GESTAMP AUTOMOCIÓN, S.A.

(established and incorporated in Spain pursuant to the Capital Companies Act)

Maximum outstanding balance of € 350,000,000
Commercial Paper Programme Gestamp 2022

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

GESTAMP AUTOMOCIÓN, S.A. ("**Gestamp**" or the "**Issuer**"), a public limited company (*sociedad anónima*) incorporated under the laws of Spanish with registered office at Polígono Industrial de Lebario, s/n, 48220 Abadiño (Vizcaya), registered in the Commercial Registry of Vizcaya, Volume 3,614, Page 107, Section 8, Sheet BI-21245, with Tax Identification Number A-48943864 and LEI Code 95980020140005484363, will request the admission (*incorporación*) to trading of commercial paper notes (the "**Commercial Paper**") which will be issued in accordance with the provisions set out in this Base Information Memorandum (the "**Information Memorandum**") on the Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) ("**MARF**"), a regulated multilateral trading facility.

The Commercial Paper will be represented by book entries at Sociedad de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**") which, together with its Participating Entities, will be responsible for its accounting record.

An Investment in the Commercial Paper involves certain risks.

Read section 1 of the Information Memorandum on Risk Factors.

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 the Circular 2/2018, of 4 December, on the admission and de-listing of securities on the MARF (*Circular 2/2018, de 4 de diciembre, sobre incorporación y exclusión de valores en el Mercado Alternativo de Renta Fija*) (the "Circular 2/2018"). This Information Memorandum has been prepared in compliance with the Circular 2/2018.

The underwriting of the Commercial Paper is solely addressed to professional clients or qualified investors pursuant to article 2.e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 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 ("Regulation (EU) 2017/1129"), article 205 of Royal Legislative Decree 4/2015, of 23 October, by virtue of which the restated text of the Securities Market Act is approved (*Texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) ("Securities Market Act") and article 39 of Royal Decree 1310/2005, of 4 November, which partially develops Act 24/1988, of 28 July, on the Securities Market, with regard to the admission of securities to trading on official secondary markets, public offerings or subscription and the prospectus required for this purpose (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1998, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) ("Royal Decree 1310/2005"). No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where such action is required for said purpose. This Information Memorandum (*Documento Base Informativo de Incorporación*) does not represent a prospectus (*folleto informativo*) approved and registered with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV"). The subscription of the Commercial Paper does not represent a public offering pursuant to the provisions set out in article 35 of the Securities Market Act, which removes the obligation to approve, register and publish a prospectus at the CNMV.

PLACEMENT ENTITY AND SOLE LEAD ARRANGER
BANCA MARCH, S.A.

The date of this document is 17 March 2022

IMPORTANT INFORMATION

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

The Placement Entity does not take responsibility for the content of this Information Memorandum. The Placement Entity has entered into a collaboration agreement with the Issuer to place the Commercial Paper but neither the Placement Entity nor any other entity has accepted any undertaking to underwrite the Commercial Paper. This is without prejudice to the Placement Entity being able to 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 POSESSION OR DISTRIBUTION OF THE INFORMATION MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE SUCH ACTION IS REQUIRED FOR SAID PURPOSE. THIS DOCUMENT IS NOT TO BE DISTRIBUTED, DIRECT OR INDIRECTLY, IN ANY JURISDICTION WHERE SUCH DISTRIBUTION MAY REPRESENT AN OFFERING. THIS DOCUMENT IS NOT AN OFFER FOR THE SALE OF SECURITIES NOR A REQUEST TO PURCHASE SECURITIES AND THERE IS NO OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE IS CONSIDERED CONTRARY TO APPLICABLE LEGISLATION.

PRODUCT GOVERNANCE RULES UNDER MiFID II

THE TARGET MARKET WILL ONLY BE ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS

Exclusively for the purposes of the product approval process to be carried out by each producer, following the assessment of the target market for the Commercial Paper , it has been concluded that: (i) the target market to which the Commercial Paper is intended to be issued is solely for "eligible counterparties" and "professional clients" as defined for each of these terms in the Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EU, as amended ("**MiFID II**") and their implementing legislation and (ii) all channels of distribution of the Commercial Paper to eligible counterparties and professional clients are appropriate.

Any person who, after the initial placement of the Commercial Paper, offers, sells, places, recommends or otherwise makes available the Commercial Paper (the "**Distributor**") shall take into account the assessment of the producer's target market. However, any Distributor subject to MiFID II shall be responsible for carrying out its own assessment of the target market with respect to the Commercial Paper, either by applying the evaluation of the target market of the producer or/and to identify appropriate distribution channel.

BAN ON SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA- PRIIPS REGULATION

The Commercial Paper is not intended for offer, sale or any other form of making available, nor should they be offered, sold to or 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 customer in the sense 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 point (10) of Article 4(1) of MiFID II. As a result, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Commercial Paper or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Commercial Paper or otherwise making them available to any retail investor in the EEA, otherwise such activities may be unlawful under the PRIIPs Regulation.

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, statements other than statements of historical facts contained in this Information Memorandum, including, but without limitation, those regarding our future financial condition, results of operations and business, our products, acquisitions, dispositions and finance strategies, our capital expenditure priorities, regulatory or technological developments in the market, subscriber growth and retention rates, potential synergies and cost savings, competitive and economic factors, the maturity of our markets, anticipated cost increases, liquidity and credit risk. These forward-looking statements can be identified by the use of terms such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "project," "should," and "will" and similar words used in this Information Memorandum.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on the statements, which speak only as of the date of this Information Memorandum.

Except as required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Information Memorandum, to reflect any change in our expectations or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Information Memorandum include those described under section 1"Risk Factors" below.

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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BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*)

1. Risk factors

An investment in the Commercial Paper is subject to a number of risks. Potential investors should carefully assess the risks described below, together with the remaining information contained in this Information Memorandum, before investing in the Commercial Paper. If any of the risks described below actually materializes, the business, financial condition and operating results of the Issuer, as well as 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 represent the main or material risks inherent to the investment in the Commercial Paper, however default in payment of the Commercial Paper at maturity may be due to other unknown or unforeseen factors. The majority of 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 does not state that the factors described below are exhaustive and it is possible that the risks and uncertainties described may not be the only ones the Issuer faces. Additional risks and uncertainties currently unknown or considered immaterial alone or jointly with others (either identified in the present Information Memorandum or not) may have a material adverse effect on the business, financial condition and operating results of the Issuer, as well as on the ability of the Issuer to reimburse the Commercial Paper upon maturity, resulting in a loss of all or part of any investment made in the Commercial Paper.

1.1 Essential information on the main specific risks regarding the Issuer or its sector of activity

The main specific risks of the Issuer or its sector of activity are the following:

A) Financial risks

- Market risk. Our treasury team is responsible for managing our exposure to financial risk and for minimizing the potential adverse effects on our financial returns. We are primarily exposed to market risk from changes in foreign currency exchange rates and interest rates and we are also exposed to liquidity risk and credit risk. We manage our exposure to these market risks through our regular operating and financing activities.

i) *Foreign currency risks*:

In the year ended December 31, 2020 €4,632.6 million and in the year ended December 31, 2021 €5,100.2 million (which represented approximately 62.1%

and 63.0% of our revenue for that period, respectively), on a consolidated basis, were generated in currencies other than the Euro. Our strategy for managing currency risk relies primarily on conducting business and making investments in a foreign country in that country's currency. The effects on us of foreign currency fluctuations are mitigated by the fact that expenses are generally incurred in the same currency in which revenues are generated.

However, fluctuations in the exchange rate between the currency in which a transaction is denominated and our presentation currency, the Euro, can have some negative or positive impact on our profit or loss.

We mainly operate in the following currencies: Argentine Peso, Brazilian Real, Chinese Yuan, Czech Crown, Euro, GB Pound, Hungarian Forint, Indian Rupee, Korean Won, Mexican Peso, Polish Zloty, Russian Ruble, Swedish Crown, Thai Baht, Turkish Lira, US Dollar, Japanese Yen, Bulgarian Lev, Taiwan Dollar, Moroccan Dirham and Romanian Lev.

To manage exchange rate risk, we use a series of financial instruments that give us a degree of flexibility, essentially comprised of the following:

- Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.

- “Puttable instruments”: Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

The following table demonstrates the notional impact on our profits at December 31, 2021 of a 5% positive and negative fluctuation in the currencies specified against the Euro:

	2021	
	EFECTO EN RESULTADO	
Divisa	Variación 5%	Variación -5%
corona sueca	1.224	(1.224)
dólar usa	(1.263)	1.263
forinto húngaro	77	(77)
libra esterlina	(2.214)	2.214
peso mexicano	892	(892)
real brasileño	(39)	39
renmimbi chino	1.542	(1.542)
rupia india	70	(70)
lira turca	1.531	(1.531)
peso argentino	(55)	55
rublo ruso	439	(439)
won coreano	166	(166)
zloty polaco	1.811	(1.811)
corona checa	229	(229)
yen japones	(101)	101
baht tailandés	22	(22)
leu rumano	69	(69)
dirham marroquí	17	(17)
dólar taiwanes	2	(2)
lev búlgaro	32	(32)
EFECTO EN VALORES ABSOLUTOS	**4.451**	**(4.451)**
RESULTADO ATRIBUIBLE A LA SOC. DOMINANTE	**155.376**	**155.376**
EFECTO EN VALORES RELATIVOS	**2,86%**	**-2,86%**

ii) *Interest rate risks*:

A substantial portion of our borrowings bear interest at floating rates, exposing us to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. We mitigate this risk by using interest rate derivatives/hedges, through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to us and on a portion of expected future borrowings. We use mainly swaps, by which we convert the floating rate on a loan into a fixed rate. We may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof. Virtually all of our variable rate borrowings are at floating rates indexed to Euribor.

Assuming a 50 basis point variation in the average interest rate on our floating interest rate financial borrowings and assuming that all other variables remained constant, the finance cost would have been €13.4 million higher or lower as of December 31, 2021.

iii) *Liquidity risk*:

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt markets that prevent or hinder its capital raising efforts. We manage liquidity risk by maintaining sufficient cash balances to enable us to negotiate refinancing on the best possible terms and to cover our near-term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

iv) *Commodity risk*:

The primary raw material used in our business is steel. We are mostly neutral to changes in the price of steel as a result of our pass-through arrangements with original equipment manufacturers ("**OEMs**"), which provide us a natural hedge.

- Credit risk. Credit risk is concentrated primarily in the Group's accounts receivable. Management considers that its counterparties are very creditworthy.

Each business unit manages its credit risk according to policies, procedures and controls determined by the Group regarding credit risk management of customers.

At each closing date, the Group companies analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment.

The Group has no guarantee on debts and has concluded that the risk concentration is low given that its customers belong to distinct jurisdictions and operate in highly independent markets.

The credit risk with banks is managed by the treasury department of the Group according to the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of default by the counterparty.

The maximum exposure of the Group to credit risk at December 31, 2021 amounts to 586.0 million Euros (€).

B) Risks related to the business of the Issuer

- The automobile industry is highly cyclical and cyclical downturns in our business segments negatively impact our business, financial condition, results of operations and cash flows.

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, patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted. While we mitigate cyclicality by diversifying our businesses geographically there is no assurance that this will be sufficient. Moreover, a number of factors that we cannot predict can and have impacted cyclicality in the past. Decreases in demand for automobiles generally, or in the demand for our products in particular, could materially and adversely impact our business, financial condition, results of operations and cash flows.

- <u>We are dependent on large customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us</u>.

Although we supply our products to several of the leading automobile manufacturers, as is common in our industry we depend on certain large-value customers for a significant proportion of our revenues. For example, in the year ended December 31 2021, our top three customers represented an aggregate of approximately 55.2 % of our revenues. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger revenue base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

- loss of awarded business;
- reduced or delayed customer requirements;
- OEMs' insourcing business they have traditionally outsourced to us;
- damage to a customer's reputation;
- strikes or other work stoppages affecting production by our customers;
- bankruptcy or insolvency of a customer; or
- reduced demand for our customers' products.

