Auditor's Report on Grupo Antolin-Irausa, S.A.U. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Grupo Antolin-Irausa, S.A.U. and subsidiaries for the year ended 31 December 2023)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
P.º de la Castellana, 259C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Sole Shareholder of Grupo Antolin-Irausa, S.A.U.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Grupo Antolin-Irausa, S.A.U. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of non-current assets See notes 2e), 3a), 3b), 3c), 7 and 8 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2023 the Group has intangible assets with a carrying amount of Euros 374,616 thousand, property, plant and equipment with a carrying amount of Euros 624,429 thousand and goodwill with a carrying amount of Euros 90,836 thousand allocated to the pertinent cash-generating units. At 31 December 2023 impairment of Euros 110,589 thousand has been recognised on intangible assets and Euros 64,202 on property, plant and equipment, of which Euros 24,470 thousand and Euros 3,987 thousand, respectively, were recognised in 2023. The Group calculates the recoverable amount of goodwill annually and tests property, plant and equipment and intangible assets for indications of impairment, for the purposes of determining their recoverable amount. The Group has calculated the recoverable amount of goodwill, intangible assets and property, plant and equipment for which it has identified indications of impairment by applying valuation techniques that require the exercising of judgement and the use of assumptions by management and the Directors. Due to the high level of judgement and the uncertainty associated with these assessments and estimates, and the significance of the carrying amounts involved, their measurement has been considered a key audit matter.	Our audit procedures included the following: - Assessing the design and implementation of the key controls related to the process of estimating the recoverable amount of goodwill and other non-current assets. - Assessing the criteria used by the Directors and Group management when identifying indications of impairment of property, plant and equipment and intangible assets other than goodwill. - Evaluating the methodology and assumptions used by management and the Directors to estimate the recoverable amount applying the discounted cash flow method at cash-generating unit level, with the involvement of our valuation specialists. - Comparing the cash flow forecasts estimated in prior years with the actual cash flows obtained. - Contrasting the information contained in the model used to calculate the recoverable amount with the Group's business plans approved by management. - Analysing the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate and the expected future growth rate used to estimate future cash flows. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Capitalisation of development expenses See notes 2e), 3b) and 7 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
In 2023 the Group capitalised development expenses amounting to Euros 106,603 thousand and at 31 December 2023 the Group has capitalised total development expenses of Euros 308,095 thousand under other intangible assets. The capitalisation of development expenses requires an analysis of compliance with the requirements laid down in the financial reporting framework. If there are reasonable doubts as to the technical success or economic-financial feasibility of the projects, the amounts recognised as assets should be taken directly to the consolidated income statement, and therefore there is a risk that the capitalised costs would not meet the criteria set forth in the financial reporting framework for their capitalisation. Due to the judgement associated with the foregoing assessments and estimates, and the significance of the carrying amounts involved, capitalisation of such costs as development expenses has been considered a key audit matter.	Our audit procedures included the following: - Evaluating the design and implementation of the key controls related to the process of recognising development expenses and identifying, where applicable, the expenses that qualify for capitalisation. - Performing tests of detail for a sample of capitalised development expenses, corroborating the amounts capitalised and analysing the supporting documentation prepared by management and which substantiates the technical success and economic-financial feasibility of the projects, assessing the reasonableness of the main assumptions considered. We also assessed whether the disclosures in the consolidated annual accounts meet the reporting requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2023 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement has been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2023, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

– Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of Grupo Antolin-Irausa, S.A.U., we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the audit committee of Grupo Antolin-Irausa, S.A.U. dated 15 April 2024.

Contract Period

We were appointed as auditor of the Group by the sole shareholder on 20 July 2021 for a period of three years, beginning the year ended 31 December 2021.

KPMG Auditores, S.L.
On the Spanish Official Register of

(Signed on original in Spanish)

Miguel Ángel Faura Borruey
On the Spanish Official Register of Auditors ("ROAC") with No. 20429

15 April 2024

Grupo Antolin-Irausa, S.A.U. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2023, together with Consolidated Directors' Report for 2023

GRUPO ANTOLIN-IRAUSA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

INDEX

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

(Thousands of Euros)

ASSETS	31/12/2023	31/12/2022
NON-CURRENT ASSETS:		
Intangible assets (Note 7)-	**465,452**	**409,212**
Goodwill	90,836	90,206
Development expenditure	308,095	265,124
Computer software	16,125	17,625
Other intangible assets	50,396	36,257
Property, plant and equipment (Note 8)-	**624,429**	**644,204**
Land and buildings	171,045	173,069
Technical plant, machinery and other PP&E	379,065	403,616
PP&E under construction and prepayments	74,319	67,519
Right-of-use assets (Note 8)	**210,244**	**230,137**
Investment property	**584**	**584**
Investments in companies accounted for using the equity method (Note 1)	**31,978**	**35,586**
Non-current financial assets (Note 9)	**5,684**	**7,859**
Deferred tax assets (Note 19)	**170,083**	**99,793**
Total non-current assets	**1,508,454**	**1,427,375**
CURRENT ASSETS:		
Non-current assets classified as held for sale (Notes 3-f and 25)	**6,776**	**16,208**
Inventories (Note 10)	**702,158**	**621,449**
Trade and other receivables-	**621,882**	**748,805**
Trade receivables for sales and services	520,492	627,262
Associates (Note 21)	221	117
Other receivables (Note 11)	107,005	127,143
Provisions	(5,836)	(5,717)
Current investments in Group companies and associates (Notes 19 and 21)	**1,995**	**911**
Other current financial assets (Note 9)	**4,119**	**3,641**
Cash and cash equivalents (Note 12)	**294,630**	**311,182**
Total current assets	**1,631,560**	**1,702,196**
TOTAL ASSETS	**3,140,014**	**3,129,571**

Notes 1 to 27 to the consolidated report attached hereto form an integral part of the consolidated statement of financial position at 31 December 2023.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

(Thousands of Euros)

LIABILITIES AND EQUITY	31/12/2023	31/12/2022
EQUITY (Notes 13 and 14):		
SHAREHOLDERS' EQUITY-	**366,285**	**391,280**
Share capital	**37,469**	**37,469**
Additional paid-in capital	**72,578**	**72,578**
Reserves-	**262,985**	**506,795**
Other reserves of the Parent	275,901	340,023
Reserves in fully or proportionately consolidated companies	(29,795)	149,134
Reserves in companies accounted for using the equity method	16,879	17,638
Loss attributable to the Parent	**(6,747)**	**(225,562)**
VALUATION ADJUSTMENTS-	**(131,265)**	**(109,167)**
Translation differences	**(128,326)**	**(105,945)**
Other	**(2,939)**	**(3,222)**
Equity attributable to the Parent	**235,020**	**282,113**
NON-CONTROLLING INTERESTS (Note 12)	**74,037**	**67,015**
Total equity	**309,057**	**349,128**
NON-CURRENT LIABILITIES:		
Grants (Note 15)	**4,678**	**5,078**
Non-current provisions (Note 16)	**96,825**	**94,236**
Non-current financial liabilities-	**1,221,396**	**1,295,034**
Bank loans, debentures and other marketable securities (Note 17)	1,034,413	1,087,427
Liabilities associated with right-of-use assets (Notes 8 and 18)	177,132	189,829
Other financial liabilities (Note 18)	9,851	17,778
Deferred tax liabilities (Note 19)	**58,279**	**40,443**
Total non-current liabilities	**1,381,178**	**1,434,791**
CURRENT LIABILITIES:		
Liabilities associated with non-current assets classified as held for sale (Notes 3-f and 25)	**-**	**3,793**
Current provisions (Note 16)	**45,947**	**46,677**
Current financial liabilities-	**231,351**	**109,565**
Bank loans, debentures and other marketable securities (Note 17)	170,359	45,813
Liabilities associated with right-of-use assets (Notes 8 and 18)	58,003	60,779
Other financial liabilities (Note 18)	2,989	2,973
Current payables to Group companies and associates (Notes 19 and 21)	**1,497**	**6**
Trade and other payables-	**1,031,580**	**1,049,583**
Payable to suppliers, sundry creditors and other payables	974,986	994,315
Payable to suppliers, Group companies and associates (Note 21)	-	50
Current tax liabilities (Note 19)	6,194	14,415
Other accounts payable to Public Administrations (Note 19)	50,400	40,803
Other current liabilities (Note 24)	**139,404**	**136,028**
Total current liabilities	**1,449,779**	**1,345,652**
TOTAL LIABILITIES AND EQUITY	**3,140,014**	**3,129,571**

Notes 1 to 27 to the consolidated report attached hereto form an integral part of the consolidated statement of financial position at 31 December 2023.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U.
AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	2023	2022
CONTINUING OPERATIONS:		
Net turnover (Note 20)	4,617,383	4,450,944
Changes in inventories of finished goods and work in progress	4,968	8,527
Capital grants and other grants taken to income (Note 15)	769	939
Other operating revenue (Note 20)	142,559	157,306
Supplies (Note 20)	(3,076,650)	(2,976,166)
Staff costs (Note 20)	(890,752)	(876,954)
Depreciation and amortisation charge	(235,843)	(280,907)
Variation in provisions for operating allowances	(3,326)	(824)
Other operating expenses (Note 20)	(584,549)	(561,481)
Less-Work performed by the Group on its assets	118,074	94,991
PROFIT FROM ORDINARY CONTINUING OPERATIONS	**92,633**	**16,375**
Gains or losses on the loss of control of consolidated equity interests (Note 2-g)	(5,065)	(324)
Net impairment losses on non-current assets (Notes 7 and 8)	(28,457)	(151,608)
Gains or losses on disposals of non-current assets (Notes 7 and 8)	(8,837)	(1,258)
Profit of companies accounted for using the equity method (Note 1)	5,274	1,415
OPERATING PROFIT (LOSS) FROM CONTINUING OPERATIONS	**55,548**	**(135,400)**
Finance income	5,054	4,431
Finance expenses	(77,583)	(51,908)
Exchange differences	9,567	8,627
FINANCIAL LOSS	**(62,962)**	**(38,850)**
LOSS BEFORE TAX	**(7,414)**	**(174,250)**
Corporate income tax (Note 19)	20,001	(10,753)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**12,587**	**(185,003)**
Profit/(loss) for the year from discontinued operations, net of tax~~es~~ (Note 25)	-	(25,985)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	**12,587**	**(210,988)**
Profit attributable to non-controlling interests (Note 13)	**19,334**	**14,574**
Loss attributable to the Parent	**(6,747)**	**(225,562)**

Profit (Loss) per share (Note 14) (Euros per share)-		
From continuing operations:		
Basic	(0.84)	(28.11)
Diluted	(0.84)	(28.11)

Notes 1 to 27 to the consolidated report attached hereto form an integral part of the consolidated income statement corresponding to the financial year ended 31 December 2023.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

(Thousands of Euros)

	2023	2022
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (I)	**12,587**	**(210,988)**
Items that are not subject to subsequent transfer to the consolidated income statement-		
- For actuarial gains and losses (Notes 13 and 16)	(530)	3,007
Items that may be subject to subsequent transfer to the consolidated income statement-		
- For translation differences (Note 13)	(32,844)	25,864
- Tax effect (Note 13)	-	-
TOTAL PROFIT (LOSS) ALLOCATED DIRECTLY TO CONSOLIDATED EQUITY (II)	**(33,374)**	**28,871**
TOTAL TRANSFERS TO CONSOLIDATED INCOME STATEMENT FOR THE YEAR (III)	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (I+II+III)	**(20,787)**	**(182,117)**
Total comprehensive income attributable to the Parent	**(29,658)**	**(193,372)**
Total comprehensive income attributable to non-controlling interests	**8,871**	**11,255**

Notes 1 to 27 to the consolidated report attached hereto
form an integral part of the consolidated statement of changes in equity
corresponding to the financial year ended 31 December 2023.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Thousands of Euros										
			Other Reserves of the Parent					Valuation Adjustments			
	Share Capital	Additional Paid-in Capital	Restricted	Other	Reserves in Fully or Proportionately Consolidated Companies	Reserves in Companies Accounted for Using the Equity Method	Profit (Loss) Attributable to the Parent	Translation Differences	Other	Non-Controlling Interests	Total Equity
Final balance for 2021	**37,469**	**72,578**	**13,435**	**416,251**	**147,086**	**13,843**	**(84,313)**	**(135,128)**	**(6,229)**	**65,374**	**540,366**
Adjustments due to changes in 2021 accounting policies	-	-	-	-	-	-	-	-	-	-	-
Adjustments due to errors in 2021	-	-	-	-	-	-	-	-	-	-	-
Balance at the start of 2022	**37,469**	**72,578**	**13,435**	**416,251**	**147,086**	**13,843**	**(84,313)**	**(135,128)**	**(6,229)**	**65,374**	**540,366**
Global profit (loss) for the year	-	-	-	-	-	-	(225,562)	29,183	3,007	11,255	(182,117)
Application of consolidated loss for 2021:											
To reserves	-	-	-	(89,663)	2,993	2,357	84,313	-	-	-	-
Contributions from non-controlling interests, dividends and other concepts, net (Note 13)	-	-	-	-	-	-	-	-	-	(7,420)	(7,420)
Acquisition (sales) of non-controlling interests (Notes 1 and 12)	-	-	-	-	(226)	-	-	-	-	(2,194)	(2,420)
Other movements	-	-	-	-	(719)	1,438	-	-	-	-	719
Final balance for 2022	**37,469**	**72,578**	**13,435**	**326,588**	**149,134**	**17,638**	**(225,562)**	**(105,945)**	**(3,222)**	**67,015**	**349,128**
Adjustments due to changes in 2022 accounting policies	-	-	-	-	-	-	-	-	-	-	-
Adjustments due to errors in 2022	-	-	-	-	-	-	-	-	-	-	-
Balance at the start of 2023	**37,469**	**72,578**	**13,435**	**326,588**	**149,134**	**17,638**	**(225,562)**	**(105,945)**	**(3,222)**	**67,015**	**349,128**
Global profit/(loss) for the year	-	-	-	-	-	-	(6,747)	(22,381)	(530)	8,871	(20,787)
Application of consolidated loss for 2022:											
To reserves	-	-	-	(57,820)	(168,636)	894	225,562	-	-	-	-
Contributions from non-controlling interests, dividends and other concepts, net (Note 13)	-	-	-	-	-	-	-	-	-	(6,995)	(6,995)
Acquisition (sales) of non-controlling interests (Notes 1 and 12)	-	-	-	-	458	(458)	-	-	-	5,146	5,146
Distribution of dividends	-	-	-	(6,300)	-	-	-	-	-	-	(6,300)
Transfers between reserves	-	-	(5,800)	5,800	-	-	-	-	-	-	-
Other movements	-	-	-	(2)	(10,751)	(1,195)	-	-	813	-	(11,135)
Final balance for 2023	**37,469**	**72,578**	**7,635**	**268,266**	**(29,795)**	**16,879**	**(6,747)**	**(128,326)**	**(2,939)**	**74,037**	**309,057**

Notes 1 to 27 to the consolidated report attached hereto form an integral part of the consolidated statement of charges in equity corresponding to the financial year ended 31 December 2023.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023
(Thousands of Euros)

	2023	2022
1. CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated profit/(loss) for the year (before tax)	**(7,414)**	**(174,250)**
Adjustments for:		
Depreciation and amortisation charge	235,843	280,907
Allocation to /(reversal of) current provisions, net	16,807	36,878
Allocation to /(reversal of) non-current provisions	24,260	7,926
Capital grants and other grants taken to income (Note 15)	(769)	(939)
Financial profit/(loss)	62,962	38,850
Net impairment losses on non-current assets	28,457	151,608
Gains or losses on disposals of non-current assets (Notes 7 and 8)	8,837	1,258
Gains or losses on the loss of control of consolidated equity interests (Note 2-g)	5,065	324
Profit/(loss) of companies accounted for using the equity method (Note 1)	(5,274)	(1,415)
Profit from operations before changes in working capital	**368,774**	**341,147**
(Increase)/decrease in trade and other receivables	110,036	(93,508)
(Increase)/decrease in inventories	(81,142)	(77,699)
Increase/(decrease) in trade and other payables	(9,782)	125,143
Increase/(decrease) in other current liabilities	3,376	1,371
Payments relating to provisions	(22,533)	(23,341)
Unrealised exchange differences and other items	(49,629)	(33,689)
Cash generated from (used in) transactions	**319,100**	**239,424**
Corporate income tax reimbursed/(paid)	**(23,047)**	**(23,428)**
Total net cash flows from operating activities	**296,053**	**215,996**
2. CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Dividends received (Note 1)	**518**	**423**
Proceeds from divestments in:		
Group companies, net of cash outflows (Note 2-g)	4,940	14,793
Intangible assets	2,023	4,840
Property, plant and equipment	12,738	5,514
Investment property	2,168	970
Current financial assets	121	972
Payments for investments in:		
Associates (Note 1)	(686)	(1,892)
Group companies	(31)	-
Intangible assets	(132,314)	(106,319)
Property, plant and equipment	(120,692)	(93,982)
Non-current financial assets	(2,435)	(1,308)
Current financial assets	(599)	-
Total net cash flows from investment activities	**(234,249)**	**(175,989)**
3. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds (payments) relating to equity instruments:		
Acquisition of non-controlling interests' shares	4,869	(1,379)
Contributions by (reimbursements to) non-controlling interests, net (Note 13)	(6,995)	(7,420)
Grants, donations and legacies received	400	
Proceeds (payments) relating to financial liability instruments (Note 2-b):		
Early bond repayment (Note 17)	-	(6,665)
Syndicated loan repayments (Note 17)	(15,727)	(16,127)
Attainment/(repayment) of other bank borrowings, net	83,298	(15,932)
Payments of lease liabilities (IFRS 16) (Note 8)	(65,792)	(70,321)
Proceeds from/(repayment of) other financial liabilities, net	(8,021)	(3,380)
- Proceeds from/(repayment of) payables to Group companies, net	1,491	-
Other cash flows from financing activities:		
Finance expenses and income paid, net	(65,579)	(47,151)
Dividends paid and payments on other equity instruments (Note 13)	**(6,300)**	**-**
Total net cash flows from financing activities	**(78,356)**	**(168,375)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS (I)	**(16,552)**	**(128,368)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS (II) (NOTE 25)	**-**	**(1,211)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I + II)	**(16,552)**	**(129,579)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**311,182**	**440,761**
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 12)	**294,630**	**311,182**

Notes 1 to 27 to the consolidated report attached hereto
form an integral part of the consolidated statement of cash flows
the financial year ended 31 December 2023.

GRUPO ANTOLIN-IRAUSA, S.A.U. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(1) DESCRIPTION OF THE GROUP

Parent and Group activities-

Grupo Antolin-Irausa, S.A.U. (hereinafter, "the Parent") was set up on 5 November 1987, as "Grupo Antolin, S.A." Subsequently, on 1 November 1993, it adopted its current name "Grupo Antolin-Irausa, *S.A.*". Its registered office is in Burgos, carretera Madrid-Irún, km. 244.8.

Corporate purpose of the Parent-

The Parent's activity coincides with its corporate purpose, which is:

a) The participation in other companies with an identical or similar corporate purpose, for the Group's own development, via the subscription of shares or stakes in the incorporation or increase in capital thereof or the acquisition of these by any means.

b) The manufacture, marketing, transformation, importing and exporting of products related to the automotive or similar industries.

c) The provision of advice and technical, financial and administrative assistance related to those companies in which it has invested or could invest by virtue of rights for participating in their share capital or shareholders' equity.

d) The provision of assistance or support services to investee companies or those within its group of companies, including the granting or otherwise of participating loans to said companies, and the granting of appropriate guarantees or securities.

e) The development and promotion of research techniques and the operation, acquisition and disposal, by any means, of licences, permits, brands, patents and exclusives be they domestic or foreign.

Activities of Antolin-

Grupo Antolin-Irausa, S.A.U. (hereinafter, "the Group" or "Antolin") heads an international group made up of companies that engage basically in manufacturing and selling automobile components.

Ownership of the Group-

At 31 December 2023 and 2022, all the Parent's shares were held by Grupo Antolin-Holdco, S.A. In 2020 the former absorbed Castilfalé Gestión, S.A.U. (former Parent shareholder) and, therefore, on 28 December 2020 the Parent became a 'solely-owned company' (see Note 13).

At 31 December 2023 and 2022, all the share capital of the Parent was held directly or indirectly by Avot Inversiones, S.L., a company whose registered offices are in Burgos and whose owners are members of the Antolin family (see Note 13).

Subsidiaries-

"Subsidiaries" are defined as those companies over which the Group has control. In accordance with IFRS 10, an investor controls an investee if, and only if, the following conditions are met:

- it has power over the investee;

- it receives, or has the right to receive, variable returns on its investment;

- it has the ability to use its power to affect the amount of these returns.

The Parent assesses whether it controls an investee when events or circumstances indicate that changes apply to one or more of the cited conditions.

