



CIE Automotive



***MANAGING HIGH VALUE
ADDED PROCESSES***

**INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS OF 30th JUNE 2022**

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30th JUNE 2022

Thousand euro	Note	30.06.2022	31.12.2021
Property, plant, and equipment	5/6	1,680,444	1,575,325
Intangible assets		1,920,576	1,865,831
Goodwill	5/6	1,885,994	1,830,247
Other intangible assets	5/6	34,582	35,584
Non-current financial assets	7	19,987	23,270
Investments in joint arrangements and associates	7	55,956	48,399
Deferred tax assets	-	199,062	192,866
Other non-current assets	-	41,308	47,801
Non-current assets		3,917,333	3,753,492
Inventories	-	543,054	482,868
Trade and other account receivables		523,633	396,441
Trade and other receivables	-	410,416	284,155
Other current assets	-	46,238	51,819
Tax receivables	-	66,979	60,467
Current financial assets	7	53,684	102,865
Cash and cash equivalents	8	646,545	658,788
Current assets		1,766,916	1,640,962
Disposal group assets classified as held-for-sale	9	3,929	3,661
TOTAL ASSETS		5,688,178	5,398,115

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30th JUNE 2022

Thousand euro	Note	30.06.2022	31.12.2021
Equity attributable to the Parent company's shareholders		1,165,411	987,253
Share capital	10	30,637	30,637
Treasury shares	10	(58,721)	(401)
Share premium	10	152,171	152,171
Retained earnings	-	1,156,292	1,085,617
Interim dividend	-	-	(44,113)
Translation differences	-	(114,968)	(236,658)
Non-controlling interests	-	378,668	380,369
TOTAL EQUITY		1,544,079	1,367,622
Deferred income	-	16,731	15,653
Non-current provisions	12	201,883	196,534
Non-current borrowings	11	1,707,596	1,654,078
Deferred tax liabilities	-	170,246	161,834
Other non-current liabilities	-	163,738	153,417
Non-current liabilities		2,243,463	2,165,863
Current borrowings	11	401,775	525,775
Trade creditors and other payables		1,150,237	1,016,880
Trade and other payables	-	1,075,785	934,873
Current tax payables	-	74,452	82,007
Other current financial liabilities	7	2,819	-
Current provisions	12	138,529	135,084
Other current liabilities	-	186,431	168,346
Current liabilities		1,879,791	1,846,085
Disposal group liabilities classified as held-for-sale	9	4,114	2,892
TOTAL LIABILITIES		4,127,368	4,014,840
TOTAL EQUITY AND LIABILITIES		5,688,178	5,398,115

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Thousand euro	Note	Six-month period ended 30 th June	
		2022	2021
OPERATING REVENUE		2,095,445	1,782,412
Revenue	-	1,976,523	1,681,641
Other operating income	-	104,986	66,997
Change in inventories of finished goods and work in progress	-	13,936	33,774
OPERATING EXPENSES		(1,861,877)	(1,561,795)
Consumption of raw materials and secondary materials	-	(1,255,028)	(1,026,371)
Employee benefit expenses	-	(329,370)	(301,267)
Depreciation, amortisation, and impairment	5/6	(90,276)	(82,190)
Other operating income /(expenses)	-	(187,203)	(151,967)
OPERATING PROFIT		233,568	220,617
Finance income	-	11,504	4,958
Finance costs	-	(22,328)	(22,684)
Net exchange rate differences	-	1,456	284
Profit/(Loss) on financial instruments at fair value	7	(7,208)	(4,993)
Share in profit/(loss) of joint arrangements and associates	7	5,212	2,799
PROFIT BEFORE TAXES		222,204	200,981
Corporate income tax	13	(43,325)	(42,670)
PROFIT FOR THE YEAR FROM CONTINUING ACTIVITIES AFTER TAX		178,879	158,311
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED ACTIVITIES AFTER TAX	9	921	450
PROFIT FOR THE PERIOD		179,800	158,761
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	(19,531)	(10,547)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		160,269	148,214
Earnings per share from continuing activities (in euro)	10		
Basic		1.315	1.207
Diluted		1.315	1.207
Basic and diluted earnings per share from discontinued activities (in euro)	10		
Basic		0.007	0.003
Diluted		0.007	0.003

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX- MONTH PERIOD ENDED 30th JUNE 2022

Thousand euro	Note	Six-month period ended 30 th June	
		2022	2021
PROFIT FOR THE PERIOD		179,800	158,761
Cash flow hedges	7	740	11,571
Foreign currency translation differences	-	138,503	72,628
Net investment hedge	3.9	(9,445)	-
Other comprehensive income for the period	-	104	45
Tax impact	-	(178)	(2,767)
Total entries that may be reclassified to profit or loss		129,724	81,477
Actuarial gains and losses	12	(9)	-
Tax impact	-	(8)	-
Total items that may not be reclassified to profit or loss		(17)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		309,507	240,238
Attributable to parent company owners		283,540	225,011
Continuing activities	-	282,714	224,604
Discontinued activities	-	826	407
Attributable to non-controlling interests		25,967	15,227

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Thousand euro	Share Capital (Note 10)	Treasury shares (Note 10)	Premium share (Note 10)	First-time application reserve and other restatement reserves	Translation differences	Retained earnings	Interim dividend (Note 10)	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)
Variation in the consolidation perimeter (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
Thousand euro	Share Capital (Note 10)	Treasury shares (Note 10)	Premium share (Note 10)	First-time application reserve and other restatement reserves	Translation differences	Retained earnings	Interim dividend (Note 10)	Non-controlling interests	Total equity
Balance at 31st December 2020	30,637	-	152,171	(59,888)	(380,220)	934,741	(30,638)	348,171	994,974
COMPREHENSIVE INCOME for 2021	-	-	-	8,831	67,966	148,214	-	15,227	240,238
Distribution of 2020 profit	-	-	-	-	-	(61,262)	30,638	-	(30,624)
Treasury share transactions (Note 10)	-	(1,948)	-	-	-	456	-	-	(1,492)
Variation in the consolidation perimeter (Note 1)	-	-	-	-	(318)	314	-	(4,788)	(4,792)
Other movements	-	-	-	-	-	134	-	(71)	63
Balance at 30th June 2021	30,637	(1,948)	152,171	(51,057)	(312,572)	1,022,597	-	358,539	1,198,367

ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Thousand euro	Note	Six-month period ended 30 th June	
		2022	2021
PROFIT BEFORE TAXES FROM CONTINUING AND DISCONTINUED ACTIVITIES		223,445	201,599
Adjustments to the profit of the period		98,005	97,266
Depreciation, amortisation, and impairment charges	5/6	90,276	82,190
Finance profit/(loss) and exchange rate differences	4	16,576	22,435
Profit/(loss) from joint arrangements and associates	7	(5,212)	(2,799)
Other adjustment to year's profit		(3,635)	(4,560)
Changes in working capital		(32,725)	(68,327)
Net variation of provisions	12	(838)	(8,248)
Other changes in net working capital		(31,887)	(60,079)
Other cash flows from operating activities		(55,111)	(49,084)
Interests paid and collected		(9,991)	(19,019)
Taxes paid		(45,140)	(31,073)
Cash generated from operating activities from discontinued activities		20	1,008
CASH FLOWS FROM OPERATING ACTIVITIES		233,614	181,454
Payments due from past business combinations	3.8	(238)	-
Acquisition of property, plant, and equipment	5	(92,044)	(101,360)
Acquisition of intangible assets	5	(1,920)	(1,871)
Acquisitions to non-controlling interests	1	(25,311)	(4,792)
Proceeds from the sale of property, plant and equipment and intangible assets		713	6,820
Proceeds from dividends distributed by joint arrangements and associates	7	1,771	350
Investments in associates	7	(1,704)	-
Acquisition/Disposal of financial assets	7	50,605	(3,301)
Cash generated from investing activities from discontinued activities		(53)	-
CASH FLOWS FROM INVESTING ACTIVITIES		(68,181)	(104,154)
Transactions with treasury shares	10	(58,870)	(1,492)
Proceeds from borrowings	11	173,998	317,423
Loan repayments	11	(100,941)	(460,791)
Income (net of reimbursements) from high-rotation borrowings	11	(44,927)	(33,949)
Income (net of reimbursements) from commercial paper program	11	(119,800)	69,085
Payments on hedge instruments cancellation	7	-	(10,944)
Grants received (net)		3,452	3,110
Variation of other debts (net)		(3,226)	(1,883)
Lease payments	5	(12,417)	(12,301)
Dividends paid to Shareholders of the Parent company	10	(44,113)	(30,638)
Other payments/proceeds to/from non-controlling interests		(7,223)	(55)
CASH FLOWS FROM FINANCING ACTIVITIES		(214,067)	(162,435)
Exchange gains/(losses) on cash and cash equivalents		36,358	18,378
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,276)	(66,757)
Cash and equivalents at the beginning of the period		659,583	565,774
Cash and equivalents at the end of the period	8	646,545	497,851
Cash and equivalents at the end of the period classified as discontinued activities	9	762	1,166

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NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

1. General information

1.1 CIE Automotive Group and its 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 roof system design and production.

Its main facilities are located in the following territories: Spain (Bizkaia, Álava/Araba, 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 located in Spain at 'Alameda Mazarredo 69, 8th floor', Bilbao.

During the 2022 financial year, there has been no change in the corporate name of the Parent company.

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 2022, together with the information concerning them, is set out in the Appendix 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 2021, world automobile production largely recovered the drops in production derived from the sanitary restrictions that were implemented due to the Covid-19 pandemic in 2020. In this sense, global vehicle production in the first half of 2021 were 29% higher than those of the same period of 2020. However, the market did not reach pre-pandemic levels in the entire 2021 financial year, having produced 5.7 million vehicles in the first half of 2021 less than in the same period of 2019.

During the same period of 2022, the global automotive market has seen production decrease by 1.8% compared to the previous year. This decrease has been 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 has decreased from 39.4 million vehicles produced in 2021, to 38.7 million vehicles produced in the current year.

Within this market context, the Group has continued to raise its market share, having increased its sales by 11.1%, at constant currency (17.5% with currency translation impact), standing 12.9 percentage points above market growth, and which has been an all-time record in sales for a period of six months.

As of 30th June 2022, the Group has a liquidity reserve amounting to €1,401 million (Note 3.7), which will allow it to fulfil with the necessary payments for the continuity of its business during the 2022 financial year and the first half of 2023. In the same way, after the modification of the contractual clauses of all structural financing contracts for the year 2021, 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 Group's solvency and liquidity position.

Investments in Russia

As of 30th June 2022 and 31st December 2021, the Group has an investment in the Russian company CIE Automotive RUS, LLC, dedicated to the production and sale of automotive components.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Following a preliminary assessment carried out on 30th June 2022 by the Directors assessing both the control over this investment as well as the risk of recovery of the Company's net assets, it has been determined that the Group has effective control over the subsidiary and, therefore, the net assets of the same have been consolidated by the full consolidation method.

Following this preliminary assessment, there has been no valuation adjustment related to the investment in CIE Automotive RUS, LLC, as the consolidated net assets of such investment in Russia are not significant for the consolidated financial statements (less than 0.3% over the net consolidated assets of the Group). In addition, and it has also been confirmed that any valuation adjustments that could be included during 2022 or in the future would not have a significant impact on the Group's consolidated financial statements.

Changes in the scope of consolidation

Six-month period ended 30th June 2022

On 15th March 2022, the Mexican subsidiary CIE Automotive de México, SAPI of C.V. carried out the acquisition of the 30% share it held indirectly in Ges Trading Nar, S.A. of C.V. (previously named Gescrap Autometal Mexico Servicios, S.A. de 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.

During the first semester of 2022, the Group has acquired 10,236,178 shares of its subsidiary 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 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 16.66%.

Six-month period ended 30th June 2021

During the first semester of 2021, the Group acquired 2,200,441 shares of its subsidiary Mahindra CIE Automotive, Ltd. for a total amount of €4,792 thousand, resulting in a decrease of the consolidated equity schedule by the amount paid. The Group's interest increased from 60.18% to 60.76% as of 30th June 2021.

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 27th July 2022.

2. Business combinations

During the first half of 2022 and 2021, there have been no business combinations.

3. Summary of significant accounting policies

The accounting policies used to prepare these abbreviated consolidated interim financial statements for the six-month period ended 30th June 2022 are consistent with those used to prepare the 2021 Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries. These abbreviated consolidated interim financial statements for the six-month period ended 30th June 2022 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 2021, which were prepared according to IFRS-EU for CIE Automotive, S.A. and subsidiaries.

3.1 Basis of presentation

The Group's abbreviated consolidated interim financial statements for the six-month period ended 30th June 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for utilisation in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 30th June 2022.

The interim financial statements have been prepared under the historical cost approach, as modified by the valuation of financial assets and liabilities (including derivative instruments) at fair value and the defined benefit pension plans.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

The preparation of interim financial statements and the consolidated financial statements in accordance 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 judgements and estimates made by management when preparing the abbreviated interim consolidated financial statements at 30th June 2022 are consistent with those used in the preparation of the Consolidated Annual Accounts at 31st December 2021 of CIE Automotive, S.A. and subsidiaries.

There are no extraordinary items in the six-month period ended 30th June 2022 and 2021 consolidated income statement that would require breakdown or reconciliation of figures.

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 for the financial year 2022 includes, for comparative purposes, information relating to 2021. In 2022, there have been no events that affect the comparability of information.

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 2021 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 2022 and 2021.

3.3 Financial information by segment

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 these operating management units. The maximum decision-making body is the Strategy and Operations Committee.

The composition of each reporting segment, as well as their financial information is detailed 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 2021.

a) Estimated impairment for goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units, or cash generating groupings, were determined based on calculations of value in use do not give rise to impairment risks on the Group's goodwill at 31st December 2021.

The assumptions used in the assessments, the effects of the sensitivity analysis and other information on these impairment assessments are included in Note 7 of the Consolidated Annual Accounts of CIE Automotive, S.A. and subsidiaries at 31st December 2021, that considered market conditions updated to that date within the macroeconomic and sectoral 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 2022, with no impairment risk indicator having been detected which could modify the conclusions of the assessment and estimates carried out as of 31st December 2021 (Note 6).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 values.

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 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) Income tax

Income tax expense for the six-month period ended 30th June 2022 and 2021 has been estimated based on profit before taxes, as adjusted for any permanent and/or temporary differences envisaged in tax legislation governing the corporate income tax base calculation. The tax is recognized in the income statement, except insofar as it relates to items recognized directly in equity, in which case, it is also recognized in equity.

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

The calculation of income tax expense did not require the use of significant estimates except in tax credits recognized 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 2022, as well as the forecasted business figures with the available information, without detecting any impairment risk related to tax credits.

Deferred income tax is recognised, 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 on 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 taxes on temporary differences are recognized when arising on investments in subsidiaries, associates and joint arrangements, except in those cases where the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets deriving from the carry forward 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 utilized.