Additionally, financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or we otherwise experienced a loss of, or material reduction in, business from such customer.

As a result of such difficulties, we could experience lost revenues, material write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date.

- Our inability to realize revenues represented by our awarded business or termination or non-renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows.

The realization of future revenues from awarded business is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce and the timing of that production.

Typically, the terms and conditions of the agreements with our customers do not include a commitment regarding minimum volumes of purchases from us. In addition, such contracts typically provide that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incurred for raw materials and work-in-progress and in certain instances undepreciated capital expenditures. Further, there is no guarantee that our customers will renew their purchase orders with us. We cannot assure you that our results of operations will not be materially adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel awarded business or if our customers fail to renew their contracts with us.

- A shift away from technologies in which we invest could have a material adverse effect on our profitability and financial condition.

Our business requires a high level of technical expertise for the development and manufacture of our products. We invest in technology and innovation which we believe will be critical to our long-term growth and we need to continually adapt our expertise in response to technological innovations, industry standards, product instructions and customer requirements. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements may render one or more of our current offerings obsolete, excessively costly or otherwise unmarketable. If there is a shift away from the use of technologies in which we are investing, our costs may not be fully recovered. We may be placed at a competitive disadvantage if other technologies emerge as industry-leading technologies, which could have a material adverse effect on our prospects for growth, profitability and financial condition.

- The volatility of steel and energy prices may adversely affect our results of operations.

The primary raw material used in our business is steel, which in the last three years has represented approximately 37% of our sales. Approximately 66% of our steel is typically purchased through OEM re-sale programs, with the remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate.

An increase or decrease in steel prices affects our results. Although we have sought to be largely neutral with respect to steel pricing's impact on our margins over time as a result of our steel pricing arrangements, there is no guarantee that we will be able to achieve that goal. Most of our steel purchasing contracts that we negotiate directly with suppliers and that are not under OEM re-sale programs do not have any contractual provisions for pass through of the price of steel to the OEMs. Although historically and consistent with automotive industry standards we have been able to negotiate with our OEM customers to pass through the impact of price swings leaving us protected from changing steel prices, there are no assurances that this will continue in the future.

We typically sell scrap steel in secondary markets in which, typically, the price of scrap steel fluctuates in line with fluctuations in steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills. We may be impacted by the fluctuation in scrap steel prices, either positive or negative, in relation to our various customer agreements. While the cost of energy and raw materials has recently been subject to a significant decline since early 2015, if costs of raw materials and energy rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

- Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles on which we have significant content could have a material adverse effect on our profitability.

While we supply parts for a wide variety of vehicles produced globally, we do not supply parts for all vehicles produced, nor is the number or value of parts evenly distributed among the vehicles for which we do supply parts. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles on which we have significant content and shifts away from vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our profitability.

- Mechanical failure, equipment shutdowns and technological breakdown could adversely affect our business.

We are subject to mechanical failure and equipment shutdowns which may be beyond our control. If a section of one of our facilities is damaged or shuts down, it could cause a mechanical failure or equipment shutdown in other components of such facility. If such events occur, our production capacity may be materially and adversely impacted. In the event that we are forced to shut down any of our sites for a significant period of time, it would have a material adverse effect on our business operations, financial position and operational results.

- We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically.

The automotive parts industry is highly competitive. Although the overall number of competitors has decreased due to ongoing industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve and OEMs that may seek to integrate vertically. The principal competitive factors include product quality, ability to manage complex projects, R&D competences, geographical footprint, process technology competences, tooling competences, price, financial stability and partnership in the consolidation and rationalization of the global automotive supply base. We cannot assure you that competition will not have a material adverse effect on our business by reducing our ability to increase or maintain sales and profit margins.

We principally compete for new business projects at the beginning of the development of new models and upon the redesign of existing models by major OEM customers. In some cases, a number of our major OEM customers manufacture products that we currently produce, thereby eliminating an opportunity for us to bid for the production. New model development generally begins three to five years prior to the marketing of such models to the public. Redesign of existing models begins during the life cycle of a platform, usually at least two to three years before the end of the platform's life cycle. The failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition, results of operations, and cash flows. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

- Risk arising from United States' (the "US") commercial restrictions

The trade war between the US and China, which started in 2018 and continued in 2019 and 2020 as a result of the tariffs imposed on several products and the subsequent retaliation had an impact on the world's economy. Additionally, the US and the EU trade relations have deteriorated due to the tariffs imposed by the US to certain EU products. Consequently, trade regulations in any of the Gestamp's markets could have a material adverse effect on its business, results of operations and financial condition.

- Continuing uncertainties and challenging political conditions in the European economy and the euro could intensify the risks faced by the automotive industry and our business, which could have a material adverse effect on our operations, financial condition and profitability.

In 2014, the euro zone turned the corner from recession to recovery, although the legacy of the crisis could continue to impact on economic growth. In 2015 the economic recovery was resilient and widespread across Member States, but growth, however, remained slow. The impact of the positive factors faced, while new challenges appeared, such as the slowdown in emerging market economies and global trade, and persisting geopolitical tensions.

The EU economy is rebounding from the pandemic recession faster than expected. Households responded to the improving epidemiological situation and the gradual relaxation of containment measures with a spending spree that propelled EU private consumption growth to 3.3% q-o-q (3.5% in the euro area) in the second quarter of 2021. The Autumn 2021 Economic Forecast projects that, despite mounting headwinds, the EU economy is projected to keep expanding over the forecast horizon. Most Member States are expected to reach the pre-pandemic volume of output by the end of 2021, while a few others will fully recover in 2022. (Source: European Commission, Autumn 2021 European Economic Forecast).

Future developments may continue to be dependent upon a number of political and economic factors, including the effectiveness of measures by the European Central Bank and the European Commission to address debt burdens of certain countries in Europe and the continued stability of the Eurozone. Despite our global presence, the Eurozone is a significant market for our business, and adverse economic effects within the Eurozone could have a material adverse impact on our cash flows, financial condition and results of operations.

Concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, 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.

Also, external factors, such as geopolitical uncertainties, especially those regarding “Brexit” which means the exit of the UK from the European Union (the “EU”), volatility in commodity prices or a negative market reaction to central banks policies, especially those implemented in order to address the consequences of the pandemic, may further affect the growth of the Spanish and other economies. Continued political uncertainty, as well as other geopolitical uncertainties, could negatively affect the economic growth in Spain and in other European countries, which could in turn have a material adverse effect on the Gestamp’s business, prospects, financial condition, cash flows and results of operations.

The financial market disruption that would likely accompany any such redenomination event could have a material adverse impact on our operations. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the Eurozone countries, which in turn could have an adverse impact on demand for our services and, accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate may impact our billing and other financial systems. In light of the significant exposure that we have to the euro through our euro-denominated cash balances and cash flows, a redenomination event could have a material adverse impact on our cash flows, financial condition and results of operations.

In these circumstances, many of the risks faced by the automotive industry and our business could intensify, which could have a material adverse effect on our business, financial condition, results of operations and cash flows as well as negatively impact our access to, and cost of, capital.

- Risk arising from political instability United Kingdom - Brexit

On the 24 December 2020 the UK government and the EU entered into a trade and co-operation agreement (TCA) setting out the principals governing the future EU/UK relationship. Under TCA the UK is a "third country". The TCA has been ratified by the UK, but remains only provisionally applied in the EU, subject to ratification by the European Parliament. It is not currently possible to determine the impact of the TCA on the Issuer and/or any other member of the Group.

While it is difficult to predict the effect of Brexit on the European and global economy, uncertainty regarding TCA or new or modified arrangements between the United Kingdom and the European Union could have a material adverse effect on the buying behavior of commercial and individual customers. This also can cause volatility in commodity prices or a negative market reaction to central bank policies, especially those implemented in order to address the consequences of the pandemic, may further affect the growth of the Spanish and European economies. Continued political uncertainty, as well as other geopolitical uncertainties, could negatively affect the economic growth in Spain and in other European countries, which could in turn have a material adverse. There could be further calls for other governments of other European Union Member States to consider withdrawal from the European Union. Such developments, or the perception that any such developments could occur, could have a material adverse effect on global economic conditions and the stability of the global economy.

- Risk arising from political instability in Spain

Despite our global presence, Spain is still a significant market for our business, Western Europe and especially Spain represents 15.6% of our total revenues. While Spain's economy has been gradually improving since 2013, Spain experienced a significant economic downturn between 2008 and 2012. The expansionary phase on which the Spanish economy embarked in 2013 has been vastly interrupted from March 2020 due to the Covid-19 and its economic consequences that are further explained later on the section "Covid-19 outbreak".

In addition to the Covid-19 outbreak, the political uncertainty in Spain stemming from the absence of a parliamentary majority in the Government and political instability in Catalonia could negatively affect the activity, business, financial situation and results of the Issuer or its group, and its customers and suppliers.

- Geopolitical risk resulting from the military escalation in Ukraine.

The strength of capital markets may be affected by the military escalation unfolding in Ukraine. In the context of the confrontation that has been taking place since 2014 in the region, the Crimean peninsula acceded to the Russian Federation and the Donetsk People's Republic and the Luhansk People's Republic were proclaimed. This conflict, known as the "Donbas War" has finally resulted in the beginning of an invasion by the Russian Federation last February 24, 2022. As of the date of this Information Memorandum, the military confrontation is ongoing.

The tensions arising from such military confrontation have extended, in the form of sanctions, to the European Union (EU), the member countries of the North Atlantic Treaty Organization (NATO), and other countries and organizations. As part of the international community's response, several jurisdictions have imposed sanctions against the Russian Federation (as well as certain individuals and legal entities) affecting multiple sectors, particularly the financial sector, public debt, capital markets, exports and imports, air transport, maritime transport, trade in certain products, payment systems, etc. In turn, the Russian Federation has reciprocally implemented sanctions generally impacting the same sectors. As a result, capital markets are being affected by political decisions. It is not possible to foresee the outcome of future regulatory actions, so Gestamp is subject to the risk that its operations may be affected, directly or indirectly, by regulations and rules that may diverge between different jurisdictions and even conflict with each other. In addition, in some jurisdictions, non-compliance with such rules and regulations may result in administrative and/or criminal penalties, without prejudice to other repercussions of a reputational nature.

Additionally, given the exporting nature of the Russian Federation's economy (especially in the raw materials and fuels market), it is not possible to foresee the effect of such conflict on the European Union’s and Spanish economy. Inflation, economic growth, and the price of electricity and fuels may be severely affected, thus resulting in a worsening of the general economic situation in which the Issuer operates and could ultimately have a material adverse effect on the financial condition and cash flows of the Issuer.

- Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.

The automotive supply chain is subject to disruptions because we, along with our customers and suppliers, attempt to maintain low inventory levels. In addition, our plants are typically located in close proximity to our customers.

The current outlook for production volumes in the automotive sector for the year remains uncertain but with a better outlook than previous forecasts, with an expected 13.4% drop by 2021 compared to 2019 due to the drop in sales by the Covid-19 and the semiconductor crisis. Nevertheless, in all the regions where Gestamp is present experienced a better performance than the automotive production volumes in the market.

Disruptions could be caused by a multitude of potential problems, such as closures of one of our or our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing and more.

Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. Any disruptions affecting us or caused by us could have a material adverse impact on our business, financial condition, results of operations and cash flows.

- <u>The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition</u>.

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. Our liquidity could also be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers and our suppliers will continue to have such ability. This may increase the risk that we cannot produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our selling prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial condition of our subsidiary with the payment obligation, which may be less robust than our consolidated financial condition. If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and in turn would likely not be able to offer us payment terms that we have historically received. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

- We may incur material costs related to plant closings, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

If we are 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, we may continue to incur material costs consistent with the initial lease terms. We continually attempt to align production capacity with demand; therefore, we cannot assure you that additional plants will not have to be closed.