Set out below is the most significant information at 31 December 2023 about the subsidiaries which have been included in the consolidated financial statements for 2023 as "fully consolidated companies":

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

Companies in which Grupo Antolin-Irausa, S.A.U. has a direct shareholding-

Company	Registered Office	Business Activity	Percentage Held	Thousands of Euros Cost of the Holding
Grupo Antolin-Aragusa, S.A.U.	Burgos	Automobile components	100.00	12,127
Grupo Antolin-Autotrim, S.A.U.	Burgos (Plant: Almussafes)	Automobile components	100.00	3,828
Grupo Antolin-Dapsa, S.A.U.	Burgos	Automobile components	100.00	8,539
Grupo Antolin-Eurotrim, S.A.U.	Burgos	Automobile components	100.00	10,197
Grupo Antolin Gestión de Inversiones, S.L.U.	Burgos	Holding company	100.00	268,825
Grupo Antolin-Glass, S.A.U.	Burgos	Provision of services	100.00	10,328
Grupo Antolin-Ingeniería, S.A.U.	Burgos	Technical studies	100.00	18,537
Grupo Antolin-Navarra, S.A.U.	Pamplona	Automobile components	100.00	5,316
Grupo Antolin-Plasbur, S.A.U.	Burgos	Automobile components	100.00	1,862
Grupo Antolin-RyA, S.A.U.	Burgos (Plant: Valladolid)	Automobile components	100.00	5,704
Grupo Antolin-Valplas, S.A.U.	Burgos (Plant: Sollana-Valencia)	Automobile components	100.00	19,800
ASH Reciclado de Techos, S.L.	Burgos	Recycling of industrial waste	100.00	4,150
Cidut, S.L.U.	Burgos	Automobile components	100.00	579
Grupo Antolin-Lusitânia, S.A.	Vila Nova (Portugal)	Automobile components	100.00	2,658
Grupo Antolin-France, S.A.S.	Saint-Etienne (France)	Holding company and technical services and sales	100.00	189,731
Broomco (3051), Ltd.	Bury St Edmunds (United Kingdom)	Holding company	100.00	-
Grupo Antolin-UK, Ltd.	Essex (United Kingdom)	Technical services and sales	100.00	765
Antolin Deutschland, GmbH	Weyhausen (Germany)	Holding company and technical services and sales	100.00	156,477
Grupo Antolin-Italia, S.r.l.	Milan (Italy)	Automobile components	100.00	18,780
Grupo Antolin Bohemia, a.s.	Chrastava (Czech Republic)	Automobile components	100.00	66,202
Grupo Antolin Ostrava, s.r.o.	Ostrava (Czech Republic)	Automobile components	100.00	3,400
Grupo Antolin Turnov, s.r.o.	Turnov (Czech Republic)	Automobile components	100.00	6,415
Antolin Czech Republic, s.r.o.	Prague (Czech Republic)	Technical services and sales	100.00	7
Grupo Antolin-Bratislava, s.r.o.	Bratislava (Slovakia)	Automobile components	100.00	22,204
Antolin Tanger, S.A.R.L.	Tangiers (Morocco)	Automobile components	100.00	21,100
Grupo Antolin-South Africa, Ltd.	Port Elizabeth (South Africa)	Automobile components	100.00	12,474
Grupo Antolin-Saltillo, S. de R.L. de C.V.	Saltillo (Mexico)	Automobile components	99.99 (b)	42,788
Grupo Antolin-Silao, S.A. de C.V.	Silao (Mexico)	Automobile components	99.99 (b)	43,881
Grupo Antolin-Tlaxcala, S. de R.L. de C.V.	Tlaxcala (Mexico)	Automobile components	99.99 (b)	24,035
Grupo Antolin-Cuautitlán, S. de R.L. de C.V.	Cuautitlán (Mexico)	Automobile components	99.99 (b)	24,959
Intertrim, Ltda.	Caçapava (Brazil)	Automobile components	85.28	23,910
Trimtec, Ltda.	Caçapava (Brazil)	Automobile components	100.00	127,749
Irauto, S.A.	Buenos Aires (Argentina)	Automobile components	97.08 (b)	9,406
Grupo Antolin-India PVT, Ltd.	Pune (India)	Automobile components	99.99 (b)	25,069
Grupo Antolin-Japan, Co.	Tokyo (Japan)	Technical services and sales	100.00	691
Grupo Antolin-Korea, L.L.C.	Suwon-si (South Korea)	Technical services and sales	100.00	350
Antolin China Investment Co., Ltd.	Beijing (China)	Holding company and technical services and sales	100.00	106,388
Antolin Liban, s.r.o.	Liban (Czech Republic)	Automobile components	100.00	53,386
Antolin Hungary, Kft.	Helvécia (Hungary)	Automobile components	100.00	11,405
Antolin Trnava, s.r.o.	Trnava (Slovakia)	Automobile components	100.00	36,809
Antolin Interiors Mexico, S.A. de C.V.	Saltillo (Mexico)	Automobile components	100.00	134,316
Antolin México, S.A. de C.V.	Toluca (Mexico)	Provision of services	100.00	2,491
Gestión Industrial de Arteaga, S.A. de C.V.	Arteaga (Mexico)	Provision of services	100.00	792
Antolin Interiors UK, Ltd.	Warwick (United Kingdom)	Automobile components	100.00	206,487
Antolin Silesia, Sp. zo.o.	Wroclaw (Poland)	Automobile components	100.00	24,292
Antolin (Thailand) Co., Ltd.	Bangkok (Thailand)	Automobile components	100.00	58
Antolin Vietnam Co., Ltd.	Hai Phong City (Vietnam)	Automobile components	100.00	267
Ototrim Panel Sanayi ve Ticaret, A.S.	Bursa (Turkey)	Automobile components	50.00 (a)	25,725
NHK Antolin (Thailand) Co., Ltd.	Samutprakarn (Thailand)	Automobile components	50.00 (a)	2,632
Grupo Antolin-Leamington, Ltd.	Kent (United Kingdom)	Automobile components	100.00	24,425
Grupo Antolin-Design and Business Services PVT, Ltd.	Pune (India)	Technical services and sales	100.00	1
Antolin Connect, GmbH	Vienna (Austria)	Technical services and sales	100.00	40
Antolin Lighting India Pvt. Ltd.	Nighoje (India)	Automobile components	99.99 (b)	1,001
Iramec Autopeças, Ltda.	Caçapava (Brazil)	Automobile components	100.00	-
				1,823,358

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Companies in which the Group has a shareholding through other consolidated companies-

Company	Registered Office	Business Activity	Percentage Held	Thousands of Euros Cost of the Holding
Companies in which the Group has a shareholding through Grupo Antolin-Ingeniería, S.A.U.-				
Grupo Antolin-India PVT, Ltd.	Pune (India)	Automobile components	0.01 (b)	-
Grupo Antolin-Saltillo, S. de R.L. de C.V.	Hermosillo (Mexico)	Automobile components	0.01 (b)	-
Grupo Antolin-Tlaxcala S. de R.L. de C.V.	Tlaxcala (Mexico)	Automobile components	0.01 (b)	-
Grupo Antolin-Cuautitlán, S. de R.L. de C.V.	Cuautitlán (Mexico)	Automobile components	0.01 (b)	-
Grupo Antolin-Silao, S.A. de C.V.	Silao (Mexico)	Automobile components	0.01 (b)	-
Irauto, S.A.	Buenos Aires (Argentina)	Automobile components	2.92 (b)	-
Company in which the Group has a shareholding through Grupo Antolin- Design and Business Services PVT, Ltd.-				
Antolin Lighting India Pvt. Ltd.	Nighoje (India)	Automobile components	0,01 (b)	-
Company in which the Group has a shareholding through Grupo Antolin-India PVT, Ltd.-				
Grupo Antolin-Chakan Pvt, Ltd.	Delhi (India)	Automobile components	100.00	5,950
Companies in which the Group has a shareholding through Grupo Antolin-Gestión de Inversiones, S.L.U.-				
Grupo Antolin North America, Inc.	Detroit (United States)	Holding company and technical services and sales	100.00	258,898
Companies in which the Group has a shareholding through Grupo Antolin-North America, Inc.-				
Grupo Antolin-Kentucky, Inc.	Kentucky (United States)	Automobile components	100.00	64,880
Grupo Antolin-Michigan, Inc.	Marlette (United States)	Automobile components	100.00	12,750
Grupo Antolin-Illinois, Inc.	Troy (United States)	Automobile components	100.00	2,865
Grupo Antolin-Missouri, LLC	Clayton (United States)	Automobile components	100.00	1,501
Antolin Interiors USA, Inc.	Troy (United States)	Automobile components	100.00	85,758
Antolin Alabama, Inc.	McCalla (United States)	Automobile components	100.00	24,445
Antolin Shelby, Inc.	Shelby (United States)	Automobile components	100.00	6,963
Antolin St. Clair, LLC.	St. Clair (United States)	Automobile components	100.00	10,439
Antolin Nashville, LLC.	East Lansing (United States)	Automobile components	100.00	4,525
Antolin Insurance Company, LLC.	East Lansing (United States)	Insurance company	100.00	1,357
Company in which the Group has a shareholding through Antolin Interiors USA, Inc.-				
Antolin Lighting, LLC	Auburn Hills (United States)	Holding company	100.00	7,914
Company in which the Group has a shareholding through Antolin Lighting, LLC-				
Suzhou Antolin Automotive Interiors Co., Ltd.	Kunshan Jiangsu (China)	Automobile components	100.00	1,872
Company in which the Group has a shareholding through Grupo Antolin-Kentucky, Inc.-				
Grupo Antolin-Primera Automotive Systems, LLC	Wayne (United States)	Automobile components	49.00 (a)	17
Companies in which the Group has a shareholding through Grupo Antolin-France, S.A.S.-				
Grupo Antolin-IGA, S.A.S.	Henin Beaumont (France)	Automobile components	100.00	77,453
Grupo Antolin-Vosges, S.A.S.	Rupt-Sur-Moselle (France)	Automobile components	100.00	53,196
Grupo Antolin-Cambrai, S.A.S.	Paris (France)	Automobile components	100.00	86,754
Grupo Antolin-Besançon, S.A.S.	Besançon (France)	Automobile components	100.00	65,000
Company in which the Group has a shareholding through Broomco (3051), Ltd.-				
CML Innovative Technologies, Ltd.	Bury St. Edmunds (United Kingdom)	Lighting products	100.00	7,982

Continues overleaf…

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Company	Registered Office	Business Activity	Percentage Held	Thousands of Euros Cost of the Holding
Companies in which the Group has a shareholding through Antolin Deutschland GmbH-				
Grupo Antolin-Logistik Deutschland, GmbH	Cologne (Germany)	Automobile components	100.00	11,314
Grupo Antolin-Hranice, s.r.o.	Hranice (Czech Republic)	Automobile components	100.00	116
CML Technologies, GmbH & Co. KG	Bad Durkheim (Germany)	Lighting products	100.00	10,447
Grupo Antolin-Bamberg, GmbH & Co. KG	Bamberg (Germany)	Automobile components	100.00	30,660
Antolin Massen, GmbH	Massen-Niederlausitz (Germany)	Automobile components	100.00	13,988
Antolin Süddeutschland, GmbH	Regenstauf (Germany)	Automobile components	100.00	21,695
Antolin Straubing, GmbH	Straubing (Germany)	Automobile components	100.00	25,492
Haselbeck Formen- und Werkzeugbau, GmbH	Deggendorf (Germany)	Automobile components	100.00	9,819
Companies in which the Group has a shareholding through Grupo Antolin-Besançon, S.A.S.-				
Grupo Antolin-Sibiu, S.R.L.	Sibiu (Romania)	Automobile components	100.00	49,945
Guangzhou Antolin Lighting Co., Ltd.	Guangzhou (China)	Automobile components	100.00	1,310
Companies in which the Group has a shareholding through Antolin China Investment Co., Ltd.-				
Antolin Shanghai Auto-Parts Co., Ltd.	Shanghai (China)	Automobile components	100.00	35,096
Guangzhou Antolin Auto-Parts Co., Ltd.	Guangzhou (China)	Automobile components	100.00	10,698
Wuhan Antolin Automotive Interiors Co., Ltd	Wuhan (China)	Automobile components	100.00	2,415
Wuhan Antolin Auto Parts, Co. Ltd.	Wuhan (China)	Automobile components	100.00	-
Changshu Antolin Automotive Interiors Co., Ltd.	Changshu (China)	Automobile components	60.00	23,835
Changchun Antolin Automotive Interiors Co., Ltd.	Changchun (China)	Automobile components	60.00	39,786
Chengdu Antolin Automotive Interiors Co., Ltd.	Chengdu (China)	Automobile components	60.00	1,938
Shenyang Antolin Auto Parts Co., Ltd.	Lialong (China)	Automobile components	100.00	2,186
Wuhan Donghuan Antolin Auto Parts, Co., Ltd.	Wuhan (China)	Automobile components	51.00	253
Antolin Chongqing Auto Interiors Trim Systems, Co., Ltd.	Chongqing (China)	Automobile components	51.00	2,332
Shanghai Antolin-Naen Automotive Electronics Co., Ltd.	Shanghai (China)	Automobile components	95.00	1,391
Shanghai Antolin Automotive Interiors Co., Ltd.	Shanghai (China)	Automobile components	100.00	1,401
Companies in which the Group has a shareholding through Changshu Antolin Automotive Interiors Co., Ltd. (in which the Group has a 60% stake)-				
Changshu Antolin Auto Parts Co., Ltd.	Changshu (China)	Automobile components	100.00	4,064 (c)
Ningbo Antolin Autoparts Co., Ltd.	Ningbo (China)	Automobile components	100.00	384 (c)
Hefei Antolin Auto Parts Co., Ltd.	Hefei (China)	Automobile components	100.00	743 (c)
Company in which the Group has a shareholding through Changchun Antolin Automotive Interiors Co., Ltd. (in which the Group has a 60% stake)-				
Beijing Antolin Automotive Interiors Co., Ltd.	Beijing (China)	Automobile components	100.00	1,204 (c)
Company in which the Group has a shareholding through Antolin Hungary, Kft.-				
Plastimat Hungary, Kft.	Esztergom (Hungary)	Automobile components	74.00	6,951
Company in which the Group has a shareholding through Antolin Tanger, S.A.R.L.-				
Gold Set, S.A.R.L.A.U.	Tangiers (Morocco)	Provision of services	100.00	1,003
				1,090,985

(a) These companies, in which the Group has a direct or indirect holding of 50% or less, have been included in the consolidated financial statements as “fully consolidated companies” because Antolin has control over them.

(b) As indicated in the tables above, Antolin has direct or indirect shareholdings in the share capital of these subsidiaries, bringing the total holding in their capital up to 100%.

(c) These amounts correspond to the cost of Antolin’s effective indirect shareholding, and do not include the part of the cost corresponding to the indirect shareholding of the non-controlling interest.

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The key financials of the subsidiaries with non-controlling interests at 31 December 2023 and 2022 are as follows:

	Thousands of Euros							
	Changchun Antolin Automotive Interiors Co., Ltd.		Changshu Antolin Automotive Interiors Co., Ltd.		Ototrim Panel Sanayi ve Ticaret, A.S.		Grupo Antolin-Primera Automotive Systems, LLC	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-current assets	18,127	15,221	28,172	27,846	12,741	14,870	6,463	7,575
Current assets	62,022	61,488	60,229	64,137	47,084	41,385	23,367	24,699
Cash and cash equivalents	6,900	10,290	22,356	32,516	5,018	6,262	46	47
Total assets	**87,049**	**86,999**	**110,757**	**124,499**	**64,843**	**62,517**	**29,876**	**32,321**
Non-current liabilities	(1,996)	(902)	(3,508)	(212)	(6,096)	(5,803)	(2,723)	(3,961)
Current liabilities	(44,058)	(39,433)	(64,527)	(81,986)	(26,330)	(25,883)	(10,946)	(13,407)
Total liabilities	**(46,054)**	**(40,335)**	**(68,035)**	**(82,198)**	**(32,426)**	**(31,686)**	**(13,669)**	**(17,368)**
Net assets	**40,995**	**46,664**	**42,722**	**42,301**	**32,417**	**30,831**	**16,207**	**14,953**
Revenue from ordinary activities	115,110	100,642	113,166	123,114	119,615	86,060	130,005	131,469
Gross operating profit/(loss)	11,373	10,647	1,497	4,369	17,064	15,326	4,430	1,488
Profit/(loss) after tax	9,953	9,450	2,596	5,169	15,605	13,194	4,242	1,312
Dividends received by the Group	7,833	8,475	-	-	1,130	6,238	-	-

There are no significant restrictions, such as protective rights, on the ability of Antolin to access or use assets, as well as to settle its liabilities.

In 2023 and 2022 there were some changes in the Group's scope of consolidation (see Note 2-g).

Financial year of the subsidiaries-

The financial year of all the subsidiaries, like that of the Parent, is the same as the calendar year, except for the Indian subsidiaries, whose financial year ends on 31 March. For the Indian companies in the process of being included in the scope of consolidation, the financial statements for the 12-month period from 1 January 2023 to 31 December 2023 were used. For the remaining companies the individual financial statements for the year ended 31 December 2023 were used. The figures in the above tables correspond to the financial position at 31 December 2023.

Audit of the individual financial statements of the subsidiaries-

The individual financial statements for 2023 of most of the subsidiaries are audited when local legislation so requires by KPMG or other auditors. Set out below are the subsidiaries whose financial statements are examined by auditors other than KPMG:

Company	Audited by
Grupo Antolin-Vosges, S.A.S.	Deloitte & Associés
Grupo Antolin IGA, S.A.S.	Deloitte & Associés
Grupo Antolin Besançon, S.A.S.	Deloitte & Associés & KPMG
Grupo Antolin-France, S.A.S.	Deloitte & Associés
Antolin Straubing, GmbH	Deloitte GmbH
Antolin Süddeutschland GmbH	Deloitte GmbH
Grupo Antolin Italia, S.R.L.	Deloitte & Touche S.p.a
Antolin Tanger, S.A.R.L.	Deloitte Audit
CML Innovative Technologies, Ltd.	Whiting and Partners, Ltd.
Broomco (3051), Ltd.	Whiting and Partners, Ltd.
Antolin Czech Republic, s.r.o.	VGD, s.r.o.
Grupo Antolin-Hranice, s.r.o.	Q-Audit, s.r.o.
Grupo Antolin-Sibiu, S.R.L.	T&T Audit, S.R.L.
Plastimat Hungary, Kft.	Nextum Audit Zrt.
NHK Antolin (Thailand) Co., Ltd.	PriceWaterhouseCoopers
Irauto, S.A.	Ghirardotti & Ghirardotti
Antolin Interiors USA, Inc.	UHY, LLP
Grupo Antolin-North America, Inc.	UHY, LLP
Grupo Antolin-Kentucky, Inc.	UHY, LLP
Grupo Antolin-Michigan, Inc.	UHY, LLP
Grupo Antolin-Primera Automotive Systems, LLC	UHY, LLP
Grupo Antolin-Missouri, Inc.	UHY, LLP
Antolin Alabama, LLC.	UHY, LLP
Antolin Shelby, Inc.	UHY, LLP
Antolin St. Clair, LLC	UHY, LLP
Grupo Antolin Illinois, Inc.	UHY, LLP
International Door Company	Crowe Peak Audit & Assurance B.V.
Antolin China Investments Co., Ltd.	Shanghai Certified Public Accountants SGP
Shanghai Antolin-NAEN Automotive Electronics Co., LTD.	Shanghai Certified Public Accountants SGP
Hefei Antolin Auto Parts Co., Ltd.	Shanghai Certified Public Accountants SGP
Changchun Antolin Automotive Interiors Co., Ltd.	Shanghai Certified Public Accountants SGP
Beijing Antolin Automotive Interiors Co., Ltd.	Shanghai Certified Public Accountants SGP
Changshu Antolin Automotive Interiors Co., Ltd.	Shanghai Certified Public Accountants SGP
Changshu Antolin Auto Parts Co., Ltd.	Shanghai Certified Public Accountants SGP
Guangzhou Antolin Lighting Co., Ltd.	Shanghai Certified Public Accountants SGP
Chengdu Antolin Automotive Interiors Co., Ltd.	Shanghai Certified Public Accountants SGP
Wuhan Antolin Automotive Interiors Co., Ltd.	Shanghai Certified Public Accountants SGP
Ningbo Antolin Auto Parts Co., Ltd.	Shanghai Certified Public Accountants SGP
Antolin Chongqing Auto Interiors Trim Systems Co., Ltd.	Jinhan Certified Public Accountants Co., Ltd.
Shenyang Antolin Auto Parts Co., Ltd.	Da Hua Certified Public Accountants SGP
Wuhan Donghuan Antolin Auto Parts Co., Ltd.	Da Hua Certified Public Accountants
Guangzhou Antolin Auto-Parts Co., Ltd.	Guangzhou Huadu Certified Public Accountants Co., Ltd.
Grupo Antolin-India PVT, Ltd.	Sharp and Tannan Associates Advisors Private Ltd.
Grupo Antolin Design & Business Services Pvt., Ltd.	Sharp and Tannan Associates Advisors Private Ltd.
Grupo Antolin-Chakan Private, Ltd.	Sharp and Tannan Associates Advisors Private Ltd.

Associates and joint ventures-

"Associates" are defined as companies over which the Group has the ability to exercise significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

IFRS 11 defines a joint venture (as opposed to a joint operation as described in the next section of this note) as a joint arrangement whereby the parties that have joint control of the arrangement ("joint venturers") have rights to the net assets of the arrangement. Joint control is the contractually agreed upon sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

The Group's holdings in associates and joint ventures (accounted for in the consolidated financial statements for 2023 and 2022 using the equity method), and the corresponding book values recognised under "Investments in companies accounted for using the equity method" in the consolidated statements of financial position at 31 December 2023 and 2022, are as follows:

Company	Registered Office	Business Activity	Percentage of Group's Holding		Thousands of Euros	
			At 31/12/23	At 31/12/22	Book Value of Investment at 31/12/23	Book Value of Investment at 31/12/22
Companies in which Grupo Antolin-Irausa, S.A.U. has a direct shareholding-						
Dongwon Technology Co., Ltd.	Kyoung-Nam (South Korea)	Automobile components	30.00	30.00	8,603	8,603
Krishna Grupo Antolin Private, Ltd.	Chandigarh (India)	Automobile components	50.00	50.00	6,393	6,084
Walter Pack, S.L.	Igorre (Vizcaya)	Automobile components	40.03	40.03	8,823	6,375
AED Vantage Group, S.L.	Madrid	Automobile components	49.00	49.00	7,781	7,513
Keyland Sistemas de Gestión, S.L.	Burgos	Provision of services	50.00	50.00 (a)	259	- (a)
Company in which the Group has a shareholding through Keyland Sistemas de Gestión, S.L. (in which Antolin has a 50% shareholding)-						
Keyland México, S. de R.L. de C.V.	México D.F. (México)	Provision of services	50.00	100.00 (a)	119	- (a)
Company in which the Group has a shareholding through International Door Company, B.V.-						
Slovakian Door Company, s.r.o.	Bratislava (Slovakia)	Automobile components	-	50,00 (b)	-	3,261
					31,978	**31,836**

(a) At 31 December 2022 Keyland Sistemas de Gestión, S.L. and Keyland México, S. de R.L. de C.V. were fully consolidated and at 31 December 2023 they were accounted for using the equity method because Antolin did not exercise effective control over them at that date.

