CIE Automotive, S.A.

(Incorporated in Spain pursuant to the Capital Companies Act)

"Commercial Paper Programme CIE Automotive 2025"

Maximum outstanding balance: € 400,000,000

I. INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*) ON THE ALTERNATIVE FIXED-INCOME MARKET

CIE Automotive, S.A. ("**CIE Automotive**" or the "**Issuer**", and together with the entities of the group led by the Issuer, the "**Group**" or "**CIE Automotive Group**"), a public limited company (*sociedad anónima*) incorporated under the laws of Spain, with registered office in Alameda Mazarredo 69, 8º - 48009 Bilbao (Bizkaia), Spain, registered with the Commercial Registry of Vizcaya at Volume 4815, Folio 74, Sheet BI-48660, and with Tax Identification Code A-20014452 and LEI code 95980020140005381252.

The Issuer will request the admission to trading of commercial paper (the "**Commercial Paper**") on the Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) ("**MARF**") in accordance with the provisions set out in this information memorandum (the "**Information Memorandum**"), and which will be issued under the Commercial Paper Programme CIE Automotive 2025 (the "**Programme**" or the "**Commercial Paper Programme**").

The MARF is a Multilateral Trading Facility ("**MTF**") and not a regulated market, in accordance with Article 68 of Law 6/2023 of 17 March on Securities Markets and Investment Services (the "**Securities Market Act**").

This Information Memorandum is required by Circular 1/2025 of June 16, on the admission to trading and removal of securities on the MARF ("**Circular 1/2025**").

The Commercial Paper will be represented by book entries (*anotaciones en cuenta*), the book-entry registry of which will be kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), which, together with its participating entities, will be responsible for such book entries.

An investment in the Commercial Paper carries certain risks.
Read section 1 of this Information Memorandum on risk factors.

The MARF has not carried out any kind of verification or testing with regard to this Information Memorandum or with regard to the content of the documentation and information provided by the Issuer in compliance with Circular 1/2025.

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The date of this Information Memorandum is July 15, *2025*.

II. OTHER INFORMATION

SALES RESTRICTIONS

No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of this Information Memorandum or any other offering material where such action is required for said purpose.

CATEGORY OF INVESTORS

This Information Memorandum for admission does not constitute a prospectus approved and registered with the Spanish National Securities Market Commission ("**CNMV**") or any other competent authority. The issuance of the Commercial Paper does not constitute a public offering subject to the obligation to publish a prospectus, in accordance with the provisions of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017, and the Securities Market Act, thereby exempting it from the obligation to approve, register, and publish a prospectus with the CNMV or any other competent authority.

The offer of the Commercial Paper is addressed or will be addressed exclusively to qualified investors pursuant to Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and in the Securities Market Act.

IMPORTANT INFORMATION

A potential investor should not base their investment decision on information other than the information contained in this Information Memorandum.

Neither the MARF, the CNMV or the Dealers assume any responsibility for the content of this Information Memorandum. The Dealers have entered into respective agreements with the Issuer to place the Commercial Paper but have not assumed any undertaking to underwrite the Commercial Paper, without prejudice to which each Dealer may acquire part of the Commercial Paper in its own name.

NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION TO PERMIT A PUBLIC OFFERING OF THE COMMERCIAL PAPER OR THE POSSESSION OR DISTRIBUTION OF THIS INFORMATION MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE SUCH ACTION IS REQUIRED FOR SAID PURPOSE. THIS INFORMATION MEMORANDUM MUST NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN ANY JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD CONSTITUTE A PUBLIC OFFERING OF SECURITIES. THIS INFORMATION MEMORANDUM IS NOT AN OFFER OF SECURITIES TO THE PUBLIC OR THE REQUEST FOR A PUBLIC OFFER TO PURCHASE SECURITIES, AND NO OFFER OF SECURITIES WILL BE MADE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SALE WOULD BE CONSIDERED CONTRARY TO APPLICABLE LAW.

MiFID II

THE TARGET MARKET WILL BE ELIGIBLE COUNTERPARTIES AND PROFESSIONAL

CLIENTS ONLY

Exclusively for the purposes of the process of approving the Commercial Paper as a financial instrument or "product" (within the meaning given to this term in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID II**")) that the Issuer must complete in its capacity as a "producer", following the assessment of the target market for the Commercial Paper, it has been concluded that: (i) the target market for the Commercial Paper is made up solely of "professional clients" and "eligible counterparties" as each term is defined in MiFID II and its implementing legislation (including Articles 194 and 196 of the Securities Market Act); and (ii) all channels of distribution of the Commercial Paper to eligible counterparties and professional clients are appropriate.

Any person who, following the initial placement of the Commercial Paper, offers, sells, otherwise makes available or recommends the Commercial Paper (the "**Distributor**") must take into account the assessment of the target market defined for this product. However, any Distributor subject to MiFID II will be responsible for carrying out its own assessment of the target market with respect to the Commercial Paper (by applying the Issuer's assessment of the target market or amending it accordingly) and for identifying the appropriate distribution channels.

BAN ON SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

The Commercial Paper is not intended to be offered, sold or otherwise made available, and it must not be offered, sold or otherwise made available, to retail investors in the European Economic Area ("**EEA**"). For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail client within the meaning of paragraph (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that client would not qualify as a professional client as defined in paragraph (10) of Article 4(1) of MiFID II. As a result, none of the key information documents required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) ("**Regulation 1286/2014**") for offering, selling or otherwise making available to retail investors the Commercial Paper in the EEA have been prepared; therefore, any such activities may be unlawful under Regulation 1286/2014.

SELLING RESTRICTIONS

SELLING RESTRICTIONS IN THE UNITED KINGDOM AND THE UNITED STATES OF AMERICA

No action has been taken in any jurisdiction that would allow a public offering of the Commercial Paper or the possession or distribution of the Information Memorandum or any other offering materials in any country or jurisdiction where such action is required for that purpose, and in particular in the United Kingdom or the United States of America.

<u>Financial Promotion</u>: Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) in connection with the issue or sale of any Commercial Paper has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

<u>General Compliance</u>: The Issuer has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Commercial Paper in the United Kingdom

or involving the United Kingdom.

The Commercial Paper have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States unless they are registered or exempt from registration under the U.S. Securities Act. There is no intention to register any Commercial Paper in the United States or to make any offer of securities in the United States.

FORWARD-LOOKING STATEMENTS

This Information Memorandum may include statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements include but are not limited to all statements other than statements of historical facts contained in this Information Memorandum, including but not limited to those relating to the Issuer's future financial position, operational results, strategy, plans, goals and objectives, the future development of the markets in which the Issuer operates or intends to operate, or anticipated regulatory changes in such markets. These forward-looking statements can be identified by the use of terms such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guide", "intend", "it is likely that", "may", "plan", "potential", "predict", "forecast", "should" and "will", or the negative versions of such terms or similar expressions or terminology.

By nature, forward-looking statements are subject to certain risks and uncertainties, as they relate to events and circumstances that may or not happen in the future. Forward-looking statements refer exclusively to the date of this Information Memorandum, do not guarantee future outcomes and are based on a range of assumptions. The real outcomes of the Issuer's operations, its financial position and the development of events may differ from (and be more negative than) those indicated in the forward-looking statements or suggested thereby. A number of factors could cause the Issuer's results and performance to differ materially and substantially from those expressed or suggested in the forward-looking statements, including but not limited to general economic and business conditions, market conditions, public health conditions, industry trends, competition, legislative or regulatory changes, changes in tax regimes or the development planning regime, availability and cost of capital, currency fluctuations, changes in the Issuer's business strategy, political and economic uncertainty and other factors, including but not limited to those included in the "Risk Factors" section below.

Except as required by law, the Issuer assumes no obligation to update the forward-looking statements to reflect events or circumstances subsequent to the date of this document or to reflect the materialization of expected or unexpected events or circumstances. Given the inherent uncertainty of forward-looking statements, potential investors are warned not to place undue reliance thereon and to undertake their own assessments in relation to their investment.

Investors should read the "Risk Factors" section of this Information Memorandum for a more complete analysis of the factors that could affect the Issuer or the Commercial Paper.

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IV. RISK FACTORS

Investing in the Commercial Paper involves certain risks. Potential investors should carefully assess the risks described below, along with the other information contained in this Information Memorandum, before investing in the Commercial Paper. If any of the risks described below materializes, the business, financial condition and operating results of the Issuer and the ability of the Issuer to reimburse the Commercial Paper upon maturity could be adversely affected and, accordingly, the market price of the Commercial Paper may decrease, resulting in a loss of all or part of any investment made in the Commercial Paper.

The Issuer believes that the following factors are the main or material risks inherent to investing in the Commercial Paper, although the Commercial Paper may not be repaid on maturity due to other unknown or unforeseen factors. In most cases, these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any of such contingencies occurring.

The Issuer offers no guarantee as to the completeness of the factors described below. The risks and uncertainties described in this Information Memorandum may not be the only ones faced by the Issuer. Additional risks and uncertainties currently unknown or not considered material at this time, alone or together with others (whether or not identified in this Information Memorandum), could have a material adverse effect on the Issuer's activity, financial position and operating results and the Issuer's capacity to reimburse the Commercial Paper upon maturity, which could in turn reduce the market price of the Commercial Paper and/or result in a loss of part or all of any investment in the Commercial Paper.

The order in which the risk factors presented below are listed is not necessarily an indication of the likelihood of these risks materializing, their potential significance, or the extent of potential harm to the activities, results, or financial position of the Issuer and the Group and/or the Commercial Paper.

4.1. Key information on the main specific risks affecting the Issuer or its sector of activity

4.1.1.<u>Risk arising from the macroeconomic situation and the high inflation scenario</u>

There are numerous factors that affect and may continue to affect the economy and financial markets in the coming months, which have led to a context of macroeconomic uncertainty with significant economic and financial repercussions. The increase in the cost of living, the tightening of financial conditions in most regions, the war in Ukraine; conflict in the Middle East; ongoing U.S., Canada and China relations and trade issues; rising civil unrest and activism globally; and relations between the U.S. and Iran.

The outlook for euro area economic growth is clouded by trade tensions and elevated global uncertainty. For 2025 as a whole, these effects are seen to be partly compensated by stronger than expected economic activity in the first quarter, which likely reflects in part the frontloading of exports in anticipation of higher tariffs. In the medium-term economic activity is seen to be supported by the recently announced new fiscal measures. The baseline assumes that US tariffs on EU goods, which have increased to 10%, will remain in place over the entire projection horizon. Together with the elevated trade policy uncertainty and the recent appreciation of the euro, the higher tariffs will weigh on euro area exports and investment, and, to a lesser extent, on consumption. By contrast, new government spending on infrastructure and defence, mainly in Germany, should bolster euro area domestic demand from 2026.

Overall, the conditions remain in place for euro area GDP growth to strengthen over the projection horizon. In particular, rising real wages and employment, less restrictive financing conditions – mainly reflecting recent monetary policy decisions – and a rebound in foreign demand later in the horizon should all support a gradual recovery.

Inflation is projected to hover around the European Central Bank's ("**ECB**") inflation target of 2% from the second quarter of 2025 onwards as cost pressures ease and the impact of past monetary policy decisions gradually feeds through to consumer prices.