- Availability of labor in some of the areas in which we operate could negatively impact our operations.

When establishing and operating facilities in some emerging markets, we may encounter difficulties with the availability of labor. In some instances, we may compete with our customers for qualified employees in a limited labor pool of adequately trained workers. Performing work in these areas and under these circumstances can slow our progress, potentially causing us to incur contractual liabilities to our customers. These circumstances may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers.

- The workforce in the automotive industry is highly unionized and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could have a material adverse effect on our business.

At December 31, 2021, we had 39,908 employees, the majority of whom were covered under collective bargaining agreements on a plant-by-plant basis and that expire at various times. In addition, we have specific exposure to labor strikes in our international operations related primarily to the economic instability in several countries in the European Union. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure you that we will not experience a material labor disruption at one or more of our facilities in the future in the course of renegotiating of our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. A significant labor disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

- We are subject to environmental requirements and risks as a result of which we may incur significant costs, liabilities and obligations.

We are 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 materials, including greenhouse gases ("**GHG**"), into the environment; and health and safety. Our activities may have an adverse impact on the environment; in particular, we may contaminate the soil or cause water discharge contamination. If we fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators or become subject to litigation. Environmental and pollution control laws, regulations and permits, and the enforcement thereof, change frequently, have tended to become more stringent over time and may necessitate substantial capital expenditures or operating costs. In addition, costs related to the investigation of the nature of a potential damage to the environment and any remediation measures taken thereof, may be substantial.

We cannot assure you that our costs, liabilities and obligations relating to environmental matters will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

- We may face risks relating to climate change that could have an adverse impact on our business.

GHG emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG emission regulations have been promulgated in certain of the jurisdictions in which we operate, and additional GHG requirements are in various stages of development. For example, the United States Congress has considered legislation that would establish a nationwide limit on GHGs. In addition, the EPA has issued regulations limiting GHG emissions from mobile and stationary sources pursuant to the federal Clean Air Act. When effective, such measures could require us to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may seek price reductions from us to account for their increased costs resulting from GHG regulations. Further, growing pressure to reduce GHG emissions from mobile sources could reduce automobile sales, thereby reducing demand for our products and ultimately our revenues. Thus, any additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

- Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.

Terrorist attacks and other acts of violence or war may negatively affect our business and results of operations. There can be no assurance that there will not be terrorist attacks or violent acts that may directly impact us, our customers or partners. In addition, political changes in certain geographical areas where we operate may affect our business and results of operations. Any of these occurrences could cause a significant disruption in our business and could adversely affect our business operations, financial position and operational results.

- Natural disasters could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability.

Our manufacturing facilities are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations and profitability.

- Covid-19 outbreak

Covid-19 and the necessary restrictions on activity to contain it have submerged the Eurozone into an unusually abrupt recession. Despite of the growth in 2019 with a GDP increase of 1.5%, the GDP have decreased sharply in the Eurozone during the first and second quarters of 2020 by 3.6% and 12.1% respectively .

Nevertheless, gross domestic product in the Eurozone surged 12.7% quarter-on-quarter in the third quarter of 2020 (source: Eurostat). This sharp decline of the first and second quarter of 2020 in the European economy has impacted all the Eurozone countries' economies severely, including the large European countries which are key to sales on the back of weaker global demand, mainly Italy and Germany.

In Spain, GDP has decreased in the first and second quarters of 2020 by 5.2% and 17.8% respectively. Nevertheless, the Spanish economy has been growing at a rate of more than 10% in the third quarter after a record drop in the preceding quarter due to the impact of the coronavirus pandemic (source: Instituto Nacional de Estadística). According to BBVA Research, the Spanish GDP is expected to decrease by 11.5% during 2020 but growth by 6% for 2021.

Due to the Covid-19 pandemic, the activity and the sales of the Company have decreased. Although it is uncertain what the total impact of the Covid-19 pandemic in the Company's results and performance will be, at the date of the publication of this Information Memorandum, Gestamp expects decreases in its turnover and profit.

C) Specific risks of the Issuer

- Economic downturns or a worsening of global economic and political conditions could have a material adverse effect on our profitability.

Demand for and pricing of our products are subject to economic and political conditions and other factors present in the various domestic and international markets where our products are sold. The level of demand for our products depends primarily upon the level of consumer demand for new vehicles that are manufactured with our products.

The global economic crisis started in 2008 resulted in delayed and reduced purchases of durable consumer goods, such as automobiles. Although the global economic climate improved in the last years, the global economy generally has not recovered to levels previously experienced and remains fragile. In particular, the global economy is impacted by an unpredictable political landscape, decreasing oil prices and strong currency fluctuations. In addition, recent concerns on the economy of emerging markets, particularly China, Russia and Brazil, may have an impact on the global economy. There is no assurance that the global economic climate will continue to improve or that the current levels of growth will remain stable.

If the global economy were to take another significant downturn, depending upon its length, duration and severity, our business, financial condition, results of operations and cash flow would again be materially adversely affected.

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects. Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 (Source: International Monetary Fund, World Economic Outlook, January 2022).

- We have invested substantial resources in markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized.

Our future growth is partly dependent on our making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We have identified certain markets including North America, Asia and Eastern Europe as key markets where we are likely to experience substantial growth, and accordingly have made and/or expect to make certain investments, both directly and through participation in various partnerships and joint ventures to support anticipated growth in those regions. If we are unable to deepen existing and develop additional customer relationships in these regions, we may not only fail to realize expected rates of return on our investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. Our results will also suffer if these regions do not grow as quickly as we anticipate. For example, recent concerns regarding the economies of emerging markets, particularly China, Russia and Brazil, may have a significant impact on our results of operations in these countries and their effects remain unpredictable.

- We are subject to risks related to our international operations.

Our international operations include manufacturing facilities in, among other locations, Argentina, Brazil, China, India, Mexico and Russia, and we sell our products in each of these areas. For the year ended December 31, 2020 and for the year ended December 31, 2021, 25.2% and 26.2%, respectively, of our revenues derived from operations in these economies and market value of and dividends payable by foreign subsidiaries within the group of the Issuer are exposed to risks inherent to the counties where they operate, including emerging markets. International operations are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

- exposure to local economic and social conditions, including logistical and communication challenges;
- 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 or war or similar events;
- exposure to local public health issues and the resultant impact on economic and political conditions;
- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices;
- exposure to local tax requirements and obligations;
- foreign currency exchange rate fluctuations and currency controls;
- greater risk of uncontrollable accounts and longer collection cycles;

- the risk of government-sponsored competition;
- difficulty in staffing and managing widespread operations and in attracting and retaining qualified management and employees, especially management personnel in China, while continuing to further rationalize our work force;
- 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
- export and import restrictions.

The Issuer cannot assure that it will not be subject to material adverse developments with respect to its international operations or that any insurance coverage it has will be adequate to compensate the Issuer for any losses arising from such risks. The Issuer is exposed to these risks in all of its foreign operations to some degree, and such exposure could be material to its business, results of operations, financial condition and prospects, particularly in emerging markets where the political, economic and legal environment is less stable.

- <u>Our ongoing operations may require increased capital expenditure at certain stages that will consume cash from our operations and borrowings</u>.

In order to maintain our product lines for existing products, from time to time, we are required to make certain operational and maintenance-related capital expenditure on our facilities. Our ability to undertake such operational and maintenance measures largely depends on our cash flow from our operations and access to capital. We intend to continue to fund our cash needs through cash flow from operations. However, there may be unforeseen capital expenditure needs for which we may not have adequate capital. The timing of capital expenditures also may cause fluctuations in our operational results.

- <u>Our operations expose us to the risk of material health and safety liabilities</u>.

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

Since the outbreak of the Covid-19 the Company has applied the following measures toward its employees safeguard:

- Flexible hours and telecommuting
- Covid-19 tests for on-site employees
- Move restrictions, common places and internal meetings constraints
- Travel ban other than essentials

- We may not be adequately insured.

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover any losses or damages resulting from the materialization of any of the risks we are subject to. Further, significant increases in insurance premiums could reduce our cash flow. It is also possible in the future that insurance providers may no longer wish to insure businesses in our industry against certain environmental occurrences.

- Significant changes in laws and governmental regulations could have an adverse effect on our profitability.

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice as regards, for example, CO_2 emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in tax or other laws which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers, of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales.

- Foreign exchange rate fluctuations could cause a decline in our financial condition, results of operations and cash flows.

Although our reporting currency is the Euro, a portion of our sales and operating costs are realized in other currencies, such as the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Mexican Peso, the Indian Rupee, the Czech Corona, the Polish Zloty, Swedish Crown, Hungarian Forint, Korean Won, Japanese Yen, Thai Baht, Bulgarian Lev, Taiwan Dollar, Moroccan Dirham and Roman Lev. In the year ended December 31, 2020, €4,632.6 million of our revenues (which represented approximately 62.1% of our revenue for that period) and in the year ended December 31, 2021 €5,100.2 million of our revenues (which represented approximately 63.0% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. The financial condition, results of operations and cash flows of some of our operating entities are reported in foreign currencies and then translated into Euros at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the Euro against these foreign currencies generally will have a negative impact on our reported revenues and profits while depreciation of the Euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Swedish Crown and the Mexican Peso could have an adverse effect on our profitability and financial condition and any sustained change in such relative currency values could adversely impact our competitiveness in certain geographic regions.

Economic instability in the countries in which we operate where the Euro is not the local currency and the related decline in the value of the relevant local currency in these countries could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In jurisdictions where the prevailing currency is subject to significant volatility, we seek to nominate an alternative functional currency in the contracts we enter into, typically either the Euro or U.S. Dollar, to seek to minimize the impact of any exchange rate fluctuations. In the year ended December 31, 2020 and in the year ended December 31, 2021, we had a negative impact on our balance sheet of €600.4 million and €518.2 million, respectively, as a result of foreign exchange rate translations to our reporting currency.

- Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability.

We face ongoing pricing pressure, as well as pressure to absorb costs related to product design, engineering and tooling, as well as other items previously paid for directly by OEMs. Typically, in line with industry practice, our customers benefit from price reductions during the life cycle of a contract. We expect to offset these price concessions by achieving production efficiencies, however, we cannot guarantee that we will do so. If we fail to achieve production efficiencies to fully offset price concessions or do not otherwise offset such price concessions, our profitability and results of operations would be adversely affected.

- The construction and maintenance of our facilities entails certain risks.

The construction and maintenance of our facilities 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 our facilities, 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 our business operations, financial position and operational results.

- Interruptions in the supply of utilities to our facilities may negatively affect our operations.

We are reliant upon a continuous and uninterrupted supply of electricity, gas and water to our facilities to ensure the continued operation of our 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 our facilities and equipment which could materially and adversely impact our business operations, financial position and operational results.

- Our profitability may be adversely affected by program launch difficulties.

From time to time we are awarded new or takeover business by our customers. The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our and our suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new or takeover business could have an adverse effect on our profitability.

- There are integration and consolidation risks associated with potential future acquisitions and divestitures. Future acquisitions and divestment may result in significant transaction expenses, unexpected liabilities and a negative impact on operations and/or cash flows. Future acquisitions may result in risks associated with entering new markets, and we may be unable to profitably operate the acquired businesses.

We have a history of making strategic acquisitions and divestitures and in the future we may consider and make further strategic acquisitions of suitable acquisition candidates in markets where we currently operate as well as in markets in which we have not previously operated. We may also consider and make strategic divestitures where this is in line with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favorable terms. We may lack sufficient management, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. Acquisitions and divestitures involve numerous other risks, including the diversion of our management's attention from other business concerns, undisclosed risks impacting the target and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions or divestitures could impact our financial position, cash flow or create dilution for our stockholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for the combined operations. Such synergies or benefits may not be achieved on the assumed time schedule or in the assumed amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and risks associated with entering new markets in addition to the integration and consolidation risks.