(b) At 31 December 2022, International Door Company, B.V. (in which the Group has a 50% stake) held all of the shares of Slovakian Door Company, s.r.o. Therefore, at 31 December 2022, the Group indirectly held 50% of the share capital of this company, which is classified as an "associate". However, in 2023 this company was excluded from the Group's scope of consolidation.

The key financials of the most significant companies integrated by the equity method at 31 December 2023 and 2022 are as follows:

	Thousands of Euros					
	Dongwon Technology Co., Ltd.		Krishna Grupo Antolin Private, Ltd.		Walter Pack, S.L.	
	2023	2022	2023	2022	2023	2022
Non-current assets	235	8,344	4,520	4,711	32,805	26,681
Current assets	14,883	6,314	5,889	4,518	35,206	27,885
Cash and cash equivalents	19,980	21,122	5,983	6,236	529	744
Total assets	**35,098**	**35,780**	**16,392**	**15,465**	**68,540**	**55,310**
Non-current liabilities	(34)	(36)	(1,068)	(1,113)	(18,960)	(21,468)
Current liabilities	(6,389)	(7,067)	(2,538)	(2,185)	(26,349)	(17,905)
Total liabilities	**(6,423)**	**(7,103)**	**(3,606)**	**(3,298)**	**(45,309)**	**(39,373)**
Net assets	**28,675**	**28,677**	**12,786**	**12,167**	**23,231**	**15,937**
Revenue from ordinary activities	39,792	42,168	21,614	22,183	44,888	43,693
Gross operating profit/(loss)	1,062	1,305	2,076	1,410	(2,289)	3,637
Profit/(loss) after tax	1,890	1,658	1,951	1,727	14,545	3,856
Dividends received by the Group	119	89	399	333	-	-

Movements in 2023 and 2022 recorded under “Investments in companies accounted for using the equity method” in the consolidated statement of financial position were as follows:

	Thousands of Euros
Balances at 31 December 2021	**28,675**
Profit of companies accounted for using the equity method	1,415
Dividends (a)	(423)
Inflows in the form of contributions from the Group	1,887
Outflow of Wuhan Antolin Auto Parts Co., Ltd., which is now fully consolidated	29
Translation differences	(218)
Other	471
Balances at 31 December 2022	**31,836**
Profit of companies accounted for using the equity method	5,274
Dividends (a)	(518)
Additions of companies that started to be accounted for using the equity method	378
Exclusions due to the disposal of	(4,642)
Translation differences	(699)
Other	349
Balances at 31 December 2023	**31,978**

(a) In 2023 the Group received dividends from Dongwon Technology Co., Ltd. and Krishna Grupo Antolin Private, Ltd., for amounts of 119 and 399 thousand euros, while in 2022 the Group received dividends from these companies of 89 and 333 thousand euros, respectively.

Part of the balances of the heading “Investments in companies accounted for using the equity method” in the accompanying consolidated statements of financial position at 31 December 2022 includes an amount of 3,750 thousand euros, for a long-term loan granted by the Group to the associate Slovakian Door Company, s.r.o. (see Note 21), which was excluded from the scope of consolidation in 2023.

Financial year and audit of the individual financial statements of associates and joint ventures included in the scope of consolidation-

The financial year of associates and joint ventures is the same as the calendar year, except for Krishna Grupo Antolin Private, Ltd., whose financial year ends on 31 March. For Krishna Grupo Antolin Private, Ltd., the financial statements for the 12-month period from 1 January 2023 to 31 December 2023 were used. For the remaining companies, the individual financial statements for the year ended 31 December 2023 were used. Some of the aforementioned financial statements are currently being examined by the following auditors:

Company	Audited by
Dongwon Technology Co., Ltd.	PricewaterhouseCoopers
AED Vantage Group, S.L.	Deloitte, S.L.
Khrisna Grupo Antolin Private, Ltd.	Deloitte & Touche
Walter Pack, S.L.	Economical Auditores, S.L.

Joint operations-

IFRS 11 defines a joint operation as a joint agreement under which the parties that have joint control (“joint operators”) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Following an assessment by the Group, the only joint operation in which the Group is deemed to operate is International Door Company, B.V., a holding company registered in Amsterdam (Netherlands), in which the Parent has a 50% stake (the cost of this interest amounted to 2,790 and 9,658 thousand euros at 31 December 2023 and 2022, respectively). The other 50% is held by Küster Holding, GmbH, and this company's financial statements have been proportionately consolidated.

The amounts of the assets and liabilities, and of the net turnover and the profit or loss for 2023 contributed by this joint venture are scantly material with respect to the total consolidated figures for the Group.

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATION STANDARDS

a) True and fair view-

In accordance with Final Provision Eleven of Law 62/2003 on Tax, Administrative and Social Order Measures, of 30 December, companies with holdings are required to draw up consolidated financial statements and directors' reports. At year-end none of the companies in the Group had issued shares that are listed on an official market of any Member State of the European Union. They may therefore opt to present their consolidated financial statements for the years beginning on or after 1 January 2005 in accordance with Spanish accounting standards or in accordance with the International Financial Reporting Standards adopted by the European Union. Accordingly, Grupo Antolin-Irausa, S.A.U. has decided to voluntarily apply, for the first time in the financial year 2007, said International Financial Reporting Standards adopted by the European Union when drawing up its consolidated financial statements.

The consolidated financial statements for 2023, which were prepared from the individual accounting records of the Parent and of the companies included in consolidation *(listed in Note 1)*, are presented in accordance with the International Financial Reporting Standards adopted by the European Union *(hereinafter referred to as "IFRS-EU")* and, accordingly, give a true and fair view of the Group's consolidated net worth, consolidated financial position at 31 December 2023, results of operations, and changes in consolidated equity and cash flows arising in the year then ended.

These consolidated financial statements for 2023 have been authorised for issue by the Parent's Directors and will be submitted for approval by the Parent's Sole shareholder, and it is considered that they will be approved without any changes.

The consolidated financial statements for 2022 were approved by the Parent's sole shareholder on 27 April 2023.

b) Adopting new standards and interpretations issued-

Antolin's consolidated financial statements for the year-ended 31 December 2023 were drawn up in accordance with International Financial Reporting Standards, in accordance with the terms of Regulation (EC) No. 1606/2002 of the European Parliament and the Council dated 19 July 2002, taking into account all mandatory accounting principles, standards and measurement bases with a material impact and the alternatives permitted under the standards in this respect.

Standards and interpretations in force in 2023

The consolidated financial statements were prepared in accordance with the IFRS-EU and consider the rules, amendments and interpretations adopted by the European Union into force at 1 January 2023, as follows:

Standards, amendments and interpretations:		Effective from:
Approved for use in the European Union		
New standards:		
IFRS 17, Insurance Contracts and amendments thereto (standard issued in May 2017 and amendments in June 2020 and September 2022)	Supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, the objective being to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	1 January 2023
Amendments:		
Amendment to IAS 1, Disclosure of Accounting Policies (issued in February 2021)	Amendments that enable entities to adequately identify the information about material accounting policies that must be disclosed in the financial statements.	1 January 2023
Amendment to IAS 8, Definition of Accounting Estimates (issued in February 2021)	Amendments and clarifications about what is to be understood as constituting a change in an accounting estimate.	1 January 2023
Amendment to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)	Clarifications regarding how entities must recognise the deferred tax arising on transactions such as leases and decommissioning obligations.	1 January 2023
Amendment to IFRS 17, Insurance Contracts. Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Modification of the transition requirements of IFRS 17 for insurers that simultaneously apply IFRS 17 and IFRS 9 for the first time.	1 January 2023
Amendments to IAS 12. International Tax Reform-Pillar Two Model Rules	These amendments introduce a temporary exemption from the recognition of deferred tax assets and liabilities under IAS 12 in relation to the entry into force of the Pillar Two tax rules. They also include additional disclosure requirements.	1 January 2023

These amendments have not had a significant impact on the Group's consolidated financial statements at 31 December 2023.

In relation to the amendments to IAS 12 relating to the entry into force of the Pillar Two tax rules, at the date of formal preparation of the consolidated financial statements, the applicable legislation for the Pillar Two rules had not yet come into force in Spain. In this connection, in 2023 the Group applied the mandatory temporary exception set out in this connection in the amendments to IAS 12 indicated in the above table to the requirements that an entity does not recognise and does not disclose information about deferred tax assets and liabilities relating to the current tax reform (see Note 19).

Standards and interpretations issued effective on or after 1 January 2024-

The new standards pending EU approval whose application is not obligatory in 2023 and that will enter into force as of the reporting periods commencing on or after 1 January 2024 are detailed below:

Standards, amendments and interpretations:		Effective from:
Approved for use in the European Union		
Amendments:		
Amendments to IFRS 16, Lease Liability in a Sale and Leaseback (issued in August 2022)	These amendments indicate that the seller-lessee must measure the value of the lease liability in such a way that it recognises no gain or loss relating to the retained right of use.	1 January 2024
Amendment to IAS 1. Classification of Liabilities as Current or Non-current and of those subject to covenants	Clarifications relating to the presentation of liabilities as current or non-current and in particular of those with a maturity conditional upon compliance with covenants.	1 January 2024
Not approved for use in the European Union		
Amendments:		
Amendments to IAS 7 and IFRS7, Financing Agreements with Suppliers	These amendments establish specific disclosure requirements regarding supplier finance arrangements and the effects of those arrangements on the entity's liabilities and cash flows, including its exposure to liquidity risk and the associated risk management.	1 January 2024
Amendments to IAS 21. Exchangeability	These amendments establish an approach to be taken when a currency is not exchangeable and, if this is the case, how to determine the exchange rate to be used.	1 January 2025

None of the aforementioned standards was applied prior to the mandatory effective date in 2023.

The Group is beginning to assess the potential impact of the future application of these standards and, after a first analysis, estimates that these should not have a significant impact on the Group's consolidated financial statements.

c) *Functional currency-*

The consolidated financial statements are presented in thousands of euros, which is the Parent's functional and presentation currency, rounded off to the nearest thousand. Foreign operations are recorded in accordance with the policies described in Notes 2-f and 3-i.

d) *Comparative information-*

In accordance with the requirements of IAS 1, the information set out in these notes to consolidated financial statements relating to 2023 is presented, for the purposes of comparison, with the figures for 2022.

There have been no major changes in the accounting policies that affect 2023 and 2022. Neither have any corrections of errors relating to prior years been made, nor have any major changes been made in the accounting estimates that affect these financial years or that are likely to affect future financial years.

e) *Responsibility for the information provided and estimates made-*

The information set out in these consolidated financial statements for 2023 is the responsibility of the Directors of the Parent.

The consolidated results and the calculation of consolidated net equity are sensitive to the accounting principles, policies, measurement criteria and estimates used by the Parent's Directors in the preparation of the consolidated financial statements. The main accounting principles and policies and measurement criteria used are disclosed in Note 3.

In preparing the consolidated financial statements for 2023, estimates made by the Group's Senior Management (subsequently ratified by the Parent's Directors) were used on occasion to measure certain assets, liabilities, revenues, expenses and commitments recognised in them and that could have a significant impact over the next twelve months. These estimates, made based on the best information available, refer to:

- The assessment of signs of impairment losses in PP&E and intangible assets and calculation of its recoverable value (Note 8).
- The assessment of the technical success of the development projects and their profitability (Note 7).
- The measurement of goodwill (Note 7).
- The recognition and recoverability of deferred tax assets (Note 19).
- The assessment of the capacity to exercise control over some consolidated companies and the timing thereof (Note 1).

Although these estimates were made based on the best information available at 31 December 2023 for the events being analysed, future events may make it necessary to revise these estimates (upwards or downwards) in coming years. Any such changes would be applied prospectively, recognising the effects of the change in estimate in the consolidated income statements for the years affected, as provided for in IAS 8.

The consolidated financial statements for 2023 were prepared in accordance with the going concern basis of accounting.

f) Consolidation standards-

Subsidiaries-

Subsidiaries, including structured entities, are those over which the Parent exercises control directly, or indirectly via subsidiaries. The Parent controls a subsidiary when, through its involvement, it is exposed or has the right to variable returns by means of the power exercised over it. The Parent has this power if it has substantive rights in force which enable it to direct the relevant activities. The Parent is exposed, or has the right, to variable returns for its involvement in the subsidiary when the returns it obtains through that involvement may change based on the subsidiary’s economic performance.

A structured entity is one that is designed so that voting and other similar rights are not essential when determining who controls the entity, e.g., in the event that possible voting rights refer exclusively to administrative activities and these are governed by contractual agreements.

Subsidiary revenues, expenses and cash flows are included in the consolidated financial statements as of the date of acquisition, which is the date on which the Group effectively obtains control over them. Subsidiaries are excluded from consolidation as of the date on which that control is lost.

The transactions and balances with Group companies and unrealised profits or losses have been eliminated in the consolidation process. However, unrealised losses were considered as a sign of impairment in respect of the value of the transferred assets.

The accounting policies of the subsidiaries were adapted to the Group's accounting policies for transactions and other events that are similar and occurred under similar circumstances.

The individual financial statements of the subsidiaries used in the consolidation process refer to the same reporting date and period as those of the Parent.

The individual financial statements of subsidiaries have been fully consolidated with those of the Parent.

Business combinations-

The Group applies the acquisition method in business combinations.

The acquisition date is the one on which the Group obtains control over the business acquired.

The consideration delivered for the business combination is determined on the acquisition date by the sum of the fair values of the assets delivered, the liabilities incurred or assumed, the equity instruments issued and any contingent consideration dependent on future events or on compliance with certain conditions in exchange for the control over the business acquired.

The consideration delivered excludes any payment that does not form part of the exchange for the business acquired. Costs relating to the acquisition are recognised as an expense when they are incurred.

On the acquisition date the Group recognises the assets acquired, the liabilities assumed (and any other non-controlling interest) at their fair value. The non-controlling interest in the business acquired is recognised at the amount corresponding to the percentage in the fair value of the net assets acquired. This criterion solely applies to non-controlling interests that grant present access to financial profits and the right to the proportional part of the acquired entity's net assets in the event of liquidation. Otherwise, non-controlling interests are recognised at fair value or at the value based on market conditions. The liabilities assumed include contingent liabilities insofar as they represent present obligations arising from past events whose fair value may be reliably measured. The Group also recognises indemnification assets allocated by the seller at the same time and following the same measurement criteria for the indemnification item of the acquired business, considering the risk of insolvency and any contractual restriction on the indemnified amount, as appropriate.

The application of this criterion excludes non-current assets or disposable groups of elements classified as held for sale, liabilities for long-term defined benefits, transactions with payments based on equity instruments, deferred tax assets and liabilities and intangible assets arising from the acquisition of previously granted rights.

The assets acquired and liabilities assumed are classified and designated for subsequent recognition on the basis of contractual agreements, financial conditions, accounting and operating policies and other conditions existing on the acquisition date, with the exception of leases in which the business acquired is the landlord and of insurance contracts.

Any excess existing between the consideration provided plus the value assigned to the non-controlling interests and the net amount of the assets acquired and the liabilities assumed is recorded as goodwill. In relation to any deficiency existing after assessing the amount of the consideration provided, the value assigned to the non-controlling interests and the identification and measurement of the net assets acquired are recognised as a separate item in the consolidated income statement.

Non-controlling interests-

Non-controlling interests in the subsidiaries acquired as of 1 January 2004 are recorded on the acquisition date by the percentage held in the fair value of the identifiable net assets. Non-controlling interests in the subsidiaries acquired before the transition date were recognised by the percentage in equity on the date of first-time consolidation.

Non-controlling interests are presented in consolidated net equity separately from the equity attributed to the Parent's shareholders. Non-controlling interests in consolidated profit or loss for the year and in consolidated total comprehensive income for the year are also presented for the year separately in the consolidated income statement and in the consolidated statement of comprehensive income, respectively.

The Group's interest and the non-controlling interests in the consolidated profit or loss for the year (and in consolidated comprehensive income for the year) and in changes in net equity of the subsidiaries, after considering adjustments and eliminations arising from consolidation, are determined from ownership interests at year-end, without considering the possible exercise or conversion of potential voting rights and after deducting the effect of dividends, resolved or otherwise, of preferred shares with cumulative rights classified in net equity accounts. However, the Group's interest and the non-controlling interests are determined considering the possible exercise of potential voting rights and other financial derivatives that essentially grant current access to the returns associated with ownership of the subsidiaries.

Any excess losses attributable to non-controlling interests generated prior to 1 January 2010, not attributable to these because they exceed the amount of the interest in the subsidiary's equity, are recorded as a decrease in net equity attributable to the Parent's shareholders, except in those cases in which the non-controlling interests have a binding obligation to assume all or part of the losses and have the ability to make the necessary additional investment. The profits obtained in subsequent years are assigned to the net equity attributable to the Parent's shareholders, until the amount of the losses absorbed in prior reporting periods that correspond to non-controlling interests has been recovered.

As of 1 January 2010, the profit or loss and each component of other comprehensive income are assigned to the net equity attributable to the Parent's shareholders and to non-controlling interests in proportion to their interest, even if this entails a deficit balance of non-controlling interests. The agreements executed between the Group and non-controlling interests are recognised as a separate transaction.

Associates-

Associates are those entities over which the Parent exercises significant influence, directly or indirectly via subsidiaries. Significant influence is the power to participate in an entity's financial and operating policy decisions, without the existence of control or joint control. In determining the existence of significant influence, potential voting rights are considered, whether exercisable or convertible on the closing date of each year, and likewise considering any potential voting rights held by the Group or another entity.

Investments in associates are recorded by the equity method from the date on which the significant influence is exercised to the date on which the Parent is unable to continue to justify its existence. Nevertheless, if on the acquisition date all or part of the investment complies with the conditions for classification as non-current assets or disposable groups of elements held for sale, it will be recorded at fair value less any costs to sell or of disposal by other means.

Investments in associates are initially recognised at their acquisition cost, additionally including any additional cost directly attributable to the acquisition and any contingent consideration classified as an asset or liability that depends on future events or on the fulfilment of certain conditions.

The excess between the investment cost and the percentage corresponding to the Group in the fair values of the identifiable net assets is recorded as goodwill, which is included in the investment's book value. Any deficiency, after measuring the amounts of the investment cost and identification and assessment of the associate's net assets, is recorded as revenue in determining the investor's interest in the associate's profit or loss for the year of its acquisition.

If the investment results in the loss of control of a subsidiary that does not constitute a business, the cost of the investment is the fair value, net of any eliminations from the results of the loss of control.

The accounting policies of associates were subject to timing and measurement unification in the same terms as those referenced for subsidiaries.

The Group's interest in the profits or losses of associates obtained as of the acquisition date is recorded as an increase or decrease in the value of the investments with a credit or debit to “Profit/(Loss) of companies accounted for using the equity method” of the consolidated income statement. Likewise, the Group's interest in profits or losses of associates obtained as of the acquisition date is recorded as an increase or decrease in the value of the investments in the associates, recognising the itemised consideration in other comprehensive income. Dividend distributions are recorded as decreases in the investment values. The Group's interest in profits or losses, including impairment losses recognised by the associates, will consider revenue or expenses deriving from the acquisition method.

The Group's interest in the profits or losses of the associates and in the changes in net equity is determined on the basis of its ownership interest at year-end, without considering the possible exercise or conversion of potential voting rights. However, the Group's interest is determined considering the possible exercise of potential voting rights and other financial derivatives which at present essentially grant access to the returns relating to associate ownership interest.

The Group's interest in the profits or losses of the associates is recorded after considering the effect of the dividends, resolved or otherwise, of preferred shares with cumulative rights classified in net equity accounts.

The losses in associates that correspond to the Group are limited to the net investment value, except in those cases in which the Group has assumed legal or implicit obligations, or has made payments on behalf of the associates. To recognise impairment losses in associates, the net investment is considered as the result of adding the book value resulting from the application of the equity method to the one that corresponds to any other item that essentially forms part of the investment in the associates. Any excess of losses on the investment in equity instruments is applied to the rest of the items in reverse order of priority on liquidation. The profits subsequently obtained by those associates in which recognition of losses is limited to the value of the investment are recorded to the extent that they exceed any losses not previously recognised. The Group applies financial instrument measurement criteria to the other items that form part of the net investment and to which the equity method is not applied, prior to recognising the aforementioned losses. In applying those criteria, the Group does not consider the recognition of losses deriving from the equity method in the book value of these items. As a result of this, the measurement criteria of those items at fair value and value impairment, where appropriate, change the recognition of the losses deriving from the equity method in prior periods and the year underway.

Profits and losses not realised in transactions performed between the Group and associates are only recognised to the extent that they correspond to unrelated investors' interests. The recognition of unrealised losses that constitute proof of impairment of the transferred asset are excluded from the application of this criterion. However, profits and losses deriving from transactions between the Group and associates of net assets that constitute a business will be recognised in their entirety.

Unrealised profits or losses of non-monetary contributions of assets to associates that do not constitute a Group business are recorded in accordance with the value of the transactions. In this regard, if the transferred assets remain in the associate and the transaction is commercial in nature, only the proportional part of the profits or losses that correspond to the rest of the investors is recognised. Otherwise, no profit or loss is recognised for the transaction. Deferred profit or loss is recognised against the value of the interest. Furthermore, unrealised losses are eliminated insofar as they do not constitute proof of impairment of the transferred asset. If in the non-monetary contribution and in addition to the interest, the Group receives monetary or non-monetary assets, the profit or loss of the transaction corresponding to the latter is recognised.

