosed in Note 7.

Business evolution

During the first half of 2022, the global automotive market saw production decrease by 1.3% compared to the previous year. This decrease was caused by the ECU shortage, the global rise in commodity prices, the increasing energy prices, and the geopolitical situation in Europe, as well as the sanitary restrictions established in China to set under control the new waves of Covid-19. Thus, global vehicle production decreased from 39.4 million vehicles produced in 2021, to 38.9 million vehicles produced during the first six months of 2022.

During the same period of 2023, the global automotive market has increased its production by 11.2% compared to the same period of the previous year. Little by little, the market is leaving behind the subsequent events caused by the Covid-19 pandemic on the supply chain, as well as the effects of the war in Ukraine on the macroeconomic situation of the previous year, which was marked by an inflation increase and rising cost of raw materials. Car production in this period has reached 43.3 million production vehicles, 4.4 million more than in the previous year.

In this market context, the Group has noted its turnover of 9.3%, showing its capacity for stable growth.

As of 30th June 2023, the Group has a liquidity reserve amounting to €1,546.3 million (Note 3.7), which will allow it to fulfil with the necessary payments for the continuity of its business during the 2023 financial year and the first half of 2024. In the same way, the Group has complied with the "covenants" of all its structural financing (Note 11).

At the date of preparation of these condensed consolidated interim financial statements, the Directors of CIE Automotive, S.A., with the available information, estimate that the continuity of the business is not at risk given the solvency and liquidity position of the Group.

Investments in Russia

As of 30th June 2023 and 31st December 2022, the Russian company CIE Automotive RUS, LLC is invested by the Group, dedicated to the production and sale of automotive components.

The Directors have evaluated the control over this investment both in 2023 and 2022 and it has been determined that the Group has effective control over the mentioned company, resulting in the application of the full consolidation method for its related net assets.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The events of the conflict between Russia and Ukraine, and its impact on the Russian plant's activities, resulted the Group registering value correction adjustments during the second semester of 2022 over its net assets in Russia amounting to €17.6 million, of which €6.5 million were registered as "depreciation, amortisation and impairment", mainly related to the impairment of productive assets and €11.1 million as other gross operating result, for the rest of the assets associated with the plant, whose recoverable value was necessary to update. During the first semester of 2023, there has been no significant progress in relation to this conflict, so the Group has maintained the value adjustment registered as of 31st December 2022. The net book value of CIE Automotive Rus, LLC.'s net assets is not significant.

Changes in the scope of consolidation

Six-month period ended 30th June 2023

On 2nd May 2023, the Group, through its subsidiary Autometal, Ltda., and once the usual conditions precedent were met, proceeded to acquire the entire capital stock of the Brazilian company Iber-Oleff Brasil, Ltda. amounting an approximate value (Enterprise Value) of €20 million. The acquisition cost, once adjusted the debt, amounted to €17.3 million (Note 2). After the acquisition of this company, the company name has been modified to CIE Autometal Salto Indústria e Comércio, Ltda.

Additionally, during the first half of 2023, the following corporate transactions have been carried out without any of them having significant impact on the consolidated financial statements:

- On 1st March 2023, the merger by absorption between the Brazilian companies CIE Forjas Minas, Ltda. (absorbing company) and Autoforjas, Ltda. (absorbed company) was carried out.
- On 17th April 2023, the British company Stokes Group Limited was liquidated.
- On 15th May 2023, the company name of Mahindra CIE Automotive, Ltd. has been changed to CIE Automotive India, Ltd.
- On 30th May 2023, the merger by absorption between the companies Componentes de Automoción Recytec, S.L.U. (absorbing company) and Alurecy, S.A.U. (absorbed company) was carried out.

Six-month period ended 30th June 2022

During the first half of 2022, the Group acquired 10,236,178 shares of its subsidiary CIE Automotive India, Ltd. (previously named Mahindra CIE Automotive, Ltd.) for a total amount of €25,311 thousand, resulting in a decrease of the consolidated equity schedule by the amount paid. The Group's interest increased from 60.75% to 63.44% as of 30th June 2022.

On 15th March 2022, the Mexican subsidiary CIE Automotive de México, S.A.P.I. of C.V. carried out the acquisition of the 30% share it held indirectly in Ges Trading Nar, S.A. of C.V., and which until then depended directly on the associated company Gescrap Autometal de México, S.A. of C.V. This transaction had no impact on the Group's consolidated financial statements.

On 10th June 2022, together with other shareholders, an investment of €1,500 thousand was made in the company Basquevolt, S.A. by the Group, a project focused on the production of solid-state cells that aspires to be a leading battery producer in Europe, and over which the Group holds 16.67%.

Preparation of the interim consolidated financial statements

These abbreviated consolidated interim financial statements have been authorized for issue by the parent company's Board of Directors on 21st July 2023.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

2. Business combinations

On 2nd May 2023, the Group, through its subsidiary Autometal, Ltda., has acquired 100% of the capital share of the Brazilian company Iber-Oleff Brasil, Ltda. (currently named CIE Autometal Salto Indústria e Comércio, Ltda.) amounting to an acquisition cost of €17.3 million, €13.7 million paid on the acquisition date and an agreed deferred payment of €3.6 million (Note 2).

The business combination for taking control of the company, referring to 100% of the corresponding equity stake, as well as the detail of assets and liabilities arising from the acquisition; and the movement of cash funds from the operation is summarized below:

| Thousand euro | Note | Net assets at fair value |
|---------------------------------------|----------|--------------------------|
| Fixed assets | 5 | 15,267 |
| Deferred tax assets | | 7,183 |
| Financial assets | 7 | 8,642 |
| Inventories | | 4,300 |
| Accounts receivables | | 2,174 |
| Other current assets | | 598 |
| Cash and cash equivalents | | 144 |
| Assets acquired | | 38,308 |
| Provisions | 12 | 16,734 |
| Bank borrowings | | 5,916 |
| Deferred tax liabilities | | 6,972 |
| Accounts payables | | 3,385 |
| Other liabilities | | 1,035 |
| Liabilities acquired | | 34,042 |
| Net assets acquired | | 4,266 |
| Purchase Price | | 17,340 |
| Fair value of the net assets acquired | | (4,266) |
| Goodwill | 5 | 13,074 |

The cash flow of the transactions was:

| | |
|---|---------------|
| Purchase Price | 17,340 |
| Outstanding amount at the time of the acquisition | (3,625) |
| Amount paid | 13,715 |
| Cash and cash equivalents at the entity acquired | (144) |
| Outflow of cash on the acquisition | 13,571 |

This goodwill resulting from the acquisition has been attributed to the future profitability of the acquired business and the synergies expected to be obtained after the acquisition and its integration by the Group.

The main adjustments recognized correspond to the valuation of fixed assets at fair value, as well as the registration of pre-existing contingent liabilities based on the valuation of potential risks of the acquired business.

The analysis of the business combination, as well as the process of assigning the purchase price to the fair value of the acquired assets and liabilities has not been finalized.

The total revenue, the operating profit and the profit for the year contributed by this business combination as of 30th June 2023 amounted to €5.8 million, €1.4 million positive and €0.7 million positive, respectively. In case the takeover had occurred on 1st January 2023, the total revenue, the operating profit and the profit for the year contributed by this business combination as of 30th June 2023 would have amounted to €13.1 million, €2.4 million positive and €1.2 million positive, respectively.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these abbreviated consolidated interim financial statements for the six-month period ended 30th June 2023 are consistent with those used to prepare the 2022 Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries. These abbreviated interim consolidated financial statements for the six-month period ended 30th June 2023 have been prepared according to International Accounting Standards (IAS) 34, "Interim financial reporting" and should be read along with the Consolidated Annual Accounts at 31st December 2022, which were prepared according to IFRS-EU for CIE Automotive, S.A. and subsidiaries.

3.1 Basis of presentation

These abbreviated consolidated interim financial statements for the six-month period ended 30th June 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the recommendations issued by the Interpretation Committee for IFRS (IFRIC) adopted for utilisation in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 30th June 2023.

The interim financial statements have been prepared under the historical cost approach, except for financial investments held for sale and financial assets and liabilities (including derivative instruments) at fair value through profit or loss, assets held for sale (fair value less disposal costs) and retirement benefit plans – pensions (assets of the plans).

The preparation of interim financial statements and the consolidated financial statements in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the abbreviated interim financial statements are disclosed in Note 3.4. The judgements and estimates made by management when preparing the abbreviated interim consolidated financial statements at 30th June 2023 are consistent with those used in the preparation of the Consolidated Annual Accounts at 31st December 2022 of CIE Automotive, S.A. and subsidiaries.

The consolidated income statement in the six-month period ended 30th June 2023 and 2022 does not include unusual items that require a detail or a conciliation of balances.

Certain International Financial Reporting Standards are effective from 1st January 2023, prompting the Group to adapt its interim financial statements. The standards which have entered into force are disclosed in Note 3.5.

The Consolidated Annual Accounts are not affected by any aspect that may contravene applicable presentation basis.

The figures contained in these interim financial statements are shown in thousands of euros, except as expressly indicated in another unit.

The information contained in these interim financial statements referring to the financial year 2023 includes, for comparative purposes, information relating to 2022. In the six-month period ended 30th June 2023, there have been no events that affect the comparability of the information, except from the disclosure in Note 3.1.1.

3.1.1 Comparative information

The German forging business of the CIE Forging Europe (previously named Mahindra CIE Europe) segment meets the conditions set out in IFRS 5 "non-current assets available for sale and discontinued activities". Therefore, the net assets of this business are disclosed as a group of assets and liabilities held for sale both in the interim financial statements for the six-month period ended 30th June 2023 and the Consolidated Annual Accounts at 31st December 2022. In application of current accounting principles, certain information relating to the year 2022 that is presented for comparative purposes has been restated. The restated information is as follows:

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

- The profit/(loss) after taxes for the six-month period ended 30th June 2022 has been classified under the heading "profit/(loss) from discontinued activities after tax" in the consolidated interim income statement.
- The comprehensive income net of tax for the six-month period ended 30th June 2022 is disclosed under the heading "Discontinued activities" of the abbreviated consolidated interim statement of comprehensive income.
- In the interim consolidated statement of cash flows, the Group has proceeded to include separately the cash flows generated by the discontinued activities, in one statement, separating the operating, investing and financing cashflows generated for the six-month period ended 30th June 2022.

The movement schedules to the notes to the interim consolidated financial statements disclose as discontinued activity movement values those registered in the consolidated financial statements of the business as of 30th June 2022.

3.2 Consolidation principles

The accompanying Appendix to these Notes sets out the subsidiaries included in the scope of consolidation.

The criteria used in the consolidation process have not varied with respect to those used in the year ended 31st December 2022 by CIE Automotive, S.A. and its subsidiaries.

The consolidation methods used are described in Note 1. The financial statements used in the consolidation process are, in all cases, those relating to the six-month period ended 30th June 2023 and 2022.

3.3 Operating segments' financial information

The maximum decision-making body is the Board of Directors. Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The highest decision-making body is responsible for allocating resources to and assessing the performance of the operating segments.

Financial information related to operating segments is disclosed in Note 4.

3.4 Accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented under assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In the preparation of these abbreviated interim financial statements, the significant judgments made by management on applying the Group's accounting policies and the key sources of uncertainty in their estimation have been the same as those applied in the Consolidated Annual Accounts for the year ended 31st December 2022.

a) Estimated impairment for goodwill

The Group assesses annually goodwill for impairment. The recoverable amounts of cash-generating units, or where appropriate, cash-generating unit groups, have been determined based on value-in-use calculations. These calculations require the use of estimates. There was no impairment risk on the Group's goodwill at 31st December 2022.

The assumptions used in the assessments, the effects of the sensitivity analysis and other information on these impairment assessments are included in Note 8 of the Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries at 31st December 2022, that considered market conditions updated to that date within the macroeconomic and sectorial context of the moment, together with the possible effects that could derive from climate change.

The evolution of the profitability of the different businesses of the CIE Automotive Group has remained at positive levels in the first half of 2023, with no impairment risk indicator having been detected which could modify the conclusions of the assessment and estimates carried out as of 31st December 2022 (Note 8).

b) Estimated fair value of assets, liabilities and contingent liabilities associated with a business combination

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair value.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to these abbreviated interim consolidated financial statements, broken down by nature. In the case of the fair value of property, plant, and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

c) Corporate Income tax

Corporate income tax expense for the six-month period ended 30th June 2023 and 2022 comprises current and deferred tax and is calculated on the basis of profit before tax, adjusted for any permanent and/or temporary differences envisaged in tax laws enacted or substantively enacted at the balance sheet date regarding the calculation of taxable income in the countries where the company and its subsidiaries operate. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

According to International Accounting Standards (IAS) 34 "Interim Financial Reporting", the amount included under the heading "Income tax" of the consolidated interim income statement of the six-month periods ended 30th June 2023 and 2022 has been calculated on the basis of the best estimate of the expected tax rate for the corresponding annual periods.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax credits and deductions and the tax effect of applying unused tax losses that have not been capitalised are treated as a reduction in income tax expense for the year in which they are applied or offset.

The calculation of income tax expense did not demand significant estimates except with respect to the amount of tax recognised in the year, which was, at all time, consistent with the annual financial statements. Accordingly, the Group has assessed the recoverability of tax assets by updating the financial performance of the first six months of the year 2023, as well as the forecasted business figures with the available information, without detecting any impairment risk related to tax credits.

Deferred income taxes are calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except when the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets deriving from the carryforward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised. On the fiscal year closing date, the Group determines the deferred tax assets which had not been recognized previously for accounting purposes. In the case of tax allowances in respect of investments, the tax credit is accrued as a decrease in expense over the period during which the items of property, plant and equipment that generated the tax credit are depreciated; this right is recognised with a credit to deferred income. Tax deductions in respect of R&D investment are classified as operating subsidies provided that the R&D expenses that entitle those deductions are taken to expense, that is, they have not been activated.

Moreover, deferred tax assets corresponding to utilised or recognised tax credits relating to R&D activities are recognised in profit or loss on a systematic basis over the periods during which the Group companies expense the costs associated with these activities, based on management's assessment that treatment as a grant best reflects the economic substance of the tax credit. Accordingly, in keeping with IAS 20, the Group treats the tax credit recognised or used as "Other operating income".

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

d) Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not quoted in an active market (e.g. OTC derivatives) is determined by using valuation techniques. The Group exercises judgement in selecting a range of methods and making assumptions which are based primarily on prevailing market conditions at the reporting date.

Note 7.b) details the conditions, notional amounts, and valuation of those instruments at the balance sheet date.

e) Pension benefits

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The determination of the current value of the pension obligations is determined annually through actuarial valuations that imply the realization of several hypotheses that may differ from actual future events: discount rate, future salary increases, mortality rates, etc. Due to the complexity of the valuation and its long-term nature, the calculation of the obligation is very sensitive to changes in these assumptions, which are reviewed at each annual closing. Note 19 from the Consolidated Annual Accounts from 2022 includes more information on the Group's pension obligations and assumptions adopted for the corresponding update.

Other key assumptions for employee benefits are based in part on current market conditions.

f) Product warranties

Product warranty risks are recognized when there is a firm claim not covered by the relevant insurance policy. In some specific technologies, such as the roof systems business, the Group records warranty reserves based on expected claims based related to the sale of goods.