As a result of our acquisitions or divestments, we may assume continuing obligations, deferred payments and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. The occurrence of any of these liabilities could have a material adverse effect on our business and results of operations.

- Certain decisions made by our joint ventures require consent from third parties that we do not control, and we do not control certain of our joint ventures.

We have a number of strategic partnerships, joint ventures and alliances, and our ownership stake in these arrangements is such that, even if we own a majority interest in such venture, we may be required to seek consent from third parties in order to make certain decisions. For example, while we own 70% of our joint ventures with Mitsui, the investment agreement governing that joint venture provides for certain reserved matters on which both we and Mitsui must agree.

Further, we do not control or have a majority interest in certain other of our joint ventures. For example, we are part of a Turkish joint venture in Beyçelik in which we have a 50% interest. We also hold 50% interests in several entities in India and China. There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected.

Moreover, in some of these businesses, we may not have the power to control the payment of dividends or other distributions, so even if the business is performing well, we may not be able to receive payment of our share of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonably terms or at all.

- The estimates of our return on investment may be inaccurate which could negatively impact our results.

While returns on investments are not guaranteed, in assessing a new investment or acquisition, as part of our internal decision making methodology, one of the factors we consider is whether we believe that the investment may result in an internal rate of return to us of over 15%. Due to a number of the risk factors set out in this section, our investment methodology may prove to be materially inaccurate which could negatively impact our results of operations, cash flows and financial condition.

- The value of our deferred tax assets could become impaired, which could materially and adversely affect our operating results.

As of December 31, 2021, we had approximately €476.8 million in net deferred income tax assets. These deferred tax assets include net operating loss carry forwards that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. If we determine in the future that there is not sufficient positive evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period in which the valuation allowance is adjusted and could have a material adverse effect on our results of operations. Our ability to utilize our net operating loss carry forwards may be limited and delayed. In addition, adverse changes in the underlying profitability and financial outlook of our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results.

- We are subject to restrictive covenants under our debt facilities. These covenants could significantly affect the way in which we conduct our business. Our failure to comply with these covenants could lead to an acceleration of our debt.

We entered into debt facilities that contain covenants that at certain levels, among other things, restrict our ability to sell assets; incur, repay or refinance indebtedness; create liens; make investments; engage in mergers or acquisitions; pay dividends, including to us; repurchase stock; or make capital expenditures. These debt facilities also require compliance with specified financial covenants, including minimum interest coverage and maximum leverage ratios.

Our ability to comply with the applicable covenants may be affected by events beyond our control. The breach of any of the covenants contained in the debt facilities, unless waived, could result in a default under our debt facilities. This would permit the lenders to terminate their commitments to extend debt under, and accelerate the maturity of, the facility. The acceleration of debt could have a material adverse effect on our financial condition and liquidity. If we were unable to repay our debt to the lenders and holders or otherwise obtain a waiver from the lenders and holders, the lenders and holders could proceed against the collateral securing the debt facilities and exercise all other rights available to them. We may not have sufficient funds to make these accelerated payments and may not be able to obtain any such waiver on acceptable terms or at all.

- Our level of indebtedness may make it difficult for us to service our debt, including the Commercial Paper, and to operate our business.

We have a significant amount of indebtedness. As of December 31, 2021, we had an indebtedness of €3,811.7 million. We anticipate that our level of indebtedness will continue for the foreseeable future. Our level of indebtedness may have important negative consequences for you, including:

- making it more difficult for us and our subsidiaries to satisfy our obligations with respect to our debt, including the Commercial Paper and other liabilities;
- requiring that a substantial portion of the cash flow from operations of our operating subsidiaries be dedicated to debt service obligations, reducing the availability of cash flow to fund internal growth through working capital and capital expenditures, and for other general corporate purposes;
- increasing our vulnerability to economic downturns in our industry;
- exposing us to interest rate increases;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

In the worst case, an actual or impending inability by us or our subsidiaries to pay debts as they become due and payable could result in our insolvency.

Despite our current substantial indebtedness, we may be able to incur more debt in the future, including on a secured basis, which could further exacerbate the risks of our indebtedness.

- We require a significant amount of cash to service our debt and for other general corporate purposes. Our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to make payments on our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these "Risk Factors" and elsewhere in these listing particulars.

Our business may not generate sufficient cash flows from operations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, including the Commercial Paper, or to fund our other liquidity needs.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our debt and any future debt that we may incur, may limit our ability to pursue any of these alternatives.

- Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce.

The extent to which we utilize our workforce affects our profitability. If we under-utilize our workforce, our project profits and overall profitability suffer in the short-term. If we over-utilize our workforce, we may negatively impact safety, employee satisfaction and project execution, which could result in a decline of future project awards. The utilization of our workforce is impacted by numerous factors including:

- our estimate of the headcount requirements for various manufacturing units based upon our forecast of the demand for our products;
- our ability to maintain our talent base and manage attrition;
- our ability to schedule our portfolio of projects to efficiently utilize our employees and minimize production downtime;

- our need to invest time and resources into functions such as training, business development, employee recruiting and sales that are not chargeable to customer projects; and
- the degree of structural flexibility of labor laws in countries where our employees are located.

- <u>We are exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs</u>.

Our international operations require us to comply with the laws and regulations of various jurisdictions. In particular, our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the UN, EU and Office of Foreign Asset Control in the United States. These laws prohibit improper business conduct and restrict us from dealing with certain sanctioned countries.

As a result of our international operations, we are exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we operate. Some of the countries in which we operate lack as developed a legal system as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in some emerging markets, development of joint venture relationships and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have policies and procedures designed to assist our compliance with applicable laws and regulations including training of our employees to comply with such laws and regulations. While we have a strong culture of compliance and have adequate systems of control, we seek to continuously improve our systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight, and deployment of additional resources and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations if we failed to prevent any such violations.

- Our hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of foreign exchange rate fluctuations.

We may use a combination of natural hedging techniques and financial derivatives to protect against certain foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

- Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

Our effective tax rate varies in each country in which we conduct business. Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

- We have a material amount of goodwill, which, if it becomes impaired, would result in a reduction in our net income and equity.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income.

As of December 31, 2021, we had approximately €87.1 million in goodwill on our consolidated balance sheet that could be subject to impairment. In addition, if we acquire new businesses in the future, we may recognize additional goodwill, which could be significant. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.

- Our profitability may be materially adversely affected by our inability to utilize tax losses or because of tax exposures we face.

We have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned in those countries. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries altogether. Our inability to utilize material tax losses could materially adversely affect our profitability. At any given time, we may face other tax exposures arising out of changes in tax laws, tax reassessments or otherwise. To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

- Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.

We have a management team with a substantial amount of expertise in the automotive industry. Loss of key members of management could result in the loss of valuable customer relationships and/or less or unsuccessful implementation of strategies.

- The interests of our ultimate controlling shareholders may be inconsistent with the interest of holders of the Commercial Paper and/or our ultimate controlling shareholders may sell their stake in future.

Our ultimate controlling shareholders are members of the Riberas family, of which the legal representatives of our joint and several Managing Directors (*Consejero Delegado solidario*), Gestamp Bizkaia, S.A. and Holding Gonvarri, S.L., each are a member. As a result, our ultimate controlling shareholders have and will continue to have direct or indirect power, among other things, to influence our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. The interests of our ultimate controlling shareholders could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. In addition, our controlling parties may, in the future, own businesses that directly compete with ours in certain respects or do business with us.

In addition, our controlling shareholders may suffer financial distress and may need to sell their stake in the Issuer.

- Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

Except as disclosed in our consolidated financial statements, we do not believe that any of the proceedings or claims to which we are party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our consolidated financial statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

- Product liability claims and warranty and recall costs could cause us to incur losses and damage our reputation.

Many of our products are critical to the structural integrity of a vehicle. As such, we face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims in respect of our products. Accordingly, we may be materially and adversely impacted by product liability claims.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products which are either covered under their warranty or are the subject of a recall by them. Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. Currently, under most customer agreements, we only account for existing or probable warranty claims. Under certain complete vehicle engineering and assembly contracts, we record an estimate of future warranty-related costs based on the terms of the specific customer agreements and the specific customer's warranty experience. Because we have never been the cause of a vehicle recall nor suffered any product recalls or liability damages, we have no warranty and recall data which allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs or technologies being brought into production. In addition, we do not have insurance covering product recalls. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial condition.

A decrease in actual and perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Defective products could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have an adverse effect on our sales and results of operations.

1.2 Essential information regarding the specific risks of the securities

The main risks of the Commercial Paper are the following:

- The Commercial Paper is not rated.

The Commercial Paper is not rated. To the extent that any credit rating agencies assign credit ratings to the Commercial Paper, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial Paper. A rating or an absence of a rating is not a recommendation to buy, sell or hold securities.

- There is no existing public trading market for the Commercial Paper and the ability to transfer them is limited, which may adversely affect the value of the Commercial Paper.

There is no existing trading market for the Commercial Paper and there can be no assurance that a trading market for the Commercial Paper will develop. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that trading market might become. The market price of our Commercial Paper may be influenced by many factors, some of which are beyond our control, including:

- changes in demand, the supply or pricing of our products;
- general economic conditions, including raw material prices;
- the activities of competitors;
- our quarterly or annual earnings or those of our competitors;
- investors' perceptions of us and the automotive industry;
- the public's reaction to our press releases or our other public announcements;
- future sales of notes; and
- other factors described under these "Risk Factors".

As a result of these factors, you may not be able to resell your Commercial Paper at or above the initial offering price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of our Commercial Paper, regardless of our operating performance. If an active trading market does not develop, you may have difficulty selling any Commercial Paper that you buy.

- Market risk. Commercial Paper are fixed income securities and the market price of the Commercial Paper could be subject to significant fluctuations due to the evolution of interest rates, and in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Commercial Paper as well as other factors. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Commercial Price without regard to the Issuer's operating results, financial condition or prospectus.

Therefore, the Issuer cannot ensure that the Commercial Paper will be traded at a market price that is equal to or higher than the subscription price.

- <u>Credit risk</u>. The Commercial Paper is secured by the Issuer's total net worth. The credit risk arises from the potential inability of the counterparty to comply with the obligations set out in the agreement and involves the possible loss that a full or a partial breach of these obligations could cause.

- <u>Risk relating to changes in the credit rating of the Issuer</u>. The Issuer's credit rating may be downgraded due to an increase of its indebtedness or due to the deterioration of its financial ratios, which would imply a worsening of the Issuer's capacity to meet its payment obligations.

On July 29, 2021 Moody's Investors Service, Inc. has issued a rating letter regarding the Issuer and in its "*Summary Rating Rationale*" as follows:

"Gestamp Automocion, S.A.'s (Gestamp) Ba3 rating reflects the company's (1) size and scale as a tier 1 automotive supplier, predominantly for body-in-white (BIW) components, with market-leading positions in cold stamping and hot forming steel technologies; (2) track record of revenue growth well above volume growth in global light vehicle sales and a strong pipeline of new business, reflected by its consistently high capital spending; (3) long-term agreements with a diversified automotive manufacturer customer base that provides a degree of protection from certain risks; (4) positive exposure to the current industry drivers of vehicle light-weighting and higher safety standards, and (5) solid liquidity.

Negatively, the rating reflects Gestamp's (1) dependency on global light vehicle production levels, which are highly cyclical e.g. volumes in 2020 declined by 16.2% and have started to recover in 2021 (+33.8% in H1 2021) and should further grow in 2021 and 2022; (2) history of negative free cash flow (FCF) generation (Moody's adjusted) during 2015-2019, which resulted from high capital spending; and (3) historic weak leverage metrics, driven by high capital spending in greenfield operations, which has started to come down in 2020 and further in H1 2021."