In non-monetary contributions of Group businesses to associates, profits and losses are recognised in their entirety.

The Group applies the criteria indicated in the financial instrument accounting policy, including any impairment adjustments to the other financial instruments to which the equity method is not applied, including those that form part of the net investment in the associate.

The recognition of losses from applying the equity method or impairment of the financial instruments that form part of the net investment in the associate are not considered in applying the measurement criteria indicated in the financial instrument policy.

Once the equity method is applied, the Group assesses whether objective evidence of net impairment exists in the associate.

Calculation of impairment is determined as a result of the comparison of the book value relating to the net investment in the associate with its recoverable value, with recoverable value deemed to be the greater of the value in use or fair value less costs to sell or of disposal by other means. In this connection, the value in use is calculated on the basis of the Group's interest in the present value of the estimated cash flows from ordinary activities and from any amounts that could result from the final sale of the associate.

The recoverable amount of the investment in an associate is measured with regard to each associate, unless it is not a cash generating unit (CGU).

The impairment loss is not assigned to goodwill or to other implicit assets in the investment in associates deriving from the application of the acquisition method. In subsequent years value reversals of investments are recognised against profit or loss, to the extent that an increase in recoverable value exists. Impairment loss is presented separately from the Group's interest in associate profit or loss.

Joint agreements-

Joint agreements are considered to be those in which a contractual agreement exists to share control over an economic activity, so that any decisions on relevant activities require the unanimous consent of the Group and the rest of the investors or operators. The assessment of the existence of joint control takes place by considering the subsidiaries' definition of control.

i) Joint operations

In joint operations, the Group recognises its assets in the consolidated financial statements, including its interest in jointly-controlled assets; its liabilities, including its interest in any liabilities incurred jointly with other operators; the revenue obtained from the sale of its part of the production deriving from the joint operation, its part of revenue obtained from the sale of the production deriving from the joint operation, its expenses, including the part of the joint expenses that corresponds to it.

The Group's acquisition of the initial and subsequent interest in a joint operation constituting a business is recognised by applying the criteria for business combinations as the percentage interest it holds in the individual assets and liabilities. Nevertheless, in the subsequent acquisition of additional interest in a joint operation, the prior interest in the individual assets and liabilities is not subject to revaluation, insofar as the Group maintains joint control.

In sale or contribution transactions by the Group to joint operations, only the profit or loss corresponding to the interest of the rest of the operators is recognised, unless the losses reveal a loss in value or impairment of the assets transferred, in which case they are recognised in their entirety.

In purchase transactions by the Group to joint operations, only the profit or loss is recognised when the assets acquired are sold to third parties, unless the losses reveal a loss in value or impairment of the assets acquired, in which case the Group recognises the proportional part of any losses that correspond to it in their entirety.

Transactions and balances in foreign currency-

i) Functional and presentation currency

The consolidated financial statements are presented in thousands of euros, which is the Parent's functional and presentation currency, rounded off to the nearest thousand.

ii) Transactions, balances and cash flows in foreign currency

Transactions in foreign currency are translated into the functional currency by applying the spot exchange rate between the functional currency and the foreign currency on the dates on which the transactions take place.

Monetary assets and liabilities in foreign currency are translated into euros by applying the existing rate at year-end, while non-monetary ones measured at historical cost are translated by applying the exchange rights applied on the date on which the transaction took place. For these purposes, supplier and customer advances are considered non-monetary items, whereby they are translated at the exchange rate on the date on which the payment or collection took place. The subsequent posting of the reception of inventories or revenue from sales, for the part of the advance, takes place at the original exchange rate and not the one on the transaction date. Finally, the translation into euros of non-monetary assets measured at fair value is performed by applying the exchange rate on the date of their quantification.

In the presentation of the consolidated cash flow statement, flows from foreign currency transactions are translated into euros by applying the exchange rates existing on the date on which they took place. The effect of exchange rate fluctuations on cash and cash equivalents in foreign currency are presented separately in the cash flow statement as “Effect of exchange rate differences on cash”.

The differences revealed in the settlement of transactions in foreign currency and in the translation into euros of monetary assets and liabilities in foreign currency are recognised in profit or loss. However, the exchange differences arising in monetary items that form part of the net business investment abroad are recorded as translation differences in other comprehensive income.

Exchange gains or losses relating to monetary financial assets or liabilities denominated in foreign currency are also recognised in profit or loss.

Monetary financial assets denominated in foreign currency classified at fair value with changes in other comprehensive income, are considered to be posted at amortised cost in the foreign currency and, therefore, the exchange differences associated with any changes in amortised cost are recognised in profit or loss and the rest of the change in fair value is recognised as set out in section i).

The Group presents the effect of the translation of deferred tax assets and liabilities denominated in foreign currency jointly with the deferred income tax in profit or loss).

Exchange gains or losses of non-monetary financial assets and liabilities and monetary financial assets and liabilities measured at fair value with changes in profit or loss, are recognised jointly with a change in the fair value in other comprehensive income or in profit or loss. The rest of the change in fair value is recognised as set out in section i). Nevertheless, the component of the change to the exchange rate of equity instruments denominated in foreign currency and measured at fair value with changes in other comprehensive income and classified as fair value hedges of that component, is recognised in other comprehensive income.

iii) Translation of foreign businesses

The Group availed itself of the exemption in IFRS 1, First-time Adoption of International Financial Reporting Standards, regarding cumulative translation differences, whereby the translation differences recognised in the consolidated financial statements generated prior to 1 January 2004 were included in reserves for cumulative gains. As of that date, the translation into euros of foreign businesses whose functional currency is not from a hyper-inflationary country was performed by the application of the following criteria:

- Assets and liabilities, including goodwill and adjustments to net assets deriving from business acquisition, including comparative balances, are translated at the closing rate on the date of each balance sheet;

- Revenue and expenses, including comparative balances, are translated at the exchange rates in force on the date of each transaction; and

- Exchange rate differences resulting from the application of the above criteria are recognised as translation differences in other comprehensive income;

This same criterion is applicable to the translation of financial statements of companies accounted for using the equity method, whose translation differences that correspond to the Group's interest are recognised in other comprehensive income.

In the presentation of the consolidated statement of cash flows, cash flows, including comparative balances, of foreign subsidiaries and joint businesses are translated into euros by applying exchange rates existing on the date on which they took place.

Translation differences recorded in other comprehensive income are recognised in profit or loss, as an adjustment to the profit or loss from the sale, following the criteria set out in the sections on subsidiaries and associates.

g) Changes in the scope of consolidation-

2023:

The changes to the Group's scope of consolidation in 2023 were as follows:

- The disposal in March 2023 of the ownership interests in the Russian companies Grupo Antolin Saint-Petersburg and Antolin Avtotechnika Nizhny Novgorod, Ltd., which were wholly owned by Antolin.

- The dissolution and liquidation of the subsidiary Chongqing Zhenneng Antolin Auto Parts, Co., Ltd. in January 2023 in which Antolin had a 50% stake and which was practically dormant.

- The disposal in November 2023 of the subsidiaries Antolin Austria Holding, GmbH, a company wholly owned by the Parent, and Antolin Ebergassing, GmbH, which in turn was wholly owned by Antolin Austria Holding, GmbH.

- Subsequent to the disposal in December 2023 of the subsidiary Slovakian Door Company, s.r.o., in which Antolin held a 50% stake through the investee International Door Company, B.V., and the acquisition of an additional 50% stake in the share capital of the Brazilian subsidiary Iramec Autopeças, Ltda. Antolin now holds all the share capital of this company.

- The incorporation of the Indian company Antolin Lighting India Pvt. Ltd. in May 2023, in which the Parent has a holding of 99.99%, of the Chinese company Shanghai Antolin Automotive Interiors Co., Ltd. in August 2023 (a subsidiary of Antolin China Investment Co., Ltd. in which it has an ownership interest of 100%), and of the Austrian company Antolin Connect, GmbH in November 2023, which is wholly owned by the Parent.

- The acquisition in May 2023 of 44% of the share capital of the Chinese company Shanghai Antolin-Naen Automotive Electronics Co., Ltd., for 616 thousand euros, whereby the Parent obtained control of 95% of the share capital of the aforementioned subsidiary (see Note 5).

- At 31 December 2022, Keyland Sistemas de Gestión, S.L. and Keyland México, S. de R.L. de C.V. were fully consolidated and at 31 December 2023 they were accounted for using the equity method because Antolin did not exercise effective control over them at that date.

The detail at 31 December 2022 of the assets and liabilities of the subsidiaries disposed of or dissolved in 2023 (which, in the case of Grupo Antolin Saint-Petersburg and Antolin Avtotechnika Nizhny Novgorod, Ltd., were presented under "Non-current assets classified as held for sale" and "Other liabilities associated with non-current assets classified as held for sale", respectively, in the accompanying consolidated statement of financial position of Antolin at that date) is as follows:

	Thousands of Euros					
	Chongqing Zhenneng Antolin Auto Parts, Co., Ltd.	Grupo Antolin-Saint Petersburg	Antolin Avtotechnika Nizhny Nóvgorod, Ltd.	Antolin Austria Holding, GmbH	Antolin Ebergassing, GmbH	Total
ASSETS-						
Non-current assets:						
Other intangible assets (Note 6)	-	395	2	-	-	397
Property, plant and equipment (Note 7)	-	1,854	283	-	-	2,137
Right-of-use assets	-	555	1,736	-	4,526	6,817
Deferred tax assets (Note 16)	-	-	770	-	-	770
Other non-current assets	-	-	-	18,178	5,247	23,425
Current assets:						
Inventories	-	1,739	245	-	5,934	7,918
Trade and other receivables	1	801	300	18	16,665	17,785
Prepayments and accrued revenue	-	6	13	-	-	19
Other current financial assets	-	-	-	-	31,726	31,726
Cash and cash equivalents	61	579	282	-	15	937
Total Assets	**62**	**5,929**	**3,631**	**18,196**	**64,113**	**91,931**
LIABILITIES-						
Non-current liabilities	-	(1,028)	(1,633)	-	(12,626)	(15,287)
Current liabilities:						
Current provisions	-	(296)	-	-	-	(296)
Bank loans	-	(594)	(586)	-	-	(1,180)
Trade and other payables	-	669	(110)	(8,197)	(33,772)	(41,410)
Other current payables	-	(72)	(143)	-	(5,400)	(5,615)
Total Liabilities	**-**	**(1,321)**	**(2,472)**	**(8,197)**	**(51,798)**	**(63,788)**
Net assets and liabilities	**62**	**4,608**	**1,159**	**9,999**	**12,315**	**28,143**

In addition, the detail of the revenues and expenses and the profit or loss attributable to the companies that were disposed of or dissolved in 2023, which were recognised based on their nature in the accompanying consolidated income statement for 2022 (except in the case of Grupo Antolin Saint-Petersburg and Antolin Avtotechnika Nizhny Novgorod, Ltd., the revenues and expenses of which were recognised under "Profit (Loss) for the year from discontinued operations, net of taxes" in the accompanying consolidated income statement for 2022 -see Note 25-), is as follows:

	Thousands of Euros					
	Chongqing Zhenneng Antolin Auto Parts Co., Ltd.	Grupo Antolin-Saint Petersburg	Antolin Avtotechnika Nizhny Nóvgorod, Ltd.	Antolin Austria Holding, GmbH	Antolin Ebergassing, GmbH	Total
Revenue	-	4,287	3,079	-	145,513	152,879
Procurements	-	(2,651)	(2,076)	-	(101,516)	(106,243)
Staff costs	-	(1,311)	(909)	-	(23,421)	(25,641)
Depreciation and amortisation charge	-	(1,569)	(640)	-	(4,469)	(6,678)
Other operating income and expenses (a)	(18)	(12,605)	(1,425)	(9)	(21,180)	(35,219)
Operating loss	**(18)**	**(13,849)**	**(1,971)**	**(9)**	**(5,073)**	**(20,902)**
Financial profit (loss)	**-**	**1,169**	**306**	**(104)**	**115**	**1,486**
Gains or losses on disposals of non-current assets (a)	-	(5,911)	(6,012)	-	(6,493)	(18,416)
Profit (Loss) before tax	**(18)**	**(18,591)**	**(7,677)**	**(113)**	**(11,451)**	**(37,832)**
Corporate income tax	(10)	-	283	-	80	363
Profit (Loss) for the year	**(28)**	**(18,591)**	**(7,394)**	**(113)**	**(11,371)**	**(37,469)**
Profit (Loss) attributable to non-controlling interests	**(14)**	**-**	**-**	**-**	**-**	**-**
Profit (Loss) attributable to the Parent in the year	**(14)**	**(18,591)**	**(7,394)**	**(113)**	**(11,371)**	**(37,469)**

(a) The amounts recognised under "Other operating revenue", "Other operating expenses" and "Impairment and gains or losses on disposals of non-current assets" in the consolidated income statement for 2022 of the subsidiaries Grupo Antolin-Saint Petersburg and Antolin Avtotechnika Nizhny Nóvgorod, Ltd. which include the amount that Antolin decided to recognise at the end of June 2022 with a charge to "Gains or losses on the loss of control of consolidated equity interests" of the accompanying condensed consolidated income statement for the six-month period ended 30 June 2022 in view of the circumstances and uncertainties that existed at that date relating to the realisation of the assets of Antolin in Russia and the settlement of its liabilities which amounted to 16,092 thousand euros.

Revenues and expenses and the profit or loss obtained relating to the companies disposed of and dissolved in the period from the beginning of 2023 and the date of disposal or dissolution thereof, were scantly material, as were net changes in the assets and liabilities of those companies over the same period, with the exception of Antolin Ebergassing, GmbH, the revenue and accumulated loss before taxes of which at the date of disposal amounted to 132,637 and 3,937 thousand euros, respectively.

As a result of the disposal in 2023 of Grupo Antolin-Saint Petersburg, Antolin Avtotechnika Nizhny Nóvgorod, Ltd., Slovakian Door Company, s.r.o., Antolin Austria Holding, GmbH and Antolin Ebergassing, GmbH, together with the dissolution and liquidation of Chongqing Zhenneng Antolin Auto Parts, Co., Ltd., Antolin incurred a net loss of 5,065 thousand euros, which is recognised under "Gains or losses on the loss of control of consolidated equity interests" of the accompanying consolidated income statement for 2023.

Also, the effect of the addition of companies in the Group's scope of consolidation in 2023 on the consolidated financial statements of the Group taken as a whole was scantly material.

2022:

The changes to the Group's scope of consolidation in 2022 were as follows:

- In March 2022, Antolin sold all of its 61% holding in the Chinese joint ventures Chongqing Antolin Tuopu Overhead System Co., Ltd., Hangzhou Antolin Tuopu Overhead System Co., Ltd. and Harbin Antolin Tuopu Overhead System Co., Ltd., to their current shareholder, Tuopu Overhead System Co., Ltd.

- In March 2022 Antolin sold 100% of its ownership interest in the US subsidiary Antolin Spartanburg Assembly, Inc. to the Motus Integrated Technologies Group.

- In the second half of 2022 Antolin incorporated the Indian company Grupo Antolin Design and Business Services Private Limited, whose main object is to provide engineering and CAD services, as well as the North American companies Antolin Nashville, LLC and Antolin Insurance Company, LLC, in which the Group has a 100% interest in its share capital.

- In July 2022 the Group acquired an additional 51% stake in the share capital of Wuhan Antolin Auto Parts, Co. Ltd, in which it had previously held 49%, for a price of practically zero. As a result of this transaction, the Group now has a 100% shareholding in said company and exercises control over it. Accordingly, this company, over which the Group exercised significant influence, has changed from an associate to a subsidiary and, in consequence, is now "fully consolidated".

- The dissolution and liquidation of the subsidiary Gestión Industrial de Sonora, S.A. de C.V., which was inactive.

Also in 2022 the Group acquired the shareholding held by non-controlling interests in the subsidiary Wuhan Antolin Automotive Interiors Co., Ltd., over which the Group exercised control, for an amount of 1,379 thousand euros. As a result of this transaction, the Group's holding in this company increased from 51% to 100%. This transaction has not resulted in any changes to the scope of consolidation.

The income and expenses and gains and losses derived from the companies disposed of during the period between the start of 2022 and the date on which these companies were disposed of or dissolved were of scant significance, and the net changes in their assets and liabilities over the same period were also immaterial.

As a result of the sale of these companies, as well as the dissolution and liquidation of Gestión Industrial de Sonora, S.A. de C.V., the Group incurred a net loss of 324 thousand euros, which is recognised under "Gains or losses on the loss of control of consolidated equity interests" in the accompanying consolidated income statement for 2022.

The effect of the additions of companies to the scope of consolidation in 2022 on the Group's consolidated financial statements has not been significant.

(3) ACCOUNTING PRINCIPLES, POLICIES AND MEASUREMENT CRITERIA

In preparing the consolidated financial statements for 2023 the following accounting principles and policies and measurement criteria were applied:

a) Goodwill-

"Goodwill" is only recorded when it has been acquired for a consideration and represents, therefore, advance payments made by the acquiring entity for the future economic benefits deriving from the assets of the acquired entity that are not individually and separately identifiable and recognisable.

Impairment losses-

In accordance with IFRS 3, goodwill is not amortised but is reviewed for impairment (i.e., a reduction in the recoverable amount of the "Goodwill" to below its book value) at the end of each reporting period and if there is any impairment, the goodwill is written down with a charge to "Net impairment losses on non-current assets" in the consolidated income statement. Impairment losses relating to "Goodwill" cannot subsequently be reversed.

The recoverable value of goodwill and of other intangible and tangible assets is measured as the higher of fair value less costs to sell and value in use, understood to be the present value of expected future cash flows from the investment. The Group's Directors apply the following methodology to test goodwill, other intangible assets and property, plant and equipment for impairment (see Notes 7 and 8):

- The recoverable amounts are calculated for each cash generating unit (CGU). The goodwill acquired in a business combination is assigned to each one of the cash generating units or groups of cash generating units that are expected to benefit from the combination synergies. Each unit or group of units to which goodwill is assigned represents the lowest level in the entity at which goodwill is controlled for internal management purposes (see Note 7). For the purpose of intangible and tangible fixed assets, cash generating units are associated with the projects.

- The Group's Directors regularly prepare a business plan for each cash generating unit, broken down by market and activity, covering a period of at least five years. An annual budget is also prepared each year for the following financial year. The main components of said plan and budget are:

    - Results forecasts.

    - Investment and working capital forecasts.

- Other variables influencing the calculation of recoverable value are:

    - The discount rate to be applied, i.e., the weighted average cost of capital. The main factors affecting this are the cost of the liabilities and specific risks related to the assets.

    - The growth rate applied to cash flows to extrapolate them beyond the period covered by budgets and forecasts, up to five financial years.

Forecasts are prepared on the basis of past experience and the best available estimates in line with externally obtained information.

The business plans thus prepared are reviewed and approved by the Parent's Board of Directors.

If an impairment loss must be recognised for a cash generating unit to which all or part of the goodwill has been assigned, first the book value of the goodwill corresponding to the cash generating unit will be reduced. If the impairment loss exceeds the amount of goodwill, the rest of assets allocated to the CGU are then written down, in proportion to their book values, up to the limit of the higher of the following: fair value less cost to sell, value in use and zero.

At 2023 and 2022 year-end no goodwill impairment was recorded.

“Goodwill” recognised in the accompanying consolidated statement of financial position at 31 December 2023 corresponds basically to the consolidated subsidiaries and plants acquired in 2015 from the international Magna Automotive group and other companies forming part of the “Lighting” business acquired from the “CML Innovative Technologies” group in 2012, and other non-material goodwill recognised (see Note 7).

b) *Other intangible assets-*

Intangible assets are stated initially at acquisition or production cost and subsequently at cost less any accumulated amortisation and impairment losses.

Development expenditure -

The costs incurred in each development project are capitalised when the following conditions are met:

- The development cost of the asset can be assessed reliably.
- The costs are specifically itemised for each project and correspond to an identifiable asset.
- The Group can prove that the project is technically viable.
- The project is likely to generate profits in the future.

Development expenditure incurred using the Group's own resources are recorded (by type) in the consolidated income statement, while development expenditure for projects which meet the above conditions are debited against "Development expenditure" in the consolidated statement of financial position and credited to "Own work capitalised" in the consolidated income statement.

Capitalised development expenditure are in practically all cases amortised on a straight-line basis over the estimated useful lives of the projects as from the date the related projects are completed.

Development expenditure relate mainly to the costs incurred in this connection by the consolidated subsidiary Grupo Antolin-Ingeniería, S.A.U. and the Group's other research and development centres. Research expenses are taken directly to income in the financial year in which they are incurred.

Software and other intangible assets-

Other intangible assets with a finite useful life are amortised accordingly, using criteria similar to those used to depreciate property, plant and equipment. Specifically, "Computer software" is written off over a period of 5 years as from when it starts to be used.

When accounting for the business combination involving the companies and plants acquired in 2015 from the international Magna Automotive group, "Customer relations" in the automobile industry was identified as an intangible asset, on the basis that one of the Group's aims in carrying out said operation was to develop new services and products in this sector. This intangible asset has been measured at its fair value. The remaining useful life of this intangible asset was estimated between 2 and 7 years, over which period it will be amortised.

The annual amortisation charge for intangible assets with finite useful lives is charged to "Depreciation and amortisation charge" in the consolidated income statement.

Impairment losses-

The consolidated companies recognise any impairment loss in the book value of the assets associated with the CGUs with a charge to "Net impairment losses on non-current assets" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets associated with the CGUs and, where applicable, the recovery of impairment losses recorded in prior years, are similar to those applied for property, plant and equipment for own use.

c) Property, plant and equipment-

Property, plant and equipment include the assets that the Group has for its current or future use in producing or supplying goods and services or for administrative purposes and which are expected to be used for more than one financial year. Property, plant and equipment are stated in the consolidated statement of financial position at their acquisition or production cost, adjusted or revalued, whenever applicable, in accordance with applicable legal provisions, or at their "fair value" as determined by independent experts on the date of transition to IFRS-EU (1 January 2006) or the date of the business combination, the amount of which is recorded as an attributed cost, less accumulated depreciation and any impairment losses.