3.5 List and summary of standards, amendments to standards and interpretations published to date

a) Standards, amendments, and mandatory interpretations for all year beginning 1st January 2023

| Adopted Standard | | Group Impact |
|--|--|---|
| IFRS 17 "Insurance contracts" | <p>IFRS 17 replaces IFRS 4 "Insurance Contracts", which allowed for a wide variety of accounting practices. The new standard fundamentally changes the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation components being its aim to increase transparency and reduce divergences when it comes to insurance contracts accountancy. In June 2020, the IASB modified the standard, developing specific amendments and clarifications aimed at facilitating the implementation of the new standard, although they did not change its fundamental principles.</p> <p>This standard applies for fiscal years beginning on or after 1st January 2023.</p> | <p>Due to the activity of the Group, there are no contract which could be impacted by the application of this standard.</p> |
| IAS 1 (Amendment) "Accounting policies" | <p>IAS 1 has been amended to improve the disclosures of accounting policies to provide more useful information to investors and other primary users of the financial statements. In this sense, the IASB has also amended IFRS Practice Statement 2 to help entities apply of the "four -step materiality process" when preparing the financial statements. The issuance of this practice statement aims to clarify the materiality concept when disclosing accounting policies.</p> <p>These amendments apply for fiscal years beginning on or after 1st January 2023.</p> | <p>The application of this amendment had no significant effect on the Group's Consolidated Financial Statements.</p> |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| | | |
|---|---|---|
| <p>IAS 8 (Amendment) "Definition of accounting estimates"</p> | <p>IAS 8 has been amended to help distinguish changes in accounting estimates from changes in accounting policies. Generally, changes in accounting policies are applied following a retrospective approach whereas the modifications related to accounting policies are applied in a prospective manner. Therefore, the results presented as well as the tendencies between periods can be affected by the amendment application approach. This modification aims to clarify changes in accounting estimates from changes in accounting policies emphasizing the definition and explanations related to accounting estimates.</p> <p>This amendment applies for fiscal years beginning on or after 1st January 2023.</p> | <p>The application of this amendment had no significant effect on the Group's Consolidated Financial Statements.</p> |
| <p>IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction"</p> | <p>IAS 12 has been amended to help companies on the recognition of deferred taxes arising from a single transaction such as leases for the lessee and decommissioning obligations to avoid the different approaches adopted in practice by the companies.</p> <p>The modification restricts the scope of exemption on initial recognition so that exemptions are not applied to transactions that give rise to equal amount of taxable and deductible temporary differences. Therefore, companies are required to recognize a deferred tax asset and a deferred tax liability.</p> <p>This amendment applies for fiscal years beginning on or after 1st January 2023.</p> | <p>In application of this amendment, deferred tax assets and liabilities have been recognized amounting €18 million respectively.</p> |
| <p>IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 – Comparative information"</p> | <p>IASB has published an amendment to IFRS 17 that introduces limited scope amendments to the transition requirements of IFRS 17, "Insurance Contracts", and does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9 "Financial instruments" have different transition requirements. For some insurers, these differences may cause specific accounting asymmetries between the financial assets and the liabilities for insurance contracts in the comparative information that they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time. The amendment will help insurers avoid these asymmetries and thus improve the usefulness of comparative information for investors.</p> <p>This amendment applies for fiscal years beginning on or after 1st January 2023.</p> | <p>The application of this amendment had no significant effect on the Group's Consolidated Financial Statements.</p> |

b) Standards, modifications and interpretations to existing standards that cannot be adopted in advance or that have not been adopted by the European Union

At the date of preparation of these interim consolidated financial statements, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations detailed below, which are pending adoption by the European Union.

| Adopted Standard | | Group Impact |
|---|---|--|
| <p>IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of</p> | <p>These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute</p> | <p>These amendments are not expected to have an effect on the Group's Consolidated Financial Statements in the</p> |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| | | |
|--|--|--|
| <p>assets between an investor and its associates or joint ventures”</p> | <p>a “business”. The investor will recognize the full gain or loss when the non-monetary assets constitute a “business”. If the assets do not meet the definition of a business, the investor recognizes the gain or loss to the extent of the interests of other investors. The modifications will only apply when an investor sells or contributes assets to its associate or joint venture.</p> <p>Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for fiscal years beginning on or after 1st January 2016. However, at the end of 2015, the IASB made the decision to postpone the date of validity of the same (without setting a new specific date), since it is planning a broader review that may result in the simplification of the accounting of these transactions and of other aspects of the accounting of associates and joint ventures.</p> | <p>future.</p> |
| <p>IAS 1 (Amendment) “Classification of liabilities as current or non-current”</p> | <p>These amendments clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity’s expectations or events subsequent to the year-end date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the “settlement” of a liability. The effective date of these amendments is 1st January, 2022, although early adoption is permitted.</p> <p>This amendment applies for fiscal years beginning on or after 1st January 2024. Said modification is pending approval by the European Union.</p> | <p>This amendment is not expected to have a significant effect on the Group’s Consolidated Financial Statements in the future</p> |
| <p>IAS 1 (Amendment) “Non-current liabilities subject to conditions (“covenants)”</p> | <p>IASB has issued an amendment to IAS 1 “Presentation of financial statements”, in response to concerns raised about the application of previous amendments to it (in January and July 2020) in relation to the classification of liabilities as current or non-current, which would have entered into force for years beginning on or after 1 st January 2023. The new amendment aims to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions (“covenants”) within twelve months after the reporting period.</p> <p>The new modification applies for fiscal years beginning on or after 1st January 2024 and cancels the previous modifications. The early application of the modification is allowed, although it is pending approval by the European Union.</p> | <p>This amendment is not expected to have a significant effect on the Group’s Consolidated Annual Accounts in the future.</p> |
| <p>IFRS 16 (Modification) “Lease liabilities in a sale with a forward lease”</p> | <p>IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction takes place. However, it did not specify how to record the transaction after that date. This amendment explains how a company must account for a sale and leaseback after the date of the transaction.</p> <p>This amendment applies for fiscal years beginning on or after 1st January 2024. Said modification is pending approval by the European Union.</p> | <p>This amendment is not expected to have a significant effect on the Group’s Consolidated Financial Statements in the future.</p> |
| <p>IAS 12 “International Tax Reform–Pillar Two Model Rules”</p> | <p>OECD released Pillar Two Model Rules on December 2021 to ensure that Multinational Enterprises (MNEs) are subject to a 15% minimum effective tax rate. IASB made urgent decisions in order to respond</p> | <p>The Group is awaiting the local transposition of PILLAR 2 in order to estimate the</p> |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| | | |
|--|---|---|
| | <p>to the concern of stakeholder with reference to the uncertainty of deferred tax recognition stemmed from the application of the standards.</p> <p>The amendment to IAS 12 introduces a temporary exemption to the recognition of deferred tax assets for those territories that endorse the international tax reform. It will contribute to ensure that the consistency of the financial statements prevails and, likewise, it will enable an easier application of the standards and the disclosures required to help investors understand the exposure of a company to corporate taxes derived from the tax reform.</p> <p>Companies can benefit from the temporary exemption immediately, but disclosures requirements for investors exist for fiscal years beginning on or after 1st January 2023. At the date of preparation of these interim consolidated financial statements, this directive has not been endorsed by the European Union.</p> | <p>impact that this regulation will have on its Consolidated Financial Statements.</p> <p>However, it is not estimated, with the current available information, that the impacts will be relevant in most of the territories where the Group does business.</p> |
| <p>IAS 7 and IFRS 7 (Amendment) "Supplier financing agreements"</p> | <p>The amendment to IAS 7 and IFRS 7 entails an additional requirement for disclosure of information for companies issuing financial statements in order to increase transparency on the impact of supplier financing agreements. The IASB has developed these new requirements to provide users of financial statements with information that enables them to: 1) assess how to improve supplier financing arrangements on the liabilities and cash flows of enterprises and 2) understand the effect of supplier financing agreements in the exposure to liquidity risk and know the effect on the financial statements in the hypothetical case that said agreements are cancelled.</p> <p>This modification is applicable to the annual exercises that will begin on or after 1st January 2024. Its early adoption is allowed, although it is pending approval by the European Union. Likewise, there is an exemption to the presentation of certain information in the exercise of the initial application.</p> | <p>This amendment is not expected to have a significant effect on the Group's Consolidated Financial Statements in the future.</p> |
| <p>IFRS S1 "General Requirements for Disclosure Information on Sustainability related to Financial Information" and IFRS S2 "Disclosure Information related to Climate"</p> | <p>The publication of the IFRS S1 and IFRS S2 standards by the ISSB requires the joint application of both regulations to ensure compliance with the breakdowns required by the IFRS in terms of risks and opportunities in climate and sustainability matters, in order to allow a appropriate decision-making to users of financial statements. These standards require providing information on the risks and opportunities that may reasonably affect the cash flow statements of companies, their access to financing, as well as the impact on the cost of capital in the short, medium and long term.</p> <p>This amendment is applicable to annual exercises beginning on or after January 1, 2024. Said amendment is pending approval by the European Union.</p> | <p>This amendment is not expected to have a significant effect on the Group's Consolidated Financial Statements in the future.</p> |

3.6 Seasonal nature of business and business volume

The Automotive business does not show any seasonal peak, so its sales are distributed uniformly throughout the year.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

3.7 Liquidity management and working capital

The management of financial and market risks, liquidity, credit and commodity price risks that affect the Group's financial position remains unchanged with respect to the information contained in the Annual Accounts of CIE Automotive, S.A. and its subsidiaries for the year ended 31st December 2022.

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, transferring the related risks and rewards).

Management monitors the Group's forecast liquidity requirements together with the trend in net debt. The calculation of liquidity and net debt at 30th June 2023 and 31st December 2022 is calculated as follows:

| Thousand euro | Note | 30.06.2023 | 31.12.2022 |
|-----------------------------|------|------------------|------------------|
| Cash and cash equivalents | 8 | 675,052 | 732,053 |
| Other financial assets | 7 | 109,911 | 125,283 |
| Undrawn lines of credit | 11 | 761,337 | 676,908 |
| Liquidity buffer | | 1,546,300 | 1,534,244 |
| Bank borrowings | 11 | 1,986,195 | 2,141,122 |
| Other financial liabilities | 7 | 138 | 6,012 |
| Cash and cash equivalents | 8 | (675,052) | (732,053) |
| Other financial assets | 7 | (109,911) | (125,283) |
| Net financial debt | | 1,201,370 | 1,289,798 |

Additionally, as of 30th June 2023, Shanghai Golde Auto Parts, Co. Ltd., a joint venture in which the Group has a 50% and consolidates using the equity method (Note 7), has a net treasury of €39 million (€40 million as of 31st December 2022).

The Group's treasury department estimates that actions in progress will allow avoiding lack of liquidity situations. In that sense, is considered that cash generation estimated for the second half of 2023 and the year 2024 will allow facing recurrent payments without increasing net financial debt.

The Group's treasury department monitors Group's liquidity needs forecasts in order to ensure that there is enough cash to meet operative needs at the same time that maintains undrawn credit facilities at any time to ensure Group doesn't fail limits and rates ("covenants") established by financial entities (Note 11).

The Group is strategically diversifying the financial markets and financing sources, it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets; this strategy has opened up access to internationalize the banking pool.

Amounts payable to credit institutions in the short term include recurring loans over time amounting to €34 million with financial institutions used for the management of operating working capital (€36 million as of 31st December 2022) (Note 11). Although this component of the bank debt is presented as a current liability for accounting purposes, it is stable as evidenced by the usual operation of the business, and therefore provides financing that is equivalent to long-term debt.

Noteworthy is the existence at 30th June 2023 of €761 million of undrawn credit lines and loans (31st December 2022: €677 million) (Note 11).

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The following table shows a breakdown of working capital in the Group's interim abbreviated balance sheet as of 30th June 2023 and 31st December 2022:

| Thousand euro | Note | 30.06.2023 | 31.12.2022 |
|--------------------------------------|------|------------------|------------------|
| Inventories | - | 476,805 | 494,849 |
| Trade and other receivables | - | 329,367 | 309,457 |
| Other current assets | - | 34,334 | 47,636 |
| Current tax assets | - | 70,627 | 57,311 |
| Current operating assets | | 911,133 | 909,253 |
| Other current financial assets | 7 | 64,360 | 92,855 |
| Cash and cash equivalents | 8 | 675,052 | 732,053 |
| Current assets | | 1,650,545 | 1,734,161 |
| Trade and other payables | - | 991,698 | 1,026,609 |
| Current tax liabilities | - | 86,623 | 65,218 |
| Current provisions | 12 | 137,101 | 173,519 |
| Other current liabilities | - | 195,331 | 169,176 |
| Current operating liabilities | | 1,410,753 | 1,434,522 |
| Current financial borrowings | 11 | 549,554 | 472,013 |
| Other current financial liabilities | 7 | 138 | 140 |
| Current liabilities | | 1,960,445 | 1,906,675 |
| TOTAL WORKING CAPITAL | | (309,900) | (172,514) |

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short- and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work is being performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (Just In Time) supplies to the Group's customers.

In parallel, the Group's Management efficiently controls the exercise of payment of expenses and the exercise of realization of current assets, carrying out an exhaustive monitoring of the treasury forecasts, in order to ensure that it has enough cash to meet the operation needs while maintaining sufficient availability of undrawn credit facilities at all times so that the Group does not breach the limits or the indices ("covenants") established by the financing entities. As of 30th June 2023 and 31st December 2022, the Group complies with all the ratios required in its financing. Therefore, it is estimated that cash generation in 2023 and the first half of 2024 will sufficiently cover the needs to meet short-term commitments, avoiding any situation of tension in the liquidity position with the actions in progress.

As a result of the above, it may be confirmed that there is no liquidity risk at the Group.

Likewise, there are no significant restrictions to the use of cash/other cash equivalents (Note 8).

3.8 Fair value estimation

The Group complies with IFRS 13 requirements in measuring its assets and liabilities at fair value when such fair value measurement is required under other IFRS.

On the basis of the contents of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports on how it estimates fair value by level using the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

a) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at each balance sheet date. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in Level 2.

Specific financial instrument valuation techniques include:

- i) Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- ii) Fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
- iii) It is assumed that the carrying amount of trade receivables and payables is similar to their fair value.
- iv) The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to financial derivative instruments (Note 7).

b) Level 3 financial instruments

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Level 3.

As of 30th June 2023 there are loans granted to Group employees valued at fair value and amounting to €18,326 thousand, after the incorporation of new employees to the long-term incentive plan, as well as the increase of certain loan amounts (€14,588 thousand as of 31st December 2022) (Notes 7 and 14).

In the business combination of CIE Autometal Salto Indústria e Comércio, Ltda., the Group has incorporated a contingent liability payable to the prior owner amounting to BRL 20,000 thousand (Note 2), being its fair value €3,830 thousand as of 30th June 2023. Moreover, in the first half of 2022 the contingent liability at fair value resulting from the acquisition of Aurangabad Electricals, Ltd was settled for a total amount of INR20 million (€238 thousand).

The Group has no agreements for the offset of financial assets and liabilities.

3.9 Net investing hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement in the heading corresponding to the hedged underlying.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is sold.

As of 30th June 2023 and 31st December 2022, the Group holds investments which net assets are exposed to the risk of conversion into foreign currency, as well as, financing loans denominated in US dollars formalized through the company CIE Berriz, S.L. The main purpose of this financing agreement, denominated in US dollars, is to support the Group's sustainable growth in North America. In the first half of 2023, the positive exchange difference generated by this financing, which amounted to €1,459 thousand, has been recognized under the heading "Net investment coverage" in the Consolidated Interim Statement of Comprehensive Income (negative exchange difference amounted to €9,445 thousand negative in the first half of 2022); heading under "foreign currency conversion differences".

4. Segment information

The Group produces parts and components for the automotive industry, operating as a TIER 2 supplier in most cases. Although the Group supplies certain automobile manufacturers (OEMs) directly, on these occasions the Group usually acts as a TIER 2 supplier, with the OEMs assuming the role of the TIER 1 supplier.

The Group's business model is based on two strategic focal points: multi-technology and the global market, implying the ability to supply technology worldwide.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

- Multi-technology: command of different technologies and processes enables the Group to offer complex high value-added products. The Group has the capacity to design and manufacture products using alternative or complementary technologies.
- Global market: worldwide industrialisation and supply capacity. The Group's customers are global and it has the ability to supply them from different geographic areas.

The Board of Directors is the Group's chief operating decision-making body, who reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to operating segments.

Management has determined the operating segments based on the structure of the reports reviewed by the Board of Directors, which analyses the business of the CIE Automotive Group from a geographical markets perspective in which it operates.