On July 29, 2021 Moody´s Investors Service has issued the following credit strength and credit challenges regarding the Issuer:

Credit strengths

» Leading competitor in the market for BIW components, and a key competitor in chassis products and certain mechanisms products

» Track record of growth in revenue and profitability

» Positive exposure to automotive industry trends in terms of lightweighting and higher safety standards

Credit challenges

» The coronavirus pandemic, and its impact on production and consumer demand

» Dependence on the cyclicality of global light vehicle production

» Average profitability

» History of negative FCF generation because of high capital spending (including expansion capital spending to support the company's growth) and dividend payments

Likewise, on August 6, 2020, and in the context of Covid-19, S&P Global Ratings issued a rating letter regarding the Issuer whereby it assigned a long-term issuer rating of BB-.

- Liquidity risk. This is the risk by virtue of which investors may not be able to find a counterparty for the securities when they want to sell the Commercial Paper prior to their maturity date. Even though the admission (*incorporación*) of the Commercial Paper will be requested to MARF in order to mitigate this risk, an active trading on the market cannot be guaranteed.

Moreover, the Issuer has not entered into any liquidity agreement, and, consequently, no entity has undertaken to ensure put and call prices of the Commercial Paper. Therefore, investors may not find a counterparty for the Commercial Paper.

- Enforcement risk: enforcement of the Commercial Paper against the Issuer, and particularly court enforcement, may not secure prompt and full redemption of the Commercial Paper, in view of the statutory procedural mechanics to be followed in accordance with Spanish regulation and the potential excessive work load of the Spanish relevant court/judge; this risk may be substantially increased in case of insolvency of the Issuer.

- Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Commercial Paper are legal investments for it, (2) the Commercial Paper can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Commercial Paper. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Commercial Paper under any applicable risk-based capital or similar rules.

- Risk relating to Spanish Insolvency Law

Royal Legislative Decree 1/2020, of 5 May, by virtue of which the restated text of the Insolvency Act is approved (*Texto refundido de la Ley Concursal por el Real Decreto Legislativo 1/2020, de 5 de mayo*) (the "**Insolvency Law"**), which came into force on 1 September 2020 supersedes all pre-existing Spanish provisions which regulated the bankruptcy, insolvency (including suspension of payments) and any process affecting creditors´ rights generally, including the ranking of its credits.

According to the classification and order of priority of debt claims laid down in the Insolvency Law, in the event of insolvency (*concurso*) of the Issuer, claims relating to the Notes (which are not subordinated pursuant Section III of Chapter III of the Insolvency Law) will be ordinary claims (*créditos ordinarios*). Those ordinary claims will rank below creditors with privilege (*créditos privilegiados*) and above subordinated credits (*créditos subordinados*) (unless they can be classed as such under Section III of Chapter III of the Insolvency Law) and would not have any preference among themselves.

2. Full name of the Issuer, including its address and identification data

The full name of the Issuer is **GESTAMP AUTOMOCIÓN, S.A.** ("**Gestamp**" or the "**Issuer**"). Its registered office is at Polígono Industrial de Lebario, s/n, 48220 Abadiño (Vizcaya).

The Issuer is a public limited company (*sociedad anónima*) incorporated on 22 December, 1997 by means of a public deed granted before the notary public of Bilbao, Mr. José Antonio Isusi Ezcurdia, with number 4,852 of his official records, and duly registered in the Commercial Registry of Vizcaya, Volume 3,614, Page 107, Section 8, Sheet BI-21245.

The Tax Identification Number of the Issuer is A-48943864 and its LEI Code is 95980020140005484363.

Website: http://www.gestamp.com/

Brief description of the Issuer's activity

We are one of the world's largest suppliers of automotive components and assemblies. We design, develop, manufacture and sell highly engineered body and chassis components and mechanisms to original equipment manufacturers ("**OEMs**"), primarily for use in the production of light vehicles. We have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 113 production facilities in 24 countries over four continents as of February 2022. Our technological leadership and extensive geographical and customer footprint allow us to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile.

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of Body-in-White and Chassis structures and complex assemblies, opening systems and Mechanisms, as well as tooling and dies and other related services.

- *Body-in-White:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality "Class A' surfaces and assemblies, which are used to create the visible exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.

- *Chassis:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.

- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges that enable the user to open and shut the automobile's hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.

- *Other products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses.

In the year ended December 31, 2020 our revenue was €7,455.8 million and our EBITDA excluding Transformation Plan costs was €757 million, or approximately 17.8% and 29.3% lower than in 2019, respectively. In the year ended December 31, 2021 our revenue was €8,092.8 million and our EBITDA was €997.6 million.

Our total revenue of the year ended December 31, 2021 were €8,092.8 million and out of such total €6,666.8 million, or approximately 82.4% was derived from Body-in-White and Chassis; €915.3 million, or approximately 11.3% was derived from Mechanisms and €510.7 million, or approximately 6.3% was derived from Tooling during the same period.

We believe that we are one of the two leading suppliers of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America.

Our expertise is in developing and producing light-weight components, which help our customers meet CO2 emissions targets while at the same time enhancing the safety features of their vehicles. We believe we are one of the very few truly global suppliers to OEMs in our product portfolio, with the capacity to meet the same high standards worldwide, either where the same vehicle model is produced in several regions, or where the same vehicle platform is used across different models globally. Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen Group, Daimler, BMW, Ford; Renault Nissan; Stellantis, and Tata JLR, which represented out top 7 customers for the year ended December 31, 2021. We currently supply products to all top 12 OEMs globally by volumes, and we are also incorporating new customers, in line with our stated growth and diversification strategy.

We are committed to maintaining our technological leadership in the development of innovative and high quality products. We are involved in the full cycle of the component supply process, often co-developing parts jointly with our OEM customers and applying computer-aided design and crash test simulations in order to optimize weight and safety features. We design and manufacture components adapted to each new car model or platform and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). We have been successful in obtaining a high rate of renewal of our programs.

Our segment within the automotive components market has been, and continues to be, particularly characterized by the secular trend of OEMs outsourcing an increasing share of a vehicle's metal components content as they shift more of their capital spending to other areas. This trend impacts our organic investment and sales growth, particularly as OEMs increasingly rely on fewer, larger, well-capitalized and trusted partners.

We believe that our strategic, customer-focused geographical expansion and diversified revenue streams, as well as our manufacturing, process, design and technological expertise underlie our historical and continuing financial and operational success. We believe that these factors have allowed us to achieve our position as a leading global supplier in the automotive industry, of strategic importance to many of the largest OEMs globally.

Financial information

Consolidated financial statements of the Issuer for the financial years ended on 31 December, 2020 and 31 December, 2021

The Issuer's consolidated financial statements for the financial years ended on 31 December, 2020 and 31 December, 2021, audited and without reservations are attached as **Annex** to this Information Memorandum.

The Issuer’s main financial data for the financial years ended on 31 December, 2020 and 31 December, 2021 are the following once:

	2021/12	**2020/12**
Revenues	8,093	7,456
EBIT	413	55
Result before tax and minority	278	(166)
Result attributable	155	(151)
EBITDA	998	667
Net Financial Debt	2,266	2,485

3. Full name of the securities issue

Commercial Paper Programme Gestamp 2022.

4. Person responsible

Mr. Francisco José Riberas Mera, in the name and on behalf of GESTAMP AUTOMOCIÓN, S.A. (“**Gestamp**” or the “**Issuer**”, and jointly with the entities of the Issuer´s group, the “**Group**”), is responsible for the entire content of this Base Information Memorandum (*Documento Base Informativo de Incorporación*) (the “**Information Memorandum**”), pursuant to his condition of Managing Director (*Consejero Delegado solidario*) of the Issuer.

Mr. Francisco José Riberas Mera, hereby declares that the information contained in this Information Memorandum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

5. Duties of the Registered Advisor of the MARF

BANCA MARCH, S.A. is a company incorporated on 24 June 1946, before the notary public of Madrid, Mr. Rodrigo Molina Pérez, that adapted its corporate bylaws to the current Capital Companies Act on 19 July 1990 before the notary public of Madrid, Mr. Luis Coronel de Palma, with number 3,703 of his official records, duly registered in the Commercial Registry of Baleares, Volume 20, Book 104, Page 230, Sheet 195, and in the Registry of Registered Advisors pursuant to instruction (*Instrucción Operativa*) 8/2014 and having tax identification number A-07004021 (“**Banca March**” or the “**Registered Advisor**”).

Banca March has been designated as Registered Advisor of the Issuer. Accordingly, the Registered Advisor shall enable the Issuer to comply with the obligations and responsibilities to be assumed on incorporating its issues into the multilateral trading system, the Alternative Fixed-Income Market ("**MARF**" or the "**Market**"), acting as specialist liaison between both, MARF and Gestamp, and as a means to facilitate the insertion and development of the same under the new securities trading regime.

Therefore, Banca March must provide MARF with any periodically information it may require and, on the other hand, MARF may require as much information as it may deem necessary regarding the actions to be carried out and its corresponding obligations, being authorized to perform as many actions as necessary, where appropriate, in order to verify the information provided.

The Issuer must have, at any time, a designated Registered Advisor registered in the "Market Registered Advisor Registry" (*Registro de Asesores Registrados del Mercado*).

Banca March has been designated as Registered Advisor of the Issuer in order to provide advisory services to Gestamp (i) on the admission to trading (*incorporación*) of the securities issued, (ii) on compliance with any obligations and responsibilities applicable to the Issuer for taking part on MARF, (iii) on compiling and presenting the financial and business information required, and (iv) in order to ensure that the information complies with these regulatory requirements.

As Registered Advisor, Banca March with respect to the request for the admission (*incorporación*) to trading of the Commercial Paper on MARF:

(i) has verified that the Issuer complies with the requirements of MARF's regulations for the admission (*incorporación*) of the securities to trading;

(ii) has assisted the Issuer in the preparation of the Information Memorandum, has reviewed all the information provided by the Issuer to the Market in connection with the request for the admission (*incorporación*) to trading of the securities on MARF and has checked that the information provided complies with the requirements of applicable regulations and does not leave out any relevant information that could lead to confusion among potential investors.

Once the securities are admitted to trading, the Registered Advisor will:

(i) review the information that the Issuer prepares for MARF periodically or on a one-off basis, and verify that this information meets the requirements concerning content and deadlines set out in the regulations;

(ii) advise the Issuer on the events that might affect compliance with the obligations assumed when including its securities to trading on MARF, and on the best way of treating such events in order to avoid breach of said obligations;

(iii) report to MARF any events that could represent a breach by the Issuer of its obligations in case it notices any potential and relevant breach that had not been rectified following notification; and

(iv) manage, answer and deal with queries and requests for information from MARF regarding the situation of the Issuer, progress of its activity, the level of compliance with its obligations and any other data the Market may deem relevant.

Regarding the previous, the Registered Advisor shall perform the following actions:

(i) maintain regular and necessary contact with the Issuer and analyze any exceptional situations that may arise concerning the evolution of the price, trading volumes and other relevant circumstances regarding trading of the Issuer's securities;

(ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission (*incorporación*) to trading of the securities on MARF, as well as with regard to the information required from companies with securities on the Market;

(iii) forward to MARF, without delay, the communications received in response to queries and requests for information the latter may send.

6. Maximum outstanding balance

The maximum amount of this Commercial Paper programme will be a nominal of THREE HUNDRED AND FIFTY MILLION EUROS (€ 350,000,000) (the "**Commercial Paper Programme**" or the "**Programme**").

This amount is understood as the maximum outstanding balance of all the Commercial Paper issued at any given time pursuant to the Information Memorandum.