The cost of extensions, modernisations or improvements that increase the productivity, capacity or efficiency or prolong the useful life of an asset are capitalised as an increase in the cost of said asset.

Borrowing costs directly attributable to building or developing property, plant and equipment that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are ready to become operational. In cases where financing has been received specifically for building said assets, the amount of the interest and other finance costs capitalised reflects the actual costs incurred during the period, less income earned from temporarily reinvesting the financing that has not yet been invested in the qualifying assets. Where the financing received is of a general nature, the amount of interest capitalised is calculated using a rate based on the weighted average of the interest costs applicable to the average unrepaid financing in the year excluding financing for specific purposes. However, the capitalisation of interest is suspended during the periods in which the construction work is at a standstill, provided that such periods are not particularly long. In 2023 and 2022, the Group had not capitalised any finance costs as an increase in the book value of “Property, plant and equipment”.

Upkeep and maintenance expenses for property, plant and equipment for own use are expensed in the year they are incurred.

The Group transfers PP&E under construction to PP&E used in operations when the assets in question become operational, from which time depreciation is charged.

Property, plant and equipment used in operations are depreciated on a straight-line basis, based on the acquisition or production cost of the assets or their restated value, less their residual value. The land on which buildings and other constructions are located is deemed to have an indefinite lifespan and is therefore not subject to depreciation. Annual depreciation charges on property, plant and equipment are charged to “Depreciation and amortisation charges” in the consolidated income statement over the average estimated useful life of the assets, as indicated below:

Type of Asset	Years of Estimated Useful Life
Buildings and other structures	20-50
Plant and machinery-	
Machinery	5-12.5
Plant	6-25
Other plant, tools and furniture-	
Tools, dies and moulds	2-6
Office furniture and equipment	5-10
Other property, plant and equipment-	
Vehicles	5-10
Information technology equipment	4-5

Reviews are made at regular intervals of the estimated useful life of property, plant and equipment for own use in order to identify any significant changes therein. If any such changes are identified, the relevant adjustment is made to the depreciation charged to the consolidated income statements in future years based on the new useful lives.

At the end of each reporting period, the consolidated companies test for any internal or external signs that the recoverable amount of their property, plant and equipment associated with the cash generating units is less than the book value. If so, the book value is reduced to the recoverable value and the future charges for depreciation are adjusted in proportion to their adjusted book value and their new remaining useful life if it was also necessary to re-estimate this. Any such reduction in the book value of property, plant and equipment for own use associated with the cash generating units is charged to “Net impairment losses on non-current assets” in the consolidated income statement.

Similarly, whenever there are signs that the value of an impaired tangible asset has recovered, the consolidated companies reverse the impairment loss recognised in prior years, with a credit to "Net impairment losses on non-current assets" in the consolidated income statement, and adjust future depreciation charges accordingly. The increased book value may not exceed the book value that would have been determined had no impairment loss previously been recognised for the asset.

d) Investment property-

Investment property comprises land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices.

The same methods of valuation, depreciation, and for estimating their respective useful lives and recording any impairment losses are used as for property, plant and equipment for own use.

e) Accounting for leasing operations-

As lessor-

Whenever the Group acts as lessor, the cost of acquiring the assets leased is stated in "Investment property" or "Property, plant and equipment". Depreciation is charged on these assets in accordance with the policies adopted for similar PP&E items for own use, and the revenues from the lease contracts are released to the consolidated income statement on a straight-line basis.

As lessee-

In agreements that contain one or more lease and non-lease components, the Group assigns the consideration to each lease component in accordance with the separate sale price of the lease component and the individual aggregate price of the various lease components.

Payments made by the Group that do not entail the transfer of goods or services to it by the lessor do not constitute a separate lease component, and instead form part of the total lease consideration.

At the start of the lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset comprises the amount of the lease liability, any lease payment made on or prior to the starting date, less any incentives received, any direct start-up costs incurred and an estimate of the decommissioning or restoration costs to be incurred, as indicated in the provision accounting policy.

The Group measures the lease liability as the present value of outstanding lease payments on the starting date. The Group discounts lease payments at the appropriate incremental interest rate, unless the lessor's implicit interest rate can be reliably determined.

Outstanding lease payments are composed of fixed payments, less any incentive receivable, variable payments dependent on an index or rate, initially measured using the index or rate applicable on the inception date, amounts expected to be paid under residual value guarantees, the price for the purchase option whose exercise is reasonably expected and the payments of compensation for lease cancellation, provided that the term of the lease reflects the exercise of the cancellation option.

The Group measures right-of-use assets at cost, less any depreciation and accumulated impairment losses, adjusted by any re-calculation of the lease liability.

If the agreement transfers ownership of the asset to the Group at the end of the lease or the right-of-use asset includes the purchase option price, the depreciation method indicated in the property, plant and equipment section from the inception date of the lease to the end of the useful life of the asset is applied. Otherwise, the Group depreciates the right-of-use asset from the starting date to the earlier date between the useful life of the right or the end of the lease term.

The Group applies non-current asset impairment loss criteria to the right-of-use asset, in accordance with the contents of Notes 3-a, 3-b and 3-c.

The Group measures lease liability by increasing it by the accrued financial expense, decreasing it by payments made and re-calculating the book value for lease modifications or to reflect updates of in-substance fixed payments.

The Group records variable payments not included in the initial measurement of profit or loss for the period in which the events that trigger its payment take place.

The Group records liability re-calculations as an adjustment to the right-of-use asset until this is reduced to zero and subsequently in profit or loss.

The Group reassesses the lease liability by discounting lease payments at an updated rate, if a change in the term of the lease or a change in the expectations of exercising the purchase option for the underlying asset take place.

The Group reassesses the lease liability if a change takes place in the amounts expected to be paid under residual value guarantees or in the index or rate used to determine the payments, including a change to reflect changes in market rents once a revision takes place.

The Group recognises a lease modification as a separate lease if this increases the scope of the lease by adding one or more usage rights and the amount of the consideration for the lease increases by an amount consistent with the individual price for the increase in scope, and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the modification does not result in a separate lease on the modification date, the Group assigns the consideration to the modified lease as indicated above, re-determines the lease term and reassesses the value of the liability less the revised payments at the revised interest rate. The Group decreases the book value of the right-of-use asset to reflect the partial or total conclusion of the lease, in those modifications that decrease the scope of the lease and records it in profit or loss. For all other modifications the Group adjusts the book value of the right-of-use asset.

i) Short-term leases and leases where the asset is of low value-

The Group applies the exemptions for recognising short-term leases (those leases with terms of 12 months or less from the inception date and that do not include a purchase option) and leases in which the underlying asset is of low value. The lease payments deriving from these contracts are expensed on a straight-line basis over the lease term under "Other operating expenses" in the consolidated income statement.

ii) Establishing the lease terms of contracts with options to extend-

The Group establishes the lease term as the irrevocable period of a lease plus: (i) any periods covered by an option to extend the lease, if the Group is reasonably certain that it will exercise this option; and (ii) any periods covered by an option to terminate the lease, if the Group is reasonably certain that it will not exercise this option.

When evaluating if it is reasonably likely the option to extend a lease will be exercised or the option to terminate a lease will not be exercised, the Group takes into account any relevant events and circumstances prompting the Group to exercise the option to extend the lease or not exercise the option to terminate the lease.

After the inception date, the Group will re-evaluate the lease term whenever there is a significant event or change in the circumstances under the Group's control which affects whether or not there is reasonable certainty the options will or will not be exercised.

f) Non-current assets held for sale-

Assets which are highly likely to be sold, in their present condition, within one year from the end of the reporting period are recorded under this heading in the consolidated financial statements. The book value of these assets is, therefore, expected to be recovered via their selling price rather than from their ongoing use. Assets classified as "Non-current assets held for sale" are stated at the lower of their book value when they are classified as such and their fair value net of their estimated cost to sell. Amortisable intangible assets and depreciable PP&E are not amortised or depreciated while classified as held for sale.

In 2023 and 2022 the Group held land in Tangiers (Morocco) acquired in 2014, which is classified under "Non-current assets held for sale". Based on assessments made by an independent expert and offers recently received, the fair value of this building is at least equal to its book value. It is expected to be sold over the next twelve months.

Also, at 2022 year-end, the assets of the Russian subsidiaries were classified under "Non-current assets classified as held for sale" in the accompanying consolidated statement of financial position. The aforementioned subsidiaries make up the "Russia" geographical segment, which at that date was in the process of being sold and was ultimately sold in March 2023. The liabilities of these subsidiaries were also recognised in the accompanying consolidated statement of financial position at 31 December 2022 under "Liabilities associated with non-current assets classified as held for sale" (see Notes 3-q, 6 and 25).

g) Inventories-

The Group values its inventories as follows:

- <u>Raw materials and other supplies, packaging and containers, replacement parts, sundry materials, add-on parts and stocks for resale</u> are valued at the lower of cost, applying the weighted average price method, and net realisable value.

- <u>Finished goods, semi-finished goods and work-in-process</u> are stated at the lower of real average production cost (raw and other materials used, labour and direct and indirect manufacturing expenses) or net realisable value.

- <u>Tools for new projects</u>, which are developed and manufactured by the Group to be sold later on to its customers, are stated at the lower of either the costs incurred to manufacture them, as and when they are incurred, or their estimated realisable value.

Net realisable value corresponds to the estimated selling price less the estimated costs of completing the products and the costs to be incurred in marketing, selling and distribution.

Obsolete, defective or slow-moving inventories have been reduced to their realisable value. The Group recognises the appropriate valuation adjustments as an expense in the consolidated income statement for the year when the net realisable value of the inventory is lower than its acquisition or production cost.

h) *Financial instruments-*

Recognition and classification of financial instruments-

Financial instruments are classified at initial recognition as financial assets, financial liabilities or equity instruments, in accordance with the underlying economic value of the agreement and with the definitions of financial asset, financial liability or equity instrument provided in IAS 32 "Financial instruments: Presentation".

Financial instruments are recognised when the Group becomes a party bound to a contract or legal transaction in accordance with its provisions.

For valuation purposes, the Group classifies financial instruments in categories of financial assets and liabilities at fair value with changes in profit or loss, separating those initially designated from those held for trading or obligatorily measured at fair value with changes in profit or loss, financial assets and liabilities measured at amortised cost and financial assets measured at fair value with changes in other comprehensive income, separating equity instruments designated as such from the rest of the financial assets. The Group classifies financial assets, other than those designated at fair value with changes in profit or loss and equity instruments designated at fair value with changes in other comprehensive income, in accordance with the business model and the characteristics of contractual cash flows. The Group classifies financial liabilities as measured at amortised cost, except those designated at fair value with changes in profit or loss and those held for trading.

The Group classifies a financial asset or liability as held for trading if:

- It is acquired or incurred mainly to sell or repurchase it in the immediate future;
- During initial recognition it is part of an identified portfolio of financial instruments that are jointly managed and for which there is evidence of a recent pattern of short-term profit-taking;
- It is a derivative, except a derivative designated as a hedging instrument and complies with conditions for effectiveness, and a derivative that is a financial guarantee contract; or
- It is an obligation to deliver financial assets borrowed but not yet owned.

The Group classifies a financial asset at amortised cost, if it is maintained within the scope of a business model whose objective is to hold financial assets for contractual cash flows and the contractual conditions of the financial asset generate, on specified dates, cash flows that are solely payments of principal and interest on the amount of outstanding principle.

The Group classifies a financial asset at fair value with changes in other comprehensive income if it is maintained within the scope of a business model whose objective is attained by obtaining contractual cash flows and selling financial assets and the contractual conditions of the financial asset generate, on specified dates, cash flows that are solely payments of principal and interest.

The business model is determined by core Group personnel and at a level that reflects the way in which groups of financial assets are jointly managed to attain a specific business objective. The Group's business model represents the way in which it manages its financial assets to generate cash flows.

Financial assets set in a business model whose objective is to hold assets to collect contractual cash flows are managed to generate cash flows as contract collections throughout the instrument's life. The Group manages the assets held in the portfolio to collect the specific contractual cash flows. To determine whether the cash flows are obtained through the collection of contractual cash flows from the financial assets, the Group considers the frequency, value and sale calendar in prior years, the reasons for those sales and expectations with regard to future sales activity. Nevertheless, the sales themselves do not determine the business model and, therefore, may not be considered on their own. Instead, it is the information on past sales and future sale expectations that provides indicative data on the means of attaining the Group's stated purpose with respect to the management of financial assets and, more specifically, the way in which cash flows are obtained. The Group considers the information on past sales within the context of the reasons for these sales and of the conditions that existed at that time in comparison with current ones. For these purposes, the Group considers that trade and other receivables that will be transferred to third parties and do not involve derecognition are maintained in this business model.

While the purpose of the Group's business model is to hold financial assets for contractual cash flows, the Group does not hold all instruments to maturity. Thus, the Group's business model is to hold financial assets to receive contractual cash flows even if sales of those assets have taken place or are expected to take place in the future. The Group understands that it complies with this requirement, provided that the sales are due to an increase in the credit risk of the financial assets. In all other cases, at the individual and aggregate level, sales must be of minor significance, whether they are frequent or infrequent, even if they may be significant.

Financial assets set in a business model whose objective is to hold assets to collect contractual cash flows and sell them, are managed to generate cash flows as contract collections and to sell them according to the Group's varying needs. In this type of business model and in order to comply with this objective, the Group's core management personnel have decided that the attainment of contractual cash flows and the sale of financial assets are essential. To achieve this objective, the Group obtains contractual cash flows and sells financial assets. Compared to the previous business model, in this business model the Group regularly makes asset sales more frequently and of greater value.

The contractual cash flows that are payments of principal and interest only are consistent with a basic loan agreement. In a basic loan agreement, the most significant elements of interest are generally the consideration for the time value of money and the credit risk. Nevertheless, in an agreement of this type, the interest also includes the consideration for other risks, such as the risk of liquidity and costs, like the administrative costs of a basic loan associated with holding the financial asset for a given period. Furthermore, the interest may include a profit mark-up that may be consistent with a basic loan agreement.

The Group designates a financial asset initially at fair value with changes in profit or loss) if, by doing so, it eliminates or significantly decreases any inconsistency in the measurement or recognition of its profit or loss that would otherwise arise if the measurement of the assets or liabilities or recognition of the profit or loss is made on different bases.

All other financial assets are classified at fair value with changes in profit or loss.

Financial assets and liabilities arising from contingent consideration in a business combination are classified as financial assets and liabilities measured at fair value with changes in profit or loss.

The Group initially designates a financial liability at fair value with changes in profit or loss if, by doing so, it eliminates or significantly decreases any inconsistency in the measurement or recognition of its profit or loss that would otherwise arise if the measurement of the assets or liability or the recognition of the profit or loss is made on different bases or a group of financial liabilities or financial assets and liabilities is managed, and its return is evaluated, based on fair value, in accordance with an investment or documented risk management strategy, and information is furnished internally to the Group's core management personnel about that group on that same basis.

The Group classifies all other financial liabilities, except financial guarantee contracts, loan commitments below market interest rate and financial liabilities resulting from a transfer of financial assets that do not qualify for derecognition or are recorded using the continuing involvement approach, as financial liabilities at amortised cost.

Offset principles-

Financial assets and financial liabilities may only be offset when the Group currently has the legal right to offset recognised amounts and intends to either settle by offset or to realise the assets and settle the liabilities simultaneously. For the Group to have the currently legal right, it may not be contingent on a future event and should be legally required in the ordinary course of operations, in the event of insolvency or legally declared liquidation and in the event of non-payment.

Financial assets measured at cost-

Investments in equity instruments for which there is insufficient information for measurement or in which a broad range of measurements exist and the related derivatives have to be settled by the delivery of those investments, are measured at cost. However, if the Group may at any time have a reliable measurement of the asset or the contract, these will be recognised at fair value at that time, recording the profits or losses in profit or loss or other comprehensive income, if the instrument is designated at fair value with changes in other comprehensive income.

Financial assets and liabilities at amortised cost-

Financial assets and liabilities at amortised cost are initially recognised at their fair value, plus or minus any transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities at fair value with changes in profit or loss-

Financial assets and liabilities at fair value with changes in profit or loss are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense when they are incurred.

Initially, the fair value of a financial instrument is normally the transaction price, unless that price contains several instrument elements, in which case the Group determines its fair value. If the Group determines that an instrument's fair value differs from the transaction price, it records the difference in profit or loss, to the extent that the value is obtained by reference to a price of an identical asset or liability quoted on an active market, or was obtained by a valuation technique that only uses observable data. In all other cases, the Group recognises the difference in profit or loss, to the extent that it derives from a change in a factor that market participants would consider when determining the price of the asset or liability.

Subsequent to its initial recognition, it is recognised at fair value with changes in profit or loss. Changes in fair value include the interest component and dividends. Fair value does not decrease due to the transaction costs that may be incurred through its eventual sale or disposal by any other means.

Notwithstanding the above, for financial liabilities designated at fair value with changes in profit or loss, the Group recognises changes in fair value attributable to its own credit risk in other comprehensive income. Deferred amounts in other comprehensive income are not subsequently re-classified to the income statement.

The Group determines the change in fair value attributable to the credit risk by initially calculating the internal rate of return at the start of the period using the fair value and contractual cash flows and deducting the reference interest rate from that rate to determine the specific rate of the credit risk component, provided that the change in reference interest rate is not significant and that there are no other factors that could entail significant changes to fair value. At the closing date, the Group discounts contractual cash flows at the rate determined as the sum of the reference rate on that date, plus the specific rate of the credit risk component. The difference between the fair value at year-end and the previous amount represents the change linked to the credit risk.

Notwithstanding the above, for financial liabilities designated at fair value with changes in profit or loss, the Group recognises changes in fair value attributable to its own credit risk in other comprehensive income. Deferred amounts in other comprehensive income are not subsequently re-classified to the income statement.

The Group determines the change in fair value attributable to the credit risk by initially calculating the internal rate of return at the start of the period using fair value and contractual cash flows, and deducts the reference interest rate from that rate to determine the specific rate of the credit risk component, provided that the change in the reference interest rate is not significant and that there are no other factors that could entail significant changes in the fair value. At the closing date, the Group discounts contractual cash flows at the rate determined as the sum of the reference rate on that date, plus the specific rate of the credit risk component. The difference between the fair value at year-end and the previous amount represents the change linked to the credit risk.

Financial assets at fair value with changes in other comprehensive income-

Financial assets at fair value with changes in other comprehensive income are initially recognised at fair value plus any transaction costs directly attributable to the purchase.

Following initial recognition, the financial assets classified in this category are measured at fair value, recognising profit or loss in other comprehensive income, with the exception of profit and loss by exchange rate, as set out in the section on foreign currency transactions, and expected credit losses. The amounts recognised in other comprehensive income are recognised in profit or loss as soon as financial asset derecognition takes place. However, the interest calculated using the effective interest method is recognised in profit or loss.

As indicated above, the Group has designated certain equity instruments as measured at fair value with changes in other comprehensive income. Following initial recognition, the equity instruments are measured at fair value, recognising the profit or loss in other comprehensive income. The amounts recognised in other comprehensive income are not re-classified to profit or loss, without prejudice to their re-classification to reserves at the moment of instrument derecognition.

Fair value of financial instruments-

The *"fair value"* of a financial instrument on a particular date is defined as the amount at which it could be bought or sold on that date between knowledgeable parties in an arm's length transaction. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it on an organised, transparent and deep market ("quoted price" or "market price").

When there is no market price for a specific financial instrument, its fair value is estimated on the basis of recent transactions involving similar instruments and, if there are none, using measurement models that have been sufficiently verified by the international financial community, bearing in mind the specific nature of the instrument to be valued and, in particular, the different types of risk associated with it.

For financial reporting purposes, measurements of fair value are classified under three levels according to the extent to which the inputs applied are observable and according to how significant said inputs are for the entire measurement, as described below:

- Level 1: inputs are based on quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: inputs are based on quoted prices in active markets for similar assets or liabilities (not included in Level 1), quoted prices for identical or similar assets or liabilities in markets that are not active, and techniques based on measurement models for which all the significant inputs are derived from or may be corroborated by observable market data.

- Level 3: inputs are generally unobservable and, in general, reflect estimates based on market assumptions to determine the price of the asset or liability. Unobservable data used in measurement models are a significant part of the fair value of the assets and liabilities.

Impairment losses-

Since 1 January 2018, financial assets valued at amortised cost, trade receivables and other loans, in addition to financial guarantee contracts, have been subject to the recording of an impairment loss based on the expected loss of credit, either at 12 months (assets classified as investments available for sale) or over the whole lifetime (trade debtor accounts). In order to calculate the impairment loss based on the expected loss, the Group has established a model which requires estimates of future credit losses using a simplified approach. Given the nature, conditions and high credit quality of its accounts receivable and loans, the amount of impairment losses required as a result of the application of the new model to the financial asset balances is usually of little significance.

Financial instrument derecognition, modifications or cancellations-

The Group applies financial asset derecognition criteria to part of a financial asset or a group of similar financial assets, or all of a financial asset or a group of similar financial assets.

Financial assets are derecognised when the rights to receive cash flows from them are terminated or transferred, and the Group substantially transfers the risks and benefits deriving from their ownership. Furthermore, the derecognition of financial assets in those circumstances in which the Group retains the contractual rights to receive cash flows only occurs when contractual obligations that determine the payment of those flows to one or more recipients have been assumed, and the following requirements are fulfilled:

- Payment of cash flows is conditioned on its prior collection;
- The Group may not proceed to sell or pledge the financial asset; and
- Cash flows collected on behalf of the eventual recipients are sent with significant delay, and the Group is not entitled to reinvest the cash flows. The application of this criterion does not include investments in cash or cash equivalents made by the Group during the settlement period between the collection date and delivery date stipulated with the eventual recipients, provided that any interest accrued is attributed to the eventual recipients.