Regarding inflation, according to the ECB (report "*ECB staff economic projections for the euro area, June 2025*"), headline inflation, as measured by the Harmonised Index of Consumer Prices ("**HICP**") is likely to stay below 2% in the near term, it is expected to return to target in the medium term. Inflation is projected to decline in the course of 2025 and to reach a trough of 1.4% in the first quarter of 2026, before returning to 2.0% in 2027. The decline in headline inflation over 2025 is seen to be driven in part by negative energy inflation following the recent decline in oil prices and wholesale natural gas prices. In Spain, the projections of the Bank of Spain in its report "Macroeconomic projections of the Spanish economy (*Proyecciones macroeconómicas e informe trimestral de la economía española*)" (June 2025) contemplate a gradual decrease in the current high inflationary pressures, with an upturn in 2027. Beyond 2025, the disinflationary process is expected to continue into 2026, at which point the average general inflation rate would decline to 1.7%. In 2027, however, it would rise again to 2.4%, mainly due to the anticipated introduction of a new EU emissions trading scheme.

The current unstable economic environment has generated a high degree of uncertainty regarding the outlook for the global economy in general and the Spanish economy in particular. Inflation, economic growth, and electricity and fuel prices may be severely affected, resulting in a worsening of the overall economic situation in which the Issuer operates, which could ultimately have a material adverse effect on its financial condition and cash flows.

According to the ECB (report "*ECB staff economic projections for the euro area, June 2025*"), Euro area growth would also be weaker, as would inflation, as the upward impact from higher tariffs on US imports would be more than offset by the impact of weaker demand. Moreover, headline inflation is expected to moderate and to average 2.0% in 2025 and 1.6% in 2026, before returning to 2.0% in 2027.

To the extent that the profitability and growth of the Group are partly linked to the evolution of the Spanish economic situation, if the Spanish economy does not continue to improve or stagnates or contracts in line with past crisis periods, the activity, financial situation, and results of the Group could suffer negative effects.

The circumstances outlined could result in a worsening of the general economic situation in which the Group operates and, ultimately, could have a material adverse effect on the Group's financial condition and cash flows.

4.1.2. Risk associated with the current economic situation

The sustainability of global economic activity and the eurozone depends on a series of factors that are not under the control of the Issuer, such as the prevailing macroeconomic and political climate, geopolitical tensions, levels of sovereign debt and fiscal deficit, liquidity and availability of credit, currency stability, interest rate fluctuations, employment growth, consumer confidence, consumers' perception of economic conditions, and private sector investment, among others. The evolution of the activities carried out by the Issuer is closely related, in general, to the economic cycle of the countries and regions in which the Issuer is present. Typically, an upward economic cycle is reflected in a positive evolution of the Issuer's business.

Specifically, variables highly sensitive to cycle changes such as employment levels, wages, business climate, interest rates, and access to financing, among others, can impact the business, results, or the financial, economic, or equity situation of the Issuer.

4.1.3. Regulatory risk

The Group is subject to extensive regulation that governs the performance of many of its activities in Spain and in the other countries in which it operates. The legal, regulatory and industry standard environment in the Issuer's principal markets is complex and dynamic, and future changes to the laws, regulations and market practice may have an adverse effect impact on all the automotive sector (including the Group) and its profitability.

The Issuer believes that the Group is in substantial compliance with the laws and regulations governing its activities. However, those laws and regulations are complex and governmental authorities, courts or other parties may interpret them differently and challenge the compliance by the Group of those laws and regulations. This circumstance, or the introduction of new laws or regulations or changes in existing laws or regulations, could have a material adverse effect on the Group's business, financial condition and results of operations.

4.1.4. Risks in relation to the Group's international operations

The Group operates an international business with presence in, among others, Germany, France, Portugal, Czechia, Romania, Italy, Morocco, Lithuania, Slovakia, Mexico, United States of America, Brazil, India, and the People's Republic of China.

International operations expose the Group to different local public health, social, political, regulatory, business and financial risks. In this respect, the Group's overall success as a global business depends, in part, upon the ability to succeed in different public health, social, political, regulatory and economic conditions. Additionally, the economies of these countries are in different stages of development and may have less stable political or legal environments, which pose specific risks related to exchange rate fluctuations, capital movement restrictions, inflation, political and economic instability and possible state expropriation of assets or difficulties to manage local teams or attract and retain qualified personnel, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

4.1.5. Risks in relation to the Group's international expansion

In recent years, the Group has expanded its international reach and it plans to continue the geographical expansion in certain markets where automobile ownership is expected to continue to grow of its business into new countries and markets in order to mitigate any geographical risk. However, the Group may not achieve results in these new countries and markets similar to those achieved in the locations where it currently operates. Furthermore, the Group may have difficulty hiring experts or qualified executives or employees for the countries where it expands. Failure to successfully implement its international expansion plans could have a material adverse effect on the Group's business, financial condition and results of operations.

4.1.6. <u>Risks in relation to the Group's Business Strategy</u>

Given the risks to which the Group is exposed and the uncertainties inherent in its business activities, there is no assurance that the Group will be able to implement its business strategy successfully. If the Group fails to achieve its strategic objectives, or if those objectives, once attained, do not generate the benefits initially anticipated, this circumstance could have a material adverse effect on the Group's business, financial condition and results of operations.

As part of our growth strategy, the Group may diversify its product offering and expand operations. Our growth strategy is based on certain medium and long term forecasts. While such forecasts are prepared using available industry data such as economic output statistics, customer production volumes and customer dialogue, they provide no assurance that demand for products will develop in line with such forecasts. In addition, regardless of the accuracy of such indicators, factors outside our control may require a revision of the forecasts. The Group cannot assure that the transition of manufacturing facilities and resources to fulfil production under new product programs will not impact production rates, overall delivery timelines or other operational efficiency measures at our existing facilities.

4.1.7. <u>Environmental risk and climate change impact</u>

The Group is subject to a variety of environmental and pollution control laws, regulations and permits that govern, among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of water, including greenhouse gases, into the environment; and health and safety. This exposes the Group to costs and liabilities relating to its operations, the management of its projects or the disposal of its waste.

The Group is firmly committed to sustainable development and invests significant resources to complying with environmental laws and regulations. A stricter application of these laws and regulations, the entry into force of new laws, the discovery of previously unknown sources of pollution or the imposition of new or more stringent requirements may increase the Group's costs and responsibilities, which could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, any breach of its regulatory obligations, or even incidents that do not amount to a breach, could have a material adverse effect on the Group's results of operations and its reputation.

Climate change and greenhouse gas emissions have increasingly become the subject of substantial international, national, regional, state and local attention. To fight the climate change, greenhouse gas emissions regulations have been promulgated in certain of the jurisdictions in which the Group operates, and additional greenhouse gas requirements are in various stages of development. When effective, such measures could require the Group to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase operating costs. In addition, customers may seek price reductions to account for their increased costs resulting from greenhouse gas regulations. Further, growing pressure to reduce greenhouse gas emissions from mobile sources could reduce automobile sales, thereby reducing demand for products and ultimately revenues. In that regard, the Group aims to anticipate the measures needed to adapt its activities to challenges derived from climate change, having launched action plans to mitigate in advance the impact of new policies, regulations, and trends, those having as main axes both actions on the goods produced and actions on their productive processes. In addition, the Group updates and considers macroeconomic variables on its estimates and forecasts that already consider impacts that climate change may have in each of the geographies where it operates. Nevertheless, it cannot be excluded that new or additional policies, regulations and trends on greenhouse gas emissions and other climate change aspects, including measures such as a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other programs, could have a material adverse effect on the Group's business, financial condition and results of operations.

4.1.8. Risk of failing to maintain an effective system of internal controls

Effective internal controls are necessary for the Group to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that the Group may implement, or its level of compliance with such controls, may deteriorate over time, due to evolving business conditions. The Group cannot assure that deficiencies in its internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in its internal controls. Any inability on the Group's part to adequately detect, rectify or mitigate any such deficiencies in its internal controls may adversely affect its ability to accurately report, or successfully manage, its financial risks, and to avoid fraud, which may in turn adversely affect its business, results of operations and financial condition.

4.1.9. Risk of natural disasters, outbreaks, epidemics or pandemics, terrorist activities, mechanical failures, equipment shutdowns and technological breakdowns and/or geopolitical events and their consequences

Natural disasters, outbreaks, epidemics or pandemics, terrorist activities, mechanical failures, equipment shutdowns and technological breakdowns and/or geopolitical events (such as the war in Ukraine, the conflict in Middle East or rising tensions in Asia) and their consequences may disrupt the Group's business and the businesses of suppliers and customers. If such events occur in the future, the Group may suffer business interruption or shutdown or damage to its production facilities, which could adversely affect its business, financial condition and results of operations.

4.1.10. Risk of changes in accounting standards

Accounting principles as per the IFRS-EU and related accounting pronouncements, implementation guidelines and interpretations for many aspects of our business are complex and involved subjective judgements. Changes in these rules or their interpretation may significantly change or add significant volatility to the Group's reported income or loss without a comparable underlying change in cash flows from operations. As a result, changes in accounting standards may materially impact its reported financial condition and results of operations.

4.1.11. Failure to integrate or realize the anticipated benefits of any business acquisitions

Integrating acquired businesses could be a challenging task that will require substantial time, expense and effort from the Group's management, whose attention may be diverted. The Group may not be able to integrate acquisitions successfully into its business or such integration may require more investment than expected, including significant one-time write-offs or restructuring charges and unanticipated costs. Such acquisitions may also disrupt the Group's relationships with current and new employees and partners. The process of integrating businesses may be disruptive to the Group's operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in the Group's results of operations as a result of difficulties or risks. Moreover, any acquisition may be funded by debt, which could have a material adverse effect on our business, financial condition and results of operations. Even if the assets of the business are acquired for cash, we may overpay relative to the fair value of such assets, and this could result in losses, reduce our profitability. If there are any of the mentioned difficulties associated with integrating any acquired business, it may adversely affect the Group's business, results of operations and financial condition.

Even if the Group is able to successfully combine the business operations, it may not be possible to realize the full benefits of the integration opportunities that it currently expects to result from them, or realize these benefits within the expected time frame, including growth or expected synergies. The Group's assessment of, and assumptions regarding, acquisition targets may prove to be incorrect, and actual developments may differ significantly from anticipated benefits. Any failure to realise the anticipated benefits on time, or at all, may adversely affect the Group's business, results of operations and financial condition. In addition, we may not be able to generate the expected margins or cash flows of such acquisitions and we may not be able to generate margins or cash flows for such acquisitions similar to those generated by our existing businesses.

The Group may also choose to enter into joint ventures, alliances or other arrangements to acquire assets or other types of investments, which could involve the same or similar risks and uncertainties as are involved in acquisitions of businesses. In addition, any arrangement in which the Group does not fully control business operations may present, greater financial, legal, operational or compliance risks.

4.1.12. Any significant non-compliance or undisclosed liability in relation to business acquisitions could materially affect the Group's ability to realize the expected returns from its business acquisitions

The Group relies significantly on representations, warranties and indemnities provided by sellers in relation to its business acquisitions. The Group is exposed to the risk that undisclosed liabilities from the past and historic non-compliance in relation to the businesses acquired may exist. Undisclosed liabilities or historic non-compliance may, depending on their nature and materiality, impact the Group's business, and could result in claims, damages, losses and interruption to its business. The indemnities that the Group's considers adequate in context of the acquisitions may be subject to certain exclusions and monetary limitations, including with respect to the amount the Group can claim thereunder as well as the period of time for which such indemnities are valid. In such an event, regardless of any contractual rights against counterparties that the Group may have, it may bear the consequences of such undisclosed liabilities or historic non-compliance, and the Group could potentially be party to disputes with the sellers or certain third parties, over an indefinite period of time, to enforce our rights. If any of these risks were to occur, the Group's business, results of operations and financial condition may be materially and adversely affected.