7. Description of the type and class of the securities. Nominal value

The Commercial Paper are securities issued at discount, which represent a debt for the Issuer, accrue interest and can be reimbursed at their nominal value on maturity. An ISIN code will be assigned to each Commercial Paper with the same maturity issued under the Programme.

Each Commercial Paper will have a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000), meaning that the maximum number of Commercial Paper in circulation at any given time shall not exceed three thousand five hundred (3,500).

8. Governing Law of the securities

The securities are issued in accordance with the Spanish legislation applicable to the Issuer and to the Commercial Paper. In particular, the Commercial Paper is issued pursuant to Royal Legislative Decree 4/2015, of 23 October, by virtue of which the restated text of the Securities Market Act is approved (*Texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) ("**Securities Market Act**"), in accordance with its current wording and with any other related regulations.

The courts and tribunals of the city of Madrid have exclusive jurisdiction to settle any disputes arising from or in connection with the Commercial Paper (including disputes regarding any non-contractual obligation arising from or in connection with the Commercial Paper).

9. Representation of the securities through book entries

The Commercial Paper to be issued under the Programme will be represented by book entries, as set out in the mechanisms for trading on the MARF for which admission (*incorporación*) of the securities is requested. The party in charge of accounting records is Iberclear, with registered office in Madrid, Plaza de la Lealtad, 1, together with its Participating Entities, pursuant to the provisions of article 8.3 of the Securities Market Act and Royal Decree 878/2015 of October 2 on the clearing, settlement and registration of marketable securities represented by book entry forms (*anotaciones en cuenta*), on the legal regime governing central securities depositories and central counterparties and on transparency requirements of issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*), as amended by Royal Decree 827/2017 of September 1, by which the Royal Decree 878/2015 of October 2 is modified.

10. Currency of the issue

The Commercial Paper issued under this Programme will be denominated in Euros.

11. Order of priority

The present issue of Commercial Paper by Gestamp will not be secured by any *in rem* guarantees (*garantías reales*) or guaranteed by any personal guarantees (*garantías personales*). The capital and the interest of the Commercial Paper will be secured by the Issuer's total net worth.

For the purposes of priority, should the Issuer file for insolvency, the investors are behind any privileged creditors that the Issuer has on that date, pursuant to the classification and order of priority of credits set out in the Insolvency Law.

12. Description of the rights inherent to the securities and the procedure to exercise such rights. Method and term for payment and delivery of the securities

In accordance with the applicable legislation, the Commercial Paper issued under this Programme will not represent, for the investor that acquires them, any present and/or future political rights over the Issuer.

The economic and financial rights of the investor associated to the acquisition and holding of the Commercial Paper will be those arising from the conditions of the interest rate, yields and redemption prices with which they are issued, specified in sections 13, 14 and 16 bellow.

The date of disbursement of the Commercial Paper will coincide with its date of issuance, and the effective value of the Commercial Paper will be paid to the Issuer by Banca March (as paying agent), into the account specified by the Issuer on the corresponding date of issuance.

In all cases the Placement Entity will issue a nominative and non-negotiable certificate of acquisition. The referred document will provisionally credit the subscription of the Commercial Paper until the appropriate book entry is practiced, which will grant its holder the right to request the relevant legitimacy certificate (*certificado de legitimación*). Furthermore, the Issuer will report the disbursement to MARF and Iberclear through the corresponding certificate.

13. Date of issue. Term of the Programme

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

As the Programme is a continuous type, the securities may be issued and subscribed on any day during its term. Notwithstanding the previous, the Issuer reserves the right not to issue new securities when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous conditions of funding.

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

14. Nominal interest rate. Indication of the yield and calculation method

The annual nominal interest will be set in each adjudication. The Commercial Paper will be issued at the interest rate agreed by and between Banca March, S.A. (for these purposes, the "**Placement Entity")** and the Issuer. The yield will be implicit in the nominal value of the Commercial Paper, to be reimbursed on the maturity date.

The interest at which the Placement Entity transfers the Commercial Paper to third parties will be the rate freely agreed between the interested parties.

As these are discounted securities with an implicit rate of return, the cash amount to be paid out by the investor varies in accordance with the issue interest rate and period agreed.

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

- When the Commercial Paper is issued for a term of 365 days or less:

$$E = \frac{N}{1 + i_n \frac{d}{365}}$$

- When the Commercial Paper is issued for a term greater than 365 days:

$$E = \frac{N}{(1+i)^{\frac{d}{365}}}$$

Whereby:

N = nominal amount of the Commercial Paper.
E = cash amount of the Commercial Paper.
d = number of days of the period to maturity.

i = nominal interest rate, expressed as an integer value.

A table is included to help the investor, specifying the cash value tables for different rates of interest and redemption periods, and there is also a column showing the variation of the cash value of the Commercial Paper by increasing the period of this by 10 days.

	7 days			30 days			60 days			90 days			180 days			270 days			365 days		
Nominal rate (%)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)
1	99,980.8	1	-27.4	99,917.9	1	-27.4	99,835.9	1	-27.3	99,754.0	1	-27.2	99,509.3	1	-27.2	99,265.71	1.00%	-26.99	99,009.9	1	-26.8
1.25	99,976.0	1.26	-34.2	99,897.4	1.26	-34.2	99,794.9	1.26	-34.1	99,692.7	1.26	-34	99,387.3	1.25	-33.8	99,083.81	1.25%	-33.61	98,765.4	1.25	-33.4
1.5	99,971.2 +	1.51	-41	99,876.9	1.51	-41	99,754.0	1.51	-40.8	99,631.5	1.51	-40.8	99,265.7	1.51	-40.5	98,902.59	1.50%	-40.18	98,522.2	1.5	-39.9
1.75	99,966.4	1.77	-47.8	99,856.4	1.76	-47.8	99,713.2	1.76	-47.7	99,570.3	1.76	-47.5	99,144.4	1.76	-47.1	98,722.02	1.75%	-46.71	98,280.1	1.75	-46.3
2	99,961.7	2.02	-54.8	99,835.9	2.02	-54.6	99,672.3	2.02	-54.4	99,509.3	2.02	-54.3	99,023.3	2.01	-53.7	98,542.12	2.01%	-53.18	98,039.2	2	-52.6
2.25	99,956.9	2.28	-61.6	99,815.4	2.27	-61.4	99,631.5	2.27	-61.2	99,448.3	2.27	-61	98,902.6	2.26	-60.3	98,362.86	2.26%	-59.61	97,799.5	2.25	-58.9
2.5	99,952.1	2.53	-68.4	99,794.9	2.53	-68.1	99,590.7	2.53	-67.9	99,387.3	2.52	-67.6	98,782.1	2.52	-66.8	98,184.26	2.51%	-65.98	97,561.0	2.5	-65.2
2.75	99,947.3	2.79	-75.2	99,774.5	2.78	-75	99,550.0	2.78	-74.6	99,326.5	2.78	-74.3	98,662.0	2.77	-73.3	98,006.31	2.76%	-72.31	97,323.6	2.75	-71.3
3	99,942.5	3.04	-82	99,754.0	3.04	-81.7	99,509.3	3.04	-81.4	99,265.7	3.03	-80.9	98,542.1	3.02	-79.7	97,829.00	3.01%	-78.60	97,087.4	3	-77.4
3.25	99,937.7	3.3	-88.8	99,733.6	3.3	-88.5	99,468.6	3.29	-88	99,205.0	3.29	-87.6	98,422.5	3.28	-86.1	97,652.33	3.26%	-84.84	96,852.3	3.25	-83.5
3.5	99,932.9	3.56	-95.6	99,713.2	3.56	-95.3	99,427.9	3.55	-94.7	99,144.4	3.55	-94.2	98,303.3	3.53	-92.6	97,476.30	3.52%	-91.03	96,618.4	3.5	-89.5
3.75	99,928.1	3.82	-102.5	99,692.7	3.82	-102	99,387.3	3.81	-101.3	99,083.8	3.8	-100.7	98,184.3	3.79	-99.0	97,300.90	3.77%	-97.17	96,385.5	3.75	-95.3
4	99,923.3	4.08	-109.3	99,672.3	4.07	-108.7	99,346.8	4.07	-108.1	99,023.3	4.06	-107.3	98,065.6	4.04	-105.3	97,126.13	4.02%	-103.27	96,153.8	4	-101.2
4.25	99,918.6	4.34	-116.2	99,651.9	4.33	-115.5	99,306.2	4.33	-11.7	98,962.9	4.32	-113.9	97,947.1	4.3	-111.5	96,951.99	4.27%	-109.33	95,923.3	4.25	-107.1
4.5	99,913.8	4.6	-123	99,631.5	4.59	-122.2	99,265.7	4.59	-121.3	98,902.6	4.58	-120.5	97,829.0	4.55	-117.9	96,778.47	4.53%	-115.33	95,693.8	4.5	-112.8
4.75	99,909.0	4.86	-129.7	99,611.1	4.85	-129	99,225.2	4.85	-127.9	98,842.3	4.84	-127	97,711.1	4.81	-124	96,605.57	4.78%	-121.30	95,465.4	4.75	-118.5
5	99,904.2	5.12	-136.5	99,590.7	5.12	-135.7	99,184.8	5.11	-134.6	98,782.1	5.09	-133.5	97,593.6	5.06	-130.3	96,433.29	5.03%	-127.22	95,238.1	5	-124.1
5.25	99,899.4	5.39	-143.3	99,570.3	5.38	-142.4	99,144.4	5.37	-141.2	98,722.0	5.35	-140	97,76.3	5.32	-136.5	96,261.62	5.29%	-133.10	95,011.9	5.25	-129.7
5.5	99,894.6	5.65	-150.1	99,550.0	5.64	-149.1	99,104.0	5.63	-147.8	98,662.0	5.62	-146.5	97,359.3	5.58	-142.6	96,090.56	5.54%	-138.93	94,786.7	5.5	-135.2
5.75	99,889.8	5.92	-156.9	99,529.6	5.9	-155.8	99,063.6	5.89	-154.3	98,602.0	5.88	-152.9	97,242.6	5.83	-148.8	95,920.11	5.79%	-144.72	94,562.6	5.75	-140.6
6	99,885.1	6.18	-163.8	99,509.3	6.17	-162.5	99,023.3	6.15	-160.9	98,542.1	6.14	-159.4	97,126.1	6.09	-154.8	95,750.26	6.05%	-150.47	94,339.6	6	-146.1

Given the different types of issues that will applied throughout the Commercial Paper Programme, we cannot predetermine the internal rate of return (IRR) for the investor. In any case, it will be determined in accordance with the formula detailed below:

$$i = \left[\left(\frac{N}{E}\right)^{365/d} - 1\right]$$

Whereby:

i = effective annual interest rate, expressed as an integer value.
N = nominal amount of the Commercial Paper.
E = cash amount at the time of subscription or acquisition.
d = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

15. Paying agent and depository entities

The entity which collaborating in this Program (the "**Placement Entity**") is:

Banca March, S.A.
Tax Identification Number: A-07004021
Registered office: Avenida Alejandro Rosselló 8, 07002, Palma de Mallorca.

A placement agreement has been entered into by the Issuer and the Placement Entity for this Programme, including the possibility to sell to third parties.

Notwithstanding the above, new collaborating entities may be added by the Issuer in the future to this Program by publishing so on the website of MARF (www.bmerf.es).

Banca March, S.A. will also act as paying agent (the "**Paying Agent**").

The Issuer has not designated any securities' depository entity. Each subscriber will designate, from among the participants in Iberclear, the entity in which to deposit its securities.

16. Redemption price and provisions regarding maturity of the securities. Date and methods of redemption

The Commercial Paper issued under this Programme will be redeemed at their nominal value on the date indicated in the document proving acquisition, applying, when appropriate, the corresponding withholding tax.

The Commercial Paper issued under this Programme may have a redemption period of between three (3) business days and seven hundred and thirty-one (731) calendar days (twenty-four (24) months).