In those cases in which the Group transfers a financial asset in its entirety but retains the administration rights to them in exchange for a fee, an asset or liability is recognised in accordance with the rendering of that service. If the consideration received is less than the expenses to be incurred as a result of rendering the service, a liability is recognised for an amount equivalent to the obligations assumed measured at fair value. If the consideration for the service is greater than what would result from applying adequate remuneration, an asset is recognised for the administration rights.

In transactions in which the total derecognition of a financial asset is recorded, the financial assets obtained or the financial liabilities, including the liabilities corresponding to administration services incurred, are recorded at fair value.

In transactions in which the partial derecognition of a financial asset is recorded, the book value of the complete financial asset is assigned to the part sold and to the part retained, including any assets corresponding to administration services, in proportion to the relative fair value of each of them.

The total derecognition of a financial asset entails the recognition of profit or loss for the difference between its book value and the sum of the consideration received, net of transaction expenses, including any assets obtained or liabilities assumed and any deferred profit or loss in other comprehensive income, with the exception of equity instruments designated at fair value with changes in other comprehensive income.

The criteria for the derecognition of financial assets in transactions in which the Group neither transfers nor substantially maintains the risks and benefits inherent to ownership are based on the analysis of the degree of control maintained. In this way:

- If the Group has not retained control, the financial asset is derecognised and any rights or obligations created or retained as a result of the transfer are recognised separately as assets or liabilities.

- If control has been retained, the financial asset will continue to be recognised due to the Group's continued commitment in it and an associated liability is recorded. The continued commitment in the financial asset is determined by the amount of its exposure to changes in value of that asset. The asset and associated liability are measured on the basis of the rights and obligations recognised by the Group. The associated liability is recognised so that the book value of the asset and the associated liability is equal to the amortised cost of the rights and obligations retained by the Group, when the asset is measured at amortised cost, or at the fair value of the rights and obligations maintained by the Group if the asset is measured at fair value. The Group continues to recognise revenue deriving from the asset to the extent of its continued commitment and expenses deriving from the associated liability. Changes in the fair value of the asset and associated liability are consistently recognised in profit or loss or in equity, in accordance with the general recognition criteria set out above, and should not be offset.

The transactions in which the Group retains substantially all the risks and benefits inherent to the ownership of a transferred financial asset are recorded through the recognition of the consideration received in liability accounts. Transaction expenses are recognised in profit or loss using the effective interest method.

The Group applies weighted average price criteria to measure and derecognise the cost of equity instruments that form part of homogeneous portfolios and that have the same rights, unless the instruments sold and their individual cost may be clearly identified. For debt instruments, it determines the cost at the individual or group level in accordance with the unit of account used to determine impairment.

If the Group modifies the contractual cash flows of a financial asset, insofar as this does not entail its derecognition, the book value is re-calculated by the present value of the flows modified at the effective interest rate or effective interest rate adjusted by the original credit risk, and recognises the difference in profit or loss. The costs and fees invoiced by the Group adjust the book value of the financial asset and depreciates them during the remaining life of the modified financial asset.

At 31 December 2023, the outstanding receivables transferred without recourse to financial institutions and pending maturity at that date amounted to 193,236 thousand euros (122,605 thousand euros at 31 December 2022).

Interest and dividends-

The Group recognises interest by the effective interest method, which is the update rate that makes a financial instrument's book value equal to the estimated cash flows throughout the instrument's expected life, based on its contractual conditions and without considering expected credit losses, except for financial assets acquired or arising from incurred losses.

The interest recognised on the gross book value of the financial assets, except for financial assets acquired or arising from incurred credit losses and financial assets with impaired credit. For the former, the Group recognises interest by the effective interest rate adjusted by the initial credit risk, and for the latter, the Group recognises the interest on the amortised cost.

Changes in cash flow estimates are deducted at the effective interest rate or the interest rate adjusted by the original credit risk and are recognised in profit or loss.

Revenue for dividends from investments in equity instruments are recognised in profit or loss when rights arise for the Group upon collecting them, financial profit collection is probable, and the amount may be reliably estimated.

Dividends from equity instruments classified at fair value with changes in other comprehensive income are recognised in profit or loss, unless they represent a return on the investment, in which case they are recognised in other comprehensive income.

The Group recognises default interest in commercial transactions as financial income and expenses in accordance with the legal and contractual conditions stipulated. If that interest is ultimately offset or condoned, the Group recognises the transaction in accordance with its substance. The Group recognises the legal right to offset collection management costs incurred when collection is probable. The Group recognises the expense for the claim of collection management costs as indicated in the provision accounting policy.

Financial liability derecognition and modification-

The Group derecognises a financial liability or a part thereof following compliance with the obligation contained in the financial liability contract or when it is legally released from main responsibility for the liability, either by judicial process or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications to initially recognised liabilities are recorded as a cancellation of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different conditions.

The Group considers the conditions to be substantially different if the present value of the cash flows deducted under the new conditions, including any fees paid net of any fees received, and using the original effective interest rate for the deduction, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is recorded as a cancellation of the original financial liability, the costs or fees are recognised in profit or loss, forming part of the gain or loss on the cancellation. Otherwise, the modified cash flows are deducted at the original effective interest rate, recognising any difference with respect to the prior book value in profit or loss. Furthermore, the costs or fees adjust the book value of the financial liability and are amortised using the amortised cost method over the remaining life of the modified liability.

The Group recognises the difference between the book value of the financial liability or part thereof that is cancelled or transferred to a third party and the consideration paid, including any non-cash assets transferred or liabilities assumed in profit or loss.

i) Balances and transactions denominated in foreign currencies-

The Group uses the euro as its presentation currency. Consequently, transactions in other currencies are considered to be denominated in foreign currency and are recorded according to the exchange rates prevailing on the transaction date. Gains or losses on transactions denominated in foreign currencies are taken to the consolidated income statement as and when they occur.

At the year-end, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rate prevailing at the date of the consolidated statement of financial position. Any resulting gains or losses are recognised directly in the consolidated income statement.

j) Provisions and contingencies-

Provisions are current obligations of the Group arising as a result of past events the nature of which is clearly specified at the date of the consolidated financial statements, but whose amount and/or reversal date are uncertain and the settlement of which will probably result in an outflow from the Group of resources embodying economic benefits.

Contingent liabilities are possible obligations of the Group arising as a result of past events which depend on whether or not one or more events beyond the Group's control occur in the future. They include the Group's current obligations whose settlement will probably not require an outflow of resources embodying economic benefits, or where a sufficiently reliable estimate of the amount of the obligation cannot be quantified.

Significant provisions are recognised in the consolidated statement of financial position wherever it is considered more likely than not that an outflow of resources will be required to settle the obligation. Contingent liabilities are not recognised in the consolidated statement of financial position, but rather, where applicable, are disclosed in the notes to the consolidated financial statements.

Provisions are measured using the best information available of the expenditures required to settle the obligation and are reviewed and adjusted at the end of each reporting period to reflect the current best estimate. They are used to meet the specific obligations for which they were originally recognised and are fully or partially reversed when those obligations cease to exist or are reduced.

The value of these provisions corresponds to the current value of the best estimate possible of the amount necessary to cancel or transfer the obligation, recording the adjustments made from updating said provisions as financial costs as they accrue. Specifically, the liabilities recorded under “Current provisions” in the accompanying consolidated statement of financial position at 31 December 2023 correspond to provisions made to cover losses which certain subsidiaries are expected to incur to comply with contracts signed prior to the end of the reporting period and whose costs will exceed the expected returns generated. The provision is made when the liabilities in respect of the contracts arise for the affected companies (see Note 16).

The provisions deemed necessary in accordance with these criteria, and the reversals thereof, are recorded as a charge or credit, respectively, to the consolidated income statement.

k) Termination benefits-

Under current employment legislation, the consolidated companies are obliged to pay termination benefits to employees whose contracts are terminated under certain conditions.

Where the amount of the benefits can be reasonably estimated, such benefits are recognised as an expense in the year in which the decision is made, provided the parties involved have been formally notified and there is, therefore, a valid expectation on the part of those involved that the consolidated companies will make the dismissals. The accompanying consolidated statement of financial position at 31 December 2023 includes several provisions for this concept.

l) Pension commitments-

Some Antolin companies have assumed various commitments to pay contributions to the retirement pensions of some of their current and former employees (retirement plans based on years of service, age and salary). These commitments affect, primarily, group companies located in Germany, the United Kingdom, France, Mexico and India.

A significant portion of these commitments has been outsourced and are covered by insurance policies or pension plans with insurance companies. The Group pays fixed contributions into a fund and is obliged to make additional contributions if the fund does not have sufficient assets to pay all the employees the benefits to which it is committed.

The Group records the present value of these defined benefit commitments as liabilities in the consolidated statement of financial position under "Non-current provisions", net of the fair value of the assets that meet the requirements to be treated as "assets earmarked for the plan". The aforementioned insurance policies (or pension plans) are treated as earmarked assets as they are not owned by the Group but by an unrelated third party, may only be used to pay or finance employee benefits and may not be returned to the Group unless the assets held within the plan are sufficient to meet all obligations.

Changes in the provision recognised for these commitments in the consolidated statement of financial position corresponding to the cost of the services during the current period or to interest, are taken to the consolidated income statement in the financial year in which they occur, to the extent that "actuarial gains and losses" (that result from differences existing between previous actuarial assumptions and real outcomes and changes to the actuarial assumptions used) are taken directly to equity as "Valuation adjustments".

m) Corporate income tax-

Grupo Antolin-Irausa, S.A.U. and practically all of its consolidated Spanish subsidiaries domiciled in Spanish "common territory" in which it has direct or indirect holdings of 75% or more file consolidated corporate income tax returns. Until 31 December 2014, the parent of the consolidated tax group was Grupo Antolin-Irausa, S.A.U. Since 1 January 2015, the parent of the consolidated tax group under which these companies file has been Avot Inversiones, S.L., the Group's indirect shareholder (see Notes 1, 13 and 19).

The income tax expense is calculated as the tax payable with respect to the taxable profit for the year, after considering any changes in the year in the assets and liabilities recognised arising from temporary differences and from tax credit and tax loss carryforwards (see Note 19).

The Group considers that a temporary difference exists when there is a difference between the book value of an asset or liability and its tax base. The tax base for assets and liabilities is treated as the amount attributed to it for tax purposes. A taxable temporary difference is understood to be a difference that will generate a future obligation for the Group to pay taxes to the relevant tax authorities. A deductible temporary difference is one that will generate a right for the Group to a refund or to make a lower payment to the relevant tax authorities in the future.

Tax credits and deductions and tax loss carryforwards are amounts that, after the performance of the activity or generation of the profit or loss giving entitlement to them, are not used for tax purposes in the related tax return until the conditions for doing so established in tax regulations are met, provided that the Group considers it probable that they will be used in future periods.

Current tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities within twelve months from the date they are recognised. Deferred tax assets and liabilities are those amounts that are expected to be recoverable from or payable to the relevant tax authorities in future years.

Deferred tax liabilities are recognised for all taxable temporary differences. In this regard, a deferred tax liability is recognised for the taxable temporary differences resulting from investments in subsidiaries and associate companies, and from holdings in joint ventures, except when the Group can control the reversal of the temporary differences and they are not expected to be reversed in the foreseeable future.

The consolidated companies only recognise deferred tax assets arising from deductible temporary differences and from tax credit and tax loss carryforwards to the extent that it is probable that they will have sufficient future taxable profits against which these assets can be utilised.

Deferred tax assets and liabilities are not recognised if they arise from the initial recognition of an asset or liability (other than in a business combination) that at the time of recognition affects neither accounting profit nor taxable profit.

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Tax uncertainties-

If the Group determines that it is not likely that a tax authority will accept an uncertain tax treatment or a group of uncertain tax treatments, it considers that uncertainty in determining taxable income, tax base, tax loss carryforwards, deductions or tax rates. The Group determines the effect of the uncertainty in the corporate income tax return using the expected value method, when the range of possible outcomes is highly disperse, or the most probable outcome method, when the outcome is binary or concentrated in one amount. In those cases in which the tax asset or liability calculated with these criteria exceeds the self-assessed amount, it is presented as current or non-current in the consolidated statement of financial position according to the expected recovery or settlement date and considering, where appropriate, the amount of any corresponding default interest on the liability as it accrues in the consolidated income statement. The Group records changes in events and circumstances regarding tax uncertainties as a change in estimate.

The Group recognises and presents penalties in accordance with the accounting policy for provisions.

Offset and classification-

The Group only offsets current income tax assets and liabilities if a legal right exists vis-à-vis the tax authorities and it intends to settle any resulting debts at their net amount, or realise the assets and settle the debts simultaneously.

The Group only offsets deferred tax assets and liabilities if a legal offset right exists vis-à-vis the tax authorities and these assets and liabilities correspond to the same tax authority, and to the same taxpayer or to different taxpayers that seek to settle or realise the current tax assets and liabilities at their net amount or realise the assets and settle the liabilities simultaneously, in each one of the future tax periods in which they expect to settle or recover significant amounts of deferred tax assets or liabilities.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, regardless of the anticipated date of realisation or settlement.

n) Recognition of income and expense-

i) *Recognition of revenue from customer contracts*

Revenue from customer contracts is recognised based on fulfilment of the performance obligations with those customers.

Ordinary revenue represents the transfer of promised goods or services to customers for an amount that reflects the consideration to which the Company expects to have a right in exchange for those goods and services.

Five steps are established for the recognition of revenue:

- Identify the customer contract/s.
- Identify the performance obligations.

– Determine the transaction price.

– Assign the transaction price to the various performance obligations.

– Recognise the revenue according to fulfilment of each obligation.

On the basis of this recognition model, sales of goods are recognised when the products are delivered to the customer and the customer accepts them, even if they have not yet been invoiced or, if applicable, the services have been rendered and it is reasonably assured that the corresponding receivable will be collected.

Expenses are recognised on an accrual basis, immediately in the case of outlays that are not going to generate future financial profits or when they fail to comply with the necessary requirements for asset recognition.

Income and expenses are taken to the consolidated income statement on an accrual basis.

❖ Revenues on sales of assets are recognised when control of the assets is transferred, which generally occurs when the assets are delivered (sent to the customer's specific location).

  The Group engages in the manufacture and sale of parts for the automotive sector. Although the parts are designed and manufactured exclusively for the customers and have no alternative uses for the Group, revenue is recognised when control over them is transferred and not over time, since the Group does not have an unconditional collection right for the execution performed at the close of each year.

❖ Revenues on the sale of project tools. In order to be able to manufacture the parts specifically for customers, the Group incurs costs for mould design and manufacture. Once manufactured and approved by the customer, the moulds become the property of the customer and the contracts indicate a separate price for these moulds. The Group recognises this revenue under “Net turnover” in the consolidated income statement when control of the tools is transferred to the customer, which usually occurs when they pass the corresponding technical certification or verification by the customer. The Company's Directors consider that even when the tools made for customers have no alternative use for the Group, in the event that the order were to be rescinded by the customer, the Group has no right to receive payment for performance up to that date, given that it would only have the right to collect the costs incurred and not a reasonable profit margin. For this reason, tool manufacture is recorded as a performance obligation satisfied at a specific moment.

  Amounts billed in advance by the Group until control of these tools is transferred are recorded as a liability under “Trade and other payables” in the consolidated statement of financial position.

  Moreover, any final losses expected to be sustained on tools are recognised in full when such losses become apparent, and the related provisions are recognised under this heading in the consolidated income statement.

ii) *Recognition of other revenue*

❖ Ordinary revenue from the provision of services is recognised in line with the stage of completion of the transaction at the end of the reporting period.

❖ Rental income is recorded on an accrual basis, with incentive benefits and the up-front costs of the lease agreements being released on a straight-line basis.

❖ Capital grants are recognised in the consolidated statement of financial position as deferred income when the Group has met the relevant qualifying conditions and there are, therefore, no reasonable doubts about their collection. These capital grants are taken to profit or loss, under “Capital grants and other grants taken to income” in the consolidated income statement, on a straight-line basis over the useful lives of the subsidised assets.

Government grants to cover or finance expenses incurred by the Group are recognised once all the conditions attaching to them have been fulfilled and will be taken to income when the financed expenses are incurred.

- Interest income and expense is recognised on an accrual basis using the effective interest rate method.

- Dividends received from other companies are recognised as income in the income statement when the consolidated companies' right to receive them arises.

An expense is recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that the recognition of an expense takes place simultaneously to the recognition of the increase in a liability or the reduction of an asset.

An expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

An expense is also recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

o) Classification of assets and liabilities as current-

In the consolidated statement of financial position, assets and liabilities that are expected to be recovered, consumed or settled in twelve months or less from the end of the reporting period are classified as current, except for project tools, which are recorded as “Inventories” under “Current assets” in the consolidated statement of financial position, since they are expected to be realised in the ordinary course of the Group's business (as part of its normal operating cycle), and the liabilities connected with said inventories (customer advances) which are recognised under “Current liabilities” in the consolidated statement of financial position, regardless of when they fall due. When, prior to year-end, a liability does not give the Group an unconditional right to defer settlement for at least twelve months from the date of the consolidated statement of financial position, the liability is recorded as current.

p) Discontinued operations-

A discontinued operation is a line of business that it has been decided to abandon and/or sell whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes. Revenues and expenses of discontinued operations are disclosed separately in the consolidated income statement. In 2022 the business activities of the Group’s subsidiaries in Russia were discontinued. In this connection, as described in Note 6, in view of the specific monitoring of the impact of the military conflict between Ukraine and Russia on the Group’s business in Russia, for management purposes a specific geographical segment was created for the Russian market, which was effective from 1 January 2022. Subsequently, in the last months of 2022 as a result of the continuation of the military conflict between Ukraine and Russia and the fact that it was impossible for the Group’s two industrial subsidiaries in Russia (Grupo Antolin-Saint Petersburg and Antolin Avtotechnika Nizhny Nóvgorod, Ltd.) to continue operating, the Group decided to discontinue its business activities in Russia and launched a plan to sell these companies that comprise the “Russian” market segment, which were classified as discontinued operations in the consolidated financial statements for 2022 (see Note 25). For this reason, the assets and liabilities of these subsidiaries at 31 December 2022 were fully consolidated, but were recognised under “Non-current assets classified as held for sale” and “Liabilities associated with non-current assets classified as held for sale” in the consolidated statement of financial position, and the related income and expenses were included in the accompanying consolidated income statement for 2022 separately under a single heading, “Profit/(Loss) for the year from discontinued operations, net of tax”.

No line of business or business segment was discontinued in 2023.

q) Consolidated statement of cash flows-

The consolidated statement of cash flows is prepared according to the indirect method using the following terms with the meanings given below:

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly liquid investments subject to low risk of changes in value.
- Operating activities: the typical activities of companies in the motor parts industry and other activities that cannot be classified as investing or financing activities.
- Investment activities: the acquisition, sale or disposal by other means of non-current assets and other investments not classified as cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not part of operating activities.

For the purposes of preparing the consolidated statement of cash flows, cash and cash equivalents include cash and demand deposits at banks and highly liquid current investments which are easily convertible into determinate cash amounts and are subject to insignificant risk as regards changes in value.

A reconciliation of the book value of the liabilities originated by financing activities, distinguishing between the changes that give rise to cash flows due to "Proceeds from/(payments for) financial liabilities" (which are recognised under "Cash flows from/(used in) financing activities" in the accompanying consolidated statements of cash flows for 2023 and 2022) and those that do not, is given below:

2023

	Thousands of Euros				
			No Impact in Terms of Cash Flows		
	Balances at 1 January 2023	Cash Flows	Exchange Rate	Other	Balances at 31 December 2023
Debentures and bonds	630,300	-	-	-	630,300
Syndicated loan	369,587	(15,727)	-	-	353,860
Multi-currency Revolving Credit Facility	-	50,000	-	-	50,000
European Investment Bank (EIB) loan	118,571	(20,952)	-	-	97,619
COFIDES loan	9,400	(400)	-	-	9,000
Other bank borrowings (a)	12,949	54,650	(437)	-	67,162
Liabilities associated with right-of-use assets (Notes 8 and 18)	250,608	(65,792)	-	50,319	235,135
Other financial liabilities (Note 18)	20,751	(7,911)	-	-	12,840
Total financing activity liabilities	**1,412,166**	**(6,132)**	**(437)**	**50,319**	**1,455,916**

(a) Includes other loans, credit lines, factoring lines and payables under finance leases (see Note 17).

2022

	Thousands of Euros				
			No Impact in Terms of Cash Flows		
	Balances at 1 January 2022	Cash Flows	Exchange Rate	Other	Balances at 31 December 2022
Debentures and bonds	640,000	(6,665)	-	(3,035)	630,300
Syndicated loan	385,714	(16,127)	-	-	369,587
European Investment Bank (EIB) loan	132,857	(14,286)	-	-	118,571
COFIDES Loan	10,000	(600)	-	-	9,400
Other bank borrowings (a)	13,995	(1,046)	-	-	12,949
Liabilities associated with right-of-use assets (Notes 8 and 18)	278,813	(70,321)	-	42,116	250,608
Other financial liabilities (Note 18)	23,992	(3,380)	-	139	20,751
Total financing activity liabilities	**1,485,371**	**(112,425)**	**-**	**39,220**	**1,412,166**

(a) Includes other loans, credit lines, factoring lines and payables under finance leases (see Note 17).

Discontinued operations-

Net cash flows attributable to the ordinary operating, investing and financing activities of the discontinued operations are presented separately in the consolidated statement of cash flows under a single heading called "Net increase (decrease) in cash and cash equivalents from discontinued operations". This heading also includes net cash flows obtained from the sale of the discontinued operations.

In addition, when operations are classified as discontinued, the net cash flows of the previous year corresponding to these are presented separately in the comparative information under the above-mentioned heading.