4.2. Financial risks

1.2.1. Foreign exchange risk

The Group's presence in international markets obliges it to arrange an exchange rate risk management policy. The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, the Group uses the Management Scope concept. This concept encompasses all collection/payment flows in a currency other than the euro expected to materialise over a specific time period. The Management Scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the euro. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope would also apply to management if are expected to be recognised on the balance sheet within a period of no more than 18 months.

Once defined the Management Scope, the Group uses a series of financial instruments for risk management purposes that in some instances permit a certain degree of flexibility. These instruments are essentially the following:

(a) Current forwards: These contracts lock in an exchange rate for a specific date; the timing can be adjusted to match expected cash flows.

(b) Other instruments: Other hedging derivatives may also be used, the arrangement of which requires specific approval by the relevant management body. This body must be informed beforehand as to whether or not it complies with requirements for consideration as a hedging instrument, therefore qualifying for hedge accounting.

The Group protects against loss of value as a result of movements in the exchange rates other than the euro in which its investments in foreign operations are denominated by similarly denominating, to the extent possible, its borrowings in the currency of the countries of these operations if the market is sufficiently deep or in a strong currency such as the dollar, insofar as dollar correlation to the local currency is significantly higher than that of the euro. Correlation, estimated cost and depth of the debt and derivative markets determine policy in each country.

The Group has several investments in foreign operations whose net assets are exposed to foreign exchange translation risk. The exchange risk on the net assets of the Group's foreign operations is mainly managed through natural hedges achieved by borrowings (loans) denominated in the corresponding foreign currency.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations in countries outside the Eurozone is mitigated by borrowings denominated in these currencies.

There can be no assurance that future exchange rate fluctuations will not have a material adverse effect on the Group's business, financial condition and results of operations.

1.2.2. Price risk

The Group is exposed to equity securities price risk because of investments that are classified on the consolidated balance sheet either at fair value through profit or loss or with changes in other comprehensive income. However, the scant weight of these securities as a percentage of total Group assets and equity means that this risk factor is not material.

1.2.3. Credit risk

A decline in the financial condition of the Group's customers or suppliers and any delay in receiving payments or non-receipt of payments may adversely affect its business, results of operations and financial condition.

The Group is exposed to counterparty credit risk in the usual course of its business dealings with customers, suppliers and business partners or service providers. The Group cannot assure that it will accurately assess their creditworthiness. The financial condition of its customers is affected by the sales of their vehicles or systems to their respective customers, which may be impacted by several factors, including general economic conditions. In particular, purchases of its customers' products may be limited by their customers' inability to obtain adequate financing for such purchases. Any material weakening of the sales of the Group's largest customers, or a postponement or cancellation of their planned purchases or development of new platforms, could directly impact the Group.

The Group's customers may suffer from declines in sales and production during an economic downturn, which, together with structural issues such as significant overcapacity and pension and healthcare costs, may cause certain customers to undergo restructurings. Significantly lower global production levels, tightened liquidity and increased cost of capital have historically combined to cause financial distress among many OEMs, systems suppliers and other participants in the automotive industry and could have similar impact in the future. Macroeconomic conditions, such as the global credit crisis, could also result in financial difficulties for our customers, including limited access to the credit markets and insolvency or bankruptcy procedures. The Group cannot assure you of continued viability of our customers.

The occurrence of any of the above conditions could cause the Group's customers to delay payment, request modifications of their payment terms, or default on their payment obligations to the Group, all of which could increase the Group's trade receivables. The Group may also experience delays in the collection of, or be unable to collect, our customer balances in the ordinary course of business, which could adversely affect the Group's results of operations and cash flows. Any such increase in default risk or a decline in the financial condition of the Group's customers could materially and adversely affect the Group's business, results of operations and financial condition.

1.2.4. <u>Interest rate risk</u>

Group's borrowings are largely benchmarked to floating rates, exposing it to interest rate risk, with a direct impact on the income statement. The general objective of interest rate risk management strategy is to reduce the adverse impact of increases in interest rates and to leverage as far as possible the positive impact of potential interest rate cuts.

In order to attain this objective, the risk management strategy materialises in the arrangement of financial instruments designed to provide such flexibility. The strategy expressly contemplates the possibility of arranging hedges for identifiable and measurable portions of cash flows, which enables hedge efficiency testing as required to evidence that the hedging instrument reduces the risk of the hedged item in the portion designated and is not incompatible with the established strategy and objectives.

The Management Scope encompasses the borrowings recognised in the balance sheet of the Group and any of its companies. On occasion, hedges are arranged to cover loans committed and in the final stages of arrangement the principal on which needs to be hedged against rate increases.

In order to manage this risk factor, the Group uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IFRS 9) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites for consideration as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are the following:

(a) Interest-rate swaps: Through these derivatives, the Group converts the benchmarked floating interest rate on a loan to a fixed benchmark with respect to all or part of the loan and affecting all or part of the term of the loan.

(b) Other instruments: other hedging derivatives may also be used, the arrangement of which requires the specific approval of the relevant management body. The management body must be informed beforehand as to whether the instrument meets the prerequisites for qualifying as a hedging instrument and, by extension, hedge accounting.

If during 2024 the average interest rate on borrowings denominated in euro had been 100 basis points higher/lower, all other variables remaining constant, profit after tax for the year would have been €10,521 thousand lower/higher (2023: €10,089 thousand), largely as a result of an increase/decrease in the interest expense on floating-rate loans.

1.2.5. Liquidity risk

The Group manages liquidity risk prudently by maintaining enough cash and available financing through sufficient credit facilities. In this respect, the Group's strategy is to maintain the necessary financing flexibility by maintaining sufficient headroom on its undrawn committed borrowing facilities. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of receivables, transferring the related risks and rewards), which as a matter of policy do not exceed roughly one-third of trade receivable balances and other receivables, in order to preserve the level of liquidity and working capital structure required under its business plans. However, as recent experience has evidenced, financial markets can be subject to periods of volatility and shortages of liquidity.

If the Group is unable to access the capital markets or other sources of finance at competitive rates for a prolonged period, its cost of financing may increase and its strategy may need to be reassessed. Any of these events could have a material adverse effect on the Group's business, financial condition and results of operations.

1.2.6. Raw material price risk

The Group has not a significant risk in raw price variations. In these companies where the risk could exist in market specific situations (plants which use raw materials with market price), the risk is controlled thanks to price financing repercussion agreements to customers.

1.2.7. Impairment of goodwill risk

Goodwill, derived from the numerous acquisitions the Group has completed, represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS-EU requires that goodwill be periodically evaluated for impairment based on the fair value of the cash-generating unit to which it has been assigned. Declines in our profitability or the value of comparable companies may impact the fair value of our cash generating units, which could result in a write-down of goodwill and a reduction in net income. Any new businesses acquired in the future could result in recognition of goodwill, which could be significant. The Group could also be required to recognize additional impairments in the future and such impairment could have material adverse effect on its financial position and results of operations in the period of recognition.

4.3. *Risks in relation to the automotive business of the Group*

4.3.1. *The automobile industry is cyclical*

The volume of automotive production and the level of new vehicle purchases regionally and worldwide are cyclical and have fluctuated, sometimes significantly from year-to-year. These fluctuations are caused by such factors as general economic conditions, interest rates, consumer confidence, consumer preferences (including the effects of the increase of the use of shared cars), patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand and may have a significant adverse impact on the results of operations of the Group.

Even relatively modest variations in our customers' inventory and production levels could result in variability in our sales and production volumes. We cannot predict when automotive manufacturers will decide to either build or reduce inventory levels. Our customers may suddenly increase their request for component volumes, which could lead to processing problems. Our failure to meet our customers' demands may impact our relationship with them and our sales or margins may be adversely affected. Any cancellation or delay in production could also adversely affect our profitability.

The cyclical and fluctuating nature of the automotive industry presents a risk that cannot be accurately predicted. Decreases in demand for automobiles generally could materially and adversely impact the business, financial condition, results of operations and cash flows of the Group.

4.3.2. *Continuing uncertainties and challenging political conditions in the European economy and the euro may intensify the risks faced by the automotive industry*

Despite the global presence of the Group, the European Union as a whole is an important market for the Group, and adverse economic effects within the EU could have a material adverse impact on the financial condition, results of operations and cash flows of the Group.

Concerns persist regarding the debt burden of certain European countries and their ability to meet future financial obligations and the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states of the Eurozone. These concerns could lead to the exit of one or more countries from the Eurozone and the reintroduction of national currencies in the affected countries.

Instability in the European economy and the euro could have a material adverse effect on the business, financial condition and results of operations of the Group.

4.3.3. *Disruptions to supply chains or shortages of essential raw materials may adversely affect the Group's production and results of operations*

The automotive supply chain is subject to disruptions because, among other factors, the Group, its customers and its suppliers attempt to maintain low inventory levels. The Group relies on a global network of suppliers for sourcing raw materials, parts and components used in the manufacture of automobile components. At the local level, the Group is at times exposed to reliance on smaller enterprises where the risk of insolvency is greater. The Group's ability to procure supplies in a cost-effective and timely manner or at all is subject to various factors, some of which are not within its control. Additionally, the Group is exposed to disruptions in the supply chain resulting from natural disasters, public health issues or man-made accidents. Disruptions could be caused by various factors, such as closures of one of the Group's plants, its suppliers' plants, or its critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to, among other factors, weather, earthquakes, or other natural or nuclear disasters, mechanical failures or delayed customs processing. Substantial increases in the costs or a significant delay or sustained interruption in the supply of key inputs sourced from areas affected by disasters or accidents could adversely affect the Group's ability to maintain its current and expected levels of production, and therefore negatively affect its revenue and increase its operating expenses. If the Group is the cause of a customer being forced to halt or delay production, such customer may seek to claim all of its losses and expenses from the Group. In addition, the Group's inability to deliver products on time or at all could impact its reputation and credibility.

While the Group manages its supply chain as part of its supplier management process, any significant problems with the Group's supply chain or shortages of essential raw materials in the future could affect the Group's results of operations in an adverse manner. In the past, the Group has implemented strategies to mitigate the impact of such higher costs, together with commercial negotiations with customers and suppliers. No assurance can be given, however, the Group will be able to completely offset this adverse impact in the future. In addition, no assurance can be given that cost increases will not have a larger adverse impact on the Group's financial condition and profitability than currently anticipated.

Adverse economic conditions and falling vehicle sales have had a significant financial impact on the Group's suppliers in the past. A decrease in automobile demand and lack of access to sufficient financial arrangements for the Group's supply chain could impair the timely availability of components necessary for the Group's manufacturing processes. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse impact on the supply chains and may further adversely affect the Group's business, financial condition and results of operations.

4.3.4. *Changes in mobility trends and technologies may adversely affect the Group's production and results of operations*

The automotive sector is subject to social and technology changes and private and public initiatives framed in a global shift towards low-carbon economies: measures discouraging the combustion-engine traditional vehicles and fostering the use of low-emission propulsion alternatives (such as biofuels or electricity) and transition towards zero-emission vehicles, as well as policies and trends encouraging shifts on traditional mobility patterns, mainly in cities (use of bicycles, improved public transport systems and alternatives, shared mobility schemes), aimed at relieving traffic and noise and air pollution.