The Commercial Paper will not include an early redemption option for the Issuer (*call*) or for the securities' holder (*put*). Regardless of the previous, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

Given that the Commercial Paper will be traded in MARF, their redemption will take place pursuant to the operating rules of the clearance system of the Market, being paid, on maturity date, the nominal amount of the securities to their legitimate holder. Banca March as delegated paying agent does not take any liability whatsoever regarding reimbursement by the Issuer of the Commercial Paper on the maturity date.

Should the reimbursement coincide with a non-business day according to the TARGET 2 calendar (*Transeuropean Automated Real-Time Gross Settlement Express Transfer System*), reimbursement will be deferred to the first subsequent business day, which will not have any effect on the amount to be paid.

17. Valid term to claim the reimbursement of the principal

In accordance with article 1,964 of the Spanish Civil Code, reimbursement of the nominal value of the securities will no longer be callable after five (5) years from maturity.

18. Minimum and maximum issue period

As previously stated, during the validity of this Information Memorandum the Commercial Paper issued may have a redemption period of between three (3) business days and seven hundred and thirty-one (731) calendar days (twenty-four (24) months).

19. Early redemption

The Commercial Paper will not include an early redemption option for the Issuer (*call*) or for the securities' holder (*put*). Regardless of the previous, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

20. Restrictions on the free transferability of the securities

In accordance with the applicable legislation, there are no specific or generic restrictions on the free transferability of the Commercial Paper to be issued.

21. Taxation of the securities

In accordance to the provisions set out in current legislation, the Commercial Paper is rated as financial assets with implicit returns. Following is described the tax regime applicable to the acquisition, ownership and, if only, later transfer of the offered Commercial Paper.

This summary is not intended to be, nor should it be construed to be legal or tax advice. This summary is not a complete analysis or description of all the possible Spanish tax implications of such transactions and does not address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized collective investment institutions). In particular, this tax section does not address the Spanish tax consequences applicable to partnerships or other entities that are taxed as "look through" entities (such as trusts or estates).

Similarly, this information does not take into account specific regulations established in Navarra or in the historic territories of the Basque Country or the specialties in place in other Autonomous Communities of Spain (including the Autonomous Cities of Ceuta and Melilla).

Accordingly, prospective investors in the Commercial Paper should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of our Commercial Paper, including the effect of tax laws of any other jurisdiction, based on their particular circumstances.

The description of Spanish tax laws set forth below is based on law currently in effect in Spain as at the date of this Programme, and on administrative interpretations of Spanish law. As a result, this description is subject to any changes in such laws or interpretations occurring after the date of this Programme, including changes having retrospective effect.

For illustrative purposes only, the applicable regulations will be:

- Additional Provision One of Law 10/2014, of 26 June, of management, supervision and solvency of credit institutions (**Law 10/2014)** (in terms of the regulation applicable in Vizcaya, the tax regulation equivalent to that contained in Additional Provision One of Law 10/2014 is the one contained in

Additional Provision One of Foral Act 1/2012, of 29 February. Given the nature of the Issuer and for the purposes of this Programme, it is understood that the normative reference to Additional Provision One of Law 10/2014 comprises both two);

- Royal Decree 1065/2007, of 27 July, approving the General Regulations for tax management and inspection actions and procedures ("**RD 1065/2007**") (in terms of the regulation applicable in Vizcaya, the information regime with regard to certain operations with State Public Debt, preference shares and other debt instruments is regulated in article 55 of the Foral Decree of the Foral Deputation of Bizkaia 205/2008, of 22 December. Thus, given the nature of the Issuer and for the purposes of this Programme, it is understood that the normative reference to article 44 of Royal Decree 1065/2007 includes both);

- Law 35/2006, of 28 November, governing Personal Income Tax and partial amendment of the laws on Corporate Tax, Non-residents Income Tax and Wealth Tax ("IRPF Law"), as amended by Law 26/2014, of 27 November, as well as Royal Decree 439/2007, of 30 March, which approves the Regulation on Personal Income Tax and modifies the Regulations on Pension Funds and Plans approved through Royal Decree 304/2004, of 20 February ("IRPF Regulation"), as amended by Royal Decree 1003/2014, of 5 December;

- Law 27/2014, of 27 November, of the Corporate Tax Law ("LIS") as well as articles 60 et seq of the Corporate Tax Regulations approved through Royal Decree 634/2015, of 10 July ("IS Regulation");

- Royal Legislative Decree 5/2004, of 5 March, which approves the consolidated text of the Non-residents Income Tax Law ("IRNR Law"), as amended by Law 26/2014, of 27 November, and in Royal Decree 1776/2004, of 30 July, which approves the regulations of Non-residents Income Tax ("IRNR Regulation"); and

- Law 29/1987 of December 18, 1987, on Inheritance and Gift Tax ("ISD Law") and Law 19/1991 of June 6, 1991, on Wealth Tax ("IP Law").

As a general rule, in order to dispose of or obtain the reimbursement of financial assets with implicit yield that are subject to withholding tax at the time of the transfer, redemption or reimbursement, the prior acquisition must be proved through a notary public or through the financial institutions obliged to perform withholdings together with the price of the transaction. The financial institutions through which the payment of interest is made or which intervene in the transfer, redemption or reimbursement of the securities holder must determine and notify the income allocated to the taxpayer to both the holder of the security as well as to the Tax Authorities. The Tax Authorities must also be notified of those persons taking part in the aforementioned transactions. This as it will be explained more in detail below.

Investors that are individuals with tax residence on Spanish territory

Personal Income Tax

Income obtained by the assets holders that are taxpayers of the Personal Income Tax (IRPF) because of the transfer, redemption or reimbursement thereof will be considered as an implicit yield (movable income) derived from the transfer of own capital to third parties, in the terms provided in article 25.2 of IRPF Law.

The difference between the value of subscription or acquisition of the asset and its transfer, redemption, or reimbursement value will be added to the saving taxable base of the financial year in which the sale, redemption or reimbursement takes place. The tax will be paid at the rate in force, which is currently 19% up to €6,000, 21% from €6,000.01 to €50,000 and 23% from €50,000.01 upwards. However, in accordance with the General State Budget for year 2021 ("LPGE 2021"), with effect from January 1, 2021, a new section is introduced in the tariff applicable to the saving taxable base, establishing a 26% rate from €200,000.01 onwards.

In order to carry out the transfer or reimbursement of the assets, the prior acquisition must be certified by a public notary or by the financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out. The issuer shall not be entitled to reimburse the financial assets in case the asset holder does not certify its condition through the corresponding certificate.

In general, the implicit yield derived from the investments in commercial paper by individuals that are resident on Spanish territory are subject to withholding tax at source, as interim payment of Personal Income Tax at the current rate of 19%. The withholding carried out will be deductible from the Personal Income Tax amount, giving rise, where appropriate, to the tax rebates provided for in current legislation.

In the case of returns obtained through the transfer of the Commercial Paper, the financial institution acting on behalf of the transferring party will be obliged to make the withholding at source.

In the case of returns obtained through the reimbursement, the entity obliged to make the withholding will be the issuer or the financial institution responsible for the transaction.

Similarly, to the extent that the securities are subject the tax regime set out in Additional Provision One of Law 10/2014, the reporting regime set out in article 44 of Royal Decree 1065/2007, of 27 July, will apply pursuant to the wording given in Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption period of 12 or less months. In terms of the regulation applicable in Vizcaya, the information regime with regard to certain operations with State Public Debt, preference shares and other debt instruments is regulated in article 55 of the Foral Decree of the Foral Deputation of Bizkaia 205/2008, of 22 December. Thus, given the nature of the Issuer and for the purposes of this Programme, it is understood that the normative reference to article 44 of Royal Decree 1065/2007 includes both.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth tax

Individuals are subject to Spanish Wealth Tax (Impuesto sobre el Patrimonio) on all their assets (such as the Commercial Paper) owned every December 31 net of debt, irrespective of where the assets are located.

Spanish Wealth Tax Law (Law 19/1991, of 6 June, on Net Wealth Tax) exempts from taxation the first €700,000 of net wealth owned by an individual (some additional exemptions may apply on specific assets); the rest of the net wealth is taxed at rates ranging between 0.2% to 2.5%. For year 2021, the LPGE 2021 foresees a taxation between 0.2% and 3.5%. However, this taxation may vary depending on the Spanish Autonomous Community of residence of the corresponding Spanish Holder.

Spanish individuals subject to Spanish Wealth Tax filing obligations will be obliged to include reference (in the corresponding tax form) to the Commercial Paper yearly owned at December 31. This paper should be reported at their average market value during the last quarter of the year. The Spanish Ministry of Finance and Taxation publishes annually such market value for the purposes of the Spanish Wealth Tax.

The LPGE 2021 foresees a derogation of the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established, with a temporary character, therefore derogating the general rebate of 100% of the total tax liability, with effect from 1st January 2021.

Inheritance and Gift Tax

Moreover, pursuant to Law 29/1987, of 18 December, governing Inheritance and Gift Tax, individuals resident in Spain that acquire the securities or rights over these securities through inheritance or gift will be subject to the tax without prejudice to the specific legislation applicable in each Autonomous Community. The effective tax rate, after applying all relevant factors, ranges from 0% to 81.6%. Some tax benefits may reduce the effective tax rates (bearing in mind the Autonomous regions provisions).

Investors that are entities with tax residence on Spanish territory

Corporation Tax

The profits obtained by Corporate Tax taxpayers when said profits arise from these financial assets are exempt from the obligation of carrying out the withholding tax provided that the commercial paper (i) are represented by book entries and (ii) are traded on a Spanish official secondary market of securities, or on a multilateral trading facility such as the MARF. Otherwise, the withholding at source -performed as an interim payment of Corporation Tax- will be carried out at the current rate of 19%. The interim withholding carried out will be deductible from the Corporate Tax amount payable.

The procedure to introduce the exemption described in the previous paragraph will be the one set out in the Order of 22 December 1999, without prejudice to which is explained in sections "*Reporting Regime set out in article 44 of Royal Decree 1065/2007*"and "*General Reporting Regime*".

The financial institutions by means of which the transfer or reimbursement is carried out will be obliged to determine the implicit yield attributable to the securities holder and to notify such income to both the holder and the Tax Authorities.

Notwithstanding the foregoing, to the extent that the securities are subject to the regime set out in Additional Provision One of Law 10/2014, the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, will be applicable in accordance with the wording given through Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth Tax

Legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax

Legal entities do not pay Inheritance and Gift Tax and will be subject to the Corporate Income Tax Law.

<u>Investors that are not resident on Spanish territory</u>

Non-residents income-tax for investors not resident in Spain with a permanent establishment

Non-resident investors with a permanent establishment in Spain will be subject to the provisions governed by Chapter III of the referred IRNR Law, without prejudice to which is established by the Treaties entered into by Spain to avoid double taxation.

Income obtained by non-resident investors with a permanent establishment in Spain will not be subject to withholding tax on account of the Non-residents Income Tax upon the same terms indicated above for legal entities resident in Spain. The withholding tax procedure will be also the same as provided for such entities.

Non-residents income-tax for investors not resident in Spain without permanent establishment

To the extent that the provisions set out in Additional Provision One of Law 10/2014 are met, the implicit yield derived from the securities will be exempt from Non-residents Income-tax in the same terms as the public debt (regardless it is obtained through a tax haven). If the aforementioned Additional Provision One is not applicable, the returns resulting from the difference between the value of redemption, transfer, reimbursement or swap of the securities issued under the Commercial Paper Programme and their subscription or acquisition value, will be subject to taxation at a tax rate of 19%, in general. Tax treaties and domestic exemptions should be borne in mind.