(4) ALLOCATION OF THE PARENT'S LOSS

The Parent's proposal for allocation of the loss in 2023, as formulated by its Directors, as well as the application of the loss in 2022 by the Parent approved by its Sole shareholder on 27 April 2023, is indicated below:

	Thousands of Euros	
	2023	2022
Distributable profit/(loss):		
Loss for the year	**(43,123)**	**(57,948)**
Allocation to:		
Prior years' losses	**(43,123)**	**(57,948)**

(5) BUSINESS COMBINATIONS

No significant business combinations were carried out in 2023 and 2022.

As indicated in Note 2-g, in May 2023, Antolin acquired a 44% stake in the share capital of the Chinese company Shanghai Antolin-Naen Automotive Electronics Co., Ltd., for an amount of 616 thousand euros. As a consequence of this acquisition, at 31 December 2023 the Group controls 95% of the share capital of the aforementioned subsidiary (at 31 December 2022 it owned 51%).

The assets and liabilities of Shanghai Antolin-Naen Automotive Electronics Co., Ltd. recognised at the acquisition date, which were measured at fair value, and their amounts were not significant with respect to the consolidated financial statements as a whole. The book values of the assets and liabilities recognised in this business combinations do not significantly differ from the values at which they were carried in the books of the mentioned company when the business was combined. The contingent liabilities of this company were guaranteed by the seller.

As a result of the recognition of the assets and liabilities referred to above, at 31 December 2023 goodwill of 523 thousand euros arose, which was recognised under "Intangible assets - Goodwill" in the accompanying consolidated statement of financial position at 31 December 2023 (see Note 7).

Also, in July 2022 the Group acquired a 51% stake in the share capital of Wuhan Antolin Auto Parts Co., Ltd. for a price of practically zero (see Note 2-g). As a result of this operation, the Group now owns 100% of the share capital of this company (at 31 December 2021 it owned 49%) and now controls it. As a consequence of the recognition of the aforementioned assets and liabilities, on the acquisition date, which were measured at fair value and the resulting amount was not material with respect to the consolidated financial statements taken as a whole,, goodwill arose of 160 thousand euros, recorded under the consolidated statement of financial position heading "Intangible assets-Goodwill" at 31 December 2022 (see Note 7).

(6) INFORMATION BY SEGMENT

The information by segment used by Group Management for management purposes is structured on the basis of the Group's different business units, and also by geographical segment.

In each business unit the production plants are grouped in accordance with the specific product or activity, rather than in accordance with the main activity of the company to which each plant belongs. This business unit or segment structure is focused on the production and development of each type of product and allows the operations of the businesses to be managed more efficiently.

Antolin's main business units or segments, defined taking into account the nature of the products, are as follows: "Technology Solutions" (formerly the "Lighting" segment), "Product Systems" (formerly the "Overheads & Soft Trim" and the "Doors & Cockpits" segments) and "Other". Moreover, in the later months of 2019 approval was given to establish a new "Electronic Systems" business unit, that has been fully operational from a management perspective since 2021 (part of the "Lighting" business unit, now "Technology Solutions").

Also, effective from 1 January 2023, the subsidiary Grupo Antolin-Saltillo, S. de R.L. de C.V., which was formerly included in the "Product Systems" segment, forms part of the "Technology Solutions" segment, although the impact of this change in the information by segment from one reporting period to the other is scantly material.

In addition, there is a "Corporate Unit" (forming part of "Other") that carries out global management of certain assets and of the financing received by Antolin from third parties, as well as other minor activities. From 2022, it also manages the expenses of the Technical - Commercial Offices (TCOs).

Moreover, up to and including 2022, the reported geographical segments related to "Asia-Pacific", "Europe", "Mercosur", "NAFTA" and "Africa" and, moreover, in 2022, due to the continuation of the military conflict between Russia and Ukraine, it was decided to specifically monitor the Russian market, and management information was prepared separately for the "Russia" geographical segment. However, in the last few months of 2022 Antolin decided to discontinue these activities (see Notes 3-p and 25). Also, as indicated in the preceding paragraph, a geographical segment entitled "Other" has been defined. In 2023, following a review conducted by Antolin in 2023 of the performance system by geographical segment, the "Europe", "Mercosur" and "Africa" geographical segments now report to the geographical segment entitled "Europe & ROW ("Rest Of the World")" and the "Asia-Pacific" and "NAFTA" geographical segments are now entitled Asia" and "North America", respectively.

As a result of the changes in the segment reporting carried out in 2023, the segment information included in this note for 2022 has been adapted to make it comparable to the information for 2023 and, therefore, differs from the information reported in the consolidated financial statements for 2022.

Basis and methodology for segment reporting-

The business segment reports below are based on monthly reports prepared by the Group's Management for management purposes and are generated using the same computer application that is used to obtain all the Group's accounting data. This information includes the segments relating to the Group's continuing operations. The segment reporting for 2022 does not include the "Russia" geographical segment, which was classified under "Discontinued operations". The information on this segment is included in Note 25.

The revenues reported for each segment are those which are directly attributable to the production plants included in that segment for management purposes, so these also include secondary revenues that said plants may have obtained from sales or the provision of services to other segments. The revenue of each segment does not include interest or dividend income or the gains on sales of investments or of non-current assets.

The expenses of each segment are calculated as being the expenses arising out of the operating activities of the segment that may be directly attributed to the plants included in that segment for management purposes. The expenses of each segment do not include interest expense, impairment or losses on sales of investments or of non-current assets.

Assets and liabilities in the segments are those that are directly connected with the operations of the plants in each segment, although virtually all of the financial debt of the Group has been centralised in the Corporate Unit.

2023

By business segment

	Thousands of Euros			
	Technology Solutions	Product Systems (a)	Other (b)	Total
Revenue	400,096	4,213,027	4,260	4,617,383
Operating expenses/other operating income, net	(347,069)	(3,817,394)	(124,444)	(4,288,907)
EBITDA (b)	**53,027**	**395,633**	**(120,184)**	**328,476**
Depreciation and amortisation charge	(40,022)	(183,945)	(11,876)	(235,843)
Operating profit (loss) (EBIT)	**13,005**	**211,688**	**(132,060)**	**92,633**
Financial profit or loss				(62,962)
Other profit or loss				(37,085)
Corporate income tax				20,001
Consolidated profit from continuing operations				**12.587**
Other information:				
Investments in intangible assets in 2023	39,423	92,352	539	132,314
Capital expenditures on property, plant and equipment in 2023	35,577	83,192	1,923	120,692
Segment assets at 31 December 2023	**502,810**	**2,270,015**	**367,189**	**3,140,014**
Segment liabilities at 31 December 2023	**233,118**	**1,268,597**	**1,329,242**	**2,830,957**

(a) "Product Systems" includes the "Doors & Cockpits" and "Overheads" business segments with the following contribution to the total of the main aggregates: Contributions of 54.29% and 36.95% by "Doors & Cockpits" and "Overheads", respectively, to net turnover, contributions of 5.01% and 5.04%, respectively, to EBIT-to-sales ratio and contributions of 10.08% and 8.37%, respectively, to EBITDA-to-sales ratio.

(b) The "Other" segment refers to a "corporate unit" that includes non-industrial activities managed from Antolin headquarters including engineering and research and development activities not attributable to other specific segments, as well as other immaterial activities performed with certain Group companies not included in any of the other business segments. The "Other" segment also includes all those consolidation adjustments that are not attributable to any of the other three business segments, as well as the Technical - Commercial Offices (TCOs) expenses. Furthermore, information management, supervision and monitoring of segment performance is carried out without considering the general expenses attributable to headquarters, that are also presented under "Other". The allocation of exploration costs of the "Other" segment to each of the business units is as follows: 15% to "Technology Solutions" and 85% to "Product Systems" (30% to "Overheads" and 55% to "Overheads-Cockpits").

(c) In the accompanying consolidated financial statements and consolidated directors' report, EBITDA is: "Operating profit from continuing operations + Depreciation and amortisation charge", while EBIT is: "Operating profit from continuing operations".

By geographical segment

	Thousands of Euros				
	Asia	Europa & ROW	North America	Other (a)	Total
Revenue	756,133	2,285,699	1,571,291	4,260	4,617,383
Other operating (expenses) / income, net	(657,331)	(2,069,247)	(1,437,885)	(124,444)	(4,288,907)
Depreciation and amortisation charge	(30,445)	(119,327)	(74,195)	(11,876)	(235,843)
Operating profit/(loss) from ordinary activities	**68,357**	**97,125**	**59,211**	**(132,060)**	**92,633**
EBITDA	**98,802**	**216,452**	**133,406**	**(120,184)**	**328,476**
Other information:					
Investments in intangible assets in 2023	11,878	60,564	59,333	539	132,314
Capital expenditures on property, plant and equipment in 2023	15,645	61,283	41,841	1,923	120,692
Assets attributable to the segment at 31 December 2023	**533,718**	**1,422,444**	**816,663**	**367,189**	**3,140,014**
Liabilities attributable to the segment at 31 December 2023	**300,940**	**759,437**	**441,338**	**1,329,242**	**2,830,957**

(a) The "Other" segment refers to a "corporate unit" that includes non-industrial activities managed from Antolin headquarters including engineering and research and development activities not attributable to other specific segments, as well as other immaterial activities performed with certain Group companies not included in any of the other business segments. The "Other" segment also includes all those consolidation adjustments that are not attributable to any of the other three business segments, as well as the Technical - Commercial Offices (TCOs) expenses. Furthermore, information management, supervision and monitoring of segment performance is carried out without considering the general expenses attributable to headquarters, that are also presented under "Other".

2022

By business segment

	Thousands of Euros			
	Technology Solutions	Product Systems (a)	Other (b)	Total
Revenue	385,348	4,061,371	4,225	4,450,944
Operating expenses/other operating income, net	(317,924)	(3,725,207)	(110,531)	(4,153,662)
EBITDA (b)	**67,424**	**336,164**	**(106,306)**	**297,282**
Depreciation and amortisation charge	(36,230)	(231,320)	(13,357)	(280,907)
Operating profit (loss) (EBIT)	**31,194**	**104,844**	**(119,663)**	**16,375**
Financial profit or loss				(38,850)
Other profit or loss				(177,761)
Corporate income tax				(10,752)
Consolidated profit from continuing operations				**(210,988)**
Other information:				
Investments in intangible assets in 2022	23,155	76,476	6,688	106,319
Capital expenditures on property, plant and equipment in 2022	19,653	73,042	1,287	93,982
Segment assets at 31 December 2022	**467,927**	**2,250,951**	**410,694**	**3,129,572**
Segment liabilities at 31 December 2022	**202,277**	**1,336,393**	**1,241,774**	**2,780,444**

(a) "Product Systems" includes the "Doors & Cockpits" and "Overheads" business segments with the following contribution to the main aggregates total: Contributions of 54.1% and 37.1% by "Doors & Cockpits" and "Overheads" respectively, to net turnover, contributions of 3.3% and 1.2%, respectively, to EBIT-to-sales ratio and contributions of 9.5% and 6.5%, respectively, to EBITDA-to-sales ratio.

(b) The "Other" segment refers to a "corporate unit" that includes non-industrial activities managed from Antolin headquarters including engineering and research and development activities not attributable to other specific segments, as well as other immaterial activities performed with certain Group companies not included in any of the other business segments. The "Other" segment also includes all those consolidation adjustments that are not attributable to any of the other three business segments, as well as the Technical - Commercial Offices (TCOs) expenses. Furthermore, information management, supervision and monitoring of segment performance is carried out without considering the general expenses attributable to headquarters, that are also presented under "Other". The allocation of exploration costs of the "Other" segment to each of the business units is as follows: 18% to "Technology Solutions" and 82% to "Product Systems" (29% to "Overheads" and 53% to "Overheads-Cockpits").

(c) In the accompanying consolidated financial statements and consolidated directors' report, EBITDA is: "Operating profit from continuing operations + Depreciation and amortisation charge", while EBIT is: "Operating profit from continuing operations".

By geographical segment

	Thousands of Euros				
	Asia	Europa & ROW	North America	Other (a)	Total
Revenue	732,157	2,149,916	1,564,646	4,225	4,450,944
Other operating (expenses) / income, net	(637,012)	(1,976,588)	(1,429,531)	(110,531)	(4,153,662)
Depreciation and amortisation charge	(31,995)	(146,540)	(89,015)	(13,357)	(280,907)
Operating profit/(loss) from ordinary activities	**63,150**	**26,788**	**46,100**	**(119,663)**	**16,375**
EBITDA	**95,145**	**173,328**	**135,115**	**(106,306)**	**297,282**
Other information:					
Investments in intangible assets in 2022	8,490	49,126	42,016	6,687	106,319
Capital expenditures on property, plant and equipment in 2022	14,960	52,390	25,345	1,287	93,982
Assets attributable to the segment at 31 December 2022	**527,838**	**1,380,407**	**810,633**	**410,694**	**3,129,572**
Liabilities attributable to the segment at 31 December 2022	**299,338**	**800,024**	**439,308**	**1,241,774**	**2,780,444**

(a) The "Other" segment refers to a "corporate unit" that includes non-industrial activities managed from Antolin headquarters including engineering and research and development activities not attributable to other specific segments, as well as other immaterial activities performed with certain Group companies not included in any of the other business segments. The "Other" segment also includes all those consolidation adjustments that are not attributable to any of the other three business segments, as well as the Technical - Commercial Offices (TCOs) expenses. Furthermore, information management, supervision and monitoring of segment performance is carried out without considering the general expenses attributable to headquarters, that are also presented under "Other".

(7) INTANGIBLE ASSETS

Goodwill-

The movements in "Goodwill" in 2022 and 2023 were as follows:

	Thousands of Euros
Balance at 31 December 2021	**90,046**
Additions (Note 5)	160
Impairment	-
Translation differences and other	-
Balance at 31 December 2022	**90,206**
Additions (Note 5)	526
Impairment	-
Translation differences and other	104
Balance at 31 December 2023	**90,836**

The balances of this heading of the consolidated statement of financial position at 31 December 2023 and 2022 correspond to the following cash-generating units:

Cash Generating Unit or Entity	Thousands of Euros	
	31/12/23	31/12/22
"Lighting" business unit	44,409	44,409
Antolin Interiors Mexico, S.A. de C.V.	26,629	26,629
Changchun Antolin Automotive Interiors Co., Ltd.	8,024	8,024
Changshu Antolin Automotive Interiors Co., Ltd.	9,352	9,352
Other cash generating units or entities	2,422	1,792
	90,836	**90,206**

Impairment tests-

At the end of each reporting period, the Group estimates whether there has been any impairment that reduces the recoverable value of goodwill to less than its book value and, if there is any impairment, makes any value adjustments necessary. The policies applied by the Group to test goodwill for impairment are described in Note 3-a.

In this respect, at 31 December 2023, the Group carried out the corresponding analyses, evaluating the recoverable amount of the cash generating units associated with goodwill (substantially all of which corresponds to consolidated subsidiaries which are currently generating profits or are expected to do so in coming years as certain projects are launched) by reference to the fair value less costs to sell, calculated on the basis of cash flow projections that represent best estimates, covering a period of five years and with a terminal value estimated assuming a perpetuity growth rate. To determine the recoverable amounts, at the close of 2023 the Group's Directors reviewed and updated the assumptions of their forecasts relating to the activities and future results of the corresponding businesses and their impact on cash flows, and the performance of the main variables foreseen in the budgets approved for 2024 and the business plans (approved by the Board of Directors). The fair value hierarchy according to IFRS 13, in which fair value measurement was classified in its entirety, was Level 3, without considering whether the costs of sale or disposable by any other means are observable.

The discount rate before tax used for the purposes of this impairment test varies from country to country and ranges from 9% to 12.5%, while in 2022 this range was at levels between 8.5% and 12%. The terminal value is calculated assuming sustainable average cash flows and a forecast growth rate of 1%.

The conclusion drawn by the Group from this analysis is that the recoverable value of its goodwill is greater than the book value recorded.

Therefore, at 2023 and 2022 year-end, the Group had not adjusted any amount whatsoever for this goodwill.

Group Management has also performed a sensitivity analysis and estimates that, even if the anticipated growth in sales is not achieved (and current levels are maintained) and/or the discount rates increase, no significant risks of impairment are foreseen. The main assumptions used were a +0.5% increase in the discount rate and a -0.5% reduction in the perpetuity growth rate.

Other intangible assets-

The movements under this heading and in the related accumulated amortisation and impairment losses in the years ended 31 December 2023 and 2022 were as follows:

	Thousands of Euros			
	Development Expenditure	Computer Software	Other Intangible Assets	Total
COST:				
Balances at 31 December 2021	**759,005**	**83,135**	**199,866**	**1,042,006**
Additions	84,786	7,582	13,951	106,319
Changes in the scope	(20,744)	(338)	-	(21,082)
Disposals or reductions	(18,443)	(297)	(201)	(18,941)
Translation differences and other items	3,843	(285)	(5,158)	(1,600)
Balances at 31 December 2022	**808,447**	**89,797**	**208,458**	**1,106,702**
Additions	106,603	4,291	21,420	132,314
Changes in the scope	(18,761)	(2,808)	(8,511)	(30,080)
Disposals or reductions	(17,652)	(1,182)	(4,328)	(23,162)
Translation differences and other items (a)	2,262	(634)	(18,466)	(16,838)
Balances at 31 December 2023	**880,899**	**89,464**	**198,573**	**1,168,936**
ACCUMULATED AMORTISATION:				
Balances at 31 December 2021	**(346,568)**	**(68,519)**	**(168,969)**	**(584,056)**
Amortisation charge	(71,833)	(4,871)	(7,387)	(84,091)
Changes in the scope	5,516	207	-	5,723
Disposals or reductions	13,443	234	-	13,677
Translation differences and other items (a)	(5,839)	777	4,155	(907)
Balances at 31 December 2022	**(405,281)**	**(72,172)**	**(172,201)**	**(649,654)**
Amortisation charge	(56,020)	(5,894)	(6,500)	(68,414)
Changes in the scope	7,919	2,596	8,511	19,026
Disposals or reductions	15,492	1,180	4,238	20,910
Translation differences and other items	(24,325)	951	17,775	(5,599)
Balances at 31 December 2023	**(462,215)**	**(73,339)**	**(148,177)**	**(683,731)**
IMPAIRMENT LOSSES:				
Balances at 31 December 2021	**(72,318)**	**-**	**(4,033)**	**(76,351)**
(Impairments) taken to income and reversals thereof, net	(85,025)	-	-	(85,025)
Changes in the scope	10,327	-	-	10,327
Translation differences and other items	8,974	-	4,033	13,007
Balances at 31 December 2022	**(138,042)**	**-**	**-**	**(138,042)**
(Impairments) taken to income and reversals thereof, net	(24,470)	-	-	(24,470)
Changes in the scope	10,842	-	-	10,842
Translation differences and other items (a)	41,081	-	-	41,081
Balances at 31 December 2023	**(110,589)**	**-**	**-**	**(110,589)**
Net intangible assets at 31 December 2022	**265,124**	**17,625**	**36,257**	**319,006**
Net intangible assets at 31 December 2023	**308,095**	**16,125**	**50,396**	**374,616**

(a) These changes also include transfers from other asset accounts in the consolidated statement of financial position.

Development expenditure-

Capitalised (internal) development expenditure at 31 December 2023 corresponds to a range of projects relating to overheads and soft trim, trays, panels, consoles and automobile mechanisms. A portion of the capitalised development expenditure (approximately 210 million euros) corresponds to projects in progress at 31 December 2023 (approximately 79 million euros at 31 December 2022), and, accordingly, the related expenses will not start to be amortised until the projects have been completed. The Parent's Directors forecast that during 2024 and 2025 most of the development projects under way at 31 December 2023 will be completed, at which time the corresponding products will go into mass production.

The main additions to development expenditure in 2023 (which amounts to 106.6 million euros) correspond to the Chevrolet "G1Yx (Traverse)", Porsche "Macan NF PO426 EU22 IP", Jeep "Cherokee Panel", Audi "Q7/Q9 Panel", Mini "F6X EU24 IP", Cadillac "L232 EV" PlasticP, Ford "Puma Console" and Renault "5 ECHO Panel" projects. Mass production for some of these projects began in 2023.

The main reductions in development expenditure in 2023 correspond principally to the derecognition of development expenditure for certain projects that had been almost fully amortised and/or had become impaired. As a result of these derecognitions, the Group recognised a net loss of 229 thousand euros in 2023 under “Profit/(Loss) on the disposal of non-current assets” in the accompanying consolidated income statement (424 thousand euros in 2022).

Other intangible assets-

At 31 December 2023, the balance of this heading basically corresponds to certain considerations paid by the Group to customers for being awarded and securing contracts to produce and supply parts and components for these customers' projects. These incremental costs of securing orders or contracts were capitalised as it is deemed likely that profits or economic benefits will be obtained from the production and sale of the corresponding parts and components, enabling these costs to be recovered.

No individual intangible assets exist that are significant in the entity's financial statements.

Impairment losses-

Intangible assets not available for use are subject to annual impairment tests in accordance with IAS 36. In this regard, at 31 December 2023, the Group analysed asset recoverability at individual project level and production plant, on the basis of the technical and financial viability of the projects under development, using the fair value less costs to sell method.

In addition, at the end of every reporting period, Antolin reviews the book values of its intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. Should any such signs of impairment exist, the recoverable amount of these assets is determined in order to quantify any impairment loss suffered. The recoverable amount of the cash generating unit associated with these intangible assets was measured by reference to its value in use which was calculated based on best estimates of cash flows over the life of the corresponding project.

The pre-tax discount rate used for the purposes of these impairment tests varies from country to country and ranges between 9% and 12.5% (for businesses in Western Europe, the US, Morocco, China, Korea, Thailand, India and Mexico), is 14% (for businesses in Brazil and South Africa), 22% (for businesses in Turkey) and 75% (for businesses in Argentina), In 2022, these rates ranged between 8.5% and 18%.