The Group believes in its capability to adapt its operations to the new technologies, materials, products and business and production dynamics required and deriving from these changing mobility trends. There can be no assurance, however, that the Group will be successful in that adaptation, which may adversely affect the Group's production and results of operations.

4.3.5. *Interruptions in the supply of utilities to facilities may adversely affect the Group's production and results of operations*

The Group relies on a continuous and uninterrupted supply of electricity, gas and water to its production facilities to ensure the continued operation of its production lines and supply chain. An interruption to the supply of any of these utilities, even in the short term, including but not limited to a trip in the electricity grid, a gas leak or issues with local water mains, could cause equipment shutdowns, mechanical failures and/or damage to the Group's facilities and equipment which could cause unanticipated delays to our manufacturing processes and, as a result, have a material adverse effect on our business operations, financial position and operational results.

4.3.6. *The Group may have difficulty competing favourably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically*

The automotive parts industry is highly competitive. The Group faces significant competition within each of its major product areas, including from new competitors entering the markets. The principal competitive factors include price, technology, quality, global presence, service, product performance, design and engineering capabilities, new product innovation and timely delivery. The Group cannot assure that it will be able to continue to compete favourably in these competitive markets or that increased competition will not have a material adverse effect on the business by reducing the Group's ability to maintain sales and profit margins.

Furthermore, the failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect the business, financial condition, results of operations and cash flows of the Group.

4.3.7. *The Group may be forced to downsize, close or sell some of its operations which could have an adverse effect*

The automotive industry in some of the Group's markets (most notably Western Europe) continues to experience significant overcapacity, elevated levels of vehicle inventory, reduced consumer demand for vehicles and depressed production volumes and sales levels. In response to these conditions, the Group may be forced to restructure its operations, including through plant closures. If the Group is forced to close manufacturing locations because of loss of business or consolidation of manufacturing facilities, the employee severance, asset retirement and other costs, including reimbursement costs relating to public subsidies, to close these facilities may be significant. In certain locations that are subject to leases, the Group may continue to incur material costs consistent with the initial lease terms.

4.3.8. *The construction and maintenance of facilities entails certain risks*

The construction and maintenance of the facilities of the Group entails certain difficulties, both from a technical perspective as well as in terms of the timing of the various construction phases. A number of problems may arise in relation to the facilities of the Group, such as interruptions or delays due to failed deliveries by suppliers or manufacturers, problems with connecting to the utilities networks, construction faults, problems linked to the operation of equipment, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, or longer-than-expected periods for technical adjustments. The additional costs that may arise in the maintenance of facilities may adversely affect the business operations, financial position and operational results of the Group.

4.3.9. *The Group is subject to risks related to its international operations*

The Group's main facilities are located in Spain (Biscay, Alava/Araba, Barcelona, Cadiz, Gipuzkoa, Navarre, Orense, and Pontevedra), Germany, France, Portugal, Czechia, Romania, Italy, Lithuania, Slovakia, Morocco, North America (Mexico and United States of America), South America (Brazil), India, and the People's Republic of China. International operations are subject to various risks that could have a material adverse effect on those operations and the business as a whole, including but not limited to:

(a) exposure to local economic and social conditions, including logistical and communication challenges;
(b) exposure to local political conditions, including political disputes, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts of war or similar events;
(c) exposure to local public health issues and the resultant impact on economic and political conditions;
(d) exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices;
(e) exposure to local tax requirements and obligations;
(f) foreign currency exchange rate fluctuations and currency controls;

(g) greater risk of uncontrollable accounts and longer collection cycles;
(h) the risk of government sponsored competition;
(i) controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
(j) export and import restrictions.

4.3.10. *<u>Risks in relation to international programme sanctions that may affect the Group's operations</u>*

The European Union, its Member States, the U.S. government and various other countries, as well as the United Nations, impose financial, economic sanctions and trade embargoes with respect to certain countries (such as Russia) in support of their respective foreign policy and security goals. These financial, economic sanctions and embargoes generate restrictions with respect to activities or transactions with countries, governments, entities or individuals that are the target of the corresponding sanctions.

While the Group has not been sanctioned and does not engage in, and does not expect to engage in, any actions that would cause it to breach any sanctions regime applicable to it, there can be no assurance that as a consequence of new or in-place sanction programmes or an extension of previous sanction programmes coming in to force, the Groups operations will not be affected in the future, which could have an adverse effect on its financial position, businesses, or results of operations.

4.3.11. *<u>The workforce in the automotive industry is highly unionized and if the Group fails to extend or renegotiate its collective bargaining agreements with the labour unions as they expire from time to time, or if its employees, or its customers' employees, engage in work stoppages and other labour problems, this could result in a material adverse effect</u>*

The Group has a large number of collective bargaining agreements. In addition, the Group has specific exposure to labour strikes in its international operations. If major work disruptions involving the Group's employees were to occur, its business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. The Group cannot assure that there will not be a material labour disruption at one or more of its facilities in the future whether in the course of renegotiation of the Group's labour arrangements or otherwise. If the Group fails to extend or renegotiate any of its collective bargaining agreements or is only able to renegotiate them on terms that are less favourable to the Group, the Group may need to incur additional costs, which could have a material adverse effect on its business, financial condition and results of operations.

4.3.12. *<u>The Group's operations are exposed to the risk of material health and safety liabilities</u>*

The nature of the Group's operations is subject to various statutory compliance and litigation risks under health, safety and employment laws. The Group cannot guarantee that there will be no accidents or incidents suffered by its employees, its contractors or other third parties on its sites. If any of these incidents occur, the Group could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on the Group and cause damage to the Group's. Such events could have a material adverse effect on the business operations, financial position and operational results of the Group.

4.3.13. *Product liability*

Product liability and other claims and costs incurred because of product recalls may adversely affect the Group's business, reputation, results of operations, financial condition and prospects.

The Group faces an inherent business risk of exposure to product liability or recall claims in the event that its products fail to perform as expected, or if such failure results, or is alleged to result, in bodily injury and/or property damage. As a result of product liability legislation, civil claims may be brought against its customers, and the Group may be made party to such claims where damages may have been caused by any faulty products that produced by the Group. Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers; however, as suppliers become more integrally involved in the vehicle engineering process, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring their suppliers to provide warranties for their products and to bear the costs of repair and replacement of such products under new vehicle warranties. The Group cannot assure that such claims will not be brought against the Group in the future.

Depending on the terms under which the Group supplies products, its customers may hold the Group responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by the Group or by its customers when the product supplied does not perform as expected. Such warranties may be enforced against the Group even in cases where the underlying sales contract has expired. While we maintain insurance for product liability and recall, the Group cannot assure you that such insurance coverage will be adequate. A successful warranty or product liability claim or costs incurred for a product recall in excess of the Group available insurance coverage may adversely affect its business, reputation, results of operations and financial condition.

4.3.14. *Industry quality requirements*

The Group is subject to strict quality requirements and any failure by the Group or its component suppliers to comply with quality standards may lead to the cancellation of existing and future orders, product recalls or warranty claims.

In certain countries, certifications for products with regard to specifications and quality standards are necessary or preferred in order for these products to be accepted by customers and markets. The Group and its suppliers may not meet such regulatory quality standards, or other strict quality standards imposed by customers, which may adversely affect its business, results of operations and financial condition. In addition, the Group cannot assure that the Group or its suppliers comply or will continue to comply with all regulatory requirements or the quality requirement standards of customers, which disrupt its ability to supply products to the relevant customer until compliance is achieved. The Group's, or its suppliers', failure to comply with applicable regulations could also cause sanctions to be imposed on the Group, including warning letters, fines, injunctions, civil penalties, failure of regulatory authorities to grant approvals, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, which could harm our business. The Group cannot assure that the Group will be able to locate new suppliers that will satisfy its business as well as any relevant quality requirements in a timely and cost effective manner, or at all, and its failure to do so could lead to cancellation of existing and future orders, which may in turn materially and adversely affect its business and results of operations.

4.3.15. *Insufficient insurance coverage or increase in insurance premiums*

The Group believes that the insurance coverage that it maintains is reasonably adequate to cover normal risks associated with the operation of our business, such as coverage for people, property and assets, including construction and general, auto and product liability. There can be no assurance, however, that any claim under the Group's insurance policies will be honoured fully or timely, the Group's insurance coverage will be sufficient in any respect or insurance premiums will not increase substantially. Accordingly, to the extent that the Group suffers loss or damage that is not covered by insurance or which exceeds the Group's insurance coverage, or have to pay higher insurance premiums, the Group's financial condition may be negatively affected. It is also possible in the future that insurance providers may no longer wish to insure businesses in the Group's industry against certain occurrences.

4.3.16. *Dependency on information technology and the integrity of information and data*

The Group relies heavily on information technology systems and networks to support business processes and manufacturing, as well as internal and external communications. These systems and networks are potentially vulnerable to damage or interruption from a variety of sources. Although the Group has taken precautions to manage risks related to system and network disruptions, an extended outage in a data centre or telecommunications network utilized by the Group's systems, any security breaches or any similar event could lead to an extended unanticipated interruption of the Group's systems or networks that could hinder its business operations. The Group could also be subject to cyberattacks that could lead to undue disclosure of our know-how and trade secrets and its employees' personal data to third parties. The realization of any risks related to the Group's information technology system and network disruptions could have a material adverse effect on its business, financial condition and results of operations.

The Group is also subject to data protection laws such as the EU General Data Protection Regulation (the "GDPR"), which became effective on May 25, 2018. The GDPR provides for a significant increase in potential fines for non-compliance. Unauthorized access to information stored by the Group or by a third party, including failure to detect such access or to notify data subjects in a timely manner, may cause damage to the Group's reputation, constitute infringement of administrative and criminal law and grant the affected persons a right to damage claims against the Group. If any of these risks were to materialize, this could have a material adverse effect on our business, financial condition and results of operations.

Exposure to certain risks regarding intellectual property, its validity and the intellectual property of third parties

The Group endeavours to protect its technologies and processes by means of registration of intellectual property rights and confidentiality agreements. Registration of intellectual property rights may require time and capital investment and in some cases, the Group will be unable to obtain effective patent protection on currently pending or future applications or the protection afforded to its intellectual property may be insufficient in scope, duration or strength to provide the Group with meaningful protection. Further, the laws of certain countries may not protect the Group proprietary rights to the same extent as the laws in Europe and the US. The Group also seek protection of its trademarks, but such protection may also not always be available in every jurisdiction in which the Group operates.

Consequently, the Group may face the risk that other third parties, including competitors, may be able to use the technology behind its products and processes without license.

The Group's intellectual property arises mostly as a consequence of development works of its employees during the course and in the context of their employment relationship with the Group. Former or present employees who made or may make employee inventions might continue to be the owners of the rights to such inventions if the Group fails to claim the invention properly and in a timely manner. Even if the Group became or becomes in the future the owner of such valuable rights, the Group may have failed or may fail to properly utilize, develop and exploit such inventions.