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 investment tax credits, the counterpart of the amounts recognized is the deferred income account. 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, recognizing the right with a credit to deferred income.

Deferred tax assets corresponding to utilised or recognised tax credits relating to R&D&I 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 FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

d) Fair value of derivatives or other financial instruments

The fair value of the financial instruments used by the Group, primarily interest rate swaps and foreign currency insurance is determined in the reports delivered by the Group's financial analysts and contrasted with those valuations received from the financial institutions with which the financial instruments were contracted.

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 several 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 present value of pension obligations is determined annually by actuarial valuations that involve the realization of several assumptions that may differ from actual future events: discount rate, future wage increases, mortality rates, and other current market conditions. 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 that are reviewed at each annual closing. Note 22 from the Consolidated Annual Accounts from 2021 contain further information on the Group's pension obligations and assumptions adopted for their update.

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 2022

Adopted Standard		Group Impact
IAS 16 (Amendment) "Property, plant and equipment - Income obtained before the intended use"	It is prohibited to deduct from the cost of an item of property, plant, and equipment any income obtained from the sale of articles produced while the entity is preparing the asset for its intended use. Revenue from the sale of such samples, along with production costs, is now recognized in the income statement. The amendment also clarifies that an entity is testing whether the asset is functioning properly when evaluating the technical and physical performance of the asset. The financial performance of the asset is not relevant to this evaluation. Therefore, an asset might be able to operate as intended by management and be subject to depreciation before it has reached the level of operating performance expected by management. The effective date of these modifications is 1 st January 2022. The amendment is awaiting approval by the European Union.	This amendment is not expected to have a significant effect on the Group's Consolidated Financial Statements in the future.
IAS 37 (Amendment) "Onerous contracts - Cost of fulfilling a contract"	The amendment explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to the performance of the contracts. It also clarifies that before making a separate provision for an onerous contract, the entity will recognize any impairment loss that has occurred on the assets used to perform the contract, rather than on the assets dedicated to that contract. The effective date of these amendments is 1 st January 2022. The	This change is not expected to have significant impacts on the Group's Consolidated Financial Statements.

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	amendment is awaiting approval by the European Union.	
IFRS 3 (Amendment) "Reference to the Conceptual Framework"	IFRS 3 has been updated to refer to the 2018 Conceptual Framework to determine what constitutes an asset or a liability in a business combination (previously referred to the 2001 CF). In addition, a new exception has been added in IFRS 3 for liabilities and contingent liabilities. The effective date of these amendments is 1 st January 2022.	This amendment is not expected to have any effect on the Group's Consolidated Financial Statements in the future.
Annual Improvements to IFRS. Cycle 2018 – 2020	<p>The amendments affect IFRS 1, IFRS 9, and IAS 41 and apply to annual periods beginning on or after 1st January 2022. The main amendments refer to:</p> <ul style="list-style-type: none"> • IFRS 1 "First-time adoption of IFRS": IFRS 1 allows an exemption if a subsidiary adopts IFRS later than its parent. This amendment allows entities that have taken this exemption to also measure accumulated translation differences using the amounts accounted for by the parent, based on the latter's transition date to IFRS. • IFRS 9 "Financial Instruments": The amendment addresses what costs must be included in the 10% test for derecognition of financial liability accounts. The costs or fees could be paid to third parties or to the lender. Depending on the modification, costs or fees paid to third parties will not be included in the 10% test. • IAS 41 "Agriculture": This amendment eliminates the requirement to exclude cash flows for taxes when measuring fair value under IAS 41. 	These amendments are not expected to have any effect on the Group's Consolidated Financial Statements in the future.

b) Standards, amendments and interpretations that have not yet entered into force, but that can be adopted in advance

Adopted Standard		Group Impact
IFRS 17 "Insurance contracts"	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. 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.	Due to the activity of the Group, there are no contract which could be impacted by the application of this standard.
IAS 1 (Amendment) "Accounting policies"	IAS 1 has been amended to improve the breakdowns of accounting policies to provide more useful information to	These modifications are not expected to have significant

**NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD
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	investors and other primary users of the financial statements. The effective date of these modifications is 1 st January 2023.	impacts on the Group's Consolidated Financial Statements.
IAS 8 (Amendment) "Definition of accounting estimates"	IAS 8 has been amended to help distinguish between changes in accounting estimates and changes in accounting policy. The effective date of these modifications is 1 st January 2023.	These modifications are not expected to have significant impacts on the Group's Consolidated Financial Statements.

c) 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
IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures"	<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 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>	These amendments are not expected to have an effect on the Group's Consolidated Financial Statements in the future.
IAS 1 (Amendment) "Classification of liabilities as current or non-current"	<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>However, in July 2020 there was a modification to change the date of entry into force of the modification to 1st January 2023.</p>	This amendment is not expected to have a significant effect on the Group's Consolidated Financial Statements in the future

**NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD
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	These modifications are pending approval by the European Union.	
IAS 12 (Amendment) "Deferred taxes related to assets and liabilities originated in one sole transaction"	<p>In certain circumstances under IAS 12, companies are exempt from recognizing deferred taxes when they recognize assets or liabilities for the first time ("initial recognition exemption"). Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognised at the time of their initial recognition. The amendment clarifies that the exemption does not apply and that there is therefore an obligation to recognise deferred taxes on such transactions.</p> <p>The amendment takes effect for fiscal years beginning on or after 1st January 2023, although early application is permitted. This amendment is awaiting approval by the European Union.</p>	This modification is not expected to impact significantly on the Group's consolidated equity. For presentation purposes in the consolidated balance sheet, the Group estimates with the current information available that the impacts of this amendment will entail a recognition of deferred tax assets and liabilities of approximately €20 million respectively, once the amendment enters into force.
IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 – Comparative information"	<p>The 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>	This amendment is not expected to have a significant effect on the Group's Consolidated Financial Statements in the future.

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.

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 2021.

The prudent management of liquidity risk entails maintaining enough cash and available financing through needed credit facilities. In this respect, the Group strategy, articulated by the Group's Treasury department, is to maintain the necessary financing flexibility through the availability of committed credit lines. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of financial assets representing receivable debts, transferring the related risks and rewards), which as a matter of policy do not exceed roughly one-third of trade receivable and other receivables balances, in order to preserve the level of liquidity and working capital structure required under its business plans.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Management monitors the Group's forecast liquidity requirements together with the trend in net financial debt. The calculation of liquidity and net financial debt at 30th June 2022 and 31st December 2021 is calculated as follows:

Thousand euro	Note	30.06.2022	31.12.2021
Cash and cash equivalents	8	646,545	658,788
Other financial assets	7	73,671	126,135
Undrawn credit facilities and loans	11	680,831	724,767
Liquidity reserve		1,401,047	1,509,690
Borrowings with credit institutions	11	2,109,371	2,179,853
Other financial liabilities	7	2,819	-
Cash and cash equivalents	8	(646,545)	(658,788)
Other current financial assets	7	(73,671)	(126,135)
Net financial debt		1,391,974	1,394,930

Additionally, as of 30th June 2022, Shanghai Golde Auto Parts, Co. Ltd., a joint arrangement in which the Group has a 50% and consolidates using the equity method (Note 7), holds net cash and cash equivalents amounting to €30.6 million (€36.0 million in 2021).

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 that the Group doesn't fail limits and rates ("covenants") established by financial entities (Note 11).

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 2022 and the year 2023 will allow to face the payments of the period without increasing net financial debt.

Additionally, 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.

Borrowings in the short term include recurring loans originating from the recurring discounting of commercial paper issued by Group customers amounting to €4.2 million (31st December 2021: €4.6 million) (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 2022 of €681 million of undrawn credit lines and loans (31st December 2021: €725 million) (Note 11).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

The detail of the working capital from the interim abbreviated balance sheet as of 30th June 2022 and 31st December 2021, is as follows:

Thousand euro	Note	30.06.2022	31.12.2021
Inventories	-	543,054	482,868
Trade and other receivables	-	410,416	284,155
Other current assets	-	46,238	51,819
Tax receivables	-	66,979	60,467
Current operating assets		1,066,687	879,309
Other current financial assets	7	53,684	102,865
Cash and cash equivalents	8	646,545	658,788
Current assets		1,766,916	1,640,962
Trade and other payables	-	1,075,785	934,873
Tax payables	-	74,452	82,007
Current provisions	12	138,529	135,084
Other current liabilities	-	186,431	168,346
Current operating liabilities		1,475,197	1,320,310
Current borrowings and overdrafts	11	401,775	525,775
Other financial liabilities	7	2,819	-
Current liabilities		1,879,791	1,846,085
TOTAL WORKING CAPITAL		(112,875)	(205,123)

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 financial debt, 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 our 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. Therefore, it is estimated that cash generation in 2022 and the first half of 2023 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 are no liquidity risks at the Group.

3.8 Fair value estimation

With respect to the changes in fair value of its assets and liabilities, the Group complies with the IFRS requirements.

Because of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports the estimation of fair value by level according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for assets or liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, reference 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 FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

a) Level 1 financial instruments

It corresponds to financial instruments whose fair value is determined by their quotation in an active market.

As of 30th June 2022, and 31st December 2021, there are no financial instruments belonging to this level.

b) 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).

c) 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 2022, and 31st December 2021, there are loans granted to Group employees valued at fair value and amounting to €19,743 thousand (€20,465 thousand as of 31st December 2021) (Note 7). Moreover, in the first half of the year, the contingent liability at fair value resulting from the acquisition of Aurangabad Electricals, Ltd amounting to INR 20 million (€238 thousand) has been settled.

The Group does not have any agreement 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 2022 and 31st December 2021, the Group holds investments whose net assets are exposed to the risk of conversion into foreign currency and third-party resources denominated in dollars formalized through the company CIE Berriz, S.L, the main purpose of which is to support the Group's sustainable growth in North America. In the first half of 2022, the negative exchange difference generated by this financing, which amounted to €9,445 thousand, has been recognized under the heading "Net investment hedge" in the Consolidated Statement of Comprehensive Income; specifically detailed and disclosed.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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.

- 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 is able to supply them from different geographic areas.

The Strategy and Operations Committee, consisting of five members of the Board of Directors, is the Group's chief operating decision-making body. This Committee 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 Strategy and Operations Committee, 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 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 of America.
- Brazil: it includes basically Group companies located in Brazil.
- Asia: it includes the Indian companies of the Mahindra CIE group, as well as the companies located in the People's Republic of China.
- Mahindra CIE Europe: it includes European forging manufacturing business, dependent on the Mahindra CIE group (dependent on the Group).
- Rest of Europe: it includes all exMahindra CIE subgroup manufacturing businesses, mainly 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, EBIT, 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.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

a) Operating segments information from continuing activities

Results per operating segments are as follows:

30 th June 2022						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Revenue	546,675	138,707	499,544	299,095	492,502	1,976,523
Other operating expenses and income (excluding depreciation and amortisation)	(441,065)	(111,659)	(423,587)	(266,160)	(410,208)	(1,652,679)
Depreciation, amortisation and impairment	(23,390)	(5,152)	(18,220)	(9,736)	(33,778)	(90,276)
Operating profit	82,220	21,896	57,737	23,199	48,516	233,568
EBITDA	105,610	27,048	75,957	32,935	82,294	323,844
30 th June 2021						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Revenue	423,276	103,979	448,232	234,950	471,204	1,681,641
Other operating expenses and income (excluding depreciation and amortisation)	(332,302)	(85,031)	(375,079)	(201,593)	(384,829)	(1,378,834)
Depreciation, amortisation and impairment	(19,023)	(4,297)	(17,339)	(10,083)	(31,448)	(82,190)
Operating profit	71,951	14,651	55,814	23,274	54,927	220,617
EBITDA	90,974	18,948	73,153	33,357	86,375	302,807

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	30.06.2022	30.06.2021
Operating profit		233,568	220,617
Financial income (expense)	-	(9,368)	(17,442)
Share in profits of joint arrangement and associates	7	5,212	2,799
Gains / (losses) on the fair value of derivative financial instruments	7	(7,208)	(4,993)
Corporate income tax	13	(43,325)	(42,670)
Discontinued activities	9	921	450
Attributed to non-controlling interests	-	(19,531)	(10,547)
Profit attributable to the Parent company		160,269	148,214

Segments' assets, liabilities and investments of the year are as follows:

30 th June 2022						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Investments in joint arrangement and associates	6,954	6,189	41,241	-	1,572	55,956
Rest of assets	1,402,451	459,401	1,896,275	693,885	1,180,210	5,632,222
Total assets	1,409,405	465,590	1,937,516	693,885	1,181,782	5,688,178
Total liabilities	657,330	130,463	531,753	362,210	2,445,612	4,127,368
Fixed asset additions ^(*)	24,447	9,848	29,288	8,682	21,699	93,964
Disposal of assets net of depreciation and amortisation ^(*)	(13)	(503)	(187)	-	(142)	(845)
Net capital expenditure for the period	24,434	9,345	29,101	8,682	21,557	93,119
31 st December 2021						
Thousand euro	NORTH AMERICA	BRAZIL	ASIA	MAHINDRA CIE EUROPE	REST OF EUROPE	TOTAL
Investments in joint arrangement and associates	5,697	4,060	38,610	-	32	48,399
Rest of assets	1,278,248	386,546	1,845,219	634,087	1,205,616	5,349,716
Total assets	1,283,945	390,606	1,883,829	634,087	1,205,648	5,398,115
Total liabilities	612,446	137,646	553,243	319,620	2,391,885	4,014,840
Fixed asset additions ^(*)	49,959	11,564	56,379	15,209	67,546	200,657
Disposal of assets net of depreciation and amortisation ^(*)	(519)	(4,330)	(1,875)	(468)	(527)	(7,719)
Net capital expenditure for the period	49,440	7,234	54,504	14,741	67,019	192,938

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

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 arrangement and associates, by geographical areas are the following:

Thousand euro	Revenue		Non-current assets	
	30.06.2022	30.06.2021	30.06.2022	31.12.2021
Spain	77,664	76,975	499,203	437,361
Rest of Europe	713,933	629,179	919,627	979,106
Brazil	138,707	103,979	217,377	196,750
North America	546,675	423,276	858,385	775,107
China	202,240	231,051	606,408	587,027
India	297,304	217,181	541,328	513,606
TOTAL	1,976,523	1,681,641	3,642,328	3,488,957

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:

30 th June 2022					
Thousand euro	31.12.2021	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	30.06.2022
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
30 th June 2021					
Thousand euro	31.12.2020	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	30.06.2021
Cost	3,383,555	108,847	(61,353)	59,469	3,490,518
Accumulated depreciation	(1,894,013)	(78,771)	53,887	(27,820)	(1,946,717)
Impairment	(13,560)	-	-	(173)	(13,733)
CARRYING AMOUNT	1,475,982				1,530,068

(*) It basically includes the effect of exchange rate fluctuations of PPE currency of foreign subsidiaries.

**NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD
ENDED 30th JUNE 2022**
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 2022 and 31st December 2021:

Million euro	30 th June 2022			31 st December 2021		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
AMERICA	1,290	(592)	698	1,126	(514)	612
EUROPE	1,893	(1,233)	660	1,863	(1,204)	659
ASIA	623	(301)	322	585	(281)	304
TOTAL	3,806	(2,126)	1,680	3,574	(1,999)	1,575

b) Assets not used in operating activities

At 30th June 2022 and 31st December 2021 no significant items of property, plant and equipment are excluded from operating activities.

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 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 2022				31 st December 2021		
	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
Maturity transfer	-	-	-	-	(8,897)	8,897	-
Transfers and others (*)	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
	30 th June 2021				31 st December 2020		
	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 2020	93,380	20,119	(34,173)	79,326	61,681	21,731	83,412
Additions	4,567	2,920	-	7,487	4,639	2,848	7,487
Disposals	(5,064)	(2,207)	4,519	(2,752)	(2,465)	(287)	(2,752)
Depreciation expense/Payments made	-	-	(10,483)	(10,483)	-	(12,301)	(12,301)
Debt update expenses	-	-	-	-	1,033	-	1,033
Maturity transfer	-	-	-	-	(7,366)	7,366	-
Transfers and others (*)	5,502	360	(5,018)	844	77	658	735
30th June 2021	98,385	21,192	(45,155)	74,422	57,599	20,015	77,614

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

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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:

	2021	2020
Brazil	7.50%	9.00%
North America	3.00%	4.25%
Asia	5.00% - 8.50%	5.00% - 8.50%
Mahindra CIE Europe	1.25%	1.25%
Rest of Europe	1.25%	1.25%

e) Capitalisation of borrowing costs

The Group did not capitalise any significant borrowing cost in the six-month periods ended 30th June 2022 and 2021.

f) Commitments

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

Thousand euro	30.06.2022	31.12.2021
Property, plant and equipment	71,178	39,147

These investments are financed mainly through the cash generated by the Group's activities and structured via payment agreements with suppliers and capital creditors 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 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
30 th June 2021					
Thousand euro	31.12.2020	ADDITIONS	DISPOSALS	TRANSFERS AND OTHER MOVEMENTS (*)	30.06.2021
Cost - Goodwill	1,738,622	-	-	36,103	1,774,725
Cost - Other intangible assets	110,880	1,871	(375)	2,123	114,499
Accumulated amortisation	(77,738)	(3,419)	375	(828)	(81,610)
CARRYING AMOUNT	1,771,764				1,807,614

(*) 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 FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

The breakdown of goodwill as of 30th June 2022 and 31st December 2021, assigned to each CGU group level, detailed by operating segment is set out below:

	2022	2021
North America	297,261	274,281
Brazil	70,959	62,737
Asia	790,417	765,899
Mahindra CIE Europe	332,106	332,106
Rest of Europe	395,251	395,224
TOTAL	1,885,994	1,830,247

6. **Goodwill and fixed assets impairment**

a) **Methodology in the assessment of evidence for impairment of fixed assets**

The Group carries out, at least once each year, an impairment assessment 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

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, usually, a period of five years and which is used to formalize an analysis of the recoverability 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 valued assigned 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 that the evolution of cash flows considered for their initial calculation has not significantly changed, evidencing an impairment loss.

During the six months periods ended 30th June 2022 and 2021, the Group has not registered any significant impairment over its operating assets. As of 31st December 2021, the Group carried out impairments of fixed assets of €9.8 million; and mainly related to very specific productive assets (machinery) and dedicated to certain projects, which have ended anticipately due to client's decisions or have significantly modified the forecasted units to be produced in the remaining life of the machinery.

Goodwill

The recoverable amount of the goodwill assigned to each CGU 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.

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.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 budgeting process, 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.

Margins applied to forecasted sales are estimated based on the current profitability of the production contracts 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	2021	2020
North America	22.37%	22.97%
Brazil	19.27%	19.30%
Asia	16.81%	17.02%
Mahindra CIE Europe	12.70%	13.69%
Rest of Europe	19.51%	18.99%

^(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 view 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 2021 and 2020 in the CGUs and groups of CGUs, which are reported by segment, were as follows:

Segments	2021	2020
North America	2.0%-2.3%	2.0%
Brazil	4.5%	4.5%
Asia	4.4%-7.5%	4.4%-7.0%
Mahindra CIE Europe	1.5%	1.5%
Rest of Europe	1.5%-3.9%	1.5% -3.0%

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 based on 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.

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.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

The discount rates applied to cash flow projections in 2021 and 2020 were as follows:

Segments	2021	2020
North America	5.78%-10.09%	6.66%-10.45%
Brazil	12.28%	12.01%
Asia	6.65%-10.58%	7.31%-11.57%
Mahindra CIE Europe	4.65%-5.63%	4.66%-6.30%
Rest of Europe	4.62%-11.70%	4.66%-11.95%

c) Impairment assessment outcome

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 2021 and 2020.

d) Impairment assessment sensitivity

The Group carried out as of 31st December 2021 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 0.75% and 3.75%, depending on the geography).

The outcome of the sensitivity assessment determined that there is sufficient margin in the recoverability of the goodwill registered by the Group.

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 past performance in the Automotive business has shown that its annual budgets and strategic plans (from which projections are taken for impairment assessments) are modest and have been comfortably fulfilled, and even improved. Therefore, the Group considers that a cut of 10 percentage points in its gross operating margins is more than enough for the sensitivity assessment.

e) Assessment update as of 30th June 2022

The Group assess goodwill for impairment in 2021 verifying that no value adjustment was need to be registered according to the assumptions used and different sensitivity scenarios raised in the analysis carried out.

As of 30th June 2022, the Group has updated the cash flows forecasted in 2021 with the results for the year 2021, 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 2022, it can be affirmed that there is no evidence which could raise to a goodwill impairment.

Additionally, and with the external and internal information currently available, and with enough margin existing in the recoverability of goodwill, it is not considered that possible future impacts derived from external risks the Group's business is exposed to, could substantially modify the conclusion of the impairment assessment carried out in 2021.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

7. Financial assets and derivatives

Movements in the Group's financial assets at 30th June 2022 and 2021 are as follows:

Thousand euro	30 th June 2022							RESULTS IN JOINT ARRANGEMENTS AND ASSOCIATES	30.06.2022
	31.12.2021	ADDITIONS	DISPOSALS	TRANSFERS AND OTHERS (*)	INCOME STATEMENT	EQUITY	AMORTISED COST/FAIR VALUE ADJUSTMENTS		
Valued at their amortised 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	5,212	126,808

(*) It basically includes the effect of exchange fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers, as well as the dividends distributed by the associates companies.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

30 th June 2021								
AMORTISED COST/FAIR VALUE ADJUSTMENTS								
Thousand euro	31.12.2020	ADDITIONS	DISPOSALS	TRANSFERS AND OTHERS (*)	INCOME STATEMENT	EQUITY	RESULTS IN JOINT ARRANGEMENTS AND ASSOCIATES	30.06.2021
Valued at their amortised cost								
Deposits	47,640	19,399	(16,037)	906	-	-	-	51,908
Current credits	25,474	32	(93)	4,034	-	-	-	29,447
Non-current credits	15	-	-	-	-	-	-	15
Down-payments (Note 14)	9,100	-	-	-	-	-	-	9,100
Total loans and receivables at amortized cost	82,229	19,431	(16,130)	4,940	-	-	-	90,470
Valued at fair value								
Non-current credits (Note 14)	22,947	-	-	-	151	-	-	23,098
Liability derivatives – Equity Swap	(6,059)	-	-	-	5,800	-	-	(259)
Liability derivatives – interest rate swaps	(11,571)	-	10,944	-	(10,944)	11,571	-	-
Credits and derivatives	5,317	-	10,944	-	(4,993)	11,571	-	22,839
Investment in joint arrangements and associates	45,404	-	-	(2,740)	-	-	2,799	45,463
TOTAL	132,950	19,431	(5,186)	2,200	(4,993)	11,571	2,799	158,772

(*) It basically includes the effect of exchange fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers. The "Investments in joint arrangements and associates" include dividends distributed (unpaid) by Shanghai Golde Automotive Parts Co., Ltd. for an amount of €4 million euros approximately.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 derivative instruments

• Interest rate swaps and others

During the first half of 2022, the Group has contracted new interest rate swaps whose fair value at 30th June 2022 amount to €740 thousand. The amounts of the notional principal of the interest rate swap contracts (from variable to fixed) outstanding as of 30th June 2022 amount to €50,000 thousand, which are classified as hedging instruments.

During the year 2021, the Group liquidated its interest swap contracts, assuming a reclassification between the income statement for financial year and another comprehensive income of €10,944 thousand.

• Equity swap

On 6th August 2018 the Parent company arranged a new swap associated with the listed share price of CIE Automotive, S.A. 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 €2,819 thousand negative at 30th June 2022 (€4,541 thousand positive at 31st December 2021), and is due in 2023.

c) Investments in joint arrangements and associates

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

	Effective interest %	
	30.06.2022	31.12.2021
Belgium Forge, N.V. ⁽¹⁾	100%	100%
Galfor Eólica, S.L.	16%	15%
Gescrap - Autometal Comercio de Sucatas, Ltda.	30%	30%
Gescrap Autometal de México, S.A. de C.V.	30%	30%
Ges Trading Nar, S.A. de C.V. ⁽²⁾	30%	30%
Gescrap India Pvt, Ltd.	19%	18%
Clean Max Deneb Power, LLP	16%	16%
Sunbarn Renewables Pvt. ,Ltd.	17%	17%
ReNew Surya Alok Pvt.,Ltd. ⁽³⁾	20%	-
Shanghai Golde Automotive Parts Co, Ltd.	50%	50%
Golde Automotive Parts (Ningde) Co, Ltd.	50%	50%
Basquevolt, S.A. ⁽⁴⁾	17%	-

(1) In liquidation/dormant

(2) Direct subsidiary of Gescrap Autometal de México, S.A. de C.V. in 2021. Previously named, Gescrap Autometal México Servicios, S.A. de C.V.

(3) Associated company of Mahindra CIE Automotive, Ltd, consolidated by the equity method as of fiscal year 2021

(4) Company incorporated as of June 2022, and consolidated by the equity method after concluding the existence of significant influence according to a preliminary assessment.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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

Thousand euro	30 th June 2022			31 st December 2021		
	Investment value	Share in profit/(loss)	Dividends distributed	Investment value	Share in profit/(loss)	Dividends distributed
Shanghai Golde Automotive Parts Co., Ltd. ^(*)	38,134	1,112	-	35,808	3,284	3,896
Gescrap Autometal de México, S.A. de C.V.	6,904	2,247	1,589	5,697	1,364	466
Gescrap – Autometal Comercio de Sucatas, Ltda.	6,189	1,671	182	4,060	2,239	518
Other ^(*)	4,729	182	-	2,834	84	-
Total	55,956	5,212	1,771	48,399	6,971	4,880

(*) As of 30th June 2022 and 31st December 2021, an additional dividend of approximately €5 million is pending collection agreed in 2021.

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

The complete detail, at 100%, of the assets and liabilities of the joint arrangement Golde Shanghai Auto Parts, Ltd. as of 30th June 2022 and 31st December 2021, as well as the results generated for the six-month period ended 30th June 2022 and 2021, is as follows:

Balance sheet (Euro thousand)	30.06.2022	31.12.2021	Balance sheet (Euro thousand)	30.06.2022	31.12.2021
Non-current assets	19,241	21,268	Equity	11,115	8,568
Current assets	69,002	69,360	Non-current liabilities	7,196	6,310
			Current liabilities	69,932	75,750
Total assets	88,243	90,628	Total liabilities	88,243	90,628

Income statement (Euro thousand)	30.06.2022	30.06.2021
Revenue	54,650	46,405
Net operating income	2,932	502
Earnings before taxes	2,938	559
Net results from continued activities	2,223	383
Other comprehensive income	2,223	383

8. Cash and cash equivalents

Cash and other cash equivalents at 30th June 2022 and 31st December 2021 break down as follows:

Thousand euro	30.06.2022	31.12.2021
Cash in hand and banks	462,242	463,383
Current bank deposits	184,303	195,405
TOTAL	646,545	658,788

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

The Group does not have significant cash accounts pledged as of 30th June 2022 and 31st December 2021.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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

Thousand euro	30.06.2022	31.12.2021
Euro	69,711	75,474
US dollar	120,551	134,107
Chinese yuan	315,003	329,803
Brazilian real	99,599	77,488
Indian rupee	10,931	10,802
Russian rubble	1,523	3,094
Mexican peso	8,934	5,509
South African rand	13,752	16,217
Other	6,541	6,294
TOTAL	646,545	658,788

9. Disposal groups classified as held-for-sale and discontinued activities

a) 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, the sale of the company Bionor Berantevilla, S.L.U. and the assets of Biosur Transformación, S.L.U. took place. After the sale, the consolidated net assets assigned to the biofuel business are not significant.

At 30th June 2022 and 31st December 2021, the Group classifies the assets and liabilities associated with said business as a group of assets and liabilities held for sale, whose recoverable value did not vary significantly.

b) 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 profit and loss account of said company within discontinued activities.

At 30th June 2022 and 31st December 2021, for the specific situation of these businesses held for sale, the Group registers its net assets' at their recoverable value, which has not varied significantly.

The following is the discontinued income statement for the six-month period ended 30th June 2022 and 2021:

Thousand euro	Six-month period ended 30 th June	
	2022	2021
OPERATING REVENUE	3,856	2,301
Revenue	3,748	2,296
Other operating income	108	5
OPERATING EXPENSES	(2,641)	(1,657)
Consumption of raw materials and secondary materials	(1,584)	(641)
Employee Benefit expenses	(618)	(499)
Depreciation, amortisation, and impairment	-	(34)
Other operating expenses	(439)	(483)
OPERATING PROFIT	1,215	644
Net exchange differences	26	(26)
PROFIT BEFORE TAXES	1,241	618
Corporate income tax	(320)	(168)
PROFIT FOR THE YEAR FROM DISCONTINUED ACTIVITIES	921	450

Revenue of discontinued activities as of 30th June 2022 and 2021 has been fully performed in Spain.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 2022 and 31st December 2021:

ASSETS (Thousand euro)	30.06.2022	31.12.2021	LIABILITIES (Thousand euro)	30.06.2022	31.12.2021
Non-current assets	2,239	2,093	Deferred income	1,525	1,442
Property, plant, and equipment	1,459	1,332			
Other intangible assets	5	5	LIABILITIES	2,589	1,450
Non-current financial assets	24	33	Non-current liabilities	352	352
Deferred tax assets	383	383	Deferred tax liabilities	352	352
Other non-current assets	368	340			
Current assets	1,690	1,568	Current liabilities	2,237	1,098
Inventory	331	222	Trade and other payables	1,120	386
Trade and other receivables	101	65	Current tax liabilities	422	66
Current tax assets	496	486	Current provisions	564	597
Cash and cash equivalents	762	795	Other current liabilities	131	49
TOTAL ASSETS	3,929	3,661	TOTAL LIABILITIES	4,114	2,892

10. Equity

10.1 Share capital and share premium and treasury shares

The changes in the number of shares, capital share, share premium and treasury shares during fiscal years 2022 and 2021 were as follows:

30 th June 2022				
Movements in thousand euro	Share capital	Treasury shares	Share premium	Total
31 st December 2021	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 2021	30,637	(58,721)	152,171	124,087
30 th June 2021				
Movements in thousand euro	Share capital	Treasury shares	Share premium	Total
31 st December 2020	30,637	-	152,171	182,808
(Acquisition) of treasury shares	-	(16,358)	-	(16,358)
Sale of treasury shares	-	14,410	-	14,410
30th June 2021	30,637	(1,948)	152,171	180,860

a) Capital share

At 30th June 2022 and 31st December 2021 the share capital is 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.