In this sense, the Group divides its area of activity into three geographic markets: America, Asia and Europe. In turn, the geographic markets of America and Europe are divided, respectively, into two different segments each, being North America and Brazil for the American market, and CIE Forging Europe (previously named Mahindra CIE Europe) and the rest of Europe for the European market. Thus, the Group's financial information is presented according to the following segments:

- North America: it includes, basically Group companies located in Mexico and United States.
- Brazil: it includes basically Group companies located in Brazil.
- Asia: it includes the Indian companies as well as the companies located in the People's Republic of China.
- CIE Forging Europe (previously named Mahindra CIE Europe): it includes the business for the manufacture of European forging, dependent on the CIE Automotive India group (previously named Mahindra CIE).
- Rest of Europe: it includes all non-dependent of CIE India subgroup (previously named Mahindra CIE) manufacturing businesses basically located in Europe.

The Group manages the operating segments corresponding to continuing activities based, mainly, on the evolution of the main financial figures of each segment, such as the revenue, EBITDA (gross operating profit), EBIT (net operating profit) and investments in fixed assets. Meanwhile, financial income and expenses, as well as income tax expense and the allocation of results to minority shareholders are jointly analysed at the Group level, since they are managed centrally.

On 24th May 2023, Mahindra & Mahindra announced the sale of its entire share in CIE Automotive India, Ltd. (previously named Mahindra CIE Automotive, Ltd.). Therefore, the Group has decided to modify the name of the operating segment Mahindra CIE Europe, corresponding to the European forging business, whose currently name is CIE Forging Europe.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

a) Operating segments information for continuing activities

Results per operating segments are as follows:

| Thousand euro | 30 th June 2023 | | | | | |
|---|---|---------------|---------------|--------------------|----------------|--------------------|
| | NORTH AMERICA | BRAZIL | ASIA | CIE FORGING EUROPE | REST OF EUROPE | TOTAL |
| Revenue | 618,473 | 178,015 | 451,961 | 204,759 | 557,914 | 2,011,122 |
| Other operating expenses and income (excluding depreciation and amortisation) | (502,601) | (141,021) | (373,655) | (169,192) | (460,776) | (1,647,245) |
| Depreciation, amortisation and impairment | (25,518) | (6,154) | (19,147) | (6,653) | (36,314) | (93,786) |
| Operating profit | 90,354 | 30,840 | 59,159 | 28,914 | 60,824 | 270,091 |
| EBITDA^(**) | 115,872 | 36,994 | 78,306 | 35,567 | 97,138 | 363,877 |
| Thousand euro | 30 th June 2022 ^(*) | | | | | |
| | NORTH AMERICA | BRAZIL | ASIA | CIE FORGING EUROPE | REST OF EUROPE | TOTAL |
| Revenue | 546,675 | 138,707 | 499,544 | 183,737 | 492,502 | 1,861,165 |
| Other operating expenses and income (excluding depreciation and amortisation) | (441,065) | (111,659) | (423,587) | (155,729) | (410,208) | (1,542,248) |
| Depreciation, amortisation and impairment | (23,390) | (5,152) | (18,220) | (6,168) | (33,778) | (86,708) |
| Operating profit | 82,220 | 21,896 | 57,737 | 21,840 | 48,516 | 232,209 |
| EBITDA^(**) | 105,610 | 27,048 | 75,957 | 28,008 | 82,294 | 318,917 |

(*) Recasted figures, see Note 3.

(**) EBITDA (gross operating income) results from summing depreciation, amortisation and impairment to the net operating profit.

Transactions between Group companies are performed under market conditions.

The reconciliation of the Operating profit and the Profit attributable to owners of the parent company is as follows:

| Thousand euro | Note | 30.06.2023 | 30.06.2022 ^(*) |
|--|------|----------------|---------------------------|
| Operating profit | | 270,091 | 232,209 |
| Financial income (expense) | - | (43,538) | (8,292) |
| Share in profits of joint ventures and associates | 7 | 4,115 | 5,212 |
| Gains / (losses) on the fair value of derivative financial instruments | 7 | 8,251 | (7,208) |
| Corporate income tax | 13 | (51,691) | (43,175) |
| Discontinued operations | 9 | 16,224 | 1,054 |
| Attributed to non-controlling interests | - | (25,173) | (19,531) |
| Profit attributable to the parent company | | 178,279 | 160,269 |

(*) Recasted figures, see Note 3.

Segments' assets, liabilities and capital expenditure of the period are as follows:

| Thousand euro | 30 th June 2023 | | | | | |
|--|----------------------------|----------------|------------------|--------------------|------------------|------------------|
| | NORTH AMERICA | BRAZIL | ASIA | CIE FORGING EUROPE | REST OF EUROPE | TOTAL |
| Investments in joint arrangements and associates | 8,415 | 5,832 | 42,185 | - | 1,573 | 58,005 |
| Rest of assets | 1,512,766 | 575,597 | 1,714,260 | 688,958 | 1,039,359 | 5,530,940 |
| Total assets | 1,521,181 | 581,429 | 1,756,445 | 688,958 | 1,040,932 | 5,588,945 |
| Total liabilities | 695,931 | 180,486 | 476,183 | 297,198 | 2,320,293 | 3,970,091 |
| Fixed asset additions ^(*) | 31,359 | 6,621 | 29,245 | 7,329 | 35,693 | 110,247 |
| Disposal of assets net of depreciation and amortisation ^(*) | (184) | (2,510) | (177) | (90) | (2,476) | (5,437) |
| Net capital expenditure for the period | 31,175 | 4,111 | 29,068 | 7,239 | 33,217 | 104,810 |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| Thousand euro | 31 st December 2022 | | | | | TOTAL |
|--|--------------------------------|----------------|------------------|--------------------|------------------|------------------|
| | NORTH AMERICA | BRAZIL | ASIA | CIE FORGING EUROPE | REST OF EUROPE | |
| Investments in joint arrangements and associates | 8,185 | 5,546 | 42,625 | - | 1,573 | 57,929 |
| Rest of assets | 1,400,801 | 476,884 | 1,870,239 | 656,762 | 1,180,772 | 5,585,458 |
| Total assets | 1,408,986 | 482,430 | 1,912,864 | 656,762 | 1,182,345 | 5,643,387 |
| Total liabilities | 632,819 | 130,442 | 563,705 | 302,963 | 2,492,496 | 4,122,425 |
| Fixed asset additions ^(*) | 61,748 | 22,414 | 67,740 | 17,709 | 55,283 | 224,894 |
| Disposal of assets net of depreciation and amortisation ^(*) | (402) | (2,510) | (2,273) | (406) | (3,960) | (9,551) |
| Net capital expenditure for the year | 61,346 | 19,904 | 65,467 | 17,303 | 51,323 | 215,343 |

(*) Fixed assets additions and disposals do not include IFRS 16 effects.

Assets mainly include property, plant and equipment, intangible assets (including goodwill), deferred tax assets, inventories, accounts receivable and cash. Investments in subsidiaries included in the consolidation scope are shown separately.

Liabilities include, mainly, operating liabilities and long and short-term financing, excluding intragroup liabilities eliminated on consolidation.

Investments in non-current assets include additions to property, plant, and equipment (Note 5.1) and intangible assets (Note 5.2).

The figures corresponding to the net amount of the revenue and non-current assets, excluding deferred tax assets and non-current financial assets and investments in joint ventures and associates, by geographical areas are the following:

| Thousand euro | Revenue | | Non-current assets | |
|------------------------|------------------|---------------------------|--------------------|------------------|
| | 30.06.2023 | 30.06.2022 ^(*) | 30.06.2023 | 31.12.2022 |
| Europe ^(**) | 762,673 | 676,239 | 1,347,996 | 1,349,041 |
| Brazil | 178,015 | 138,707 | 253,252 | 215,441 |
| North America | 618,473 | 546,675 | 881,771 | 846,964 |
| China | 154,890 | 202,240 | 547,432 | 586,904 |
| India | 297,071 | 297,304 | 477,831 | 508,315 |
| TOTAL | 2,011,122 | 1,861,165 | 3,508,282 | 3,506,665 |

(*) Recasted figures, see Note 3.

(**) Sales to Spain for the first semester of 2023 have amounted to €105,660 thousand (2022: €77,664 thousand).

5. Property, plant and equipment, and intangible assets

5.1 Property, plant, and equipment

Set out below is a breakdown of property, plant and equipment showing movements:

| Thousand euro | 30 th June 2023 | | | | | 30.06.2023 |
|--------------------------|----------------------------|--------------------------|-----------|-----------|---|--------------------|
| | 31.12.2022 | ADDITIONS IN SCOPE | | | TRANSFERS AND OTHER MOVEMENTS ^(**) | |
| | | CONSOLIDATION | ADDITIONS | DISPOSALS | | |
| Cost | 3,582,703 | 21,633 | 118,998 | (30,498) | (23,651) | 3,669,185 |
| Accumulated depreciation | (1,945,547) | (6,366) | (90,079) | 23,890 | 15,181 | (2,002,921) |
| Impairment | (23,709) | - | - | 649 | (93) | (23,153) |
| CARRYING AMOUNT | 1,613,447 | | | | | 1,643,111 |
| Thousand euro | 30 th June 2022 | | | | | 30.06.2022 |
| | 31.12.2021 | ADDITIONS ^(*) | | | TRANSFERS AND OTHER MOVEMENTS ^(**) | |
| | | DISPOSALS | | | | |
| Cost | 3,574,020 | 115,068 | (23,071) | | 140,240 | 3,806,257 |
| Accumulated depreciation | (1,980,539) | (86,144) | 21,641 | | (62,024) | (2,107,066) |
| Impairment | (18,156) | - | - | | (591) | (18,747) |
| CARRYING AMOUNT | 1,575,325 | | | | | 1,680,444 |

(*) Includes €2,164 thousand of capital expenditure of discontinued activities for the six-month period ended 30th June 2022. In addition, depreciation expense classified as discontinued activities as of 30th June 2022 amounted to €3,558 thousand.

(**) It basically includes the effect of exchange rate fluctuations of PPE currency of foreign subsidiaries and transfers from assets under construction to finished assets.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

a) Property, plant, and equipment by geographical area

Set out below is a breakdown of property, plant, and equipment by geographical location at 30th June 2023 and 31st December 2022:

| Million euro | 30 th June 2023 | | | 31 st December 2022 | | |
|--------------|----------------------------|---|----------------|--------------------------------|---|----------------|
| | COST | ACCUMULATED DEPRECIATION AND IMPAIRMENT | NET BOOK VALUE | COST | ACCUMULATED DEPRECIATION AND IMPAIRMENT | NET BOOK VALUE |
| AMERICA | 1,353 | (635) | 718 | 1,302 | (605) | 697 |
| EUROPE | 1,695 | (1,092) | 603 | 1,660 | (1,067) | 593 |
| ASIA | 621 | (299) | 322 | 621 | (298) | 323 |
| TOTAL | 3,669 | (2,026) | 1,643 | 3,583 | (1,970) | 1,613 |

b) Assets not used in operations

At 30th June 2023 and 31st December 2022 no significant items of property, plant and equipment are not used in operations.

c) Insurance

The Group has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The scope coverage of these policies is considered to be sufficient.

d) Right of use of assets and lease liabilities

Plant and equipment include the following amounts in respect of finance leases under which the Group is the lessee:

| Thousand euro | 30 th June 2023 | | | | 30 th June 2022 | | |
|---|----------------------------|--------------------|--------------------------|-----------------|----------------------------|---------------|-------------------|
| | RIGHT OF USE OF ASSETS | | | | LEASE LIABILITIES | | |
| | LAND AND BUILDINGS | OTHER FIXED ASSETS | ACCUMULATED DEPRECIATION | TOTAL ASSETS | LONG TERM | SHORT TERM | TOTAL LIABILITIES |
| 31st December 2022 | 108,170 | 20,587 | (48,954) | 79,803 | 62,799 | 20,292 | 83,091 |
| Additions | 5,254 | 4,539 | - | 9,793 | 6,728 | 3,065 | 9,793 |
| Disposals | (2,576) | (4,440) | 6,217 | (799) | (179) | (620) | (799) |
| Depreciation expense/Payments made ^(*) | - | - | (11,118) | (11,118) | - | (12,354) | (12,354) |
| Debt update expenses | - | - | - | - | 1,435 | - | 1,435 |
| Long term/Short term transfers | - | - | - | - | (9,497) | 9,497 | - |
| Transfers and other ^(**) | (1,325) | (342) | 871 | (796) | (1,827) | 980 | (847) |
| 30th June 2023 | 109,523 | 20,344 | (52,984) | 76,883 | 59,459 | 20,860 | 80,319 |
| | 30 th June 2022 | | | | 30 th June 2022 | | |
| | RIGHT OF USE OF ASSETS | | | | LEASE LIABILITIES | | |
| | LAND AND BUILDINGS | OTHER FIXED ASSETS | ACCUMULATED DEPRECIATION | TOTAL ASSETS | LONG TERM | SHORT TERM | TOTAL LIABILITIES |
| 31st December 2021 | 100,500 | 20,333 | (46,406) | 74,427 | 57,813 | 19,606 | 77,419 |
| Additions | 19,361 | 3,663 | - | 23,024 | 17,962 | 5,062 | 23,024 |
| Disposals | (2,572) | (2,985) | 4,972 | (585) | (35) | (550) | (585) |
| Depreciation expense/Payments made ^(*) | - | - | (11,357) | (11,357) | - | (12,417) | (12,417) |
| Debt update expenses | - | - | - | - | 1,187 | - | 1,187 |
| Long term/Short term transfers | - | - | - | - | (8,897) | 8,897 | - |
| Transfers and other ^(**) | 901 | 2,240 | (857) | 2,284 | 1,627 | 787 | 2,414 |
| 30th June 2022 | 118,190 | 23,251 | (53,648) | 87,793 | 69,657 | 21,385 | 91,042 |

^(*) Includes depreciation expense amounting to €880 thousand classified as discontinued operations corresponding to the sixth-month period ended 30th June 2022, as well as payments amounting to €948 thousand.

^(**) It basically includes the effect of exchange rate fluctuations derived from foreign subsidiaries' property, plant and equipment.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The discount rates, estimated based on the cost of financing each of the Cash Generating Unit (CGU) groups operated by the Group, have been as follows:

| | 2022 | 2021 |
|--------------------|---------------|---------------|
| Brazil | 12.00% | 7.50% |
| North America | 6.00% | 3.00% |
| Asia | 4.50% - 7.50% | 5.00% - 8.50% |
| CIE Forging Europe | 3.25% | 1.25% |
| Rest of Europe | 3.25% | 1.25% |

e) Capitalisation of borrowing costs

The Group did not capitalise any borrowing cost in the six-month periods ended 30th June 2023 and 2022 involving significant amounts.

f) Commitments

Capital expenditure agreements committed for at the period end, but not yet incurred is as follows:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|-------------------------------|------------|------------|
| Property, plant and equipment | 92,202 | 82,054 |

These investments are financed mainly through the cash generated by the Group's activities and structured via payment agreements with suppliers and equipment vendors and if necessary, bank borrowings.

5.2 Goodwill and other intangible assets of defined useful life

Set out below is an analysis of the main intangible asset classes showing movements in assets:

| 30 th June 2023 | | | | | | |
|--------------------------------|------------------|----------------------------------|---------------|-----------|------------------------------------|------------------|
| Thousand euro | 31.12.2022 | ADDITIONS IN CONSOLIDATION SCOPE | ADDITIONS (*) | DISPOSALS | TRANSFERS AND OTHER MOVEMENTS (**) | 30.06.2023 |
| Cost - Goodwill | 1,827,378 | 13,074 | - | - | (34,876) | 1,805,576 |
| Cost - Other intangible assets | 108,862 | - | 1,042 | (1,383) | (1,108) | 107,413 |
| Accumulated amortisation | (77,032) | - | (3,707) | 1,106 | 1,104 | (78,529) |
| Impairments | (184) | - | - | - | 3 | (181) |
| CARRYING AMOUNT | 1,859,024 | | | | | 1,834,279 |

| 30 th June 2022 | | | | | | |
|--------------------------------|------------------|---------------|-----------|------------------------------------|--|------------------|
| Thousand euro | 31.12.2021 | ADDITIONS (*) | DISPOSALS | TRANSFERS AND OTHER MOVEMENTS (**) | | 30.06.2022 |
| Cost - Goodwill | 1,830,247 | - | - | 55,747 | | 1,885,994 |
| Cost - Other intangible assets | 111,822 | 1,920 | (3,380) | 2,470 | | 112,832 |
| Accumulated amortisation | (76,190) | (4,132) | 3,380 | (1,260) | | (78,202) |
| Impairments | (48) | - | - | - | | (48) |
| CARRYING AMOUNT | 1,865,831 | | | | | 1,920,576 |

(*) Includes €12 thousand of capital expenditure for the six-month period ended 30th June 2022. In addition, depreciation expense classified as discontinued activities as of 30th June 2022 amounts to €10 thousand.