In addition, many technologies and processes employed by the Group are the result of our know-how and trade secrets which, in some cases, cannot be patented or protected through intellectual property rights. Although the Group also seeks to protect its intellectual property through confidentiality agreements with third parties that work with the Group and its employees, there is always a risk that the Group's know-how and trade secrets might be disclosed to or accessed by third parties, including competitors. The undue exploitation of intellectual properties by third parties may reduce or eliminate any competitive advantage derived from the Group's own technology, and may limit its ability to develop further innovative technologies as well as its capacity to compete in the markets where the Group operates and to attract new customers. The Group may also be involved in intellectual property claims against it which may be costly, time-consuming and result in the diversion of managerial attention and resources from its core business. Likewise, if successful, such claims could require the Group to cease manufacturing, using or exploiting the relevant technologies or products in certain countries or to be forced to implement changes in our manufacturing processes or products. In addition, the Group could be liable to pay compensation or damages for infringements or could be forced to purchase licenses to make use of technology from third parties. The realization of any of these risks could have a material impact on the Group's reputation as well as a material adverse effect our business, financial condition and results of operations.

In certain cases, the Group's customers share their intellectual property rights in the course of the product development process that the Group carries out for them. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages by certain of the Group's employees who have access to the Group's and its customers' confidential design and product information. Moreover, certain of the Group's employees may leave the Group and join various competitors. The Group cannot guarantee that it will be able to successfully enforce non-disclosure agreements entered into with such employee at the time of joining the Group. If the Group's customer's intellectual property rights are misappropriated by the Group's employees in violation of any applicable confidentiality agreements, the Group's customers may make infringement claims against the Group seeking damages which could subject the Group to significant liability and potentially injunctive action and, regardless of merits, could be time-consuming and expensive to resolve. Furthermore, in the event that such confidential technical information becomes available to third parties, any competitive advantage the Group may have could be impaired, which may adversely affect the Group's business, results of operations and financial condition. In addition, the Group considers inorganic growth opportunities from time to time which may also be exposed to risk of leakage by disgruntled or rogue employees. If such confidential information is leaked, the Group may not be able to complete certain potential transactions and may also be exposed to certain legal and regulatory action, which may adversely affect its reputation, business and results of operation.

4.4. *Key information regarding the main specific risks of the Commercial Paper.*

The main risks of the Commercial Paper being issued are as follows:

1. *Market risk*

The Commercial Paper constitutes fixed-income securities and its market price could fluctuate, mainly due to changing interest rates. Therefore, the Issuer cannot guarantee that the Commercial Paper will be traded at a market price that is equal to or higher than its subscription price.

2. *Risk of inflation and of rising interest rates*

The Commercial Paper has an implied yield and will be issued at the interest rate agreed between the Issuer and the Dealers or the investors, as applicable, at the time of the corresponding issuance of Commercial Paper. Investors demand higher returns in response to increases in interest rates to tackle high inflation. Consequently, the real return on the Commercial Paper for the investor at a time prior to inflation and, if applicable, interest rate increases, will be negatively affected and possibly even diluted in the event that the inflation rate exceeds the implied yield on the specific Commercial Paper issue.

3. *Credit risk*.

The Commercial Paper is secured by the Issuer's total equity. Credit risk in respect of the Commercial Paper arises from the potential inability of the Issuer to honor its obligations arising from the Commercial Paper, and consists of the possible economic loss that may be incurred by the total or partial breach of such obligations.

4. *Risk of changes in the Issuer's credit quality. The Commercial Paper will not be assigned any credit rating*

The Issuer's credit quality may worsen as a result of factors including an increase in indebtedness, as well as a deterioration in its financial ratios, which would negatively affect the Issuer's capacity to honor its debt commitments.

It should also be noted that without prejudice to the credit rating assigned to the Issuer from time to time, the Commercial Paper will not be assigned any credit rating. In the event that any credit rating agency assigns a rating to the Commercial Paper, such rating may not reflect the potential impact of all of the risk factors described in this Information Memorandum and/or additional risk factors that could affect the value of the Commercial Paper.

5. *Liquidity risk*

This is the risk of investors not being able to find a counterparty for the Commercial Paper if they wish to sell it prior to its maturity date. Although a request will be made to include the Commercial Paper issued pursuant to the Programme on the MARF in order to mitigate this risk, active trading on the market cannot be guaranteed.

In this regard, the Issuer has not entered into any liquidity agreement, and hence no there is no entity required to list buy and sell prices. Therefore, investors may not be able to find a counterparty for the Commercial Paper.

6. *The Commercial Paper may not be a suitable investment for all types of investors*

Each investor interested in acquiring the Commercial Paper should determine the suitability and advisability of their investment in light of their own circumstances. In particular, but without limitation, each prospective investor should:

(i) have sufficient knowledge and experience to be able to properly assess the advantages and disadvantages of investing in the Commercial Paper, including an adequate analysis of the risks and opportunities and the taxation thereof, including a detailed analysis of the information contained in this Information Memorandum, in any supplement that may be published in connection therewith, and such notices of inside information and other relevant information as the Issuer may publish from time to time during the lifetime of the Commercial Paper;

(ii) have access to the appropriate analytical tools and the proper knowledge to use them correctly for the valuation of their investment in the Commercial Paper;

(iii) have sufficient financial resources and liquidity to bear all the risks arising from an investment in the Commercial Paper;

(iv) have a thorough understanding of the terms of the Commercial Paper, and be familiar with the performance of the relevant financial indices and markets; and

(v) be able to assess (either on their own or with the help of financial, legal and such other advisors as each potential investor deems appropriate) the potential economic and interest rate scenarios and any other factors that may affect their investment and their ability to bear the risks involved.

7. Clearing and settlement of the Commercial Paper

The Commercial Paper will be represented by book entries, the book entry registry of which will be kept by IBERCLEAR and its participating entities. IBERCLEAR will conduct the clearing and settlement of the Commercial Paper, as well as the repayment of its principal. Therefore, Commercial Paper holders will depend on the proper functioning of IBERCLEAR's systems.

The Issuer is not responsible for the records related to the Commercial Paper holders in the Central Register managed by IBERCLEAR and in the other records maintained by the members of IBERCLEAR, or for the payments made to the Commercial Paper holders in accordance therewith.

8. Order of priority

In accordance with the classification and order of priority of credits set out in Royal Legislative Decree 1/2020, of May 5, approving the restated text of the Insolvency Act (*Texto refundido de la Ley Concursal por el Real Decreto Legislativo 1/2020, de 5 de mayo*), in its current wording ("**Insolvency Act**"), in the event of the Issuer's insolvency, credit rights held by investors as a result of the Commercial Paper would rank behind senior credit rights, but ahead of subordinated credit rights (unless they could be classified as subordinated in accordance with Article 281.1 of the Insolvency Act).

In accordance with Article 281.1 of the Insolvency Act, the following are deemed to be subordinated credits, among others:

i) Credit rights which, having been communicated late, are included by the insolvency administrators in the creditors list, as well as those which have not been communicated or have been communicated late but are included in such list due to subsequent communications or by the judge when issuing a decision on any claim relating to the list.

ii) Credit rights for charges and interest of any kind, including interest in arrears, except for credit rights secured by collateral up to the extent of the security interest.

iii) Credit rights held by any of the persons especially related to the debtor, as referred to in Articles 282, 283 and 284 of the Insolvency Act.

9. *Risks related to MiFID and MiFIR.*

The new European regulatory framework arising from MiFID II and Regulation (EU) 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) 648/2012 ("**MiFIR**") has not yet been fully implemented, notwithstanding the existence of various regulations and delegated directives.

Although MiFID II and MiFIR have been in effect since January 3, 2018, and some participants in the securities markets such as the MARF and Iberclear have already adapted to these regulatory changes, other participants in the securities markets may still be in the process of adapting to them. Adapting to these regulations could result in higher transaction costs for potential investors in the Commercial Paper or changes in their trading. Additionally, in accordance with the above, potential investors in the Commercial Paper must conduct their own analysis of the risks and costs that MiFID II and MiFIR or their future technical standards may entail for an investment in the Commercial Paper.

V. INFORMATION OF THE ISSUER

General information

Full corporate name	CIE AUTOMOTIVE, S.A.
Tax Identification Code	A-20014452
LEI	95980020140005381252
Registered office	Alameda Mazarredo 69, 8º floor 48009 Bilbao (Bizkaia), Spain.
Registration	Commercial Registry of Vizcaya at Volume 4815, Folio 74, Sheet BI-48660
Corporate type	Public limited company (*sociedad anónima*)
Web	https://cieautomotive.com/en/home

Shareholding

As of the date of this Information Memorandum, its shareholding is composed of the following:

Shareholder	**2025**
Acek Desarrollo y Gestión Industrial, S.L.	16.05%[1]
Corporación Financiera Alba, S.A	13.66%
Antonio María Pradera Jáuregui	10.77%
Elidoza Promoción de Empresas, S.L.	10.58%
Others	48.94%
TOTAL	**100%**

Corporate purpose

Pursuant to Article 2 of the By-Laws, the Issuer has the following corporate purpose:

ARTICLE 2.- Corporate purpose.

The company's purpose is the holding and management of securities of subsidiary, affiliate, and associated companies; the manufacture and marketing of components for the automotive sector; and the manufacture and sale of all types of special steels.

The activities listed may also be carried out by the company, in whole or in part, indirectly, through participation in other companies with a similar purpose.

Brief description of the Issuer's activity

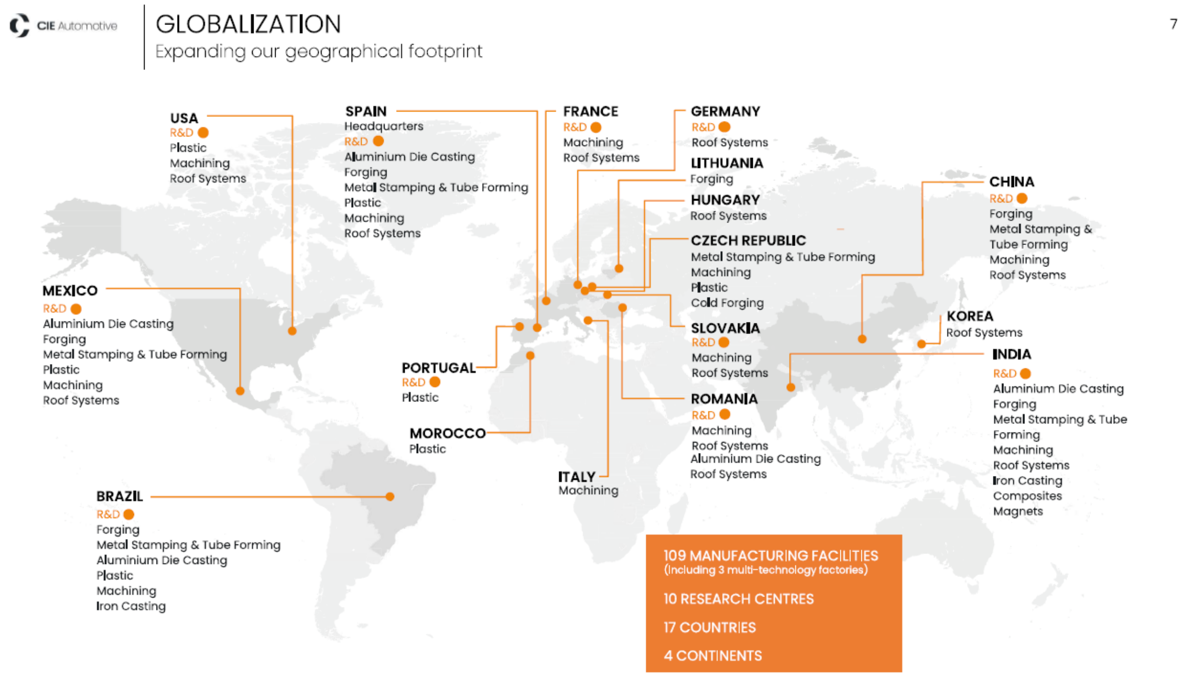
The Group carries out its activities in the automotive business. This business is carried out through an industrial group formed by several companies that are mainly engaged in the design,

[1] 5.93%, directly; 10.12% indirectly, through Risteel Corporation, B.V. as of 31st December 2024.

manufacture and sale of automotive components and sub-assemblies, on the global automotive market.