The most relevant shareholdings in the share capital of CIE Automotive S.A., this is, the companies that hold a direct or indirect interest of more than 10% as of 30th June 2022 and 31st December 2021 are as follows:

Interest %	30.06.2022	31.12.2021
Acek Desarrollo y Gestión Industrial, S.L.	^(*) 15.690%	^(*) 15.690%
Corporación Financiera Alba, S.A.	12.730%	12.730%
Elidoza Promoción de Empresas, S.L.	10.890%	10.890%

(*) 5.790% held directly, and 9.90% indirectly through Risteel Corporation, B.V. as of 30th June 2022 and 31st December 2021.

The stock price of the Parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €23.68 at 30th June 2022 (last day of the period).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

b) Share premium

This is a non-restricted reserve.

c) Treasury shares

The movement of treasury shares during the periods ended 30th June 2022 and 2021 is disclosed as follows:

	30 th June 2022		30 th June 2021	
	Number of shares	Amount (Thousand euro)	Number of shares	Amount (Thousand euro)
Opening balance	15,244	401	-	-
Acquisition	3,271,524	69,786	675,769	16,358
(Sale)	(442,238)	(11,466)	(598,079)	(14,410)
Ending balance	2,844,530	58,721	77,690	1,948

During the first half of 2022, the Company has acquired a final amount of 2,829,286 treasury shares directly, with an ending balance of 2,844,530 shares (reaching 2.32% 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 1.63% of the total voting rights).

Under this authorization framework, on 16th March 2022, the Company's Board of Directors resolved to terminate the liquidity agreement entered into in 2021 and to approve a program to repurchase the Company's own shares in order to reduce up to a maximum of 5% of the Company's share capital through the redemption of own shares, reserving the right to terminate this program prior to the expiration date in accordance with the agreed terms.

Also, the mandate conferred by the Shareholders' Meeting held on 28th April 2022, by virtue of which the Board of Directors of the Company is empowered 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 with a charge to profit for the year and/or unrestricted reserves, and to subsequently dispose of or redeem such shares, all accordance with article 146 and concordant of the Capital Companies Law, until 28th April 2027.

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 in the year, excluding treasury shares acquired by the parent company.

	30.06.2022	30.06.2021
Profit attributable to the Parent company's shareholders (thousand euro)	160,269	148,214
Weighted average number of ordinary shares outstanding (thousand)	121,284	122,495
BASIC EARNINGS	1.322	1.210
Basic earnings per share from continuing activities (euro per share)	1.315	1.207
Basic earnings per share from discontinued activities (euro per share)	0.007	0.003

e) Dividend per share

On 28th April 2022, the General Meeting of Shareholders of CIE Automotive, S.A. has agreed to distribute 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 has meant a total of €43,094 thousand. The disbursement has been made 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, which meant a total of €44,113 thousand. The disbursement has been made effective on 5th January 2022.

On 5th May 2021, the General Meeting of Shareholders of CIE Automotive, S.A. agreed the distribution of the individual result for the 2020 year, approving the distribution of a complementary dividend of €0.25 gross per share entitled to a dividend, which amounted to a total of €30,624 thousand. The disbursement was effective on 6th July 2021.

On 16th December 2020, Board of Directors of CIE Automotive, S.A. approved the payment of an interim dividend of 2020 profit of €0.25 gross per share, implying a total pay-out of €30,638 thousand. The disbursement was effective on 7th January 2021.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

11. Borrowings

The detail of the Group's borrowed funds as of 30th June 2022 and 31st December 2021, classified by item is as follows:

Thousand euro	30.06.2022	31.12.2021
Bank borrowings (a)	1,707,596	1,654,078
Non-current borrowings	1,707,596	1,654,078
Bank borrowings (a))	156,662	160,409
Commercial paper programme (b)	240,950	360,750
Discounted bills pending maturity and prepayments on export bills	4,163	4,616
Current borrowings	401,775	525,775
TOTAL BORROWINGS	2,109,371	2,179,853

a) Bank borrowings

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.

During the first six months of the year, the Group has contracted interest rate swap agreements (Note 7) for some of its finance agreements. The exposure of the Group's bank borrowings to interest rate changes as 30th June 2022 and 31st December 2021 is as follows:

Thousand euro	Note	Period-end balance	Over 1 year	Over 5 years
Total borrowings		1,864,258	1,707,596	172,336
Total borrowings at fixed interest rate		(663,346)	(569,304)	(109,108)
Interest rate swap impact	7	(50,000)	(50,000)	-
Risk at 30th June 2022		1,150,912	1,088,292	63,228

Thousand euro	Note	Period-end balance	Over 1 year	Over 5 years
Total borrowings		1,814,487	1,654,078	178,508
Total borrowings at fixed interest rate		(409,286)	(382,826)	(100,776)
Interest rate swap impact	7	-	-	-
Risk at 31st December 2021		1,405,201	1,271,252	77,732

Non-current borrowings have the following maturities:

Thousand euro	30.06.2022	31.12.2021
Between 1 and 2 years	474,735	288,277
Between 3 and 5 years	1,060,525	1,187,293
Over 5 years	172,336	178,508
TOTAL NON-CURRENT BORROWINGS	1,707,596	1,654,078

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 30 and 600 basis points on 30th June 2022 and 31st December 2021.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 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; and considering the impact interest rate swaps disclosed in Note 7.

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

Thousand euro	30.06.2022	31.12.2021
Euro	1,847,823	1,903,496
US Dollar	246,869	264,447
Brazilian real	1,345	592
Other	13,334	11,318
TOTAL BORROWINGS	2,109,371	2,179,853

At 30th June 2022 the Group had drawn credit lines with financial institutions for an amount of €102 million (31st December 2021: €33 million). The total limit of the credit lines amounts to €783 million (31st December 2021 €758 million), so it has €681 million (31st December 2021: €725 million) of loans and credit lines undrawn at a floating interest rate.

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.
- 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 has been signed, a new extension was unanimously approved by the financing entities.

The drawn amount of this syndicated financing agreement as of 30th June 2022 and 31st December 2021 amounted to €300 million, and its interest rate is indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 drawn amount of this loan on 30th June 2022 and 31st December 2021 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 signed a finance agreement with this institution amounting to €40 million, due in 2030. The maximum maturity of such agreements is in 2031 and the outstanding payable amounts as of 30th June 2022 amounts to €112 million (€116 million as of 31st December 2021).

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 LIBOR. Renewals were carried out in 2021 and 2022, renewing one of the loans for an amount of USD35 million maturing in 2024. The balance as of 30th June, 2022 amounts to €34 million (31st December 2021: €43 million).

In February 2017, the Mexican companies Pintura, Estampado y Montaje, S.A.P.I. de C.V. and Pintura y Ensamblajes de México, S.A. de C.V. arranged three loans amounting to USD60 million, USD40 million and USD40 million, which are due in July 2021, February 2022, and February 2023 respectively. On 21st December 2020, one of the loans for an amount of USD 60 million was renewed in advance, extending its maturity to 2022. In December 2021, the entire outstanding amount of these financings was amortized, leaving the balance fully settled as of 31st December 2021.

In June 2018, the Group contracted a new loan of USD50 million from a financial institution, through the Mexican subsidiary CIE Automotive de México, SAPI de C.V., for a five years term and an eleven-month grace period, at a floating interest rate linked to the LIBOR, on conditions in line with current market price parameters. The balance of this loan on 30th June 2022 amounts to €12 million (31st December 2021: €17 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 2022 the drawn amount of such funding is €116 million (31st December 2020: €115 million approximately).

All the financing facilities described above are subject to compliance with different financial ratios usual for these contracts in the market. In its commitment to sustainability and in accordance with its strategic plan, the Group has been incorporating sustainable financing criteria into its financing agreements in its objective for 2025 of obtaining more than half of the Group's gross debt classified as sustainable debt.

During the first half of 2021, and with effective date 1st July 2021, the Group renewed its structural financial agreements, by negotiating new covenants, extending the maturity of certain facilities and modifying some of the financing agents. Accordingly, the Group has improved its financing conditions.

As of 30th June, 2022 and 31st December 2021, 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.

During 2020, a number of financing contracts were signed with various financial entities endorsed by the Official Credit Institute (ICO) for a maximum amount of €442 million, and which were part of the national liquidity injection program to mitigate the economic impacts caused by the Covid-19 pandemic. These financings, which accrued a market interest rate, were amortized in advance during the 2021 financial year, and there are no outstanding balances as of 30th June 2022 and 31st December 2021.

The rest of the Group's financing refers mainly to non-structural financing contracted by the Parent Company under market conditions.

In the first semester of 2022, the Group has repaid €101 million related to bank credits and loans (2021: €461 million) and loans and additional credit accounts have been arranged for an amount of €174 million included those disclosed above (2021: €317 million).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

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 2022, the drawn balance amounts to €241 million (€361 million as of 31st December 2021).

12. Provisions

The detail of the provisions as of 30th June 2022 and 31st December 2021 is as follows:

Thousand euro	30.06.2022	31.12.2021
Commitments with employees	81,301	80,823
Other provisions	259,111	250,795
TOTAL	340,412	331,618

12.1 Commitments with employees provisions

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

Thousand euro	30.06.2022	31.12.2021
Germany	70,830	70,875
India	7,094	6,427
Italy	3,237	3,393
México	140	128
TOTAL PENSIONS	81,301	80,823

There were no significant changes in the actuarial – financial assumptions compared with those described in Note 22 of the Group's annual accounts at the 2021-year end.

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

- 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 because of the Pension Reform which took place in December 2005.

The Group estimates annually, through actuarial studies performed by independent experts, the amount of the obligation and payments for pensions and similar benefits to be paid in the following year, which are recorded as provisions.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

The movement of the defined benefit obligation and long-term employee benefits during the six-month period ended 30th June 2022 and 2021 has been as follows:

Thousand euro	31.12.2021	CURRENT SERVICES COST	EXPENSES/ (INCOME) BY INTEREST	30 th June 2022 ASSESSMENT CALCULATION		PAYMENT OF FEES	TRANSLATION DIFFERENCES	30.06.2022
				(PROFIT) / LOSSES FROM CHANGES IN FINANCIAL ASSETS	(PROFIT) / LOSSES FROM EXPERIENCE			
Post-employment benefits ⁽¹⁾	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

Thousand euro	31.12.2020	CURRENT SERVICES COST	EXPENSES/ (INCOME) BY INTEREST	30 th June 2021 ASSESSMENT CALCULATION		PAYMENT OF FEES	TRANSLATION DIFFERENCES	30.06.2021
				(PROFIT) / LOSSES FROM CHANGES IN FINANCIAL ASSETS	(PROFIT) / LOSSES FROM EXPERIENCE			
Post-employment benefits ⁽¹⁾	86,482	1,549	226	-	-	(1,895)	879	87,241
Long-term benefits to employees	1,931	-	-	-	-	-	3	1,934
TOTAL PENSIONS	88,413	1,549	226	-	-	(1,895)	882	89,175

⁽¹⁾ 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 2022 and 2021 is as follows:

Thousand euro	30.06.2022	30.06.2021
Opening balance	331,618	324,989
Additions / (Reversals)	4,107	1,579
Income statement	4,098	1,579
Reserves	9	-
Applications	(4,936)	(9,827)
Transfers and other movements ^(*)	9,623	5,956
Ending balance	340,412	322,697
NON-CURRENT PROVISIONS	201,883	203,618
CURRENT PROVISIONS	138,529	119,079

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

Non-current provisions at 30th June 2022 mainly include the following:

- A €74.4 million provision (31st December 2021: €73.4 million) to cover the operating risks of the business which it is considered to be payable in the long term, corresponding in a significant part to liabilities associated with contracts with clients for a value of €13.6 million (31st December 2021: €14.5 million) and the coverage of guarantees negotiated with clients related to the manufacture of sun roofs worth €10.9 million (31st December 2021: €10.2 million).
- A €38.1 million provision (31st December 2021: €33.7 million) corresponding almost entirely to tax contingencies in Brazil, mainly related to taxes and fiscal charges other than corporate tax, of which €1.4 million are on court deposit pending court rulings at 30th June 2022 (31st December 2021: €1.5 million).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

Current provisions at 30th June 2022 are basically for the hedge of operational risks of the business in various Group companies classified due in the short term (2022: €128.3 million; 31st December 2021: €125.1 million) corresponding in a significant part to both the hedge of guarantees negotiated with customers related to the manufacture of solar roofs worth €63.7 million as well as customer claim hedges (31st December 2021: €60.7 million), recognized at fair value, and that the Group Management estimates will be resolved in the short term.

In addition, other provisions, both non-current and current, include provisions made to meet obligations arising mainly from tax claims, litigation and arbitration, indemnities and other liabilities and hedge of risks arising from the development of the business, which have evolved during the year on a case-by-case basis and which in no case represent significant isolated amounts.

13. Corporate income tax

The consolidated income tax expense of the Group is as follows:

Thousand euro	30.06.2022	30.06.2021
Current tax expense	45,731	39,152
Deferred tax expense / (income)	(2,406)	3,518
Income tax expense	43,325	42,670

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

	Nominal rate	
	2022	2021
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%

Both current and deferred tax assets and liabilities are only offset if, and only if, the Group has a legally enforceable right to compensate the amounts recognized in these accounts, and when these assets and liabilities are related to income taxes levied by the same taxation authority on a single tax subject/entity, or in the event of different tax subjects/entities, when the Group intends to realise the tax receivable and settle the tax payable 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.
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Industrias Amaya Tellería, S.A.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- Mecanizaciones del Sur - Mecasur, S.A.
- CIE Automotive Goiaín, S.L.U.
- CIE Automotive Boroa, S.L.U.
- CIE Roof Systems, S.L.U.
- Recogida de Aceites y Grasas Maresme, S.L.U.

In addition, the following companies are taxed 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.

Outside Spain the following fiscal groups exist:

- In Germany: led by the company Mahindra Forgings Europe AG and in which also participate the followings: Gesenkschmiede Schneider GmbH, Jeco Jellinghaus GmbH and Falkenroth Umformtechnik GmbH.
- 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 Tools and Gears, Inc, Rochester Gears, 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.