(**) It basically includes the effect of exchange rate fluctuations of intangible assets and goodwill currency of foreign subsidiaries.

Goodwill is assigned to the Group's cash-generating units (CGUs) groups on the basis of the criterion of grouping together under each CGU group all the Group's assets and liabilities that jointly and indivisibly generate cash flows in an area of the business from a technology and/or geographical and/or customer viewpoint, on the basis of the synergies and risks shared.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The breakdown of goodwill as of 30th June 2023 and 31st December 2022, assigned to each CGU group level, detailed by operating segment is set out below:

| | 2023 | 2021 |
|--------------------|------------------|------------------|
| North America | 285,042 | 290,010 |
| Brazil | 87,208 | 69,960 |
| Asia | 707,988 | 741,876 |
| CIE Forging Europe | 332,106 | 332,106 |
| Rest of Europe | 393,232 | 393,426 |
| TOTAL | 1,805,576 | 1,827,378 |

6. **Goodwill and fixed assets impairment**

a) **Methodology in the analysis of signs of impairment of fixed assets**

The Group carries out, at least once each year, a recovery analysis on its tangible and intangible assets, including goodwill. This analysis is carried out on two levels:

- Productive and intangibles assets with a defined useful life
- Goodwill

Productive and intangibles assets of defined use of life

The property, plant and equipment is subject to continuous assessments by the technicians of each production plant together with the management control team of each of them, keeping a control on the profitability of the projects according to the projections available continuously, and considering evidences of impairment of assets associated with projects with deficient returns.

Regardless of the continuous evaluation of these projects, the Group annually carries out an assessment to update the financial projections for each cash-generating unit which consists of a period of five years and which is used to formalize an analysis of the recovery of the net value accounted for all fixed and intangible assets of each production plant. Based on this annual assessment, as well as through the continuous evolution of each project, all possible impairment of the assets is recorded by the Group.

In the case of intangible assets with a defined useful life recognized by the Group in a business combination, which basically correspond to licenses and contracts related to customers, the Group verifies the evolution of cash flows considered for their initial calculation has not significantly, evidencing an impairment loss.

During the six months periods ended 30th June 2023 and 2022, the Group has not registered any significant impairment over its operating assets. As of 31st December 2022, the registered impairments of fixed assets mainly referred to productive assets (machinery and technical facilities) in Russia (Note 1).

Goodwill

The recoverable amount of the goodwill assigned to each CGUs or group of CGUs is determined based on value in use calculations. These calculations use cash flow projections based on the financial budget approved by Management, which generally covers a period of five years. Cash flows beyond the five-year period are forecasted assuming a market hypothesis regarding growth rates, in any case lower than the long-term average growth rate for the country in which each CGU or group of CGUs has its businesses.

To calculate the value in use, assumptions of future cash flows are used in accordance with the global situation of the markets in which the Group operates, as well as with their expected future evolution.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

b) Assumptions used in the calculation of value in use of the Group's businesses

The assumptions used by the Group are the sales and margins generated by each cash-generating unit for the period for which the projections are forecasted, in addition to the annual growth rate and discount rate applied to calculate the value in use of each one of the CGUs or group of CGUs, and detailed by segment.

Sales and margin projection

Sales estimates are made at the level of each CGU and below it, at the level of each project, taking into account the confirmed purchase orders at the time of the budget, the portfolio of the different customers for each project, the estimated production units for ongoing projects in the forecasted period and future projects for which the Group has already been nominated.

The gross operating margin (EBITDA) applied to forecasted sales are estimated based on the current profitability of the contracts in production corrected, if applicable, for adjustments, positive or negative, in future profitability already known at the time of preparation of the forecast; as well as expected future returns from each of the projects which production has not started.

The average ^(f) of the margins projected by segment for the period of the projections has been as follows:

| Segments | 2022 | 2021 |
|--------------------|--------|--------|
| North America | 21.58% | 22.37% |
| Brazil | 20.04% | 19.27% |
| Asia | 17.44% | 16.81% |
| CIE Forging Europe | 15.57% | 12.70% |
| Rest of Europe | 18.14% | 19.51% |

^(f) The average of the detailed margins is the result of dividing the sum of the gross operating results (EBITDAs) by the sum of the sales of the years that make up the projection period for each CGU or CGU grouping detailed by segment.

Calculation of residual value

The residual value is calculated by applying the "normalized annual cash flow", which is made up of the EBITDA of the last year of the budget, minus the maintenance investments necessary to keep the activity at each plant (in the case of the Group it amounts between 2% and 4% of revenue depending on the region and technology); discounted by the normalized payment of taxes in the face of a future recurrence according to the tax situation of each of the tax territories.

Annual growth rate

The growth rates (g) used for the period beyond the projections used in 2022 and 2021 in the CGUs and groups of CGUs, which are reported by segment, were as follows:

| Segments | 2022 | 2021 |
|--------------------|-----------|-----------|
| North America | 2.5% | 2.0%-2.3% |
| Brazil | 5.0% | 4.5% |
| Asia | 4.5%-7.5% | 4.4%-7.5% |
| CIE Forging Europe | 2.25% | 1.5% |
| Rest of Europe | 2.25% | 1.5%-3.9% |

The Group estimates the growth rate for each of the cash-generating units based on macroeconomic data related to inflation and growth in the economies of each of the countries where it operates, considering these as the main measurement factors for estimating the growth rate in current valuation models, due to the direct relationship between macroeconomic growth and the sale of vehicles.

Discount rate

The pre-tax discount rate was determined on the basis of the weighted average cost of capital (WACC) plus a premium to reflect the tax effect. The WACC was determined using the Capital Asset Pricing Model (CAPM), which is widely used for discount rate calculation purposes.

The methodology for calculating the discount rate used by the Group consists of adding to the risk-free rate of each market the specific risks of the assets assigned to each of the cash generating units.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The risk-free rate corresponds to the 10-year Treasury in the market in question. In the case of countries with economies or currencies with doubtful solvency levels, the Group carries out an estimate of specific risk applicable to each country.

The specific risk premium assigned to the Group's assets corresponds to the specific risks of the Automotive business itself, for which an estimated beta is used, based on the betas assigned to comparable companies or groups of companies.

The discount rates applied to cash flow projections in 2022 and 2021 were as follows:

| Segments | 2022 | 2021 |
|--------------------|--------------|--------------|
| North America | 6.93%-11.65% | 5.78%-10.09% |
| Brazil | 14.58% | 12.28% |
| Asia | 6.74%-10.38% | 6.65%-10.58% |
| CIE Forging Europe | 6.11%-7.47% | 4.65%-5.63% |
| Rest of Europe | 6.03%-7.47% | 4.62%-11.70% |

c) Results of the impairment test

The value in use resulting from the impairment assessment are, to their lowest recoverable level, higher than the net book value of the total non-financial assets recognized by the Group, thus no impairment has been recorded in 2022 and 2021.

As of 31st December 2022, the Group discontinued the German forging business, included in the CIE Forging Europe segment. This group of companies was incorporated into the Group within the framework of CIE Automotive's strategic alliance with Mahindra & Mahindra in 2013.

A significant amount of goodwill allocated to the historical segment "Mahindra CIE", which included the business in both India and Europe until 2018 (€524million as of 31st December 2018) was generated in the business combinations carried out in 2013 and 2014 within the framework of the strategic agreement with Mahindra & Mahindra for approximately €397 million. The recoverability of this goodwill was subject to the future evolution of the businesses that made up the CIE India subgroup (previously named Mahindra CIE) when the creation of the same was completed.

In 2018, the Group proceeded to separate the historical segment "Mahindra CIE" into the segments "India" and "CIE Forging Europe", as it was understood that these were the last existing management decision levels and are both in differentiated segments and markets (Europe and India). In this division of segments, CIE Forging Europe was assigned a goodwill of €332.1 million, the recoverability of which was subject to future projections of all the operating plants that comprised the grouping at that date and currently comprise it, resulting from the capacity of the Group to assign new projects in this segment according to operating necessities.

After the German forging business was classified as held for sale, the Group verified that as of 31st December 2022 there was no impairment in the goodwill assigned to CIE Forging Europe.

d) Impairment test sensitivity

The Group carried out as of 31st December 2022 the following sensitiveness simulations, without detecting evidences of impairment of goodwill:

- Penalty of the discount rate by 10%.
- Consideration of the perpetual cash flow equal to the last year of budgeted cash flow, that is, applying a growth rate (g) between 0% and 2%.

Additionally, a joint penalty of assumptions was carried out considering:

- Decrease of the forecasted EBITDA by 10 percentage points,
- Reduction of the growth rate (g) to 50% for each CGU (between 1.13% and 3.75%, depending on the geography).

The outcome of the sensitivity assessment determined that there is sufficient margin in the recovery of the goodwill recognized by the Group. Additionally, it was also confirmed that in all the scenarios indicated there would be no impairment assignable to the CIE Forging Europe segment.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The growth and discount rates are assumptions based on external factors on which the Group does not have the capacity to act; in this sense, a more conservative assessment of such factors is carried out to verify that any significant variation would not result at risk the recoverability of assets subject to evaluation. The assumptions used to estimate the discount rate and the perpetual growth rate have not historically shown significant deviations, which is why it is considered that 10% of the discount rate and the reductions made to the growth rate are sufficiently conservative considerations for the purpose of sufficiently stressing the impairment assessment performed.

The Group's track record in the Automotive business has shown that its annual budgets and strategic plans (from which projections for impairment analyses are taken) are modest and have been comfortably met, and even improved always. Therefore, the Group considers that a cut of 10 percentage points cut in its gross operating margins is more than sufficient for sensitivity analyses.

e) Assessment update as of 30th June 2023

The Group assessed goodwill for impairment in 2022 verifying that no value adjustment was needed to be registered according to the assumptions used and different sensitivity scenarios raised in the analysis carried out.

As of 30th June 2023, the Group has updated the cash flows forecasted in 2022 with the results for the year 2022, as well as the most up-to-date forecasts available. Accordingly, the cashflows generated by the Group's businesses have not changed significantly at the lowest level of the impairment assessment, and therefore, as of 30th June 2023, it can be affirmed that there is no evidence which could raise to a goodwill impairment.

With the external and internal information currently available, and with enough margin existing in the recovery of goodwill, it is not considered that possible future macroeconomic and political developments, in addition to those already contemplated in the projections, such as higher raw material and energy costs, could substantially modify the conclusion of the impairment assessment carried out. Additionally, the projections made by each business unit include the effects that the measures adopted by the Group on energy transition, the actions carried out related to eco-efficiency and the impacts derived from the policies will have on their generation of cash flows. of public administrations to combat climate change.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

7. Financial assets and derivatives

Movements in the Group's financial assets as of 30th June 2023 and 2022 are as follows:

| Thousand euro | 30 th June 2023 | | | | | | AMORTISED COST/FAIR VALUE ADJUSTMENTS | | RESULTS IN JOINT ARRANGEMENTS AND ASSOCIATES | 30.06.2023 |
|--|----------------------------|--|--------------|-----------------|--------------------------------|---------------------|--|--------------|--|----------------|
| | 31.12.2022 | ADDITIONS IN CONSOLIDATION SCOPE | ADDITIONS | DISPOSALS | TRANSFERS AND OTHERS (*) | INCOME STATEMENT | EQUITY | | | |
| Valued at their amortized cost | | | | | | | | | | |
| Deposits | 85,410 | 268 | 782 | (28,702) | (1,088) | - | - | - | - | 56,670 |
| Current credits | 17,423 | 1,811 | 50 | - | 113 | - | - | - | - | 19,397 |
| Non-current credits | 15 | 6,563 | 202 | (15) | 120 | - | - | - | - | 6,885 |
| Down-payments (Note 14) | 6,500 | - | - | - | - | - | - | - | - | 6,500 |
| Total loans and receivables at amortized cost | 109,348 | 8,642 | 1,034 | (28,717) | (855) | - | - | - | - | 89,452 |
| Valued at fair value | | | | | | | | | | |
| Non-Current credits (Note 14) | 14,588 | - | 4,222 | - | - | (484) | - | - | - | 18,326 |
| Asset derivatives – Exchange rates | - | - | - | - | (1) | 126 | - | - | - | 125 |
| Liability derivatives – Exchange rates | (140) | - | - | - | 2 | - | - | - | - | (138) |
| Asset derivatives – Equity Swap | - | - | - | - | - | 2,008 | - | - | - | 2,008 |
| Liability derivatives – Equity Swap | (5,872) | - | - | - | - | 5,872 | - | - | - | - |
| Liability derivatives – interest rate swaps | 1,347 | - | - | (729) | - | 729 | (1,347) | - | - | - |
| Credits and derivatives | 9,923 | - | 4,222 | (729) | 1 | 8,251 | (1,347) | - | - | 20,321 |
| Investment in joint arrangements and associates | 57,929 | - | 572 | - | (4,611) | - | - | 4,115 | - | 58,005 |
| TOTAL | 177,200 | 8,642 | 5,828 | (29,446) | (5,465) | 8,251 | (1,347) | 4,115 | - | 167,778 |

(*) It mostly includes the effect of currency exchange change on the financial assets of foreign affiliates and transfers, as well as the dividends distributed by the associates companies.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| 30 th June 2022 | | | | | | | | |
|--|----------------|--------------|-----------------|-----------------------------|--|------------|--|----------------|
| Thousand euro | 31.12.2021 | ADDITIONS | DISPOSALS | TRANSFERS AND OTHERS (*) | AMORTISED COST/FAIR VALUE ADJUSTMENTS | | RESULTS IN JOINT ARRANGEMENTS AND ASSOCIATES | 30.06.2022 |
| | | | | | INCOME STATEMENT | EQUITY | | |
| Valued at their amortized cost | | | | | | | | |
| Deposits | 73,674 | 405 | (49,427) | 1,644 | (130) | - | - | 26,166 |
| Current credits | 19,618 | 192 | (901) | 274 | - | - | - | 19,183 |
| Non-current credits | 15 | - | - | - | - | - | - | 15 |
| Down-payments (Note 14) | 7,800 | - | - | - | - | - | - | 7,800 |
| Total loans and receivables at amortized cost | 101,107 | 597 | (50,328) | 1,918 | (130) | - | - | 53,164 |
| Valued at fair value | | | | | | | | |
| Current credits (Note 14) | 20,465 | - | (874) | - | 152 | - | - | 19,743 |
| Asset derivatives – Exchange rates | 22 | - | - | 2 | - | - | - | 24 |
| Liability derivatives – interest rate swaps | - | - | - | - | - | 740 | - | 740 |
| Asset derivatives – Equity Swap | 4,541 | - | - | - | (4,541) | - | - | - |
| Liability derivatives – Equity Swap | - | - | - | - | (2,819) | - | - | (2,819) |
| Credits and derivatives | 25,028 | - | (874) | 2 | (7,208) | 740 | - | 17,688 |
| Investment in joint arrangements and associates | 48,399 | 1,704 | - | 641 | - | - | 5,212 | 55,956 |
| TOTAL | 174,534 | 2,301 | (51,202) | 2,561 | (7,338) | 740 | 5,212 | 126,808 |

(*) It mostly includes the effect of currency exchange change on the financial assets of foreign affiliates and transfers, as well as the dividends distributed by the associates companies.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

a) Debt instruments

Term deposits and loans accrue interests at a market interest rate of the country where the financial asset is held.