The Group develops all its business and line of products across certain basic processes or technologies: forging, machining, aluminium, stamping, plastic, casting, welding, painting and roof systems. With them, components and sub-assemblies are manufactured for all the parts of a vehicle, such as: engine and transmission, chassis and sets of direction, and exterior and interior of the vehicle. CIE Automotive is a company that masters every process in all the different technologies available in the market for the manufacturing of automotive components and sub-assemblies.

The Group designs and manufactures components and sub-assemblies globally, in 109 manufacturing facilities (including 3 multi-technology factories) and 10 research centres, which are spread over 17 countries on 4 continents, multi-location being the option chosen for the internationalisation process, based on decentralized management and led by local teams. Its main facilities are in the following territories: Spain (Biscay, Araba/Álava, Gipuzkoa, Navarre, Barcelona, Cádiz, Orense and Pontevedra), Germany, France, Portugal, Czechia, Romania, Italy, Morocco, Lithuania, Slovakia, Hungary, North America (Mexico and the United States of America), South America (Brazil), India, the People's Republic of China and the Republic of Korea.



The customer portfolio is divided into two big categories:

(a) vehicle's manufacturers (OEMs), representing approximately 75% of total sales in 2024, and

(b) suppliers of the first level (TIER 1 – systems supplier), representing approximately 25% of total sales in 2024. Since its creation, the company has been gaining managerial volume in as sustainable way thanks to a unique business model, capable of avoiding adverse economic cycles and of increasing the profitability for its shareholders every year.

Regarding its products, CIE Automotive is continuously monitoring the evolution of new technologies and processes, to be able to supply any product and adapt it to the customers' needs.

What concerns to its clients CIE Automotive is supplying components and sub-assemblies to our customers wherever they need us, and produces locally on all main automotive markets in the globe.

Investigation is one of the key features of the management of CIE Automotive. In a sector that is ever-changing and increasingly competitive, it is vital to invest in R&D&I in order to reinforce their position as market leaders.

The **Board of Directors** is currently composed of

Mr. Antonio María Pradera Jáuregui	Chairman
Mr. Fermín del Río Sanz de Acedo	Deputy Chairman
Mr. Jesús María Herrera Barandiarán	Chief Executive Officer
Ms. Arantza Estefanía Larrañaga	Lead independent director
Ms. María Eugenia Girón Dávila	Member
Ms. Elena María Orbegozo Laborde	Member
Mr. Íñigo Barea Egaña	Member
Mr. Javier Fernández Alonso	Member
Ms. Abanti Sankaranarayanan	Member
Mr. Francisco José Riberas Mera	Member
Mr. Juan María Riberas Mera	Member
Ms. María Teresa Salegui Arbizu	Member
Mr. Vinod Sahay	Member
Mr. José Ramón Berecibar Mutiozabal	Secretary, non-member

Auditors

The individual and consolidated annual accounts of the Issuer for the financial years 2023 and 2024, which are incorporated as **Annex II** to this Information Memorandum, have been audited by KPMG Auditores, S.L. and prepared in accordance with generally accepted accounting principles in Spain ("PGC/NOFCAC"), in particular the Rules for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 of 17 September, and the Spanish General Accounting Plan approved by Royal Decree 1514/2007 of 16 November, as subsequently amended.

VI. REGISTERED ADVISOR

General information

Full corporate name	Banca March, S.A.
Tax Identification Code	A-07004021
LEI	959800LQ598A5RQASA61
Registered office	Avenida Alejandro Roselló 8 07002, Palma de Mallorca

Registration	Commercial Registry of Balearic Islands at Volume 20, Book 104, Sheet 195
Corporate type	Public limited company (*sociedad anónima*)

Banca March, S.A. ("**Banca March**" or the "**Registered Advisor**"), is the entity appointed by the Issuer as registered advisor. Banca March is admitted as a registered advisor to the MARF pursuant to the Operating Instruction 8/2014 of March 24 on the admission of registered advisors to the Alternative Fixed-Income Market. Banca March, as the Registered Advisor to the Programme, has the functions stated in Circular 2/2025, of 16 June 2025, on registered advisors of the Fixed Income Alternative Market, the Market Regulation, and applicable legislation.

VII. PERSONS RESPONSIBLE FOR THE INFORMATION

Ms. Irache Pardo Villanueva and Mr. Iñigo Loizaga Urbistondo, acting for and on behalf of the Issuer in their capacity as representatives, are responsible for the content of this Information Memorandum for the admission of Commercial Paper, by virtue of the authorization granted by the Issuer's Board of Directors at its meeting held on June 18, 2025.

VIII. TERMS AND CONDITIONS OF THE COMMERCIAL PAPER AND OF THE COMMERCIAL PAPER PROGRAMME

1. FULL NAME OF THE PROGRAMME

Commercial Paper Programme CIE Automotive 2025

2. MAXIMUM OUTSTANDING BALANCE

The maximum nominal outstanding balance of the Commercial Paper Programme is **FOUR HUNDRED MILLION EUROS** (€**400,000,000**).

This amount is understood to be the maximum nominal outstanding balance at any time of the sum of the nominal amount of the outstanding (i.e., issued and not matured) Commercial Paper issued under the Commercial Paper Programme and admitted for trading on the MARF in accordance with the provisions of this Information Memorandum.

3. DESCRIPTION OF THE TYPE AND CLASS OF THE COMMERCIAL PAPER. NOMINAL VALUE

The Commercial Paper represent a debt for the Issuer, accrue interest and are redeemable at their nominal value on maturity.

An ISIN code will be assigned for each Commercial Paper note issue carrying the same maturity date.

Each Commercial Paper note will have a nominal value of one hundred thousand euros (€100,000), meaning that the maximum number of outstanding Commercial Paper at any time may not exceed FOUR THOUSAND (4,000).

4. APPLICABLE LAW AND JURISDICTION OF THE COMMERCIAL PAPER

The Commercial Paper will be subject to the legal regime established at any time in Spanish law, and particularly in the Securities Market Act, the Capital Companies Act and such other regulations as develop or supplement them.

The Commercial Paper will be subject to Spanish law and the courts of the city of Madrid will have exclusive jurisdiction to settle any disputes arising in connection with the Commercial Paper.

5. REPRESENTATION OF THE COMMERCIAL PAPER IN BOOK-ENTRY FORM

The Commercial Paper admitted for trading on the MARF under the Programme will be represented by book entries, in accordance with the trading mechanisms of the MARF, pursuant to the provisions of: (i) Article 8.3 of the Securities Market Act; and (ii) Royal Decree 814/2023, of November 8, on financial instruments, admission to trading, registration of negotiable securities and market infrastructure.

IBERCLEAR, with registered office in Madrid, at Plaza de la Lealtad, 1, together with its participating entities, will be responsible for the accounting records in respect of the Commercial Paper.

6. CURRENCY OF ISSUES

The Commercial Paper issued under the Commercial Paper Programme will be denominated in euros (€).

7. CLASSIFICATION OF THE COMMERCIAL PAPER. ORDER OF PRIORITY

The Commercial Paper issued will not be secured in rem or personally guaranteed by third parties. The Issuer will therefore be liable with its assets to the investors under the Commercial Paper.

In accordance with the classification and order of priority of credit rights set out in the current Insolvency Act, in the event of the Issuer’s insolvency, credits held by holders of the Commercial Paper will generally be classified as ordinary credits (common creditors) and will rank behind preferred creditors, at the same level as the other common creditors, and ahead of subordinated creditors (unless they could be classified as subordinated in accordance with Article 281 of the Insolvency Act). There will be no order of priority among the holders of the Commercial Paper.

8. DESCRIPTION OF RIGHTS LINKED TO THE COMMERCIAL PAPER AND THE PROCEDURE FOR EXERCISE THEREOF. METHOD AND TERMS FOR PAYMENT AND DELIVERY OF THE COMMERCIAL PAPER.

In accordance with applicable law, the Commercial Paper issued under the Commercial Paper Programme carries neither current nor future voting rights with respect to the Issuer.

The economic and financial rights for the investor associated with the acquisition and holding of the Commercial Paper will be those arising from the interest rate conditions, yields and redemption prices at which the Commercial Paper is issued, and which are described in Sections 9 and 11 below.

The disbursement date of the Commercial Paper issued will coincide with its issue date. Its cash value will be paid to the Issuer by each of the Dealers (as such term is defined in Section 10 below) or by the investors, as applicable, through the Paying Agent (as such term is defined in Section 10 below) in its capacity as paying agent, into the account indicated by the Issuer on each issue date.

The Dealers or the Issuer, as applicable, may issue a nominative, non-negotiable acquisition certificate. This document will provisionally certify the subscription of the Commercial Paper by each investor until the relevant book entry has been made, which will grant the holder the right to request the relevant certificate of ownership.

Furthermore, the Issuer will report the disbursement to both the MARF and IBERCLEAR by issuing the corresponding certificate.

9. ISSUE DATE. TERM OF THE PROGRAMME

The term of the Commercial Paper Programme is one (1) year from the date of incorporation of this Information Memorandum by the MARF.

The Commercial Paper Programme is a continuous programme and the Commercial Paper may hence be issued, subscribed and admitted to trading on the MARF on any day during its term. However, the Issuer reserves the right not to issue Commercial Paper when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous financing conditions.

The supplementary certificates of each issue under the Programme will establish the issue date and disbursement date of the Commercial Paper. The issue, disbursement and admission to trading dates of the Commercial Paper may not be later than the expiry date of this Information Memorandum.

10. NOMINAL INTEREST RATE. INDICATION OF THE YIELD AND CALCULATION METHOD

The annual nominal interest of the Commercial Paper will be set for each issue.

The Commercial Paper will be issued at the interest rate agreed between the Issuer and each of the Dealers (as defined in section 12 below) or investors, as applicable. The yield will be implicit in the nominal value of the Commercial Paper, which will be repaid on the maturity date.

The Commercial Paper has an implicit rate of return, meaning that the cash amount to be paid out by each investor will vary depending on the agreed issue interest rate and term.

Therefore, the cash amount of each Commercial Paper may be calculated by applying the following formulas:

(i) When the issue term is less than or equal to 365 days:

$$E = \frac{N}{1 + i_n \frac{d}{B}}$$

(ii) When the issue term is more than 365 days:

$$E = \frac{N}{(1 + i_n)^{d/B}}$$

N	nominal amount of the Commercial Paper.
E	cash amount of the Commercial Paper.
d	number of days of the period to maturity.
i_n	nominal interest rate, expressed as an decimal.
B	basis; If the basis is $\frac{act}{365}$, B = 365. If the basis is $\frac{act}{360}$, B = 360

A table[2] is included to assist the investor, specifying the cash value tables for different interest rates and redemption periods, and including a column showing the variation in the cash value of the Commercial Paper when its period is increased by ten (10) days.