In general terms, the years that have not lapsed under applicable tax legislation in each Group company are open to inspection. These range from 4 to 6 years starts from the date the obligation is due and the tax return filing period ends.

The tax law applicable to the corporate income tax returns for 2022 and 2021 for the Parent company is Regional Law 11/2013 of 5th December, applicable in the Territory of Bizkaia, modified by the Regional Law 2/2018 of 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 the interim financial consolidated 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:

- Remuneration and loans to the parent company's Directors and Senior Management personnel

Total remuneration paid in the six-month period ended 30th June 2022 to the members of the Board of Directors, consisting of salaries, per diems and other remuneration was €4,713 thousand (30th June 2021: €1,672 thousand). The members of the Board of Directors received no compensation in respect of per diems, 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.

The total remuneration paid in the six-month period ended 30th June 2022 to Senior Management staff of the CIE Automotive Group, excluding the amounts included in the section on the remuneration paid to the Board of Directors was €2,318 thousand (30th June 2021: €2,158 thousand).

NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30th JUNE 2022

As explained in Note 26 within the Consolidated Annual Accounts of the Group of the year 2021, 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 Senior Management, pending collection as of 30th June 2022 and 31st December 2021 amount to €7,149 thousand. These loans, which meet the conditions to be considered as full recourse, are valued at fair value, and are classified under "Current financial assets" in the consolidated interim balance sheet (Note 7).

The Group has not entered into any obligations relating to pensions or other types of complementary retirement remunerations with Senior Management personnel.

- 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, as has been modified by agreement that was approved by the General Shareholders' Meeting on 5th May 2021.

The incentive consists of the payment of a total extraordinary 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 9 years (reference periods), with a base price of €21.30 per share and the closing value of the average of the contribution corresponding to the last quarter of the periods completed within the established period, in the terms approved by the General Shareholders' Meeting. In accordance with the modifications introduced at the aforementioned General Shareholders' Meeting on 5th May 2021, in the second half year of 2021, the CEO proceeded to partially exercise the incentive, so that the amount accrued for said remuneration raised to €5,900 thousand. With this partial exercise, a base price was set for possible subsequent exercises of the incentive at €25.37 per share.

in the first half year of 2022, the CEO proceeded again to partially exercise the incentive, so that the amount accrued for said remuneration has risen to €2,972 thousand. With this additional partial exercise, a base price has been set for possible subsequent exercises of the incentive at €27.41 per share.

- Other related-party balances and transactions

Balances in thousand euro	30.06.2022⁽¹⁾	31.12.2021⁽¹⁾
Receivables from related parties	58,276	40,697
Payables to related parties	(14,156)	(11,461)
Loans and credits from related parties	6,534	6,428
Advances to related parties (Note 7)	7,800	7,800
Receivable balances with entities with significant influence	16,800	16,800
Payable balances with entities with significant influence	(44,326)	(34,370)
Dividend payable (Note 10)	(43,094)	(44,113)
Transactions in thousand euro	30.06.2022⁽¹⁾	30.06.2021⁽¹⁾
Revenue from the sale of goods ^(**) and scrap ^(***)	157,132	100,478
Purchases ^(**)	21,857	9,291
Rendered services	998	770
Reception of services	4,803	2,452
Finance cost	273	199

⁽¹⁾ The balances and transactions as 30th June 2022 have been prepared according to the definition of related parties applicable for listed companies included in the Spanish Law 5/2021, which is effective on 4th July 2021.

^(**) Both revenue from the sale of goods and purchases relate mainly to sales - purchases of parts with the Mahindra & Mahindra group amounting to €102 million and €12 million, respectively as of 30th June 2022 (€66million and €9 million respectively as of 30th June 2021).

^(***) Revenue from the sale of scrap mainly relates to sales to companies controlled by Gescrap group amounting to €52 million as of 30th June 2022 (30th June 2021: €32 million), and are registered as "Other operating income" on the consolidated income statement.

**NOTES TO THE ABBREVIATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD
ENDED 30th JUNE 2022**

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 2022 that could alter or have any effect on the abbreviated interim Consolidated Financial Statements for the six-month period ended on 30th June 2022.

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
CIE Berriz, S.L. (*)	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
Belgium Forge, N.V. (in liquidation)	CIE Berriz, S.L.	Manufacture of automotive components	Belgium	-	100.00%
CIE Udalbide, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Biscay	-	100.00%
CIE Mecauto, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Mecanizaciones del Sur-Mecatur, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Gameko Fabricación de Componentes, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Grupo Componentes Vilanova, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Barcelona	-	100.00%
Alurecy, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Biscay	-	100.00%
Componentes de Automoción Recytec, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Componentes de Dirección Recylan, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Navarre	-	100.00%
Nova Recyd, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Recyde, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Recyde CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
CIE Zdánice, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
Alcasting Legutiano, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Egaña 2, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Biscay	-	100.00%
Inyectametal, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Biscay	-	100.00%
Orbelan Plásticos, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Transformaciones Metalúrgicas Norma, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Gipuzkoa	-	100.00%
Plasfil Plásticos da Figueira, S.A. (*)	CIE Berriz, S.L.	Manufacture of automotive components	Portugal	-	100.00%
CIE Stratis-Tratamentos, Ltda.	Plasfil Plásticos da Figueira, S.A.	Manufacture of automotive components	Portugal	-	100.00%
CIE Metal CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
CIE Plasty CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
CIE Unitools Press, a.s.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
CIE Joamar, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czechia	-	100.00%
CIE Automotive Maroc, s.a.r.l. d'au	CIE Berriz, S.L.	Manufacture of automotive components	Morocco	-	100.00%
CIE Praga Louny, a.s.	CIE Berriz, S.L.	Manufacture of automotive components	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 automotive components	France	-	100.00%
Biosur Transformación, S.L.U. (2)	CIE Berriz, S.L.	Biofuel production and sale	Huelva	-	100.00%
Comlube s.r.l. (*) (in liquidation) (2)	CIE Berriz, S.L.	Biofuel production and sale	Italy	-	80.00%
Glycoleo s.r.l. (dormant) (2)	Comlube s.r.l.	Biofuel production and sale	Italy	-	40.80%
Biocombustibles de Guatemala, S.A. (2)	CIE Berriz, S.L.	Biofuel production and sale	Guatemala	-	51.00%
Gestión de Aceites Vegetales, S.L. (*) (2)	CIE Berriz, S.L.	Biofuel production and sale	Madrid	-	88.73%
Reciclado de Residuos Grasos, S.L.U. (2)	Gestión de Aceites Vegetales, S.L.	Biofuel production and sale	Madrid	-	88.73%
Recogida de Aceites y Grasas Maresme, S.L.U. (2)	CIE Berriz, S.L.	Biofuel production and sale	Barcelona	-	100.00%
Denat 2007, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Pontevedra	-	100.00%
Industrias Amaya Tellería, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Biscay	-	100.00%
MAR SK, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Slovakia	-	100.00%
Autocom Componentes Automotivos do Brasil Ltda.	CIE Berriz, S.L.	Manufacture of automotive components	Brazil	-	100.00%
GAT México, S.A. de C.V.	CIE Berriz, S.L.	Manufacture of automotive components	Mexico	-	100.00%
SC CIE Matricon, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Romania	-	100.00%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Direct	Indirect
CIE Automotive Parts (Shanghai) Co., Ltd.	CIE Berriz, S.L.	Manufacture of automotive components	People's Republic of China	-	100.00%
CIE Automotive Rus, LLC	CIE Berriz, S.L.	Manufacture of automotive components	Russia	-	100.00%
CIE Automotive Goian, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Álava/Araba	-	100.00%
Basquevolt, S.A. (1)	CIE Berriz, S.L.	Development of sustainable batteries	Álava/Araba	-	16.66%
Somaschini, SPA (*)	CIE Berriz, S.L.	Manufacture of automotive components	Italy	-	100.00%
Somaschini Automotive, SRL (*)	Somaschini, SPA	Manufacture of automotive components	Italy	-	100.00%
Somaschini International, Inc (*)	Somaschini Automotive, SRL	Holding company	USA	-	100.00%
Somaschini North America, LLC	Somaschini International, Inc	Manufacture of automotive components	USA	-	100.00%
Somaschini Realty, LLC	Somaschini International, Inc	Real state company	USA	-	100.00%
Autometal, Ltda. (*)	CIE Berriz, S.L.	Manufacture of automotive components	Brazil	-	100.00%
Durametal, Ltda.	Autometal, Ltda.	Manufacture of automotive components	Brazil	-	84.88%
Autometal SBC Injeção e Pintura de Plásticos Ltda.	Autometal, Ltda.	Manufacture of automotive components	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 automotive components	Brazil	-	100.00%
Metalúrgica Nakayone, Ltda.	Autometal, Ltda.	Manufacture of automotive components	Brazil	-	100.00%
Autometal Minas Cromação, Pintura e Injeção de Plásticos Ltda.	Autometal, Ltda.	Manufacture of automotive components	Brazil	-	100.00%
CIE Automotive de México SAPI de C.V. (*)	CIE Berriz, S.L.	Holding company	Mexico	-	100.00%
Pintura y Ensamblés de México, S.A. de C.V. (5)	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Celaya, S.A.P.I. de C.V.	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Gescrap Autometal de Mexico, S.A. de C.V.	CIE Automotive de México SAPI de C.V.	Scrap	Mexico	-	30.00%
Ges Trading Nar, S.A. de C.V. (6)	CIE Automotive de México SAPI de C.V.	Facilities	Mexico	-	30.00%
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Berriz México Servicios Administrativos, S.A. de C.V.	CIE Automotive de México SAPI de C.V.	Facilities	Mexico	-	100.00%
Nugar, S.A. de C.V. (4)	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Maquinados de Precisión de México S. de R.L. de C.V.	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Plásticos México, S.A. de C.V.	CIE Automotive de México SAPI de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Automotive, USA Inc (*)	CIE Automotive de México SAPI 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 automotive components	USA	-	100.00%
Century Plastics Real State Holdings, LLC	Century Plastics, LLC	Real state company	USA	-	100.00%
Newcor, Inc (*)	CIE Automotive, USA Inc	Holding company	USA	-	100.00%
Owosso Realty, LLC	Newcor, Inc	Real state company	USA	-	100.00%
Corunna Realty, Corp.	Newcor, Inc	Real state company	USA	-	100.00%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
Clifford Realty, Corp.	Newcor, Inc	Real state company	USA	-	100.00%
Machine, Tools and Gear, Inc	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Rochester Gear, Inc	Newcor, Inc	Manufacture of automotive components	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 automotive components	USA	-	100.00%
Participaciones Internacionales Autometal Dos, S.L.U. (*) (3)	CIE Berriz, S.L	Holding company	Biscay	-	100.00%
Mahindra CIE Automotive Ltd. (*)	Participaciones Internacionales Autometal Dos S.L.U.	Manufacture of automotive components	India	-	63.44%
Stokes Group Ltd. (2)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	United Kingdom	-	63.44%
CIE Galfor, S.A.U. (*)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	Orense	-	63.44%
Mahindra Forgings Europe AG (*)	CIE Galfor, S.A.U.	Holding company	Germany	-	63.44%
Gesensschmiede Schneider GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	63.44%
Jeco Jellinghaus GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	63.44%
Falkenroth Umformtechnik GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	63.44%
Schoneweiss & Co. GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	63.44%
CIE Legazpi, S.A.U.	CIE Galfor, S.A.U.	Manufacture of automotive components	Gipuzkoa	-	63.44%
UAB CIE LT Forge	CIE Galfor, S.A.U.	Manufacture of automotive components	Lithuania	-	63.44%
Galfor Eólica, S.L.	CIE Galfor, S.A.U.	Power generation and trade	Orense	-	15.86%
Metalcastello S.p.A.	CIE Galfor, S.A.U.	Manufacture of automotive components	Italy	-	63.41%
BillForge de Mexico S de RL de CV	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	Mexico	-	63.44%
BF Precision Pvt. Ltd.	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	63.44%
Aurangabad Electricals, Ltd (*)	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	63.44%
CIE Hosur Ltd	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	63.44%
Gescrap India Pvt. Ltd.	Mahindra CIE Automotive Ltd.	Manufacture of automotive components	India	-	19.03%
Clean Max Deneb Power, LLP	Mahindra CIE Automotive Ltd.	Power generation and trade	India	-	16.49%
Sunbarn Renewables PVT., Ltd.	Mahindra CIE Automotive Ltd.	Power generation and trade	India	-	16.60%
ReNew Surya Alok Pvt Limited (1)	Mahindra CIE Automotive Ltd.	Power generation and trade	India	-	19.79%
Advanced Comfort Systems Ibérica, S.L.U.	CIE Automotive, S.A.	Manufacture of automotive components	Orense	100.00%	-
Advanced Comfort Systems France, S.A.S. (*)	CIE Automotive, S.A.	Manufacture of automotive components	France	100.00%	-
Advanced Comfort Systems Romania, S.R.L.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Romania	-	100.00%
Advanced Comfort Systems México, S.A. de C.V.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Mexico	-	100.00%
Advanced Comfort Systems Shanghai Co. Ltd. (*)	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	People's Republic of China	-	100.00%
Wuhan Advanced Comfort Systems Co, Ltd.	Advanced Comfort Systems Shanghai Co. Ltd.	Manufacture of automotive components	People's Republic of China	-	100.00%
Autokomp Ingeniería, S.A.U. (*)	CIE Automotive, S.A.	Facilities	Biscay	100.00%	
Forjas de Celaya, S.A. de C.V.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	Mexico	-	100.00%
Nanjing Automotive Forging Co., Ltd.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	People's Republic of China	-	50.00%
Componentes Automotivos Taubaté, Ltda. (*)	Autokomp Ingeniería, S.A.U.	Holding company	Brazil	-	100.00%
Autoforjas, Ltda.	Componentes Automotivos Taubaté, Ltda.	Manufacture of automotive components	Brazil	-	100.00%

APPENDIX I: LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Parent company	Activity	Location	% effective	
				Shareholding of CIE Automotive	
				Direct	Indirect
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 automotive components	Korea	100.00%	-
CIE Roof Systems, S.L.U. (*)	CIE Automotive, S.A.	Holding company	Biscay	100.00%	-
Golde Holdings, BV (*)	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Tianjin Co., Ltd.	Golde Holdings, BV	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Wuhan Co., Ltd.	Golde Holdings, BV	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Shandong Co., Ltd.	Golde Holdings, BV	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde USA, LLC (*)	CIE Roof Systems, S.L.U.	Holding company	USA	-	100.00%
Inteva Products (Barbados), Ltd. (*)	Golde USA, LLC	Holding company	Barbados	-	100.00%
Golde Shanghai Co., Ltd.	Inteva Products (Barbados), Ltd.	Manufacture of automotive components	People's Republic of China	-	100.00%
Golde Changchun Co., Ltd.	Inteva Products (Barbados), Ltd.	Manufacture of automotive components	People's Republic of China	-	100.00%
CIE Golde Shanghai Innovation Co., Ltd.	Inteva Products (Barbados), Ltd.	Technology center	People's Republic of China	-	100.00%
Golde Netherlands, BV (*)	CIE Roof Systems, S.L.U.	Holding company	The Netherlands	-	100.00%
Golde Bengaluru India Pvt Ltd.	Golde Netherlands, BV	Technology center	India	-	100.00%
Roof Systems Germany, GmbH	Golde Netherlands, BV	Technology center	Germany	-	100.00%
Golde Oradea, SRL	Golde Netherlands, BV	Manufacture of automotive components	Romania	-	100.00%
Golde Lozorno Spol, s r.o.	Golde Netherlands, BV	Manufacture of automotive components	Slovakia	-	100.00%
Golde Mexico Holdings, LLC (*)	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 automotive components	Mexico	-	100.00%
SIR S.A.S. (*)	Golde Netherlands, BV	Holding company	France	-	100.00%
Shanghai Golde Automotive Parts Co., Ltd. (*)	SIR S.A.S.	Manufacture of automotive components	People's Republic of China	-	50.00%
Golde Automotive Parts (Ningde) Co., Ltd.	Shanghai Golde Automotive Parts Co., Ltd.	Manufacture of automotive components	People's Republic of China	-	50.00%
Golde Pune Automotive India Private Ltd.	CIE Roof Systems, S.L.U.	Manufacture of automotive components	India	-	100.00%

(1) Companies added to consolidation scope in 2022 together with their subsidiaries.