The maximum exposure to credit risk at the date of presentation of consolidated interim information is the carrying amount of the assets.

Debt instruments valued at amortized cost do not differ from their fair value.

b) Financial derivatives instruments

• Interest rate swaps and others

During the year 2022, the Group contracted new interest rate swaps which has been liquidated in the first half of 2023 for an amount of €729 thousand. The amounts of the principal of the interest rate swap agreements (from variable to fixed) outstanding as of 31st December 2022 amount to €50,000 thousand, with a value of €1,347 thousand and were classified as hedging instruments.

• Equity swap

On 6th August 2018 the parent company arranged a new swap associated with the listed share price of CIE Automotive, S.A., which was novated on 28th December 2022. The underlying asset of the operation amounts to 2 million shares with an initial value of €25.09 per share. This underlying's valuation amounts to €2,008 thousand positive at 30th June 2023 (€5,872 thousand negative at 31st December 2022), and is due in 2028.

c) Investments in joint arrangements and associates

The companies of the Group, both associates and joint ventures, consolidated under the equity method, are as follows:

| | Effective interest % | |
|--|----------------------|------------|
| | 30.06.2023 | 31.12.2022 |
| Galfor Eólica, S.L. | 16% | 16% |
| Gescrap - Autometal Comercio de Sucatas, Ltda. | 30% | 30% |
| Gescrap Autometal México, S.A. de C.V. | 30% | 30% |
| Soluciones de Gestión de Residuos Mexicana, S.A. de C.V. | 30% | 30% |
| Ges Trading Nar, S.A. de C.V. | 30% | 30% |
| Gescrap India Pvt, Ltd. | 20% | 20% |
| Clean Max Deneb Power, LLP | 17% | 17% |
| Sunbarn Renewables Pvt., Ltd. | 17% | 17% |
| ReNew Surya Alok Pvt., Ltd. ⁽¹⁾ | 21% | 21% |
| Strongsun Solar Pvt. Ltd. ⁽¹⁾ | 18% | 18% |
| Shanghai Golde Automotive Parts Co., Ltd. | 50% | 50% |
| Golde Automotive Parts (Ningde) Co., Ltd. | 50% | 50% |
| Basquevolt, S.A. ⁽²⁾ | 17% | 17% |

(1) Subsidiary company of Gescrap Autometal México, S.A. de C.V. without activity (dormant).

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The detail of the main investments in joint ventures and associates, and their contribution to the results of the Group is as follows:

| Thousand euro | 30 th June 2023 | | | 31 st December 2022 | | |
|--|----------------------------|------------------------|-----------------------|--------------------------------|------------------------|-----------------------|
| | Investment value | Share in profit/(loss) | Dividends distributed | Investment value | Share in profit/(loss) | Dividends distributed |
| Shanghai Golde Automotive Parts Co., Ltd. ^(*) | 38,191 | 1,983 | - | 39,161 | 4,312 | 3,138 |
| Gescrap de México associates | 8,415 | 1,088 | 706 | 8,185 | 3,764 | 1,650 |
| Gescrap - Autometal Comercio de Sucatas, Ltda. | 5,832 | 1,044 | 1,060 | 5,546 | 3,089 | 2,130 |
| Other | 5,567 | - | - | 5,037 | 267 | - |
| Total | 58,005 | 4,115 | 1,766 | 57,929 | 11,432 | 6,918 |

(*) As of 30th June 2023 and 31st December 2022, a dividend amounting to approximately €2 million, expected to be collected in the year 2023.

There are no significant restrictions on the ability to access to those assets. There are no contingent liabilities related to these investments in associates. None of these companies is listed on a stock exchange.

The complete detail, at 100%, of the assets and liabilities of the joint business Shanghai Golde Automotive Parts, Co. Ltd. as of 30th June 2023 and 31st December 2022, as well as the results generated for the six-month period ended 30th June 2023 and 2022, is as follows:

| Balance sheet (Thousand euro) | 30.06.2023 | 31.12.2022 | Balance sheet (Thousand euro) | 30.06.2023 | 31.12.2022 |
|-------------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| Non-current assets | 27,288 | 20,080 | Equity | 18,949 | 16,673 |
| Current assets | 58,355 | 74,325 | Non-current liabilities | 14,552 | 6,207 |
| | | | Current liabilities | 52,142 | 71,525 |
| Total assets | 85,643 | 94,405 | Total liabilities | 85,643 | 94,405 |

| Income statement (Thousand euro) | 30.06.2023 | 30.06.2022 |
|--|--------------|--------------|
| Revenue | 50,826 | 54,650 |
| Operating profit | 5,112 | 2,932 |
| Profit before tax | 5,320 | 2,938 |
| Profit from continuing operations | 3,966 | 2,223 |
| Other comprehensive income | 3,966 | 2,223 |

8. Cash and cash equivalents

Cash and other cash equivalents at 30th June 2023 and 31st December 2022 break down as follows:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|------------------------|----------------|----------------|
| Cash in hand and banks | 379,135 | 473,390 |
| Current bank deposits | 295,917 | 258,663 |
| TOTAL | 675,052 | 732,053 |

Current bank deposits relate to investments of cash surpluses maturing in less than three months or available immediately. These deposits earn interest at a market rate depending on the currency.

The Group does not have significant bank accounts of cash and cash equivalents restricted as of 30th June 2023 and 31st December 2022.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The carrying amount of cash at Group companies is denominated in the following currencies:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|--------------------|----------------|----------------|
| Euro | 123,341 | 73,081 |
| US dollar | 117,462 | 142,328 |
| Chinese yuan | 277,744 | 352,079 |
| Brazilian real | 125,016 | 132,336 |
| Indian rupee | 9,672 | 8,581 |
| Mexican peso | 3,875 | 4,567 |
| South African rand | 11,257 | 12,392 |
| Other | 6,685 | 6,689 |
| TOTAL | 675,052 | 732,053 |

9. Disposal groups classified as held for sale and discontinued operations

a) German Forging business

On 14th December 2022, the Board of Directors of CIE Automotive India, Ltd. (previously named Mahindra CIE Automotive, Ltd.) made the decision to put the German forging business up for sale, corresponding to the company CIE Forging Germany GmbH and its subsidiaries after receiving offers from potential buyers of this business. As of 30th June 2023, the Group is still negotiating the sale of this subgroup, which is considered likely to be executed in the short-term.

The Group has classified the assets and liabilities associated with this business as a group of assets and liabilities held for sale, classifying the income statement of all business companies to discontinued operations.

Following the accounting standards, as of 30th June 2023, the Group has updated the fair value of CIE Forging Germany, GmbH and its subsidiaries' consolidated net assets to realizable value, according to its best available estimation of the sale price which will outcome from the negotiations expected to come to an end in the third quarter. During the six-month period finalized on 30th June 2023, the net profit of this business, after the applicable valuation adjustments, has amounted to €16.2 million.

The detailed summary of assets and liabilities classified as held for sale relating to this business as of 30th June 2023 is as follows:

| ASSETS (Thousand euro) | 30.06.2023 | LIABILITIES (Thousand euro) | 30.06.2023 |
|-----------------------------------|---------------|--|---------------|
| Non-current assets | 36,689 | Non-current liabilities | 40,267 |
| Property, plant and equipment | 31,017 | Non-current provisions | 16,025 |
| Other intangible assets | 56 | Non-current borrowings | 10,000 |
| Non-current financial assets | 41 | Deferred tax liabilities | 3,418 |
| Deferred tax assets | 5,575 | Other non-current liabilities | 10,824 |
| Current assets | 60,828 | Current liabilities | 40,530 |
| Inventory | 40,191 | Current borrowings | 1,167 |
| Trade and other receivables | 11,726 | Trade and other payables | 24,321 |
| Other current assets | 1,477 | Current tax liabilities | 5,592 |
| Current tax assets | 3,475 | Current provisions | 1,809 |
| Cash and cash equivalents | 3,959 | Other current liabilities | 7,641 |
| TOTAL ASSETS⁽¹⁾ | 97,517 | TOTAL LIABILITIES⁽¹⁾ | 80,797 |

⁽¹⁾ The intercompany assets and liabilities eliminated for the presentation on these Consolidated Financial Statements amount to €28,900 thousand and €542 thousand, respectively.

b) Business of biofuels

In September 2018, the Board of Directors of CIE Automotive, S.A. after receiving various offers to buy the companies of biofuels made the decision to discontinue this entire business. On 28th March 2019, it was formalized the sale of the company Bionor Berantevilla, S.L.U. and the assets of Biosur Transformación, S.L.U. After the sale, the consolidated net assets allocated to the biofuel business are not significant. Additionally, on the 1st December 2021, the companies Biodiesel del Mediterráneo, S.L.U. and Reciclados Ecológicos de Residuos, S.L.U. were liquidated.

As of 30th June 2023 and 31st December 2022, the Group keeps the assets and liabilities associated with this business classified as a group of assets and liabilities held for sale, the value of which has not changed significantly.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

c) British forging business – Stokes

In September 2018, the Board of Directors of Mahindra CIE Automotive, Ltd. made the decision to sell its British forging business, corresponding to the company Stokes Group Limited. After this decision, the Group carried out the discontinuation of the assets and liabilities of said company, classifying them as a group of assets and liabilities available for sale, reclassifying the income statement account of said company within discontinued operations.

As of 31st December 2022, most of company's assets which were classified as held for sale had already been disposed. On 17th April 2023, the company Stokes Group Limited has been liquidated, after the disposal of all assets related to the business.

The following is the discontinued income statement for the six-month period ended 30th June 2023 and 2022:

| Thousand euro | Six-month period ended 30 th June | |
|--|--|---------------------|
| | 2023 | 2022 ^(*) |
| OPERATING REVENUE | 142,935 | 127,243 |
| Revenue | 118,862 | 119,106 |
| Other operating income | 16,381 | 10,121 |
| Change in inventories of finished goods and work in progress | 7,692 | (1,984) |
| OPERATING EXPENSES | (118,799) | (124,669) |
| Consumption of raw materials and secondary materials | (65,281) | (69,499) |
| Employee Benefit expenses | (25,481) | (28,097) |
| Depreciation, amortisation, and impairment | (18,252) | (3,568) |
| Other operating expenses | (9,785) | (23,505) |
| OPERATING PROFIT | 24,136 | 2,574 |
| Finance costs | (867) | (1,086) |
| Net exchange differences | (973) | 36 |
| PROFIT BEFORE TAXES | 22,296 | 1,524 |
| Corporate income tax | (6,072) | (470) |
| PROFIT FOR THE YEAR FROM DISCONTINUED ACTIVITIES | 16,224 | 1,054 |

(*) Recasted figures, refer to Note 3.

As of 30th June 2023 and 2022, the disclosure of revenue from discontinued activities per geographic area is as follows:

| Thousand euro | Six-month period ended 30 th June | |
|----------------|--|---------------------|
| | 2023 | 2022 ^(*) |
| Rest of Europe | 116,284 | 115,358 |
| Spain | 2,578 | 3,748 |
| REVENUE | 118,862 | 119,106 |

The information of the assets and liabilities of the disposable group classified as held for sale related to discontinued activities described above are summarized in the following table on 30th June 2023 and 31st December 2022:

| ASSETS (Thousand euro) | 30.06.2023 | 31.12.2022 | LIABILITIES (Thousand euro) | 30.06.2023 | 31.12.2022 |
|--------------------------------|---------------|----------------|--------------------------------|---------------|---------------|
| Non-current assets | 37,384 | 54,665 | Deferred income | 359 | 1,486 |
| Property, plant, and equipment | 31,302 | 48,619 | Non-current liabilities | 40,619 | 37,835 |
| Other intangible assets | 59 | 73 | Non-current provisions | 16,025 | 16,126 |
| Non-current financial assets | 65 | 68 | Non-current borrowings | 10,000 | 10,000 |
| Deferred tax assets | 5,958 | 5,553 | Deferred tax liabilities | 3,770 | 352 |
| Other non-current assets | - | 352 | Other non-current liabilities | 10,824 | 11,357 |
| Current assets | 61,780 | 59,536 | Current liabilities | 41,391 | 44,464 |
| Inventory | 40,368 | 35,948 | Current borrowings | 1,167 | 322 |
| Trade and other receivables | 11,833 | 10,605 | Trade and other payables | 24,710 | 26,598 |
| Other current assets | 1,484 | 1,131 | Current tax liabilities | 5,828 | 1,605 |
| Current tax assets | 3,976 | 1,478 | Current provisions | 1,809 | 4,892 |
| Current financial assets | - | 174 | Other current liabilities | 7,877 | 11,047 |
| Cash and cash equivalents | 4,119 | 10,200 | | | |
| TOTAL ASSETS | 99,164 | 114,201 | TOTAL LIABILITIES | 82,369 | 83,785 |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The consolidated cash flow statement for discontinued activities for the sixth-month period ended 30th June 2023 and 2022 is as follows:

| Thousand euro | Six-month period ended 30 th June | |
|---|---|----------------|
| | 2023 | 2022 |
| PROFIT BEFORE TAXES | 22,296 | 1,524 |
| Adjustments to year's profit | 19,681 | 4,618 |
| Depreciation, amortisation and impairment | 18,252 | 3,568 |
| Finance profit/(loss) and exchange rate differences | 1,840 | 1,050 |
| Other adjustments to year's profit | (411) | - |
| Changes in working capital | (17,176) | 4,678 |
| Net variation of provisions | (3,316) | 511 |
| Other changes in net working capital | (13,860) | 4,167 |
| Other cash flows from operating activities | (671) | (1,607) |
| Interests paid and collected | (671) | (1,607) |
| CASH FLOWS FROM OPERATING ACTIVITIES | 24,130 | 9,213 |
| Acquisition of property, plant and equipment and intangible assets | (2,050) | (2,238) |
| Financial assets movement | 177 | - |
| Proceeds from the sale of property, plant and equipment and intangible assets | 421 | 9 |
| CASH FLOWS FROM INVESTING ACTIVITIES | (1,452) | (2,229) |
| Income (net of reimbursements) from high-rotation borrowings | (28,055) | (4,596) |
| Lease payments | (704) | (948) |
| CASH FLOWS FROM FINANCING ACTIVITIES | (28,759) | (5,544) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (6,081) | 1,440 |
| Cash and equivalents at beginning of the period | 10,200 | 6,711 |
| Cash and equivalents at end of the period | 4,119 | 8,151 |

10. Equity

10.1 Capital, share premium and treasury share

The variations for the six-month period ended on 30th June 2023 and 2022 of the number of shares, the share capital, the treasury shares and the share premium have been as follows:

| Movements in thousand euro | 30 th June 2023 | | | | |
|-----------------------------------|----------------------------|------------------|--------------------|------------------|----------------|
| | No. shares (thousands) | Share capital | Treasury shares | Share premium | Total |
| At 31 st December 2022 | 122,550 | 30,637 | (60,326) | 152,171 | 122,482 |
| Acquisition of treasury shares | - | - | (2,102) | - | (2,102) |
| Sale of treasury shares | - | - | 4,790 | - | 4,790 |
| Share capital reduction | (2,743) | (685) | 57,117 | - | 56,432 |
| 30th June 2023 | 119,807 | 29,952 | (521) | 152,171 | 181,602 |
| Movements in thousand euro | 30 th June 2022 | | | | |
| | No. shares (thousands) | Share capital | Treasury shares | Share premium | Total |
| At 31 st December 2021 | 122,550 | 30,637 | (401) | 152,171 | 182,407 |
| Acquisition of treasury shares | - | - | (69,786) | - | (69,786) |
| Sale of treasury shares | - | - | 11,466 | - | 11,466 |
| 30th June 2022 | 122,550 | 30,637 | (58,721) | 152,171 | 124,087 |

a) Share capital

The share capital of CIE Automotive, S.A. at 31st December 2022 was represented by 122,550,000 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market. On 30th March 2023, a reduction of the share capital amounting €685 thousand was carried out through the redemption of 2,742,516 treasury shares, acquired during 2022. After that operation, the share capital of the parent company as of 30th June 2023 is represented by 119,807,484 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the Madrid stock market.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

AS of 30th June 2023 and 31st December 2022, the most relevant participations in the share capital of CIE Automotive S.A., that is, the companies that, directly or indirectly, participate in the share capital in a percentage equal to or greater than 10%, are the following:

| Interest % | 30.06.2023 | 31.12.2022 |
|---|------------|------------|
| Acek Desarrollo y Gestión Industrial, S.L. ^(*) | 16.05% | 15.69% |
| Corporación Financiera Alba, S.A. | 13.66% | 13.35% |
| Elidoza Promoción de Empresas, S.L. | 10.58% | 10.34% |

(*) 5.93% and 5.79% directly; 10.12% and 9.90% indirectly, through Risteel Corporation, B.V. as of 30th June 2023 and 31st December 2022 respectively.