(Continued on next page)

[2] The calculation basis used for each of the Commercial Paper issuances in the following table is Act/365. Since the calculation basis for each issuance may be either Act/360 or Act/365, if the basis is Act/360, the table may vary.

Cash value of commercial paper with a nominal value of one hundred thousand euros (€100,000)

CASH VALUE OF COMMERCIAL PAPER WITH A NOMINAL VALUE OF 100,000 EUROS

(Term of less than one year)

	7 DAYS			14 DAYS			30 DAYS			60 DAYS		
Nominal Rate	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days
(%)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)
0.25	99,995.21	0.25	-6.85	99,990.41	0.25	-6.85	99,979.46	0.25	-6.85	99,958.92	0.25	-6.84
0.50	99,990.41	0.50	-13.69	99,980.83	0.50	-13.69	99,958.92	0.50	-13.69	99,917.88	0.50	-13.67
0.75	99,985.62	0.75	-20.54	99,971.24	0.75	-20.53	99,938.39	0.75	-20.52	99,876.86	0.75	-20.49
1.00	99,980.83	1.00	-27.38	99,961.66	1.00	-27.37	99,917.88	1.00	-27.34	99,835.89	1.00	-27.30
1.25	99,976.03	1.26	-34.22	99,952.08	1.26	-34.20	99,897.37	1.26	-34.16	99,794.94	1.26	-34.09
1.50	99,971.24	1.51	-41.06	99,942.50	1.51	-41.03	99,876.86	1.51	-40.98	99,754.03	1.51	-40.88
1.75	99,966.45	1.77	-47.89	99,932.92	1.76	-47.86	99,856.37	1.76	-47.78	99,713.15	1.76	-47.65
2.00	99,961.66	2.02	-54.72	99,923.35	2.02	-54.68	99,835.89	2.02	-54.58	99,672.31	2.02	-54.41
2.25	99,956.87	2.28	-61.55	99,913.77	2.27	-61.50	99,815.41	2.27	-61.38	99,631.50	2.27	-61.15
2.50	99,952.08	2.53	-68.38	99,904.20	2.53	-68.32	99,794.94	2.53	-68.17	99,590.72	2.53	-67.89

2.75	99,947.29	2.79	-75.21	99,894.63	2.79	-75.13	99,774.48	2.78	-74.95	99,549.98	2.78	-74.61
3.00	99,942.50	3.04	-82.03	99,885.06	3.04	-81.94	99,754.03	3.04	-81.72	99,509.27	3.04	-81.32
3.25	99,937.71	3.30	-88.85	99,875.50	3.30	-88.74	99,733.59	3.30	-88.49	99,468.59	3.29	-88.02
3.50	99,932.92	3.56	-95.67	99,865.93	3.56	-95.54	99,713.15	3.56	-95.25	99,427.95	3.55	-94.71
3.75	99,928.13	3.82	-102.49	99,856.37	3.82	-102.34	99,692.73	3.82	-102.00	99,387.34	3.81	-101.38
4.00	99,923.35	4.08	-109.30	99,846.81	4.08	-109.13	99,672.31	4.07	-108.75	99,346.76	4.07	-108.04
4.25	99,918.56	4.34	-116.11	99,837.25	4.34	-115.92	99,651.90	4.33	-115.50	99,306.22	4.33	-114.70
4.50	99,913.77	4.60	-122.92	99,827.69	4.60	-122.71	99,631.50	4.59	-122.23	99,265.71	4.59	-121.34
4.75	99,908.99	4.86	-129.73	99,818.14	4.86	-129.50	99,611.11	4.85	-128.96	99,225.23	4.85	-127.96
5.00	99,904.20	5.12	-136.54	99,808.59	5.12	-136.28	99,590.72	5.12	-135.68	99,184.78	5.11	-134.58
5.25	99,899.42	5.39	-143.34	99,799.03	5.38	-143.05	99,570.35	5.38	-142.40	99,144.37	5.37	-141.18
5.50	99,894.63	5.65	-150.14	99,789.49	5.65	-149.83	99,549.98	5.64	-149.11	99,103.99	5.63	-147.78
5.75	99,889.85	5.92	-156.94	99,779.94	5.91	-156.60	99,529.62	5.90	-155.81	99,063.64	5.89	-154.36
6.00	99,885.06	6.18	-163.74	99,770.39	6.18	-163.36	99,509.27	6.17	-162.51	99,023.33	6.15	-160.93
6.25	99,880.28	6.45	-170.53	99,760.85	6.44	-170.12	99,488.93	6.43	-169.20	98,983.05	6.42	-167.48
6.50	99,875.50	6.71	-177.32	99,751.30	6.71	-176.88	99,468.59	6.70	-175.88	98,942.80	6.68	-174.03

CASH VALUE OF COMMERCIAL PAPER WITH A NOMINAL VALUE OF 100,000 EUROS

	(Term of less than one year)						(Term equal to one year)			(Term of more than one year)		
	90 DAYS			180 DAYS			365 DAYS			730 DAYS		
Nominal Rate	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days	Subscription Price	IRR/AER	+10 days
(%)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)	(euros)	(%)	(euros)
0.25	99,938.39	0.25	-6.84	99,876.86	0.25	-6.83	99,750.62	0.25	-6.81	99,501.87	0.25	-6.78
0.50	99,876.86	0.50	-13.66	99,754.03	0.50	-13.63	99,502.49	0.50	-13.56	99,007.45	0.50	-13.43
0.75	99,815.41	0.75	-20.47	99,631.50	0.75	-20.39	99,255.58	0.75	-20.24	98,516.71	0.75	-19.94
1.00	99,754.03	1.00	-27.26	99,509.27	1.00	-27.12	99,009.90	1.00	-26.85	98,029.60	1.00	-26.33
1.25	99,692.73	1.26	-34.02	99,387.34	1.25	-33.82	98,765.43	1.25	-33.39	97,546.11	1.24	-32.59
1.50	99,631.50	1.51	-40.78	99,265.71	1.51	-40.48	98,522.17	1.50	-39.87	97,066.17	1.49	-38.72
1.75	99,570.35	1.76	-47.51	99,144.37	1.76	-47.11	98,280.10	1.75	-46.29	96,589.78	1.73	-44.74
2.00	99,509.27	2.02	-54.23	99,023.33	2.01	-53.70	98,039.22	2.00	-52.64	96,116.88	1.98	-50.63
2.25	99,448.27	2.27	-60.93	98,902.59	2.26	-60.26	97,799.51	2.25	-58.93	95,647.44	2.23	-56.42
2.50	99,387.34	2.52	-67.61	98,782.14	2.52	-66.79	97,560.98	2.50	-65.15	95,181.44	2.47	-62.08
2.75	99,326.48	2.78	-74.28	98,661.98	2.77	-73.29	97,323.60	2.75	-71.31	94,718.83	2.71	-67.64
3.00	99,265.71	3.03	-80.92	98,542.12	3.02	-79.75	97,087.38	3.00	-77.41	94,259.59	2.96	-73.09

3.25	99,205.00	3.29	-87.55	98,422.54	3.28	-86.18	96,852.30	3.25	-83.45	93,803.68	3.20	-78.44
3.50	99,144.37	3.55	-94.17	98,303.26	3.53	-92.58	96,618.36	3.50	-89.43	93,351.07	3.44	-83.68
3.75	99,083.81	3.80	-100.76	98,184.26	3.79	-98.94	96,385.54	3.75	-95.35	92,901.73	3.68	-88.82
4.00	99,023.33	4.06	-107.34	98,065.56	4.04	-105.28	96,153.85	4.00	-101.21	92,455.62	3.92	-93.86
4.25	98,962.92	4.32	-113.90	97,947.14	4.30	-111.58	95,923.26	4.25	-107.02	92,012.72	4.16	-98.80
4.50	98,902.59	4.58	-120.45	97,829.00	4.55	-117.85	95,693.78	4.50	-112.77	91,573.00	4.40	-103.65
4.75	98,842.33	4.84	-126.98	97,711.15	4.81	-124.09	95,465.39	4.75	-118.46	91,136.41	4.64	-108.41
5.00	98,782.14	5.09	-133.49	97,593.58	5.06	-130.30	95,238.10	5.00	-124.09	90,702.95	4.88	-113.07
5.25	98,722.02	5.35	-139.98	97,476.30	5.32	-136.48	95,011.88	5.25	-129.67	90,272.57	5.12	-117.65
5.50	98,661.98	5.62	-146.46	97,359.30	5.58	-142.62	94,786.73	5.50	-135.19	89,845.24	5.36	-122.13
5.75	98,602.01	5.88	-152.92	97,242.57	5.83	-148.74	94,562.65	5.75	-140.66	89,420.94	5.59	-126.54
6.00	98,542.12	6.14	-159.37	97,126.13	6.09	-154.82	94,339.62	6.00	-146.07	88,999.64	5.83	-130.85
6.25	98,482.29	6.40	-165.80	97,009.97	6.35	-160.88	94,117.65	6.25	-151.44	88,581.31	6.07	-135.09
6.50	98,422.54	6.66	-172.21	96,894.08	6.61	-166.90	93,896.71	6.50	-156.75	88,165.93	6.30	-139.25

Given the range of rates that may be applied during the Commercial Paper Programme, it is not possible to pre-determine the internal rate of return (IRR) for each investor. In any case, the following formula would determine the rate for Commercial Paper of up to 365 days:

$$i = \left[\left(\frac{N}{E}\right)^{B/d} - 1\right]$$

where:

IRR	effective annual interest rate, expressed as an integer value.
N	nominal amount of the Commercial Paper.
E	cash amount (effective value) at the time of subscription or acquisition.
d	number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).
B	basis; If the basis is $\frac{act}{365}$, B = 365. If the basis is $\frac{act}{360}$, B = 360

For terms of more than 365 days, the IRR will be equal to the nominal rate of the Commercial Paper described in this section.

11. DEALERS, PAYING AGENT AND DEPOSITORY ENTITIES

The following dealers are involved in the Commercial Paper Programme (together, the "**Dealers**," and each individually a "**Dealer**") as of the date of this Information Memorandum:

BANCO DE SABADELL, S.A.

TAX IDENTIFICATION NUMBER: A-08000143

Registered office: Óscar Esplá, 37, 03007, Alicante (Spain)

KUTXABANK INVESTMENT, S.V, S.A.

TAX IDENTIFICATION NUMBER: A-48403927

Registered office: Plaza Euskadi nº 5, planta 26, Torre Iberdrola, 48009 Bilbao (Spain).

PKF ATTEST CAPITAL MARKETS A.V, S.A.

TAX IDENTIFICATION NUMBER: A-86953965.

Registered office: Calle Orense, 81, 28020, Madrid (Spain).

BANCA MARCH, S.A.

TAX IDENTIFICATION NUMBER: A-07004021

Registered office: Plaza Euskadi, 5, planta 26 (Torre Iberdrola), 48009 Bilbao (Spain).

BANCO SANTANDER, S.A.

TAX IDENTIFICATION NUMBER: A-39000013.

Registered office: Avda. Cantabria S/N, Edif. Encinar, Planta 0, 28660, Boadilla del Monte, Madrid (Spain).