(2) Discontinued companies on June 30, 2022

(3) Merged in 2021 with PIA Forging Products, S.L.U.

(4) Merged in 2021 with Percaser de México, S.A. de C.V.

(5) Merged in 2021 with Servicat S. Cont., Adm. y Técnicos, S.A. de C.V.

(6) Previously Gescrap Autometal Mexico Servicios, S.A. de C.V.

(*) 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 2022 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 27th July 2022



CIE Automotive

EARNINGS RELEASE

Managing high value-added processes

June 2022



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- 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 2022 Results
- 2. Balance Sheet
- 3. 2025 Goals
- 4. CIE in Stock Exchange
- Appendix

1. June 2022 Results

Highlights 2022

01	Q2 Turnover New historical record	1,004.2 €m <i>TURNOVER Q2 2022</i>	+15.8 p.p. vs market (*) OUTPERFORMANCE
02	Q2 EBITDA New historical record	164.4 €m <i>16.4% EBITDA MARGIN</i>	PROFORMA STARTING POINT ≈ 16%
03	Q2 Operating cash generation New historical record	106.6 €m <i>68% OPERATING CASH/EBITDA</i>	HIGH LEVEL OF CASH GENERATION
04	S1 Net Income New historical record	160.3 €m <i>+8.1% vs 2021</i>	CONTINUING OUR GROWTH PATH
05	Liquidity Reserve	1,416 €m	STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT
06	NFD/EBITDA(**)	2.28x <i>2.59x June 2021</i>	CONTINUOUS DEBT RATIOS IMPROVEMENT
07	Analyst recommendation	100% <i>DO NOT SELL</i>	TARGET PRICE CONSENSUS 28.54€

(*) Q2 at constant Exchange rate.

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

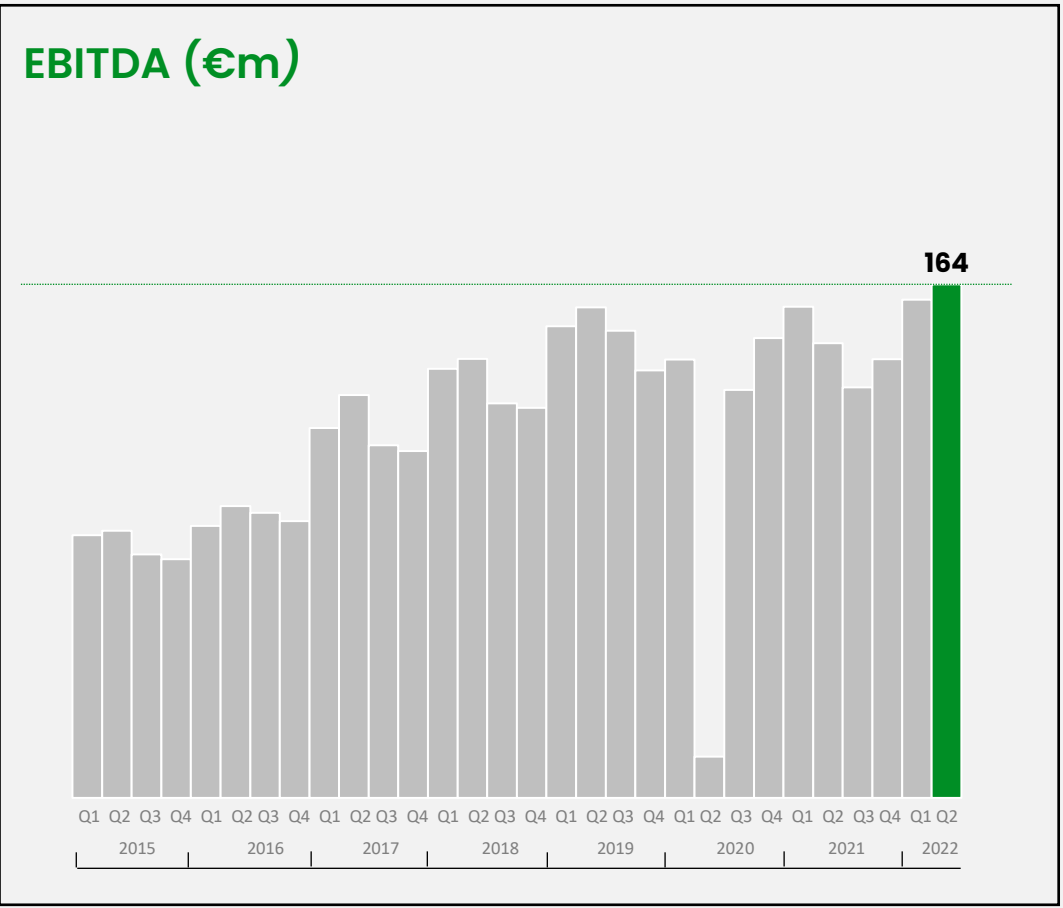
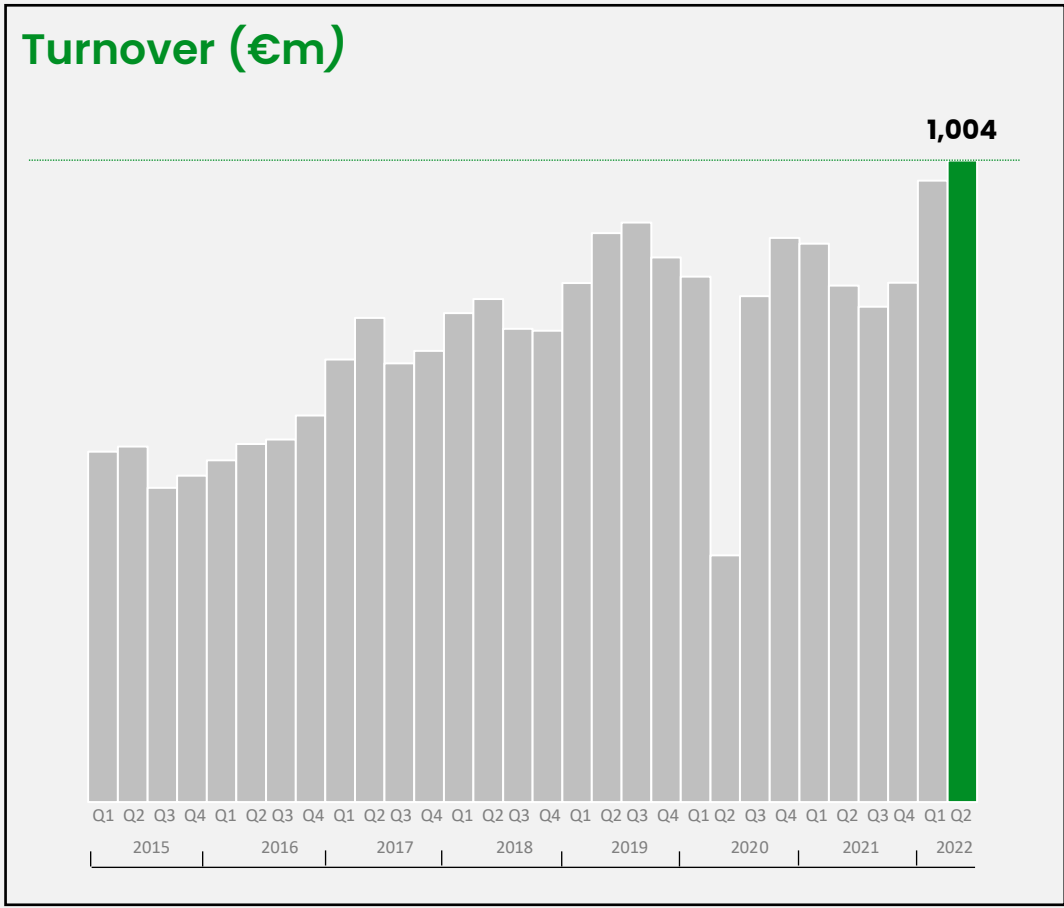
1. Q2 2022 Results

€m	Q2 2021	Q2 2022	
Turnover	807.8	1,004.2	+24.3%
EBITDA	145.6	164.4	
% EBITDA / turnover	18.0%	16.4%	
EBIT	104.3	115.9	
% EBIT / turnover	12.9%	11.5%	
EBT	92.4	113.3	+22.6%
Net income	70.0	78.1	

- Q2 historical quarter record exceeding for the first time 1,000 €m turnover and with growth in all lines of results.
- Q2 quarter EBITDA record despite pressure from inflation and very high level of energy costs.

1. Q2 2022 Results

Highest historical quarter in Turnover and EBITDA

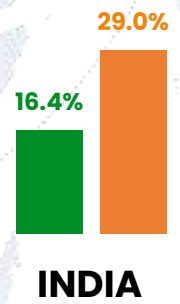
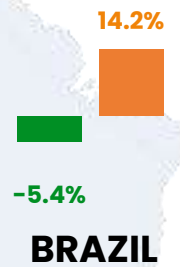
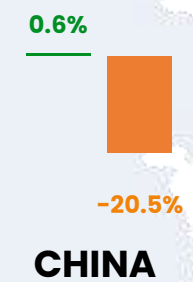
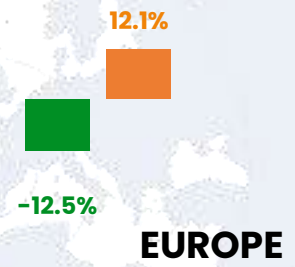
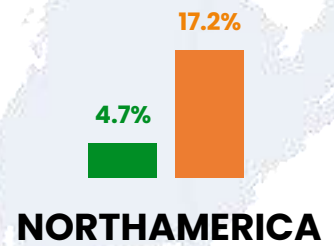




1. June 2022 Results

Sales evolution 2022 vs 2021

■ Market
 ■ CIE



Market -1.8%
CIE +11.1%
 △ **+12.9 p.p.**

Constant Exchange rate

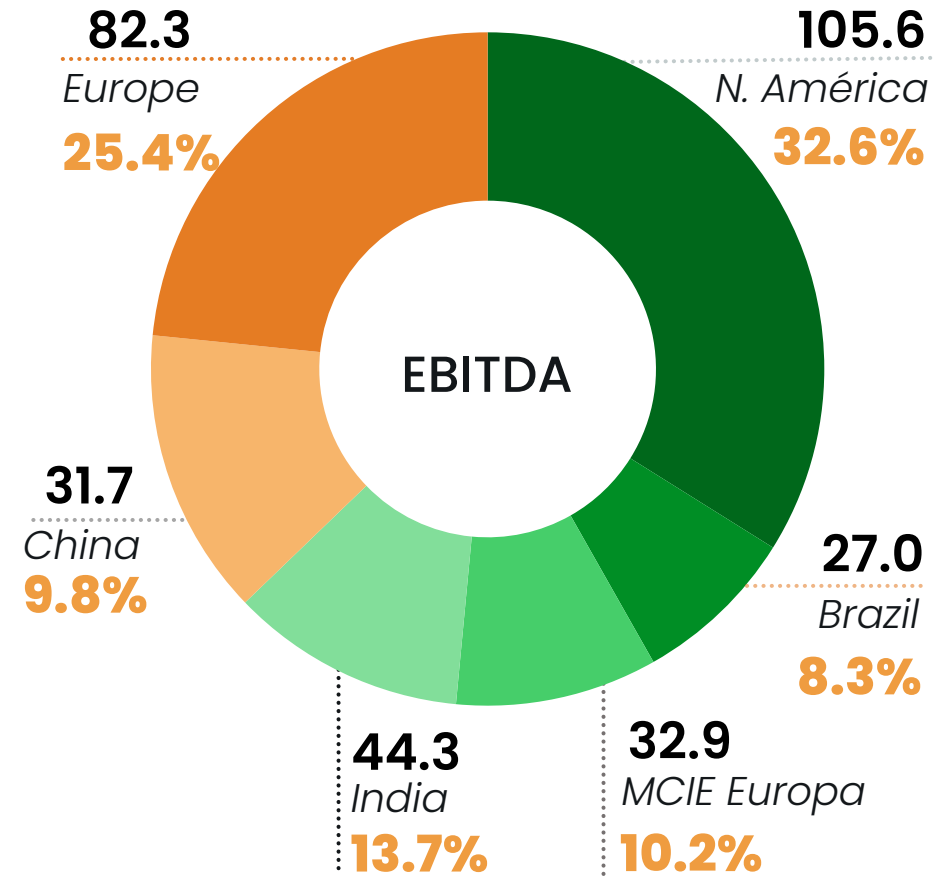
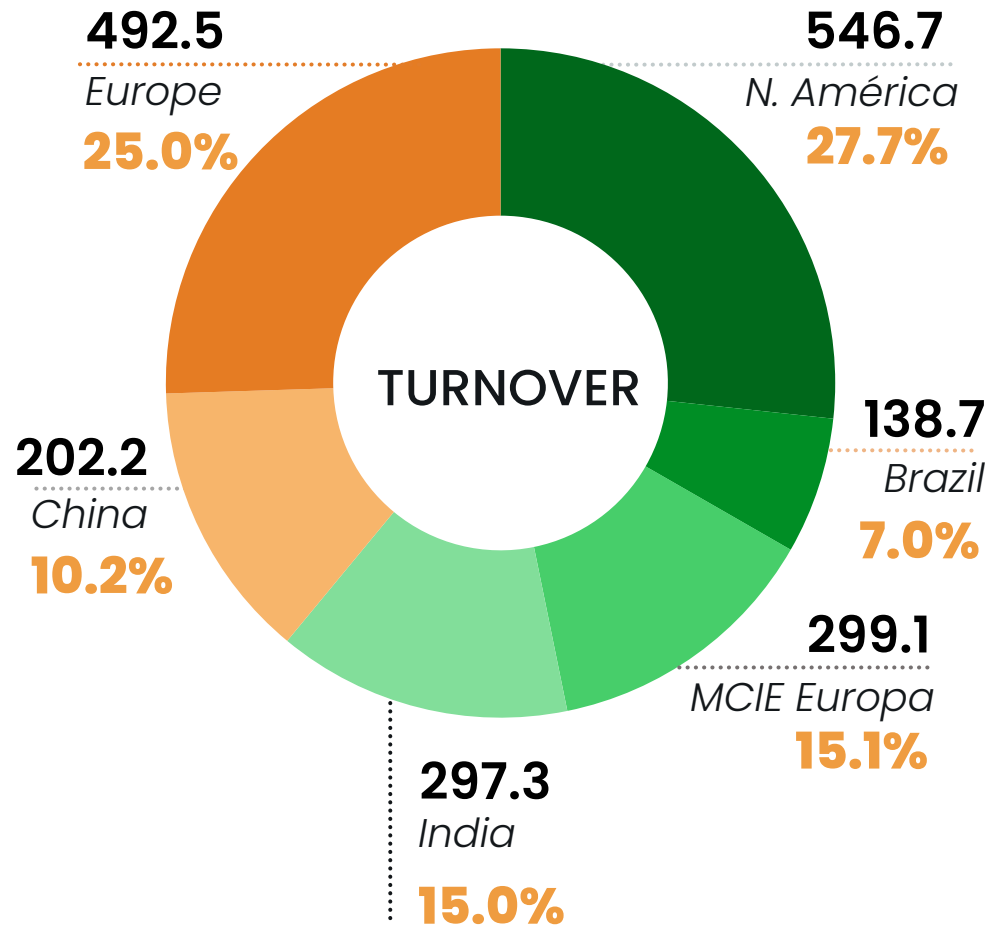
Source: Motor vehicles production IHS JUNE 2022 (6 months 2022) (growth % in units).