In order to apply the exemption referred to in the previous paragraph to the securities issued with a redemption of 12 or less months, it will be necessary to comply with the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, in the wording given by Royal Decree 1145/2011, of 29 July.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

<u>Wealth Tax</u>

Without prejudice to the provisions set out in the treaties to avoid double taxation, in general those individuals that do not reside in Spain pursuant to the provisions set out in article 9 of the IRPF Law and who, at 31 December each year, own properties that are located in Spain or rights that are executable in Spain, are subject to Wealth Tax, without prejudice to any applicable exemptions.

Taxpayers will be entitled to apply a minimum exemption amount to 700,000 euros, as well as the general scale of charges whose tax rates ranges from 0.2% to 2.5%, and without prejudice to what had already been established, where appropriate, in each Autonomous Region. For year 2021, the LPGE 2021 foresees a taxation between 0.2% and 3.5%.

The valuation of these assets will be subject to the same criteria as provided in connection with individuals resident for tax purposes in Spain.

However, it should be taken into account that those securities whose implicit yields are exempt from the IRNR will be also exempt from IP.

The LPGE 2021 foresees a derogation of the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established, with a temporary character, therefore derogating the general rebate of 100% of the total tax liability, with effect from 1st January 2021.

Moreover, since the resolution issued by the Court of Justice of the European Union on September 3, 2014, which involve the amendment to the Fourth Additional Provision of IP Law, Non-Spanish individual holders tax resident in a State of the European Union or of the European Economic Area will be entitled to apply the specific regulation of the Autonomous Community where their most valuable assets are located and which trigger this Spanish Wealth Tax due to the fact that they are located or are to be exercised within the Spanish territory. We recommend investors to consult their own advisors in this regard.

Inheritance and Gift Tax.

Without prejudice to the provisions set out in the treaties to avoid double taxation, individuals non-resident in Spain that acquire securities located in Spain or executable rights over the same through inheritance or gift will be subject to Inheritance and Gift Tax pursuant to state laws, regardless of the residence of the heir or the beneficiary. The applicable tax rate, after applying all relevant factors, ranges approximately between 0% and 81.6% for individuals.

However, according to the resolution issued by the Court of Justice of the European Union on September 3, 2014 if the deceased, heir or the donee are resident in a European Union or European Economic Area Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Accordingly, prospective holders should consult their tax advisors.

Also, as a consequence of the recent Judgements of February 19, March 21 and March 22, 2018, the Supreme Court has declared that the application of state regulations when the deceased, heir or done is resident outside of a Member State of the European Union or the European Economic Area violates Community law to the free movement of capital, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State.

The interpretation of the Supreme Court has been adopted by the General Directorate for Taxes in the binding rulings V3151-18, dated December 11th 2018 and V3193-18, dated December 14th 2018, where the application of the regulations of the Autonomous Region in which the successor resides is recognized despite the fact that the deceased is not resident in Spain.

In addition, a resolution of the Central Administrative-Economic Court has recently been published with the same criteria of the Supreme Court (nº 2652/2016, dated September 16th 2019).

REPORTING REGIME SET OUT IN ARTICLE 44 OF THE ROYAL DECREE 1065/2007

In the event that the First Additional Provision of Law 10/2014 applies to the issue of the commercial paper, the reporting regime established in article 44 of the Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, of 29 July will apply thereto. The above as long as the commercial paper issued has a redemption period equal or lower than twelve months.

In case the referred reporting regime applies, (i) the entities maintaining the securities in its third parties accounts, and (ii) entities managing the securities compensation and liquidation systems established in a foreign country which have signed an agreement with such compensation and liquidation entity domiciled within the Spanish territory, shall file before the issuer, or the financial institution acting on its behalf, the statement according to the form annex to the aforesaid Royal Decree 1145/2011, which will include:

- Identification of the securities
- Reimbursement date.
- Total amount of income derived from the reimbursement of the securities
- Amount of income corresponding to taxpayers of Personal Income Tax
- Amount of income that shall be paid on its gross amount

Income corresponding to non-residents without a permanent establishment in Spain, to taxpayers of Corporate Income Tax and to non-residents with permanent establishment in Spain, will be paid on its gross amount.

According to the wording of section 6 of article 44 after the aforesaid legal modification, such statement will be submitted the working day prior to the maturity date of the paper, taking into account the situation at the end of the market of the mentioned day. Such statement could be presented through electronic processes.

The lack of submission of the statement referred to in article 44, by any of the obliged entities, at the date foreseen in first paragraph of article 44.6 would imply, for the issuer or its authorized paying agent, the obligation of paying the income corresponding to such entity on its net amount resulting after deducting withholding taxes at the general tax rate over the total amount of such interest.

Subsequently, if the obliged entity submits the statement established in article 44 prior to the 10th day of the month following to the month when the maturity of the paper takes place, the issuer or its authorized paying agent will refund the exceeded withholding.

GENERAL REPORTING REGIME

In the event that the First Additional Provision of Law 10/2014 did not apply to the issue of the commercial paper or applying, the redemption period was higher than twelve months, the information obligations set out in articles 92 of the IRPF Regulation and article 63 of the IS Regulation would be applicable.

As per such provisions, in order to carry out the transfer or reimbursement of the assets, the prior acquisition of the same must be certified by notaries public or financial institutions obliged to perform the withholding, as well as showing the price at which the transaction was carried out.

INDIRECT TAXATION IN THE ACQUISITION AND TRANSFER OF THE SECURITIES ISSUED

The acquisition and, where appropriate, subsequent transfer of the Commercial Paper is exempt from Value Added Tax and Tax on Onerous Property Transfers and Documented Legal Acts (Stamp Duty), as per Law 37/1992, of 28 December, regulating Value Added Tax ("IVA Law") and Royal Decree 1/1993, of 24 September, regulating the consolidated text of Law of the tax on Onerous Property Transfers and Documented Legal Acts, under the terms provided by the referred legislation.

22. Publication of the Information Memorandum

This Information Memorandum will be published on the website of MARF (www.bmerf.es).

23. Description of the placement system and, if applicable, subscription of the issue

Issuance and placement of Commercial Paper through customized placement by the Placement Entity.

On any business day, between 10 a.m. and 2 p.m., the Issuer may receive personalized requests from the Placement Entity for a minimum amount of ONE MILLION EUROS (€ 1,000,000), whereby the nominal value of each Commercial Paper is ONE HUNDRED THOUSAND EUROS (€ 100,000).

The Placement Entity acts as broker in the placement of the Commercial Paper, without prejudice to which the Placement Entity may subscribe Commercial Paper in its own name.

The determination of the price in each case will be performed through an agreement between the Issuer and the Placement Entity, and the terms of said agreement will be confirmed by fax, which will be sent by the Issuer to the Placement Entity. The rate applied to third parties by the Placement Entity may not be the same as the acquisition price of the same.

The agreement between the Issuer and the Placement Entity will be closed on the same day as the request, whereby the date of payment and issue will be the one agreed by the parties, although this cannot exceed two business days following the issue agreement date.

Publication of the issue results.

The result of each issue will be notified to the market through REUTERS (TTPS screen or news). This communication will be carried out on the same day as the issue.

Publication of the admission (incorporación) to trading.

The admission (*incorporación*) to trading will be published on the website of MARF (www.bmerf.es).

24. Costs for legal, financial and auditing services, and other services provided to the Issuer regarding the issue/admission (*incorporación*) and where appropriate, insurance costs, regarding the issue, placement and admission (*incorporación*)

The costs for all legal, financial and auditing services, and other services provided to the Issuer for the issue/admission to trading of the Commercial Paper sum up to a total of SEVENTY-NINE THOUSAND EUROS (€ 79,000), excluding taxes (assuming the issue of THREE HUNDRED AND FIFTY MILLION EUROS (€ 350,000,000) under the Programme), and including the fees of MARF and Iberclear.

25. Admission (*incorporación)* to trading of the securities

25.1 Request for admission to trading (incorporación) of the securities on MARF

Deadline for the admission (incorporación) to trading

The admission (*incorporación*) to trading of the securities described in this Information Memorandum will be requested for the multilateral trading facility known as the Alternative Fixed-Income Market (MARF). The Issuer hereby undertakes to carry out all the necessary actions so that the Commercial Paper is listed on MARF within seven (7) days from the date of issuance of the securities. For these purposes, as stated above, the date of issuance coincides with the date of disbursement. Under no circumstances will the deadline exceed the maturity of the Commercial Paper. In the event of breach of the aforementioned deadline, the reasons for the delay will be notified to MARF. This is without prejudice to any possible contractual liability that may be incurred by the Issuer. The date of incorporation of the Commercial Paper must be, in any event, a date falling within the validity period of the Programme and under no circumstances will the listing period exceed the maturity date of the Commercial Paper.

MARF has the legal structure of a multilateral trading facility (MTF) (*sistema multilateral de negociación (SMN)*), under the terms set out in Article 26 and Article 44 et seq. of the Royal Decree Law 21/2017 of 29 December, on urgent measures to adapt Spanish law to the European Union securities market legislation (*Real Decreto-ley 21/2017, de 29 de diciembre, de medidas urgentes para la adaptación del derecho español a la normativa de la Unión Europea en materia del Mercado de Valores*), constituting an unofficial alternative market for the trading of fixed-income securities.

This Information Memorandum follow the applicable proceedings on admission (*incorporación*) to trading and removal of MARF set out in its own Regulations and other applicable regulations.

Neither MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV), the Placement Entity, the Registered Advisor or the Legal Advisor have approved or carried out any verification or testing regarding the content of the Information Memorandum, the audited financial statements of the Issuer required under Circular 2/2018, of 4 December 2018 of MARF and the credit rating report submitted by the Issuer. The intervention of MARF does not represent a statement or recognition of the full, comprehensible and consistent nature of the information set out in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully reads thisInformation Memorandum prior to making any investment decision regarding the securities.

The Issuer hereby expressly declares that it is aware of the requirements and conditions necessary for the acceptance, permanence and removal of the securities on MARF, according to current legislation and the requirements of its competent body, and expressly agrees to comply with them.

The Issuer hereby expressly declares that it is aware of the requirements for registration and settlement on Iberclear. The settlement of transactions will be performed through Iberclear.

26. Liquidity agreement

The Issuer has not entered into any liquidity undertaking with any entity regarding the Commercial Paper to be issued under this Programme.

As the person responsible for this Information Memorandum:

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Mr. Francisco José Riberas Mera
GESTAMP AUTOMOCIÓN, S.A.

ISSUER
Gestamp Automoción, S.A.
Polígono Industrial de Lebario, s/n
48220 Abadiño (Vizcaya)

PLACEMENT ENTITY AND SOLE LEAD ARRANGER
Banca March, S.A.
Avenida Alejandro Rosselló, 8
07002 Palma de Mallorca

REGISTERED ADVISOR
Banca March, S.A.
Avenida Alejandro Rosselló, 8
07002 Palma de Mallorca

PAYING AGENT
Banca March, S.A.
Avenida Alejandro Rosselló, 8
07002 Palma de Mallorca

LEGAL ADVISOR
Cuatrecasas
Almagro 9
28010 Madrid

ANNEX

CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER, 2019 AND 31 DECEMBER, 2020

https://www.gestamp.com/Gestamp11/media/GestampFiles/Shareholders%20Investors/Economic%20Financial%20information/Annual%20Information/2019/2019-Reporte-CNMV-Consolidado-(Ingles).pdf?ext=.pdf

https://www.gestamp.com/Gestamp11/media/GestampFiles/Shareholders%20Investors/Economic%20Financial%20information/Annual%20Information/2020/CCAA-2020-Consolidadas-Grupo-Gestamp-Automocion-(Ingles).pdf?ext=.pdf

INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FIRST QUARTER OF 2021

https://www.gestamp.com/Gestamp11/media/GestampFiles/Shareholders%20Investors/Economic%20Financial%20information/Quarterly%20Information/2021/2021-05-06-Q1-2021-Management-Report.pdf?ext=.pdf