The stock price of the parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €28.00 at 30th June 2023 (last listed session of the period).

b) Share premium

This reserve is freely available for distribution.

c) Treasury shares

The movement of treasury shares during the periods ended on 30th June 2023 and 2022 is broken down in the following table:

| | 30 th June 2023 | | 30 th June 2022 | |
|-------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| | Number of shares | Amount (Thousand euro) | Number of shares | Amount (Thousand euro) |
| Opening balance | 2,919,127 | 60,326 | 15,244 | 401 |
| Acquisition | 78,389 | 2,102 | 3,271,524 | 69,786 |
| Disposal | (230,000) | (4,790) | (442,238) | (11,466) |
| Share capital reduction | (2,742,516) | (57,117) | - | - |
| Ending balance | 25,000 | 521 | 2,844,530 | 58,721 |

During the first half of 2023, the parent company has sold a net amount of 151,611 treasury shares directly. Likewise, a share capital reduction has been carried out through the redemption of 2,742,516 treasury shares, being the ending balance 25,000 shares as of 30th June 2023 (reaching 0.02% of the total voting rights issued by the Company), which are added to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.67% of the total voting rights). During the first half of 2022, the Company acquired a net amount of 2,829,286 treasury shares directly, up to a total of 2,844,530 titles (2.32% of the total voting rights issued by the Company), which are in addition to the indirect participation resulting from the equity swap agreement signed in the year 2018 with Banco Santander, S.A. for the acquisition of 2,000,000 shares (equivalent to 1.63% of the total voting rights).

Also, rescinding the resolution adopted by the General Meeting of Shareholders on 28th April 2022 for the unexecuted part, the General Meeting of Shareholders on 4th May 2023 agreed to authorize the Company, directly or through any of its subsidiaries, for a maximum of five years from the date of the General Meeting of Shareholders, to acquire, at any time and as many times as it deems appropriate, shares of CIE Automotive, S.A., by any means permitted by Law, including against profits for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and related provisions of the Corporate Enterprises Act.

Under this authorization framework, on 4th May 2023, the Company's General Shareholders' Meeting approved a program to repurchase the Company's treasury shares in order to reduce up to a maximum of 10% of the parent company's share capital through the redemption of treasury shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

d) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding in the period, excluding treasury shares acquired by the parent company.

| | 30.06.2023 | 30.06.2022 |
|--|--------------|--------------|
| Profit attributable to the parent company's shareholders (thousand euro) | 178,279 | 160,269 |
| Profit / (loss) from discontinued operations attributable to the parent company's shareholders (thousand euro) (*) | 10,829 | 910 |
| Weighted average number of ordinary shares outstanding (thousand) | 119,678 | 121,284 |
| BASIC EARNINGS | 1.490 | 1.322 |
| Basic earnings per share from continuing activities (euro per share) | 1.399 | 1.314 |
| Basic earnings per share from discontinued activities (euro per share) | 0.091 | 0.008 |

(*) The profit/(loss) from discontinued operations of the Group (six-month period ended 30th June 2023 and 2022: €16,224 thousand and €1,054 thousand respectively) which corresponds to the shareholders of the parent company is €10,829 thousand on 30th June 2023 and €910 thousand on 30th June 2022 (Note 9).

e) Dividend per share

On 4th May 2023, the General Meeting of Shareholders of CIE Automotive, S.A. has agreed to distribute the individual result for the 2022 year, approving the distribution of a complementary dividend of €0.42 gross per share entitled to a dividend, which has meant a total of €50,189 thousand. The disbursement has been made effective on 7th July 2023.

On 15th December 2022, the Board of Directors of CIE Automotive, S.A. approved the payment of an interim dividend charged to the profit of the year 2022 for an amount of €0.41 per share, which meant a total of €49,049 thousand. The payment has been effective on 5th January 2023.

On 28th April 2022, the General Meeting of Shareholders of CIE Automotive, S.A. agreed the distribution of the individual result for the 2021 year, approving the distribution of a complementary dividend of €0.36 gross per share entitled to a dividend, which amounted to a total of €43,094 thousand. The disbursement was effective on 6th July 2022.

On 15th December 2021, the Board of Directors of CIE Automotive, S.A. agreed to distribute the result for the 2021 year of the parent company, approving the distribution of an interim dividend of €0.36 gross per share entitled to a dividend, implying a total pay-out of €44,113 thousand. The disbursement was effective on 5th January 2022.

II. Borrowings

The detail of the resources of the Group as of 30th June 2023 and 31st December 2022, classified by concept is as follows:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|---|------------------|------------------|
| Bank borrowings (a) | 1,436,641 | 1,669,109 |
| Non-current borrowings | 1,436,641 | 1,669,109 |
| Bank borrowings (a)) | 256,214 | 239,156 |
| Commercial paper programme (b) | 259,400 | 196,900 |
| Discounted bills pending maturity and prepayments on export bills | 33,940 | 35,957 |
| Current borrowings | 549,554 | 472,013 |
| TOTAL BORROWINGS | 1,986,195 | 2,141,122 |

The Group's policy is to diversify its financing sources. There is no concentration of loan/credit risk in respect of its bank borrowings as the Group works with multiple entities.

The exposure of the Group's bank borrowings to interest rate changes is as follows:

| Thousand euro | Note | Period-end balance | Over 1 year | Over 5 years |
|--|------|--------------------|----------------|---------------|
| Total borrowings | | 1,986,195 | 1,436,641 | 129,030 |
| Total borrowings at fixed interest rate | | (1,191,995) | (729,082) | (96,897) |
| Risk at 30th June 2023 | | 794,200 | 707,559 | 32,133 |

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

| Thousand euro | Note | Period-end balance | Over 1 year | Over 5 years |
|--|------|--------------------|----------------|---------------|
| Total borrowings | | 2,141,122 | 1,669,109 | 147,105 |
| Total borrowings at fixed interest rate | | (1,052,689) | (748,050) | (103,103) |
| Interest rate swap impact | 7 | (50,000) | - | - |
| Risk at 31st December 2022 | | 1,038,433 | 921,059 | 44,002 |

a) Bank borrowings

Non-current borrowings have the following maturities:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|-------------------------------------|------------------|------------------|
| Between 1 and 2 years | 369,315 | 701,348 |
| Between 3 and 5 years | 938,296 | 820,658 |
| Over 5 years | 129,030 | 147,103 |
| TOTAL NON-CURRENT BORROWINGS | 1,436,641 | 1,669,109 |

The effective interest rates at the balance sheet dates are the usual market rates (benchmark rate plus a market spread) and there are no significant differences with respect to other companies of a similar size and with similar risk and borrowing levels.

Bank borrowings carry interest at market rates, by currency, plus a spread that ranges between 95 and 750 basis points as of 30th June 2023 (40 and 600 as of 31st December 2022).

The carrying amounts and fair values of current and non-current borrowings do not differ significantly since an important portion thereof has been arranged recently and, in all cases, they accrue interest at market rates; note additionally the effect of the interest-rate hedges described in Note 7.

The carrying amount of the Group's borrowings is denominated in the following currencies:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|-------------------------|------------------|------------------|
| Euro | 1,771,552 | 1,901,529 |
| US Dollar | 195,000 | 220,327 |
| Others | 19,643 | 19,266 |
| TOTAL BORROWINGS | 1,986,195 | 2,141,122 |

At 30th June 2023 the Group had drawn credit lines with financial institutions for an amount of €11 million (31st December 2022: €117 million). The total limit of the aforementioned lines of credit amounts to €772 million (31st December 2022: €794 million), so it has €761 million (31st December 2022: €677 million) of loans and credit lines undrawn at a fixed and floating interest rate.

| Thousand euro | 30.06.2023 | 31.12.2022 |
|--|----------------|----------------|
| Expiring within one year | 203,517 | 154,918 |
| Expiring beyond one year | 557,820 | 521,990 |
| TOTAL AVAILABLE LINES OF CREDIT AND LOANS | 761,337 | 676,908 |

Syndicated loan 2014

On 28th July 2014 CIE Automotive, S.A. entered into a new financing arrangement with a syndicate of six financial institutions for €450 million. The amortisation period stood at 5 years, with an average term of 4.7 years. This improved the average term of the Group's financing and also the economic terms and conditions of the former syndicated financing agreement. The subsequent amendments related to this financing were the following:

- On 13th April 2015 the syndicated loan was novated and a decrease in the initially negotiated spread was agreed. Similarly, it was agreed to extend the maturity periods, establishing the new final maturity date in April 2020.
- On 14th July 2016, the parent company signed a second novation with respect to the syndicated financing agreement. According to this novation, the total amount was increased by €150 million, to €600 million, the maturity period was extended for another year, the last payment therefore being due in April 2021 and a change was agreed in the margin initially negotiated and novated in 2015.
- On 6th June 2017, the parent company signed a third novation with respect to the syndicated financing agreement. According to this novation, the maturity period was extended by one year for most of finance institutions, being the last payment due in April 2022.
- On 27th April 2018, the parent company signed a fourth novation of this syndicated financing agreement. According to this novation, the maturity period was extended by one year, being the last payment due in April 2023.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

- On 12th April 2019, the parent company has signed a fifth novation with respect to the syndicated agreement. According to this novation, the limit has been increased by €90 million, reaching a total of €690 million; and the maturity has been extended until April 2024.
- On 27th February 2020, the parent company requested the extension of the maturity date until 13th April 2025, being approved by most of the financing entities.
- In June 2020, this finance agreement became a sustainable loan valued by an external agent annually with its subsequent adjustment to the margin based on the improvement of the annual ratios of the Group's Environmental, Social and Governance criteria.
- On 16th June 2021, the extension of this financing until April 2026 was signed, and said extension was unanimously approved by the financing entities.
- On 6th June 2022, the extension of this financing until April 2027 was signed, a new extension was unanimously approved by the financing entities.
- On 7th June 2023, the extension of this financing until April 2028 has been signed. This renewal prioritises sustainable financing as long as it continues to be tied to criteria for the improvement of the evolution of the activity in Environmental, Social and Governance (ESG) terms. The extension has been unanimously approved by the financing entities.

The drawn amount of this syndicated financing agreement on 30th June 2023 amounted to €250 million (31st December 2022: €340 million), and its interest rate is indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

Other financing agreements

On 14th July 2016, the Parent company arranged a new loan with several financial and insurance institutions amounting to €85 million and with final maturity in 10 years. Part of this finance agreement was contracted to a fixed interest rate, and the other part to a floating interest rate indexed to Euribor. In July 2021, a 2-year extension was signed for this financing, bringing the final maturity to 2028 and becoming the same at a fixed market interest. The balance disposed to 30th June 2023 and 31st December 2022 amounts to €68 million.

In 2014 and 2018, the Group signed financing agreements with the European Investment Bank (EIB) to finance various research and development projects in the automotive components sector. During the first half year of 2021 the Group paid-out the finance agreement signed in 2014. In addition, in September 2020 CIE Automotive, S.A. signed a finance agreement with this institution amounting to €40 million, due in 2030. The final maturity of these financings is in 2031 and the outstanding balance as of 30th June 2023 amounts to €102 million (31st December 2022: €108 million).

On 5th July 2018 the Group signed a financing contract amounting to USD150 million with International Finance Corporation (World Bank Group) and EDC (Export Development of Canada). This funding has a maturity of 10 years and aims to support sustainable growth of the CIE Automotive Group in Mexico in the coming years. On 30th June 2023 the drawn amount of such funding is €92 million approximately (31st December 2022: €106 million approximately).

All these financing facilities are subject to compliance with different financial ratios usual for these contracts in the market. As of 30th June 2023 and 31st December 2022, the Group complies with all the obligations that, in accordance with the financing contracts, were in force and were payable by the different lenders as of that date.

The rest of the Group's financing relates mainly to non-structural financing contracted by the parent company under market conditions. In addition to these, other significant financing agreements are as follows:

- On 11th May 2016, the Group, through its US subsidiary CIE Investments USA, Inc., arranged two loans of USD35 million each, with maturity of 3 and 5 years, respectively, at a floating interest rate, linked to a market interest rate. In 2020 and 2021, renovations were carried out, renewing one of the loans amounting to USD35 million due in 2024. The balance as of 30th June 2023 amounts to €32 million (31st December 2022: €33million).
- In June 2018, the Group contracted a new loan of USD50 million from a financial institution, through the Mexican subsidiary CIE Automotive de México, S.A.P.I. de C.V., for a five years term and an eleven-month grace period, at a floating interest rate linked to a market interest rate, on conditions in line with current market price parameters. This loan has been paid back in the first half of 2023 (31st December 2022: €6 million).

In its commitment to sustainability and in accordance with its strategic plan, the Group has been incorporating sustainable financing criteria into its financing in its objective for 2025 of obtaining more than half of the Group's gross debt classified as sustainable debt.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

In the first semester of 2023, the Group has repaid €248 million (2022: €101 million) and has been arranged €110 million of financing agreements, including those disclosed above (2022: €174 million).

b) Commercial paper program

On 19th July 2018, the parent company of the Group made public the formalization of a program of issuance of commercial paper program with a maximum amount of €200 million, which was registered in the Ireland Stock Market and which will serve as diversification of financing of working capital needs of the Group and as an alternative to bank financing for this purpose. On 18th July 2019, the program was renewed increasing the maximum amount to €300 million. On 18th March 2020, the maximum amount was increased to €400 million and on 21st July 2020 the program was renewed. As of 30th June 2023, the drawn balance amounts to €259 million (€197 million as of 31st December 2022).

12. Provisions

The detail of the provisions as of 30th June 2023 and 31st December 2022 is as follows:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|---|----------------|----------------|
| Provisions for commitments with employees | 41,009 | 40,368 |
| Other provisions | 244,173 | 268,449 |
| TOTAL | 285,182 | 308,817 |

12.1 Provisions for commitments with employees

Set out below is a breakdown of employee benefit provisions classified by country:

| Thousand euro | 30.06.2023 | 31.12.2022 |
|-----------------------|---------------|---------------|
| Germany (*) | 30,845 | 30,629 |
| India | 7,413 | 6,915 |
| Italy | 2,525 | 2,652 |
| México | 226 | 172 |
| TOTAL PENSIONS | 41,009 | 40,368 |

(*) As of 30th June 2023, €17.5 million related to pension liabilities in Germany were classified as "group of liabilities held for sale" (Note 9) (31st December 2022 €17.6 million).

No significant updates took place to the actuarial and financial assumptions to the ones disclosed in Note 19 of the Consolidated Annual Accounts for the year 2022.

The main commitments of post-employment plans and other long-term benefits to the personnel that several companies in the Group guarantee to certain groups disclosed by country are the following ones:

- 1) Post-employment benefit plans and other long-term employee benefits in Germany fully covered through in-house provisions, such as, length-of-service awards and supplements under phased retirement arrangements.
- 2) Post-employment benefit plans in India which are mostly under in-house provisions: lifetime retirement pensions, retirement awards financed externally under insurance contracts and retirement awards in the event of the termination of the employment contracts.
- 3) Post-employment benefit plans in Italy. The pension model is currently TFR. This was a defined benefit plan that was converted into a defined contribution plan as a result of the Pension Reform which took place in December 2005.