€m	30/06/2021	30/06/2022	
Turnover	1,681.6	1,976.5	
EBITDA	302.8	323.8	+6.9%
% EBITDA / turnover	18.0%	16.4%	
EBIT	220.6	233.6	
% EBIT / turnover	13.1%	11.8%	
EBT	201.0	222.2	
Net income	148.2	160.3	+8.1%

- First semester historical record in Turnover, EBITDA and Net Income even with the market crisis and considering 1.8% fewer vehicles produced vs 2021.
- Despite the strong increase in costs, we improve operating margins that were diluted after 2019 acquisitions (EBITDA proforma ≈ 16%, EBIT proforma ≈ 11%).

1. June 2022 Results

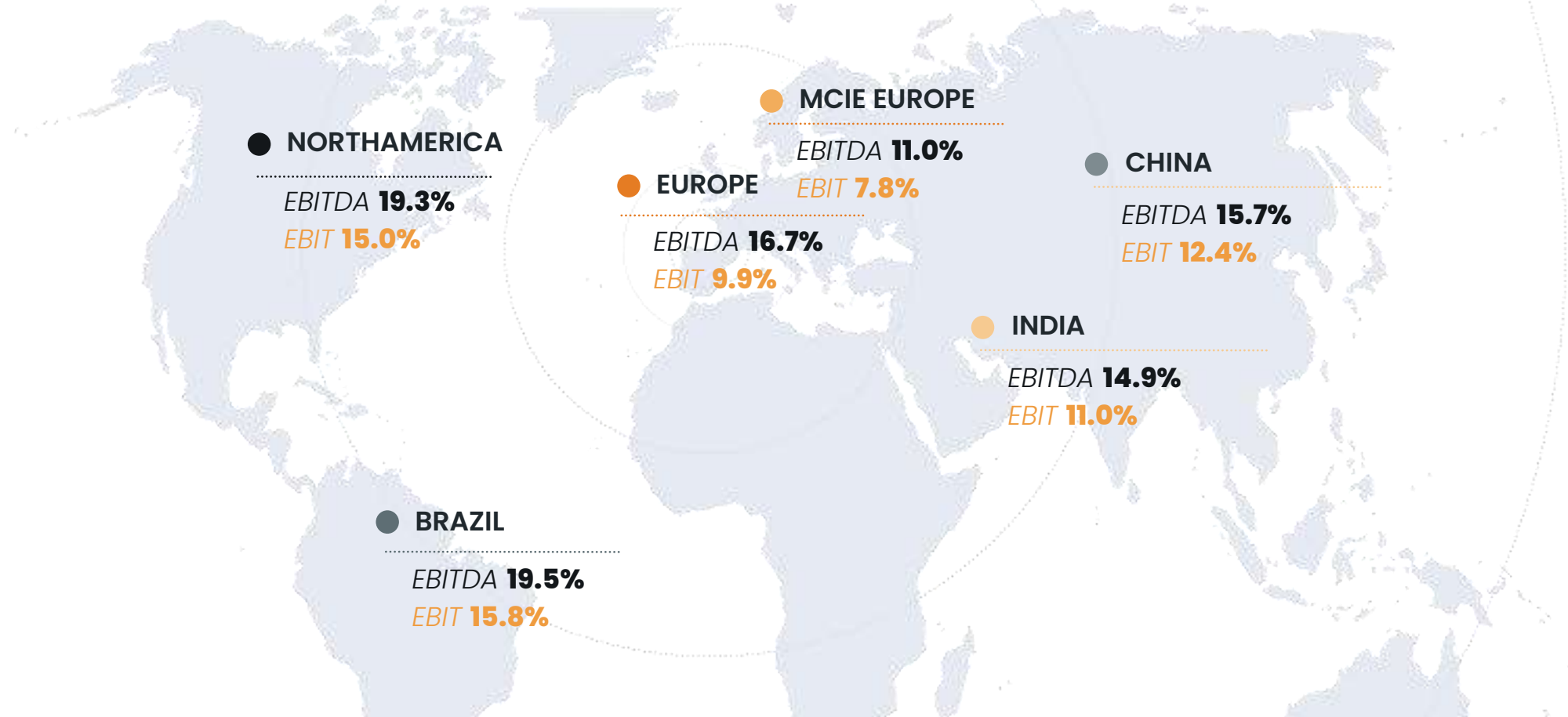
2022 Divisions Contribution



Data in million euros (€m)

1. June 2022 Results

2022 Divisions Profitability

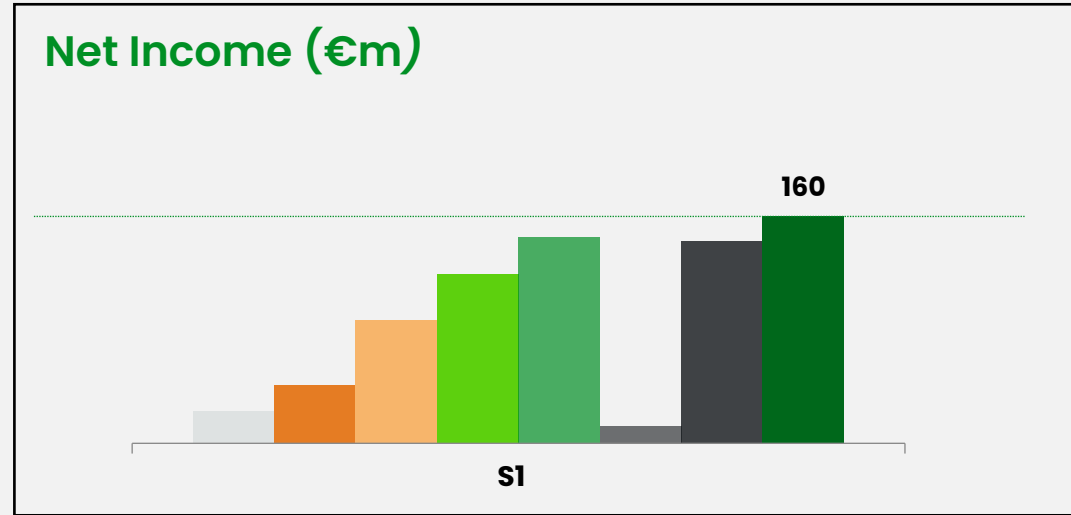
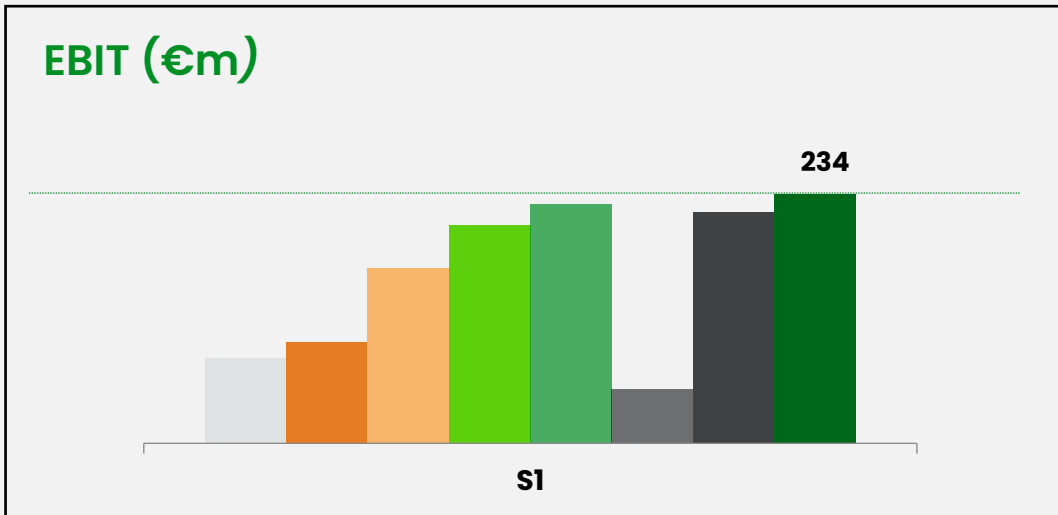
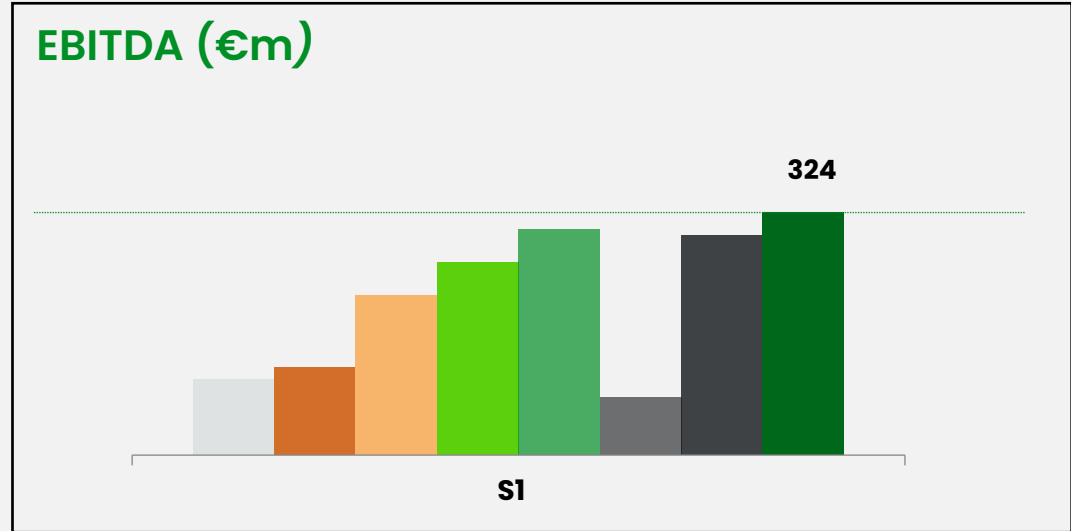
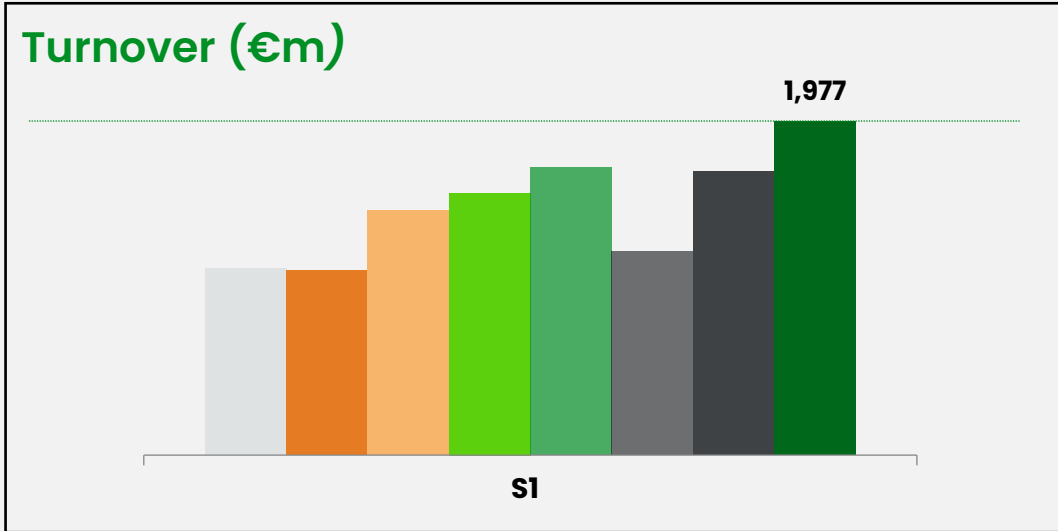


Maintenance of very high operating margins in all geographical areas, well above the industry average, which reflects the company's resilience facing market difficulties.



1. June 2022 Results

Historical record first semester in all lines



2. Balance Sheet

Balance sheet evolution

€m	31/12/2021	30/06/2022
Fixed assets	3,490.3	3,656.8
Net Working Capital	(425.2)	(391.0)
TOTAL NET ASSETS	3,065.1	3,265.8

Equity	1,367.6	1,544.1
Net Financial Debt	1,394.9	1,392.0
Others (net)	302.6	329.7
TOTAL NET LIABILITIES	3,065.1	3,265.8

Non-recourse factoring

296.8 €m

351.8 €m

2. Balance Sheet

Cash Flow June 2022

€m

EBITDA	323.8
Financial Expenses	(9.6)
Maintenance Capex	(44.6)
Tax Payments	(45.1)
IFRS 16 Leases ⁽¹⁾	(12.4)
OPERATING CASH FLOW	212,1
% EBITDA⁽²⁾	68.1%
Growing Capex	(48.5)
Net Working Capital Variation	(25.1)
Other movements	(0.3)
OPERATING FINANCIAL CASH FLOW	138.2
Payment of dividends and own shares transactions	(110.0)
Business combinations ⁽³⁾	(25.3)
FINANCIAL CASH FLOW	2.9

(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 additional shares of the listed subsidiary Mahindra Cie Automotive Ltd.