BRED BANQUE POPULAIRE

TAX IDENTIFICATION NUMBER: FR 09 552 091 795.

Registered office: 18 Quai de la Rapée, 75012, Paris.

The Issuer has signed various collaboration agreements with the Dealers for the Commercial Paper Programme, which includes the possibility of selling to third parties.

The Issuer may also enter into other collaboration agreements with new dealers for the placement of the Commercial Paper issues. Any such arrangement will be communicated to the MARF by publishing another relevant information disclosure on the MARF website.

BANCO SANTANDER, S.A. will be acting as paying agent (the "**Paying Agent**"). A change of the entity designated as Paying Agent will be communicated to the MARF by publishing an 'other relevant information' disclosure on the MARF website.

Although IBERCLEAR will be the entity entrusted with maintaining the accounting records corresponding to the Commercial Paper, the Issuer has not designated a depository entity for the Commercial Paper. Each subscriber of the Commercial Paper will appoint an entity to act as depositary of the Commercial Paper from among IBERCLEAR's participating entities.

12. REDEMPTION PRICE AND PROVISIONS REGARDING MATURITY OF THE COMMERCIAL PAPER. REDEMPTION DATE AND METHODS

The Commercial Paper issued under the Commercial Paper Programme will be redeemed at its nominal value on the date indicated in the document certifying its acquisition, applying the relevant tax withholding where applicable.

As the Commercial Paper is to be admitted to trading on the MARF, it will be redeemed in accordance with the operating rules of the clearing and settlement system of said market, and the nominal amount of the Commercial Paper will be paid on the maturity date to the legitimate holder thereof. The Paying Agent will be responsible for this process but assumes no obligation or liability whatsoever regarding the Issuer's repayment of the Commercial Paper at maturity.

If repayment is due on a non-business day according to the T2 calendar[3], it will be delayed until the first subsequent business day, with no effect on the amount to be paid.

13. TERM FOR CLAIMING REPAYMENT OF THE PRINCIPAL

In accordance with Article 1,964 of the Spanish Civil Code, repayment of the nominal value of the Commercial Paper may no longer be sought once five (5) years have elapsed.

[3] T2 is the Eurosystem's real-time gross settlement (RTGS) system.

14. MINIMUM AND MAXIMUM ISSUE PERIOD

During the Programme, Commercial Paper may be issued with a redemption period of between three (3) business days and seven hundred thirty (730) calendar days (i.e., twenty-four (24) months).

For these purposes, "business day" shall mean any day of the week on which transactions may be carried out in accordance with the T2 calendar.

15. EARLY REDEMPTION

The Commercial Paper will not include an early redemption option for the Issuer (call) or for the holder of the Commercial Paper (put). However, the Commercial Paper may be redeemed early if it is in the Issuer's lawful possession for any reason.

16. RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE COMMERCIAL PAPER

Pursuant to applicable law, there are no specific or general restrictions on the free transferability of the Commercial Paper to be issued.

IX. TAXATION

Pursuant to applicable law, the Commercial Paper qualifies as a financial asset bearing an implicit yield for tax purposes. The income arising therefrom is classified for tax purposes as capital gains due to the assignment of own capital to third parties and is subject to personal income tax ("**PIT**"), Corporate Income Tax ("**CIT**") and Non-Resident Income Tax ("**NRIT**") and the corresponding system of withholdings on account, under the terms and conditions established in their respective regulating laws and other implementing regulations.

Investors interested in acquiring the Commercial Paper to be issued are recommended to consult their lawyers or tax advisors, who will be able to provide them with personalized advice based on their particular circumstances as the tax treatment may vary depending on the residency and nature of the investor.

X. INFORMATION RELATED TO THE INCORPORATION

1. PUBLICATION OF THE INFORMATION MEMORANDUM

This Information Memorandum will be published on the MARF website: (www.bolsasymercados.es)

2. DESCRIPTION OF THE PLACEMENT SYSTEM AND, AS APPLICABLE, SUBSCRIPTION OF THE ISSUE

Placement by the Dealers

The Dealers may act as intermediaries when placing the Commercial Paper. However, the Dealers may subscribe for the Commercial Paper in their own name.

For these purposes, the Dealers may request the Issuer, on any business day between 10:00 a.m. and 2:00 p.m. (CET), to provide volume quotations and interest rates for potential issues of Commercial Paper in order to carry out the corresponding book-building process among professional clients and eligible counterparties.

The amount, interest rate, issue and disbursement date, maturity date and other terms of each issue placed by the Dealers will be respectively determined by agreement between the Issuer and the Dealers. Each Dealer will confirm the terms of such agreement by submitting to the Issuer a document containing the terms of the issue, and the Issuer, if it agrees with such terms, shall return it to each Dealer to indicate confirmation.

In the event that an issue of the Commercial Paper is initially subscribed by the Dealers for subsequent transfer to professional clients and eligible counterparties, it is declared that the price at which the Dealers transfer the Commercial Paper will be freely agreed between the parties concerned, and it may not coincide with the issue price (i.e., the cash amount).

Issue and subscription of Commercial Paper directly by final investors

The Programme also envisages the possibility that final investors with the status of: (i) qualified investors in accordance with the definition provided in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council, dated June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"); and/or (ii) eligible counterparties and professional clients, according to the definition attributed to each of these terms in MIFID II and its implementing regulations (including Articles 194 and 196 of the Securities Market Act), may subscribe the Commercial Paper directly from the Issuer, subject to compliance with any requirements arising from applicable law.

In such cases, the amount, interest rate, issue and disbursement dates, maturity date, as well as the other terms of each issue thus arranged, will be agreed between the Issuer and the relevant final investors upon each specific issue.

3. REQUEST FOR ADMISSION TO TRADING OF THE COMMERCIAL PAPER ON THE MARF

Period of admission to trading

A request will be made for the admission to trading of the Commercial Paper described in this Information Memorandum on the MARF. The Issuer undertakes to carry out all the necessary actions so that the Commercial Paper is listed on said market within a maximum period of seven (7) business days running from each Commercial Paper issue date, which as previously stated will coincide with the disbursement date. The date of admission to trading of the Commercial Paper on the MARF must in any event be a date within the term of this Information Memorandum and prior to the maturity date of the respective Commercial Paper. In the event of breach of such deadline, the reasons for the delay will be notified to the MARF and published as other relevant information on the MARF website, without prejudice to any potential contractual liability that the Issuer might incur.

The MARF has the legal structure of a multilateral trading facility (MTF), under the terms set out in the Securities Market Act, functioning as an unofficial alternative market for the trading of fixed-income securities.

This Information Memorandum is required under Circular 1/2025.

Neither the MARF, the CNMV nor the Dealers have approved or carried out any type of verification or check in relation to the content of this Information Memorandum, the Issuer's audited annual account. The intervention of the MARF does not imply any statement or recognition regarding the complete, understandable and consistent nature of the information contained in the documentation provided by the Issuer.

Before making any investment decision regarding the Commercial Paper as negotiable securities, it is recommended that each potential investor read this Information Memorandum carefully and in full and obtain financial, legal and tax advice from experts in the contracting of this type of financial asset.

The Issuer expressly declares that it is aware of the requirements and conditions for the admission to trading, continued trading and delisting of the Commercial Paper on the MARF, according to applicable law and the requirements of its governing body, and the Issuer agrees to comply with them.

The Issuer expressly declares that it is aware of the requirements for registration and settlement on IBERCLEAR. Transactions will be settled through IBERCLEAR.

Publication of the admission to trading of the Commercial Paper issues

The admission to trading of the Commercial Paper issues will be disclosed via the MARF website (www.bolsasymercados.es).

In Madrid, on July 15, 2025

As the person responsible for the Information Memorandum:

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Ms. Irache Pardo Villanueva

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Mr. Iñigo Loizaga Urbistondo

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SCHEDULE I
ADDITIONAL INFORMATION OF THE ISSUER

1. Mission, Vision and Values

1.1. Mission

The Issuer is a supplier of components, assemblies and sub-assemblies to the global Automotive market, global supplier with presence in 4 continents and multi-technological for its action based on the use of 7 technologies, complementary and various associated processes as well as with an integrated vision of the entire value chain.

We are a team committed to the development of a profitable automotive project that has been growing steadily for more than 25 years, positioning it as a reference partner through customer satisfaction with comprehensive, innovative and competitive with high added value solutions.

We seek excellence by providing value to all our stakeholders based on the following commitments:

(a) We guarantee quality and service.
(b) We are an innovating and participative team where each individual is proactive and feels proud to its belonging.
(c) We take care of the Earth by contributing to improve our environment and minimizing our environmental impact.

1.2. Vision

We aspire to being a benchmark industrial group specialised in managing highly value-added processes supplying the best solutions for the mobility of the future. Moreover, we strive to be the paradigm of a socially-responsible company through our permanent commitment and our responsibility with the consequences and impacts derived from our actions being the following:

(a) To be climate neutral.
(b) To become value chain tractors.
(c) To be a social reference by warrantying integrity, safety and health of the people.
(d) Management excellence by being transparent and integrity, as well as value generation.

1.3. Values

Honesty, fairness and integrity are the basis of all our values:

(a) We commit with good practices.
(b) We innovate as a response to any challenge.
(c) We focus on people, their families and their environment.
(d) We protect diversity, we defend equality and we promote inclusion.
(e) We are self-critic and we take ownership.
(f) We protect the climate and local entities where we are based, acting locally.
(g) Last but not least, we respect legality.

The Issuer´s short-term and "net-zero" targets validated by Science Based Targets initiative:

The Issuer commits to reducing Greenhouse Gases emissions of Scope 1 and Scope 2 by 57.9% by 2033, as well as reducing Scope 3 emissions by 54.6% by 2033, both using 2021 as the base year. Furthermore, the Issuer commits to achieving the "net-zero" target for greenhouse gas emissions across its value chain by 2050.

SCHEDULE II

AUDITED INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2024

Audited and without qualification

ALTERNATIVE PERFORMANCE MEASURES

The Information Memorandum includes financial figures and ratios such as "EBITDA," among others, which are considered Alternative Performance Measures ("**APMs**") in accordance with the Guidelines published by the European Securities and Markets Authority (ESMA) in October 2015. APMs are derived from or calculated based on the audited consolidated annual financial statements or interim condensed consolidated financial statements, typically by adding or subtracting amounts from items in such financial statements, using terminology common in business and financial contexts but not used by the General Accounting Plan in Spain approved by Royal Decree 1514/2007 or the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU-IFRS). APMs are presented to enable a better assessment of the Issuer's financial results, cash flows and financial position, as the Issuer uses them for financial, operational or strategic decision-making within the Group. However, APMs are not audited and are not required to be presented in accordance with the General Accounting Plan in Spain approved by Royal Decree 1514/2007 or with the EU-IFRS. Therefore, APMs should not be considered in isolation but rather as supplementary information to the audited consolidated financial information relating to the Issuer. The APMs used by the Issuer and included in the Information Memorandum may not be comparable to the same or similar APMs used by other companies.

ROUNDING OF FIGURES

Certain figures in this Information Memorandum, including financial, market and certain operating information, have been rounded to make them easier to understand. Accordingly, the sum of the figures shown in a column or row of a table may not add up exactly to the total figure shown for that column or row, and the sum of some figures expressed as a percentage may not add up exactly to the total percentage shown.

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