The Group estimates annually, through actuarial studies carried out by independent experts, the amount of the obligation and payments for pension and benefits similar to those that will have to be made in the following year, which are recorded as current liabilities in the Consolidated Balance Sheet.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

The movement of the defined benefit obligation and long-term benefits to personnel during the six-month period ended 30th June 2023 and 2022 has been as follows:

| Thousand euro | 31.12.2022 | CURRENT SERVICES COST | EXPENSES/ (INCOME) BY INTEREST | ASSESSMENT CALCULATION | | | | 30.06.2023 |
|---|---------------|-----------------------|--------------------------------|---|----------------------------------|-----------------|-------------------------|---------------|
| | | | | (PROFIT)/ LOSSES FROM CHANGES IN FINANCIAL ASSETS | (PROFIT)/ LOSSES FROM EXPERIENCE | PAYMENT OF FEES | TRANSLATION DIFFERENCES | |
| Post-employment benefits ⁽ⁱ⁾ | 40,196 | 1,939 | - | (11) | - | (1,258) | (83) | 40,783 |
| Long-term benefits to employees | 172 | 57 | - | - | - | - | (3) | 226 |
| TOTAL PENSIONS | 40,368 | 1,996 | - | (11) | - | (1,258) | (86) | 41,009 |

| Thousand euro | 31.12.2021 | CURRENT SERVICES COST | EXPENSES/ (INCOME) BY INTEREST | ASSESSMENT CALCULATION | | | | 30.06.2022 |
|---|---------------|-----------------------|--------------------------------|---|----------------------------------|-----------------|-------------------------|---------------|
| | | | | (PROFIT)/ LOSSES FROM CHANGES IN FINANCIAL ASSETS | (PROFIT)/ LOSSES FROM EXPERIENCE | PAYMENT OF FEES | TRANSLATION DIFFERENCES | |
| Post-employment benefits ⁽ⁱ⁾ | 78,942 | 1,650 | 308 | 26 | (17) | (1,678) | 177 | 79,408 |
| Long-term benefits to employees | 1,881 | - | - | - | - | - | 12 | 1,893 |
| TOTAL PENSIONS | 80,823 | 1,650 | 308 | 26 | (17) | (1,678) | 189 | 81,301 |

(i) It corresponds to lifetime retirement pensions in Germany and India, as well as retirement awards in India and post-employment benefit plans in Italy and Mexico.

12.2 Other current and non-current provisions

The breakdown of the movements in Group provisions in the first half of 2023 and 2022 is as follows:

| Thousand euro | 30.06.2023 | 30.06.2022 ^(*) |
|---|----------------|---------------------------|
| Opening balance | 308,817 | 331,618 |
| Additions in consolidation scope | 16,734 | - |
| Additions / (Reversals) | (5,976) | 4,107 |
| Income statement | (5,965) | 4,098 |
| Reserves | (11) | 9 |
| Applications | (38,589) | (4,936) |
| Transfers and other movements ^(**) | 4,196 | 9,623 |
| Ending balance | 285,182 | 340,412 |
| NON-CURRENT PROVISIONS | 148,081 | 201,883 |
| CURRENT PROVISIONS | 137,101 | 138,529 |

(*) Includes a credit amounting to €544 thousand classified as discontinued activities as of 30th June 2022.

(**) Mainly relate to exchange rate effects in subsidiaries.

Non-current provisions at 30th June 2023 mainly include the following:

- A €50.4 million provision (31st December 2022: €49.3 million) to cover the operating risks of the business which are considered to be payable in the long term, corresponding in a significant part to liabilities associated with contracts with clients for a value of €7.0 million (31st December 2022: €7.1 million) and the coverage of guarantees negotiated with clients related to the manufacture of solar roofs worth €12.3 million (31st December 2022: €11.7 million).
- A €48.3 million provision (31st December 2022: €37.0 million) corresponding almost entirely to tax contingencies in Brazil, mainly related to taxes and fiscal charges other than corporate tax, of which €1.5 million are on court deposit pending court rulings at 30th June 2023 (31st December 2022: €1.4 million).

The current provisions as of 30th June 2023 are mainly intended to cover operational risks of the business in various Group companies considered payable in the short term (2023: €125.5 million; 31st December 2022: €166.9 million) corresponding in a significant part to the coverage of guarantees negotiated with customers relating to the manufacture of solar roofs worth €57.7 million (31st December 2022: €53.6 million) as well as the coverage of customer claims, recognized at fair value, and which the Group Management estimates will be resolved in the short term.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

Additionally, the heading of other provisions, both non-current and current, includes the provisions established to meet obligations derived mainly from tax claims, litigation and arbitration, compensation and other liabilities and the coverage of risks derived from the development of the business that in the period have been evolved according to each specific case and that in no case do they represent significant isolated amounts.

13. Corporate income tax

The breakdown of the Group's consolidated corporate income tax expense is as follows:

| Thousand euro | 30.06.2023 | 30.06.2022 ^(*) |
|----------------------------|---------------|---------------------------|
| Current period tax | 47,998 | 45,572 |
| Net variation deferred tax | 3,693 | (2,397) |
| Income tax expense | 51,691 | 43,175 |

(*) Recasted figures, refer to Note 3.

Theoretical tax rates vary depending on the location. The main rates are as follows:

| | Nominal rate | |
|-------------------------------|--------------|-----------|
| | 2023 | 2022 |
| Basque Country | 24% | 24% |
| Navarre | 28% | 28% |
| Rest of Spain | 25% | 25% |
| Mexico | 30% | 30% |
| Brazil | 34% | 34% |
| Rest of Europe (average rate) | 15% - 30% | 15% - 30% |
| People's Republic of China | 15% - 25% | 15% - 25% |
| United States of America | 21% | 21% |
| India | 25% | 25% |

Current and deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the amounts recognised under these headings and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Parent company, CIE Automotive, S.A., is taxed under the tax consolidation system in the regional territory of Bizkaia together with the subsidiaries listed below:

- CIE Berriz, S.L.
- Autokomp Ingeniería, S.A.U.
- CIE Mecauto, S.A.U.
- CIE Udalbide, S.A.U.
- Egaña 2, S.L.
- Gameko Fabricación de Componentes, S.A.
- Inyectametal, S.A.
- Leaz Valorización, S.L.U.
- Orbelan Plásticos, S.A.
- Transformaciones Metalúrgicas Norma, S.A.
- Alurecy, S.A.U. (merged with Componentes de Automoción Recytec, S.L.U. on 30th May 2023)
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.
- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- Industrias Amaya Tellería, S.A.U.
- Mecanizaciones del Sur - Mecasur, S.A.
- CIE Automotive Goain, S.L.U.
- CIE Automotive Boroa, S.L.U.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

- CIE Roof Systems, S.L.U.
- Recogida de Aceites y Grasas Maresme, S.L.U
- CIE Golde Holding, S.L.U. (incorporated in the year 2022)

In addition, the following companies tax under the regulation of Spanish Territory Regime:

- Grupo Componentes Vilanova, S.L. (representative of the Tax Group)
- Biosur Transformación, S.L.U.
- Advanced Comfort Systems Ibérica, S.L.U.
- Denat 2007, S.L.U.

Tax Groups in other territories different to Spain are as follows:

- In Germany:
 - o led by the company CIE Forging Germany, GmbH and in which also participate the followings: Gesenkschmiede Schneider GmbH, Jeco Jellinghaus GmbH and Falkenroth Umformtechnik GmbH. As of 1st July 2023, the subsidiaries are no longer part of this tax group.
- In the United States:
 - o led by the company CIE Automotive USA Inc and in which also participate Century Plastics LLC, Newcor, Inc, Owosso Realty, LLC, Corunna Realty, Corp, Clifford Realty, Corp, Machine, Tool and Gear, Inc, Rochester Gear, Inc, CIE Investments USA, Inc., Golde Auburn Hills, LLC and Golde South Africa, LLC.
 - o led by the company Somaschini International Inc. and in which also participate Somaschini North America, LLC. and Somaschini Realty, LLC.
- In Italy: led by the company Somaschini, S.p.A. and in which also participates Somaschini Automotive SRL

The other CIE Automotive Group companies file individual returns.

Generally, the Group companies have their tax returns open to inspection for the years not prescribed in accordance with the various tax laws applicable in each of the Group companies and whose period is set at 4 to 6 years from the date on which the obligation becomes due and the deadline for filing taxes expires.

The corporate income tax legislation applicable to the Parent company of the Group in 2023 and 2022 is the one relating to Bizkaia Regional Regulation 11/2013 (5th December), modified by the Bizkaia Regional Regulation 2/2018, 12th March.

As a consequence of different interpretations of the tax laws, among others, it could appear additional tax liabilities due to the potential tax audits. Notwithstanding, the Company's Directors consider that such tax liabilities, if any, would not have a significant impact on these interim consolidated financial statements.

14. **Related party transactions**

The direct shareholders of the Group (including non-controlling interests), the Directors of the Board, Senior Management, and their close relatives as well as those companies consolidated using the equity method are considered as related parties.

The following transactions were carried out with related parties:

a) Compensation and loans to key management personnel

As of 30th June 2023 and 31st December 2022, the Group's Senior Management was made up of 4 women and 5 men. The total compensation accrued by key management personnel in the six-month period ended 30th June 2023 amounted to €2,485 thousand (30th June 2022: €2,318 thousand). These amounts exclude the compensation related to the members of the Board of Directors.

As explained in Note 22 within the Consolidated Annual Accounts of the Group of the year 2022, the Board of Directors of CIE Automotive agreed in 2018 to implement a plan to allow the participation of certain employees in the company's share capital. The total nominal amount of loans to members of the key management, pending collection as of 30th June 2023 amounts to €8,606 thousand, after the increase of the face value of certain loans (€5,967 thousand as of 31st December 2022). Likewise, Senior Management personnel do not have life or civil liability insurance at the Group's expense.

The Group has entered into no commitments related to pensions or other types of complementary post-employment benefits with key management personnel.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

b) Parent company Directors' compensation

Total compensation to the members of the Board of Directors in the six-month period ended 30th June 2023 has amounted to €21,868 thousand (30th June 2022: €4,713 thousand). The members of the Board of Directors received no compensation in respect of bonuses or profit-sharing arrangements. Nor did they receive shares or sell or exercise stock options or other rights related to pension plans or insurance policies of which they are beneficiaries.

As of 30th June 2023 and 2022, there is no outstanding amount arising from other transactions with these related parties.

The Group has entered into no commitments relating to pensions or other types of complementary retirement remuneration with the Directors of the parent company.

c) Balances and transactions during the period with Group companies and related parties

| Balances in thousand euro | 30.06.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| Receivables from related parties | 54,437 | 30,009 |
| Payables to related parties | (10,926) | (10,813) |
| Loans and credits from related parties | 1,939 | 2,082 |
| Advances to related parties | 6,500 | 6,500 |
| Receivable balances with entities with significant influence | 16,800 | 16,800 |
| Payable balances with entities with significant influence | (34,370) | (34,370) |
| Dividend payable | (50,189) | (49,049) |

| Transactions in thousand euro | 30.06.2023 | 30.06.2022 |
|--|-------------------|-------------------|
| Product sales ^(*) and scrap sales ^(**) | 152,973 | 152,402 |
| Purchases ^(*) | 21,217 | 21,857 |
| Services provided | 989 | 998 |
| Services received | 5,061 | 4,786 |
| Finance expenses | 327 | 273 |

^(*) Both product sales and purchases correspond, mainly, to commercial operations of purchase and sale of pieces with the Mahindra & Mahindra group for an amount of €103 million and €8 million as of 30th June 2023 respectively (€102 million and €12 million respectively as of 30th June 2022).

^(**) Sales of scrap correspond mainly to sales to companies controlled by the Gescrap group (and CIE's associated companies with Gescrap (Note 7)) amounting to €47 million as of 30th June 2023 (30th June 2022: €52 million), and are registered under the heading "Other operating income" on the consolidated income statement. Out of these scrap sales, as of 30th June 2023, €3 million of scrap sales classified as discontinued activities are included (€5 million as of 30th June 2022).

During the six-month period ended 30th June 2022, Mahindra & Mahindra received a dividend from the Group company CIE Automotive India, Ltd. (previously named Mahindra CIE Automotive, Ltd.) amounting to €1,311 thousand.

The balances and transactions as of 30th June 2023 have been broken down according to the definition of related entities applicable to listed companies included in Law 5/2021, and whose entry in force was on 4th July 2021.

- Remuneration based on the share's price

At the General Shareholders' Meeting held on 24th April 2018, the concession was approved, for the CEO, of a long-term incentive based on the evolution of the share price of CIE Automotive, S.A, and modified by an agreement which was approved by the General Shareholders' Meeting on 5th May 2021.

This incentive consisted of the payment of a total remuneration resulting from multiplying 1,450,000 rights by the increase in the value of the share price of CIE Automotive, S.A. during a maximum period of time of 9 years (reference periods), being its initial base quotation of €21.30 per share and the closing value the average of the contribution corresponding to a monthly payment within the established reference periods, in the terms approved by the General Shareholders' Meeting. During the year 2022, the CEO proceeded to partially execute the incentive, so that the amount accrued for said remuneration rose to €2,972 thousand. With this additional partial execution, a base price was set for possible subsequent executions of the incentive at €27.41 per share.

NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2023

At the last General Shareholders' Meeting held on 4th May 2023, a new remuneration plan 2024-2026 to the Board of Directors' members has been approved (applicable starting 4th May 2023) as well as amendments to the terms of this long-term variable compensation, due to the need to adjust the reality of the CEO's long-term incentive to the radical change in the socio-political, socio-economic and geostrategic premises that were taken into account when the compensation package was configured. As a consequence of the approved new policy regarding the Board members remuneration plan 2024-2026 and these amendments, (i) on the one side, in order to compensate the remuneration deficit which has not been reachable given the evolution of the share price, a non-aggregating extraordinary remuneration has been granted amounting to €20,000 thousand (Note 14.b), payable in July 2023 registered as other current liabilities in the accompanying consolidated balance sheet; and (ii) likewise, the granting of the extraordinary compensation implies the need to adjust the reference value of quotation of the share price from which the incentive can be executed, setting a base quotation of €34.00 per share for successive executions in the scenario of revaluation of the share from the date the General Shareholders' Meeting was held to 31st December 2027.

15. Subsequent events

As of the date of preparation of these abbreviated interim Consolidated Financial Statements, there have been no significant events subsequent to the end of the six-month period ended 2023 that could alter or have any effect on the abbreviated interim Consolidated Financial Statements for the six-month period ended on 30th June 2023.