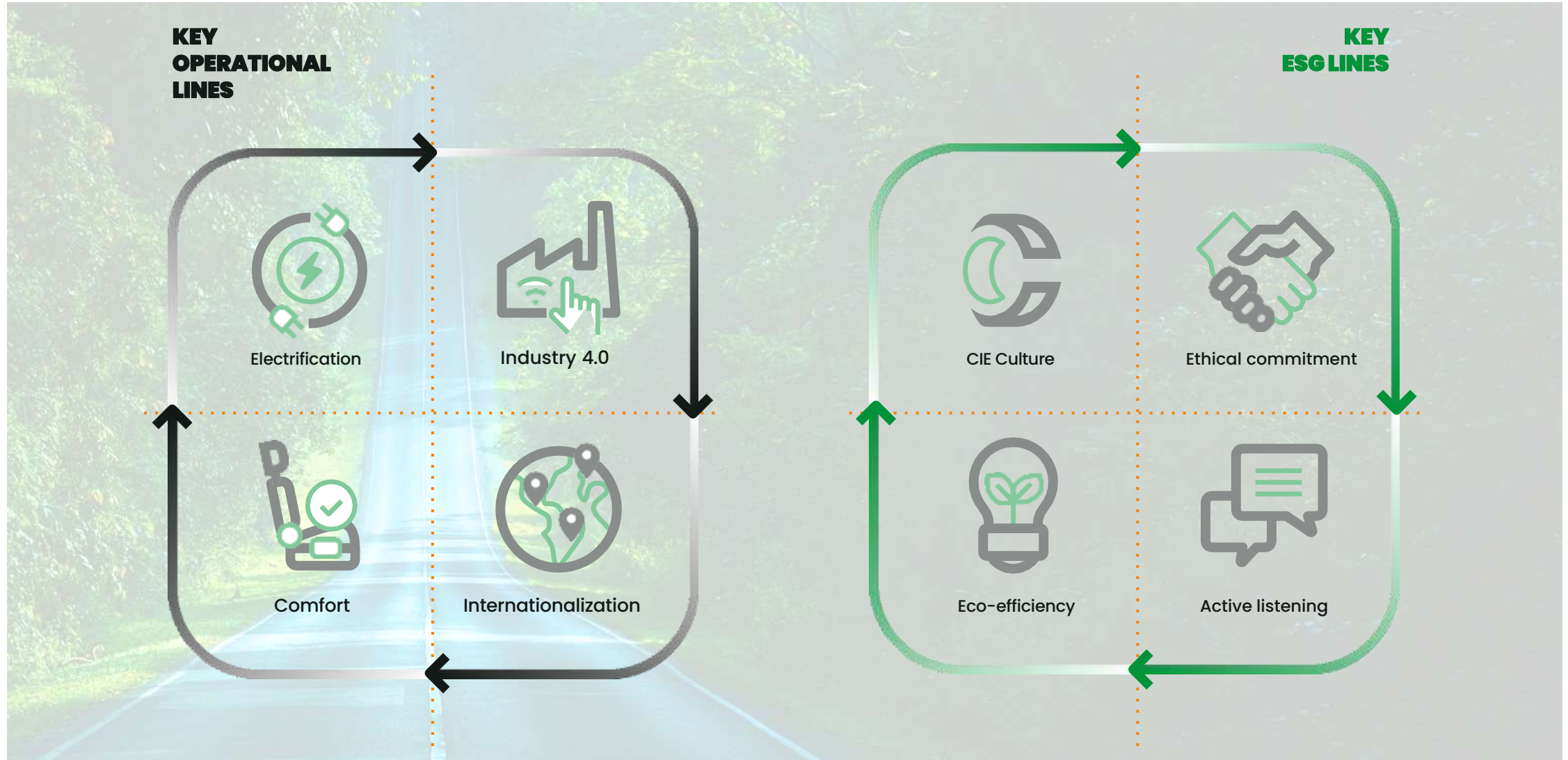
(*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP.

€m	31/12/2021	30/06/2022
NFD	1,394.9	1,392.0
Adjusted NFD ^(*)	1,377.1	1,376.6
NFD/EBITDA^(*)	2.37X	2.28X

Debt ratios improvement and financial cash flow generation even after the high level of investments carried out in corporate transactions (135 €m)

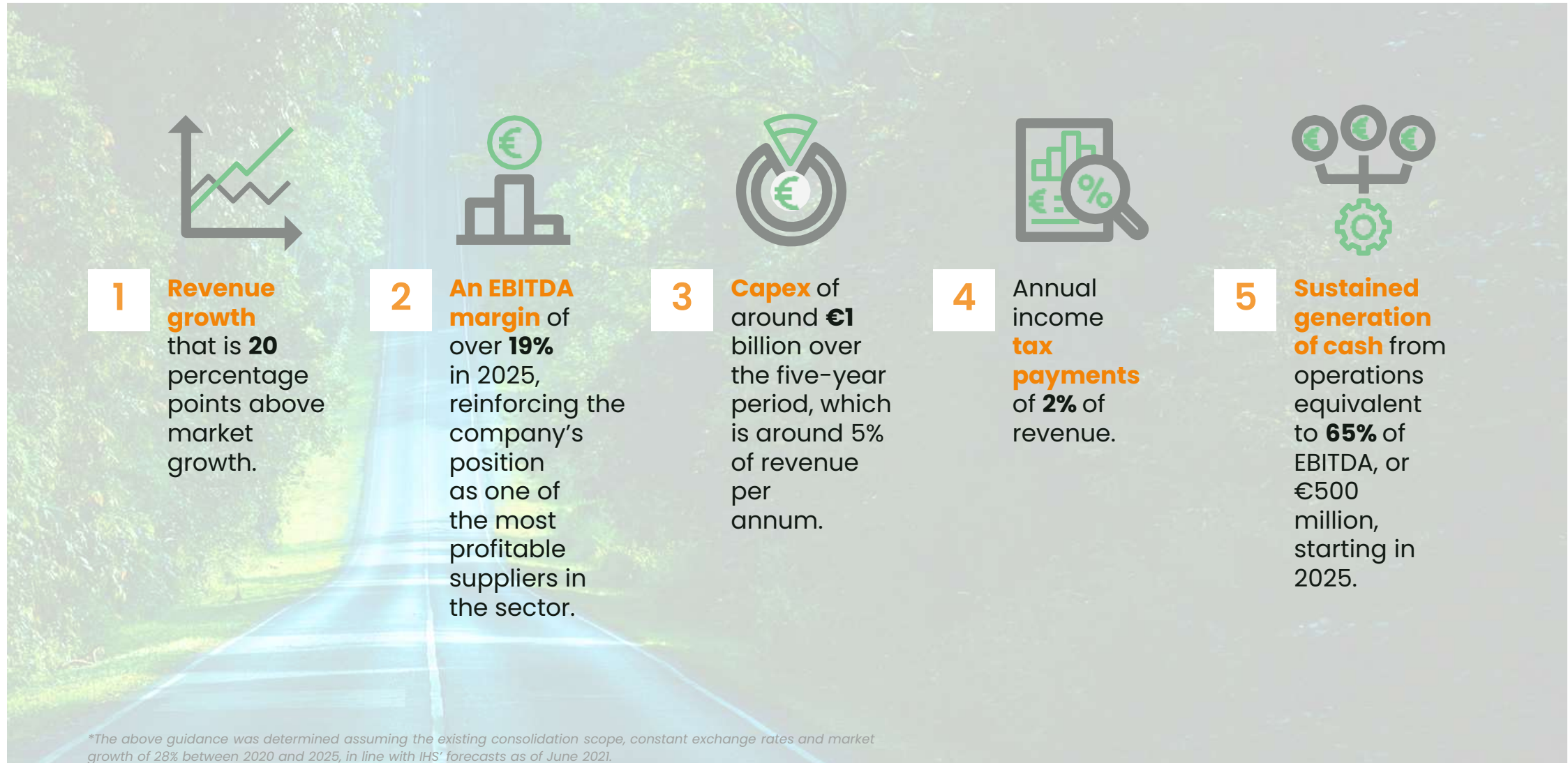
3. 2025 Goals


Strategic Lines





3. 2025 Goals


Operational Commitment – Existing consolidation scope




- 

1 Revenue growth that is **20** percentage points above market growth.
- 

2 An EBITDA margin of over **19%** in 2025, reinforcing the company's position as one of the most profitable suppliers in the sector.
- 

3 Capex of around **€1** billion over the five-year period, which is around 5% of revenue per annum.
- 

4 Annual income tax payments of **2%** of revenue.
- 

5 Sustained generation of cash from operations equivalent to **65%** of EBITDA, or €500 million, starting in 2025.

*The above guidance was determined assuming the existing consolidation scope, constant exchange rates and market growth of 28% between 2020 and 2025, in line with IHS' forecasts as of June 2021.

3. 2025 Goals

Operational Commitment – Inorganic growth

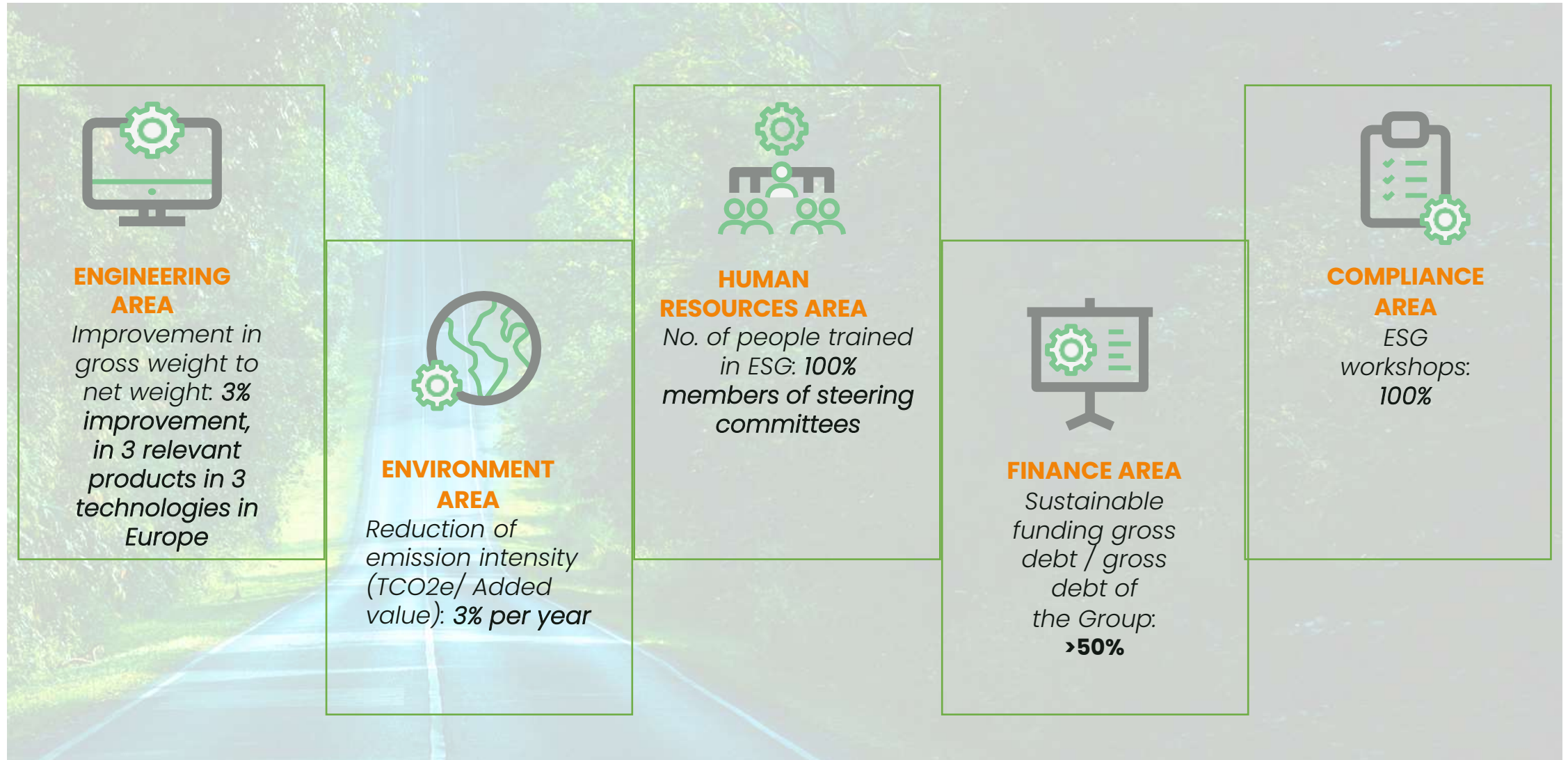


*Inorganically, we will be able to **invest up to €1,500 million** without exceeding 2x NFD/EBITDA.*

*We will then fulfil our dream of becoming a **€1,000 million EBITDA and €500 million Net Profit** company from 2025 onwards.*

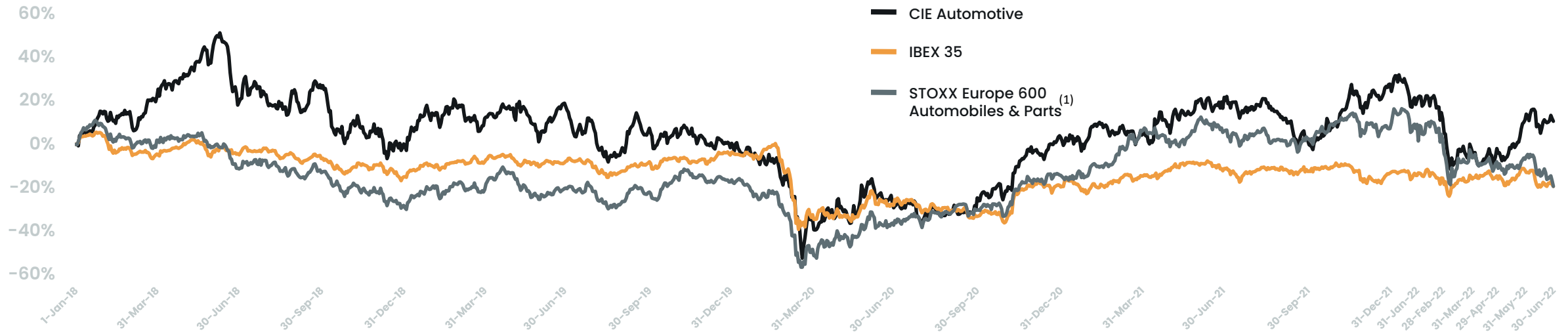
3. 2025 Goals

ESG Commitment



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...), which resulted in historically high inflation.

The complex environment has increased in 2022 with the invasion of Ukraine and China's "Zero Covid" policy. All this has led to additional profit warnings to those already seen at the end of 2021 and a sharp and indiscriminate stock market correction in the sector.

Meanwhile, **CIE Automotive's results continue to prove its resilience quarter after quarter**, placing it on the podium of the industry's most profitable companies with the best future. In this context, **we expect that the recent exit from the Ibex 35 (June 2022) will help to better align the company's fundamental value 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 partnet agreements reached.