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

| Company | Parent company | Activity | Location | % effective | |
|---|-------------------------------------|---------------------------------|----------------------------|-------------|----------|
| | | | | Direct | Indirect |
| CIE Berriz, S.L. (*) | CIE Automotive, S.A. | Holding company | Biscay | 100.00% | - |
| CIE Udalbide, S.A.U. | CIE Berriz, S.L. | Manufacture of auto parts | Biscay | - | 100.00% |
| CIE Mecauto, S.A.U. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Mecanizaciones del Sur-Mecasur, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Gameko Fabricación de Componentes, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Grupo Componentes Vilanova, S.L. | CIE Berriz, S.L. | Manufacture of auto parts | Barcelona | - | 100.00% |
| Componentes de Automoción Recytec, S.L.U. (3) | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Componentes de Dirección Recylan, S.L.U. | CIE Berriz, S.L. | Manufacture of auto parts | Navarre | - | 100.00% |
| Nova Recyrd, S.A.U. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Recyde, S.A.U. | CIE Berriz, S.L. | Manufacture of auto parts | Gipuzkoa | - | 100.00% |
| Recyde CZ, s.r.o. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Zdánice, s.r.o. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| Alcasting Legutiano, S.L.U. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Egaña 2, S.L. | CIE Berriz, S.L. | Manufacture of auto parts | Biscay | - | 100.00% |
| Inyectametal, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Biscay | - | 100.00% |
| Orbelan Plásticos, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Gipuzkoa | - | 100.00% |
| Transformaciones Metalúrgicas Norma, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Gipuzkoa | - | 100.00% |
| Plasfil Plásticos da Figueira, S.A. (4) | CIE Berriz, S.L. | Manufacture of auto parts | Portugal | - | 100.00% |
| CIE Stratis-Tratamentos, Ltda. | Plasfil Plásticos da Figueira, S.A. | Manufacture of auto parts | Portugal | - | 100.00% |
| CIE Metal CZ, s.r.o. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Plasty CZ, s.r.o. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Unitools Press, a.s. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Joamar, s.r.o. (in liquidation) | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Automotive Maroc, s.a.r.l. d'au | CIE Berriz, S.L. | Manufacture of auto parts | Morocco | - | 100.00% |
| CIE Praga Louny, a.s. | CIE Berriz, S.L. | Manufacture of auto parts | Czechia | - | 100.00% |
| CIE Deutschland, GmbH | CIE Berriz, S.L. | Facilities | Germany | - | 100.00% |
| Leaz Valorización, S.L.U. (dormant) | CIE Berriz, S.L. | Waste management and recoveries | Biscay | - | 100.00% |
| CIE Compiègne, S.A.S. | CIE Berriz, S.L. | Manufacture of auto parts | France | - | 100.00% |
| Biosur Transformación, S.L.U. (2) | CIE Berriz, S.L. | Biofuels | Huelva | - | 100.00% |
| Biocombustibles de Guatemala, S.A. (in liquidation) (2) | CIE Berriz, S.L. | Biofuels | Guatemala | - | 51.00% |
| Gestión de Aceites Vegetales, S.L. (1) (2) | CIE Berriz, S.L. | Biofuels | Madrid | - | 88.73% |
| Reciclado de Residuos Grasos, S.L.U. (2) | Gestión de Aceites Vegetales, S.L. | Biofuels | Madrid | - | 88.73% |
| Recogida de Aceites y Grasas Maresme, S.L.U. (2) | CIE Berriz, S.L. | Biofuels | Barcelona | - | 100.00% |
| Denat 2007, S.L.U. | CIE Berriz, S.L. | Manufacture of auto parts | Pontevedra | - | 100.00% |
| Industrias Amaya Tellería, S.A.U. | CIE Berriz, S.L. | Manufacture of auto parts | Biscay | - | 100.00% |
| MAR SK, s.r.o. | CIE Berriz, S.L. | Manufacture of auto parts | Slovakia | - | 100.00% |
| Autocom Componentes Automotivos do Brasil Ltda. | CIE Berriz, S.L. | Manufacture of auto parts | Brazil | - | 100.00% |
| GAT México, S.A. de C.V. | CIE Berriz, S.L. | Manufacture of auto parts | Mexico | - | 100.00% |
| SC CIE Matricon, S.A. | CIE Berriz, S.L. | Manufacture of auto parts | Romania | - | 100.00% |
| CIE Automotive Parts (Shanghai) Co., Ltd. | CIE Berriz, S.L. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| CIE Automotive Rus, LLC | CIE Berriz, S.L. | Manufacture of auto parts | Russia | - | 100.00% |
| CIE Automotive Goiaín, S.L.U. | CIE Berriz, S.L. | Manufacture of auto parts | Araba/Álava | - | 100.00% |
| Basquevolt, S.A. | CIE Berriz, S.L. | Sustainable batteries | Araba/Álava | - | 16.67% |
| Somaschini, SPA (4) | CIE Berriz, S.L. | Manufacture of auto parts | Italy | - | 100.00% |

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

| Company | Parent company | Activity | Location | % effective | |
|---|--|---------------------------|----------|-------------|----------|
| | | | | Direct | Indirect |
| Somaschini Automotive, SRL ^(*) | Somaschini, SPA | Manufacture of auto parts | Italy | - | 100.00% |
| Somaschini International, Inc ^(*) | Somaschini Automotive, SRL | Holding company | USA | - | 100.00% |
| Somaschini North America, LLC | Somaschini International, Inc | Manufacture of auto parts | USA | - | 100.00% |
| Somaschini Realty, LLC | Somaschini International, Inc | Real state | USA | - | 100.00% |
| Autometal, Ltda. ^(*) | CIE Berriz, S.L. | Manufacture of auto parts | Brazil | - | 100.00% |
| Durametal, Ltda. | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 84.88% |
| Autometal SBC Injeção e Pintura de Plásticos Ltda. | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 100.00% |
| Autometal Investimentos e Imóveis, Ltda. ^(*) | Autometal, Ltda. | Facilities | Brazil | - | 100.00% |
| Gescrap- Autometal Comércio de Sucatas Ltda. | Autometal Investimentos e Imóveis, Ltda. | Scrap | Brazil | - | 30.00% |
| Jardim Sistemas Automotivos e Industriais, Ltda. | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 100.00% |
| Metalúrgica Nakayone, Ltda. | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 100.00% |
| Autometal Minas Cromação, Pintura e Injeção de Plásticos Ltda. | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 100.00% |
| CIE Autometal Salto Indústria e Comércio, Ltda. ^(*) | Autometal, Ltda. | Manufacture of auto parts | Brazil | - | 100.00% |
| CIE Automotive de México, S.A.P.I. de C.V. ^(*) | CIE Berriz, S.L. | Holding company | Mexico | - | 100.00% |
| Pintura y Ensamblés de México, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| CIE Celaya, S.A.P.I. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| Gescrap Autometal México, S.A. de C.V. ^(*) | CIE Automotive de México, S.A.P.I. de C.V. | Scrap | Mexico | - | 30.00% |
| Soluciones de Gestión de Residuos Mexicana, S.A. de C.V. | Gescrap Autometal México, S.A. de C.V. | Facilities | Mexico | - | 29.70% |
| Ges Trading Nar, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Facilities | Mexico | - | 30.00% |
| Pintura, Estampado y Montaje, S.A.P.I. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| CIE Berriz México Servicios Administrativos, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Facilities | Mexico | - | 100.00% |
| Nugar, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| Maquinados de Precisión de México S. de R.L. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| CIE Plásticos México, S.A. de C.V. | CIE Automotive de México, S.A.P.I. de C.V. | Manufacture of auto parts | Mexico | - | 100.00% |
| CIE Automotive USA Inc ^(*) | CIE Automotive de México, S.A.P.I. de C.V. | Facilities | USA | - | 100.00% |
| CIE Investments USA, Inc | CIE Automotive USA Inc | Holding company | USA | - | 100.00% |
| Century Plastics, LLC ^(*) | CIE Automotive USA Inc | Manufacture of auto parts | USA | - | 100.00% |
| Century Plastics Real State Holdings, LLC | Century Plastics, LLC | Real state | USA | - | 100.00% |
| Newcor, Inc ^(*) | CIE Automotive USA Inc | Holding company | USA | - | 100.00% |
| Owosso Realty, LLC | Newcor, Inc | Real state | USA | - | 100.00% |
| Corunna Realty, Corp. | Newcor, Inc | Real state | USA | - | 100.00% |
| Clifford Realty, Corp. | Newcor, Inc | Real state | USA | - | 100.00% |
| Machine, Tool and Gear, Inc | Newcor, Inc | Manufacture of auto parts | USA | - | 100.00% |
| Rochester Gear, Inc | Newcor, Inc | Manufacture of auto parts | USA | - | 100.00% |
| Golde South Africa, LLC | CIE Automotive USA Inc | Distributor company | USA | - | 100.00% |
| Golde Auburn Hills, LLC | CIE Automotive USA Inc | Manufacture of auto parts | USA | - | 100.00% |
| Participaciones Internacionales Autometal Dos, S.L.U. ^(*) | CIE Berriz, S.L. | Holding company | Biscay | - | 100.00% |
| CIE Automotive India, Ltd. ^(*) (9) | Participaciones Internacionales Autometal Dos S.L.U. | Manufacture of auto parts | India | - | 65.70% |
| CIE Galfor, S.A.U. ^(*) | CIE Automotive India, Ltd. | Manufacture of auto parts | Orense | - | 65.70% |

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

| Company | Parent company | Activity | Location | % effective | |
|---|--|----------------------------|----------------------------|-------------|----------|
| | | | | Direct | Indirect |
| CIE Forging Germany, GmbH ^{(1) (2)} | CIE Galfor, S.A.U. | Holding company | Germany | - | 65.70% |
| Gesensschmiede Schneider GmbH ⁽²⁾ | CIE Forging Germany, GmbH | Manufacture of auto parts | Germany | - | 65.70% |
| Jeco Jellinghaus GmbH ⁽²⁾ | CIE Forging Germany, GmbH | Manufacture of auto parts | Germany | - | 65.70% |
| Falkenroth Umformtechnik GmbH ⁽²⁾ | CIE Forging Germany, GmbH | Manufacture of auto parts | Germany | - | 65.70% |
| Schoneweiss & Co. GmbH ⁽²⁾ | CIE Forging Germany, GmbH | Manufacture of auto parts | Germany | - | 65.70% |
| CIE Legazpi, S.A.U. | CIE Galfor, S.A.U. | Manufacture of auto parts | Gipuzkoa | - | 65.70% |
| UAB CIE LT Forge | CIE Galfor, S.A.U. | Manufacture of auto parts | Lithuania | - | 65.70% |
| Galfor Eólica, S.L. | CIE Galfor, S.A.U. | Power generation and trade | Orense | - | 16.43% |
| Metalcastello S.p.A. | CIE Galfor, S.A.U. | Manufacture of auto parts | Italy | - | 65.68% |
| BillForge de México, S.A. de C.V. | CIE Automotive India, Ltd. | Manufacture of auto parts | Mexico | - | 65.70% |
| BF Precision Pvt. Ltd. | CIE Automotive India, Ltd. | Manufacture of auto parts | India | - | 65.70% |
| Aurangabad Electricals, Ltd | CIE Automotive India, Ltd. | Manufacture of auto parts | India | - | 65.70% |
| CIE Hosur, Ltd | CIE Automotive India, Ltd. | Manufacture of auto parts | India | - | 65.70% |
| Gescrap India Pvt. Ltd. | CIE Automotive India, Ltd. | Manufacture of auto parts | India | - | 19.71% |
| Clean Max Deneb Power, LLP | CIE Automotive India, Ltd. | Power generation and trade | India | - | 17.08% |
| Sunbarn Renewables Pvt., Ltd. | CIE Automotive India, Ltd. | Power generation and trade | India | - | 17.16% |
| Renew Surya Alok Pvt, Ltd | CIE Automotive India, Ltd. | Power generation and trade | India | - | 20.50% |
| Strongsun Solar Pvt, Ltd. | CIE Automotive India, Ltd. | Power generation and trade | India | - | 17.97% |
| Advanced Comfort Systems Ibérica, S.L.U. | CIE Automotive, S.A. | Manufacture of auto parts | Orense | 100.00% | - |
| Advanced Comfort Systems France, S.A.S. ⁽¹⁾ | CIE Automotive, S.A. | Manufacture of auto parts | France | 100.00% | - |
| Advanced Comfort Systems Romania, S.R.L. | Advanced Comfort Systems France, S.A.S. | Manufacture of auto parts | Romania | - | 100.00% |
| Advanced Comfort Systems México, S.A. de C.V. | Advanced Comfort Systems France, S.A.S. | Manufacture of auto parts | Mexico | - | 100.00% |
| Advanced Comfort Systems Shanghai Co. Ltd. ⁽¹⁾ | Advanced Comfort Systems France, S.A.S. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| Wuhan Advanced Comfort Systems Co, Ltd. | Advanced Comfort Systems Shanghai Co. Ltd. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| Autokomp Ingeniería, S.A.U. ⁽¹⁾ | CIE Automotive, S.A. | Facilities | Biscay | 100.00% | - |
| Forjas de Celaya, S.A. de C.V. | Autokomp Ingeniería, S.A.U. | Manufacture of auto parts | Mexico | - | 100.00% |
| Nanjing Automotive Forging Co., Ltd. | Autokomp Ingeniería, S.A.U. | Manufacture of auto parts | People's Republic of China | - | 50.00% |
| CIE Forjas Minas, Ltda. ⁽⁴⁾ | Autokomp Ingeniería, S.A.U. | Manufacture of auto parts | Brazil | - | 100.00% |
| CIE Automotive Boroa, S.L.U. | CIE Automotive, S.A. | Financing | Biscay | 100.00% | - |
| CIE Automotive Roof systems Korea Ltd. | CIE Automotive, S.A. | Manufacture of auto parts | Korea | 100.00% | - |
| CIE Roof Systems, S.L.U. ⁽¹⁾ | CIE Automotive, S.A. | Holding company | Biscay | 100.00% | - |
| Golde Tianjin Co., Ltd. | CIE Roof Systems, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| Golde Wuhan Co., Ltd. | CIE Roof Systems, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| Golde Shandong Co., Ltd. | CIE Roof Systems, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| CIE Golde Holding, S.L.U. ⁽¹⁾ | CIE Roof Systems, S.L.U. | Holding company | Biscay | - | 100.00% |
| Inteva Products (Barbados), Ltd. (in liquidation) | CIE Golde Holding, S.L.U. | Holding company | Barbados | - | 100.00% |
| Golde Shanghai Co., Ltd. | CIE Golde Holding, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| Golde Changchun Co., Ltd. | CIE Golde Holding, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 100.00% |
| CIE Golde Shanghai Innovation Co., Ltd. | CIE Golde Holding, S.L.U. | Technology center | People's Republic of China | - | 100.00% |

APPENDIX I: LIST OF SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

| Company | Parent company | Activity | Location | % effective | |
|--|---|---------------------------|----------------------------|-------------|----------|
| | | | | Direct | Indirect |
| Golde Netherlands, BV ⁽¹⁾ | CIE Roof Systems, S.L.U. | Holding company | The Netherlands | - | 100.00% |
| Golde Mexico Holdings, LLC ⁽²⁾ | Golde Netherlands, BV | Holding company | USA | - | 100.00% |
| Automotive Mexico Body Systems, S. de R.L. de C.V. | Golde Mexico Holdings, LLC | Manufacture of auto parts | Mexico | - | 100.00% |
| Golde Bengaluru India Pvt Ltd. | CIE Roof Systems, S.L.U. | Technology center | India | - | 100.00% |
| Roof Systems Germany, GmbH | CIE Roof Systems, S.L.U. | Technology center | Germany | - | 100.00% |
| Golde Oradea, SRL | CIE Roof Systems, S.L.U. | Manufacture of auto parts | Romania | - | 100.00% |
| Golde Lozorno Spol, s r.o. | CIE Roof Systems, S.L.U. | Manufacture of auto parts | Slovakia | - | 100.00% |
| SIR S.A.S. | CIE Roof Systems, S.L.U. | Holding company | France | - | 100.00% |
| Shanghai Golde Automotive Parts Co., Ltd. ⁽³⁾ | CIE Roof Systems, S.L.U. | Manufacture of auto parts | People's Republic of China | - | 50.00% |
| Golde Automotive Parts (Ningde) Co., Ltd. | Shanghai Golde Automotive Parts Co., Ltd. | Manufacture of auto parts | People's Republic of China | - | 50.00% |
| Golde Pune Automotive India Private Ltd. | CIE Roof Systems, S.L.U. | Manufacture of auto parts | India | - | 100.00% |

(1) Company added to consolidation scope in 2023.

(2) Discontinued companies as of 30th June, 2023.

(3) Merged with Alurecy, S.A.U. in 2023.

(4) Merged with Autoforjas, Ltda. in 2023.

(5) Name change in 2023 from Mahindra CIE Automotive, Ltd. to CIE Automotive India, Ltd.

(*) Parent company of all investees listed subsequently in the table.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to current legislation, all the directors who, as of today's date, make up the Board of Directors of CIE Automotive, S.A. have drafted the abbreviated interim consolidated financial statements for the six-month period ended 30th June 2023 and have signed this document in witness thereof.

Similarly, the Directors declare that, to the best of their knowledge, the abbreviated interim consolidated financial statements prepared in accordance with applicable accounting principles present fairly the financial position and results of the issuer and companies included in the consolidation taken as a whole and include a fair analysis of the performance and results of the business and position of the issuer and companies included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties which they face.

In Bilbao, on 21th July 2023