In addition, Group management performed a sensitivity analysis, modifying the discount rate and the residual growth rate, in order to assess the impact that this modification could have on the recoverability of the values in use. This analysis did not lead to the conclusion that there was any significant risk of impairment. The main assumptions used were a +0.5% increase in the discount rate and a -0.5% reduction in the perpetuity growth rate.

Accordingly, at 31 December 2023, the Group recorded provisions for impairment totalling 110,589 thousand euros (138,042 thousand at 31 December 2022), corresponding to a decrease in the value of the development expenditure and other intangible assets capitalised for certain projects which are currently loss-making, and for which the recoverable value is lower than their book value. Approximately 27,347 thousand euros of this amount was recognised under "Net impairment losses on non-current assets" in the accompanying consolidated income statement for 2023 (approximately 85,025 thousand euros in 2022). In addition, impairment losses of 2,877 thousand euros were reversed in 2023 with a charge to the aforementioned balance of the consolidated income statement (no impairment provisions were reversed with a charge to this heading of the consolidated income statement for 2022).

Fully amortised assets-

The Group's intangible assets include certain assets which had been fully amortised at 31 December 2023 and 2022. The total cost and related accumulated amortisation of these assets amounted to 313 and 277 million euros, respectively.

(8) PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment-

The movements in the years ended 31 December 2023 and 2022 under property, plant and equipment and in the related accumulated depreciation and impairment losses were as follows:

	Thousands of Euros			
	Land and Buildings	Technical Plant, Machinery and Other PP&E	PP&E under Construction and Prepayments	Total
COST:				
Balances at 31 December 2021	**306,383**	**1,786,503**	**69,244**	**2,162,130**
Additions	3,177	50,848	39,957	93,982
Changes in the scope	(4,470)	(29,730)	(1,096)	(35,296)
Disposals or Reductions	(1,010)	(12,398)	(625)	(14,033)
Translation differences and other items	17,011	12,786	(39,961)	(10,164)
Balances at 31 December 2022	**321,091**	**1,808,009**	**67,519**	**2,196,619**
Additions	13,257	64,947	42,488	120,692
Changes in the scope	(1,162)	(48,131)	(233)	(49,526)
Disposals	(1,306)	(34,723)	(15,919)	(51,948)
Translation differences and other items	(14,706)	2,819	(19,536)	(31,423)
Balances at 31 December 2023	**317,174**	**1,792,921**	**74,319**	**2,184,414**
ACCUMULATED DEPRECIATION:				
Balances at 31 December 2021	**(139,386)**	**(1,265,926)**	**-**	**(1,405,312)**
Depreciation charge	(11,085)	(120,714)	-	(131,799)
Changes in the scope	3,569	16,634	-	20,203
Disposals	426	7,787	-	8,213
Translation differences and other items	(1,546)	20,509	-	18,963
Balances at 31 December 2022	**(148,022)**	**(1,341,710)**	**-**	**(1,489,732)**
Depreciation charge	(10,877)	(91,840)	-	(102,717)
Changes in the scope	1,147	45,171	-	46,318
Disposals	1,093	29,509	-	30,602
Translation differences and other items	10,530	9,216	-	19,746
Balances at 31 December 2023	**(146,129)**	**(1,349,654)**	**-**	**(1,495,783)**
IMPAIRMENT LOSSES:				
Balances at 31 December 2021	**(2,696)**	**(27,666)**	**-**	**(30,362)**
(Provisions) reversals taken to income	-	(59,547)	-	(59,547)
Changes in the scope	-	5,709	-	5,709
Translation differences and other items	2,696	18,821	-	21,517
Balances at 31 December 2022	**-**	**(62,683)**	**-**	**(62,683)**
(Provisions) reversals taken to income	-	(3,987)	-	(3,987)
Changes in the scope	-	2,385	-	2,385
Translation differences and other items	-	83	-	83
Balances at 31 December 2023	**-**	**(64,202)**	**-**	**(64,202)**
Net PP&E at 31 December 2022	**173,069**	**403,616**	**67,519**	**644,204**
Net PP&E at 31 December 2023	**171,045**	**379,065**	**74,319**	**624,429**

Additions and disposals of PP&E in 2023 and 2022-

The main additions to the Group's property, plant and equipment in 2023 relate to investments made to expand its production facilities, some of which were in progress at 31 December 2023. These investments include most notably those made by Antolin-Besançon, S.A.S. (France), Antolin Interiors México, S.A. de C.V. (Mexico), Antolin Interiors USA, Inc. (United States), Grupo Antolin Bamberg GmbH & Co. KG (Germany), Grupo Antolin Sibiu, S.R.L. (Romania), Grupo Antolin Turnov, s.r.o. (Czech Republic), Grupo Antolin Tlaxcala, S. de R.L. de C.V. (Mexico) and Antolin Straubing, GmbH (Germany).

The main additions to the Group's property, plant and equipment in 2022 corresponded to investments made to expand its production facilities, some of which were in progress at 31 December 2022. These investments include most notably those made by Grupo Antolin Bohemia, a.s., Grupo Antolin Turnov, s.r.o. (Czech Republic), Grupo Antolin-Kentucky, Inc. (United States), Grupo Antolin-Bamberg, GmbH & Co. KG (Germany), Grupo Antolin-Sibiu, S.R.L. (Romania), Antolin Interiors México, S.A. de C.V. (Mexico) and in the Howell plant, owned by Antolin Interiors USA, Inc.

The most significant derecognitions in 2023 correspond to the retirement of machinery and other items, most of which had been depreciated in full and were not being used by the companies in their production activities.

The most significant derecognitions in 2022 corresponded to the derecognition of property, plant and equipment of Chongqing Antolin Tuopu Overhead System Co., Ltd., Hanzhou Antolin Tuopu Overhead System Co., Ltd. and Antolin Spartanburg Assembly, Inc., which were excluded from the scope of consolidation during the year (see Note 2-g); and to the retirement of machinery and other items of other plants, most of which had been fully depreciated and were not being used by the companies in their production activities.

As a result of these derecognitions the Group recognised a loss of 8.608 thousand euros in 2023, which was taken to income under “Gains or losses on disposals of non-current assets” in the accompanying consolidated income statement (834 thousand euros in 2022).

On the other hand, in 2022 the Group sold land located in Burgos, which was recognised under “Investment property” in the consolidated statement of financial position. On this transaction, the Group obtained a loss of approximately 0.6 million euros, which was taken to income under "Gains or losses on disposals of non-current assets" in the accompanying consolidated income statement.

Land-

The cost of "Land and constructions" at 31 December 2023 and 2022 includes 34,943 and 34,926 thousand euros, respectively, corresponding to the book value of the land at those dates.

The Group's land holdings in the Iberian Peninsula were stated at their fair value at the date of transition to IFRS-EU (1 January 2006) in accordance with the stipulations of IFRS 1. The highest value attributed to said assets at 31 December 2023 and 2022 was 16,187 thousand euros (corresponding to property, plant and equipment and the rest to investment properties) and was determined on the basis of valuations performed by independent experts based on market prices or estimated discounted future cash flows.

Investment budget for 2024-

In 2024 the Group's Directors plan to invest 107,411 thousand euros in property, plant and equipment as broken down below:

Business Segment	Thousands of Euros
Technology Solutions (“Lighting” function)	30,373
Product System (a)	77,038
	107,411

(a) These investments were made in “Doors & Hard trim” (35,623 thousand euros), “Headliners” (19,813 thousand euros), “IP & Centre Consoles” (18,135 thousand euros) and “Components & JITs” (3,467 thousand euros).

Investments are planned for many of the Group's plants, the most significant of which are those for machinery and facilities in Grupo Antolin-Michigan, Inc., Suzhou Antolin Automotive Interiors Co., Ltd., Grupo Antolin-Silao, S.A. de C.V., Antolin Liban, s.r.o. and Antolin Nashville, LLC.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

Assets located outside Spain-

The cost of the Group's property, plant and equipment located outside Spain and the corresponding accumulated depreciation and impairment losses at 31 December 2023 and 2022 are as follows:

	Thousands of Euros		
Type of Asset	Cost	Accumulated Depreciation and Impairment	Net
At 31 December 2022-			
Land and buildings	253,384	(128,492)	124,892
Technical plant, machinery and other PP&E	1,553,797	(1,127,660)	426,137
Advances and fixed assets in progress	67,499	-	67,499
	1,874,680	**(1,256,152)**	**618,528**
At 31 December 2023-			
Land and buildings	249,456	(125,650)	123,806
Technical plant, machinery and other PP&E	1,534,351	(1,197,338)	337,013
Advances and fixed assets in progress	74,238	-	74,238
	1,858,045	**(1,322,988)**	**535,057**

Right-of-use assets-

The movements in right-of-use assets and lease liabilities in 2023 and 2022 were as follows:

	Thousands of Euros				
	Right-of-Use Assets:				Lease Liabilities (Note 18)
	Buildings	Machinery and Other PP&E	Vehicles	Total	
Balances at 31 December 2021	**246,189**	**13,988**	**4,005**	**264,182**	**278,813**
Movements (a)	29,243	4,725	4,234	38,202	35,088
Payments	-	-	-	-	(70,321)
Depreciation in the period	(55,496)	(6,934)	(2,783)	(65,213)	-
Impairment losses in the period	(7,034)	-	-	(7,034)	-
Finance costs in the period	-	-	-	-	7,028
Balances at 31 December 2022	**212,902**	**11,779**	**5,456**	**230,137**	**250,608**
Movements (a)	37,326	5,956	1,537	44,819	46,493
Payments	-	-	-	-	(68,840)
Depreciation in the period	(55,799)	(6,224)	(2,689)	(64,712)	-
Finance costs in the period	-	-	-	-	6,874
Balances at 31 December 2022	**194,429**	**11,511**	**4,304**	**210,244**	**235,135**

(a) These movements correspond to new contracts or the finalisation of others, translation differences and updating of calculations and are net of the effect of exclusions of companies from the scope of consolidation (see Note 2-g), and the re-classification to of subsidiaries to "Non-current assets held for sale" in 2022 (see Notes 3-f and 25).

The discount rate used at 31 December 2023 and 2022 to determine the present value of lease liabilities at those dates generally ranged between 0.5% and 8.75%, depending on each company's financial position and its finance costs. The overall average rate was around 2.69% (overall average rate of 2.68% in 2022).

Finance leases (leasing)-

The detail of the leased assets recognised by the Group, as the lessee under finance leases at 31 December 2023 and 2022 (valued in accordance with the criterion described in Note 3-e), and of their key features and the corresponding finance leases signed, is as follows (see Note 17):

At 31 December 2023

			Thousands of Euros (Excluding VAT and Interest)			
Description of Asset	Contract Term (Months)	Months Elapsed to 31/12/23	Original Cost	Lease Payments Paid in Prior Years	Lease Payments Paid in 2023	Lease Payments Outstanding, Including Purchase Option
Solar panels	72	42	317	117	54	146
Printer	48	7	89	-	11	78
			406	**117**	**65**	**224**

At 31 December 2022

			Thousands of Euros (Excluding VAT and Interest)			
Description of Asset	Contract Term (Months)	Months Elapsed to 31/12/22	Original Cost	Lease Payments Paid in Prior Years	Lease Payments Paid in 2022	Lease Payments Outstanding, Including Purchase Option
Solar panels	72	30	**296**	**70**	**41**	**185**

Operating leases-

Some of the consolidated companies lease buildings which house a part of their warehouses, production facilities and offices, as well as machinery, vehicles and other PP&E. As indicated in Note 3-e, IFRS 16, Leases was applied when recognising the corresponding leases executed with the owners of these assets in the consolidated financial statements.

In addition to recognising the aforementioned leases in accordance with IFRS 16, Antolin benefits from the exceptions set out in IFRS 16 for contracts classified as "low value leases", for long and short-term contracts, and for short-term contracts even when the leases are not low value.

The lease expense of these leases of low-value or short-term contracts in 2023 and 2022 totalled 23,971 and 17,791 thousand euros, respectively, and was recognised under "Other operating expenses" in the accompanying consolidated income statement (see Note 20).

At 31 December 2023, the leases of low-value and short-term operating lease agreements the Group was party to at that date gave rise to the following future lease payments to lessors falling due as shown:

Period	Thousands of Euros
Less than one year	3,689
Between one and five years	7,788
More than five years	-
	11,477

Impairment losses-

At the date of each consolidated statement of financial position, or at the end of each reporting period, the Group tests for any internal or external signs that the recoverable amount of its cash-generating units is less than the book value. If so, the book value is reduced to the recoverable value and the future charges for depreciation are adjusted in proportion to their adjusted book value and the new remaining useful life if it was also necessary to re-estimate this. Any such reduction in the book value of property, plant and equipment for own use is charged to "Net impairment losses on non-current assets" in the consolidated income statement.

Similarly, whenever there are signs that the value of an impaired asset has recovered, the consolidated companies reverse impairment losses recognised in prior years. The increased book value may not exceed the book value that would have been determined had no impairment loss previously been recognised for the asset.

In this regard, at 31 December 2023 the Group's consolidated companies tested for signs of impairment of their property, plant and equipment, of their cash-generating units (productive plant) and at the level of each project for development expenses to which those assets are assigned and at production plant level, and when identified, they proceeded to quantify the related recoverable amount. Where the asset does not itself generate cash inflows that are independent of those from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An asset's recoverable amount is the higher of its fair value (less costs to sell) and its value in use. In calculating value in use at 31 December 2023, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. These future cash flows are derived from the forecasts made by Antolin for each cash generating unit for a period of five years (using assumptions concerning changes in sale prices, costs and volumes based on experience and future expectations in accordance with the currently approved strategic plan and the budget for the coming year), with a residual value calculated using a growth rate of 1%. The pre-tax discount rate used for the purposes of these impairment tests varies from country to country and ranges between 9% and 12.5% (for businesses in Western Europe, the US, Morocco, China, Korea, Thailand, India and Mexico), is 14% (for businesses in Brazil and South Africa), 22% (for businesses in Turkey) and 75% (for businesses in Argentina), In 2022, these rates ranged between 8.5% and 18%.

In addition, Group management performed a sensitivity analysis, modifying the discount rate and the residual growth rate, in order to assess the impact that this modification could have on the recoverability of the values in use. This analysis did not lead to the conclusion that there was any risk of impairment. The main assumptions used were a +0.5 basis points increase in the discount rate and a -0.5 basis points reduction in the perpetuity growth rate.

Based on this analysis, at 31 December 2023 the Group recognise impairment losses on property, plant and equipment totalling 64,202 thousand euros (of which a net amount of 3,987 thousand euros were recognised in 2023, 59,547 thousand euros in 2022 and the rest in years prior to 2022). These losses basically correspond to the loss of property, plant and equipment at the plants owned by Grupo Antolin-Kentucky, Inc., Grupo Antolin-Michigan, Inc., Antolin Liban, s.r.o., Grupo Antolin Bohemia, a.s. and Grupo Antolin Bratislava, s.r.o. for projects that are currently generating losses or have done so in the past and whose recoverable amount is below their book value (at 31 December 2022, the Group had recognised impairment losses in the amount of 62,683 thousand euros).

Fully depreciated property, plant and equipment-

The Group's property, plant and equipment include certain assets which had been fully depreciated at 31 December 2023 and 2022. The total cost and related accumulated depreciation of these assets amounted to 950 and 712 million euros, respectively.

Insurance policy-

The Group takes out insurance policies to cover the possible risks to which its property, plant and equipment are exposed. The Parent's Directors consider that the policies taken out are adequate in view of the various locations of its property, plant and equipment.

(9) NON-CURRENT FINANCIAL ASSETS AND OTHER CURRENT FINANCIAL ASSETS

The balances under these headings in the consolidated statements of financial position at 31 December 2023 and 2022 are broken down below by type:

	Thousands of Euros			
	31/12/23		31/12/22	
	Non-Current	Current	Non-Current	Current
Non-current investment securities	872	-	945	-
Other financial assets-				
Non-current receivables from Group companies	717	-	651	-
Other receivables	326	2,337	326	1,789
Guarantee deposits and deposits given	3,769	1,782	5,937	1,852
Net total	**5,684**	**4,119**	**7,859**	**3,641**

At 31 December 2023 and 2022, the fair value of these assets did not differ significantly from their book value. Antolin's financial assets measured at fair value are at level 2 of the fair value hierarchy.

Non-current investment securities-

The balances of this item at 31 December 2023 and 2022 correspond to various non-controlling interests in non-listed companies.

In February 2020, the Group and Eyesight Mobile Technologies, Ltd. (an Israeli company, now called CIPIA, that is a leading provider of in-car vision solutions using artificial intelligence) entered into a Simple Agreement for Future Equity ("SAFE"), under which this provider will supply the Group and work with it to develop driver and passenger monitoring systems. Pursuant to the agreement, in 2020 the Group paid this company an amount equivalent to 2,780 thousand euros, which it is planned will become a convertible loan and, subsequently, a minority equity stake in this Israeli company. This is dependent on certain conditions being met and certain circumstances arising, which have not yet occurred. Consequently, at 31 December 2022 the aforementioned amount was recognised as "Other financial assets - Guarantees and deposits given" under "Non-current assets" in the accompanying consolidated statement of financial position at that date, given the intended long-term nature of the relationship with this third party and of the investment that may materialise. At 31 December 2023, Antolin recognised this balance under "Non-current financial assets - Non-current investment securities" in the accompanying consolidated statement of financial position at 31 December 2023, having recognised an impairment loss of 2,442 thousand euros under "Finance costs" in the accompanying consolidated income statement for 2023.

Other financial assets-

Non-current receivables from group companies

The balances of "*Non-current receivables from group companies*" at 31 December 2023 and 2022 include the balance receivable of the long-term cash-pooling account held by the Parent with Avot Inversiones, S.L., with maturities established on 31 December 2025 and 2024, respectively, which bears annual interest at a market rate and is revised annually (see Note 21).

(10) INVENTORIES

Antolin's inventories at 31 December 2023 and 2022 were as follows:

	Thousands of Euros	
	31/12/23	31/12/22
Raw materials and supplies	244,298	262,286
Other supplies	1,165	1,223
Merchandise	18,109	17,085
Work-in-process and semi-finished goods	41,726	41,271
Project tools	330,277	235,370
Finished products	80,822	79,958
By-products, waste and recoverable materials	5	9
Advances to suppliers	12,532	10,590
Impairment provisions	(26,776)	(26,343)
	702,158	**621,449**

Project tools in progress-

The balances of this item at 31 December 2023 and 2022 correspond to the costs incurred by the Group on the project tools being manufactured at those dates. At 31 December 2023 and 2022, Antolin had billed the related customers approximately 189 and 166 million euros, respectively, as advances, which are recorded as current liabilities under “Trade and other payables” in the accompanying consolidated statement of financial position.

The Directors of the Parent expect substantially all of the project tools being manufactured at 31 December 2023 to be settled in 2024.

Insurance policy-

The Group takes out insurance policies to cover the possible risks to which practically all its inventories are exposed. In the opinion of the Parent's Directors, the cover provided by the policies taken out at 31 December 2023 is sufficient.

(11) OTHER RECEIVABLES

The composition of other receivables in the consolidated statement of financial position at 31 December 2023 and 2022 is as follows:

	Thousands of Euros	
	31/12/23	31/12/22
Sundry receivables, personnel and prepaid expenses	**43,801**	**42,658**
Public Administrations-		
Tax receivables (Note 19)	57,481	80,861
Receivable from public authorities for grants awarded	5,430	2,121
Other receivables from public authorities	293	1,503
	63,204	**84,485**
	107,005	**127,143**

(12) CASH AND CASH EQUIVALENTS

This heading of the consolidated statement of financial position includes Antolin's cash (cash and demand deposits at banks) and short-term deposits, which are not significant (10,470 thousand euros at 31 December 2023). The book values of these assets are the same as their fair values.

(13) EQUITY

Share capital-

The Parent's share capital at 31 December 2023 and 2022 comprised 8,023,241 registered shares (of a single class and series), with a par value of 4.67 euros each, fully subscribed and paid up.

At 31 December 2023 and 2022, all the share capital of the Parent was held indirectly by Avot Inversiones, S.L. (parent of the Parent's current and previous shareholders), a company whose Registered offices are in Burgos and whose owners are members of the Antolin family (see Note 1). All the Grupo Antolin-Irausa, S.A.U. shares carry the same voting and dividend rights, although they are distinguished by their transfer regime.

At 31 December 2022, all Parent shares were pledged in guarantee of compliance with the obligations deriving from the secured bonds issued in 2021 and 2018 by the Parent, as well as the financing agreement known as the "Senior Facilities Agreement" that the Parent executed with several financial institutions, the loan granted by the European Investment Bank (EIB) and a loan granted by the Compañía Española de Financiación del Desarrollo (COFIDES), which adhered to the "Intercreditor Agreement", that governs relations among the Group's financial creditors (see Note 17).

Additional paid-in capital-

The revised text of the Spanish Corporate Enterprise Act expressly allows the use of the additional paid-in capital balance to increase share capital and establishes no specific restrictions as to its use.

Other reserves of the Parent-

This heading in the consolidated statements of financial position at 31 December 2023 and 2022 includes the following reserves:

Legal reserve-

The revised text of the Spanish Corporate Enterprise Act stipulates that 10% of the net profits of the year must be appropriated to the legal reserve until it reaches at least 20% of share capital. At 31 December 2023 and 2022, the legal reserve amounted to 7,494 thousand euros (equivalent to 20% of share capital).

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, when the legal reserve does not exceed 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Capitalisation reserve-

The Parent's "Capitalisation reserve" at 31 December 2023 and 2022 amounted to 5,800 thousand euros. This reserve was established in compliance with Law 27/2014, of 27 November, on Corporate Income Tax and is restricted for 5 years from the end of the year to which the reduction in the final taxable income for corporate income tax corresponds (consequently, 4,000 thousand euros have been restricted since 31 December 2022, while 1,800 thousand euros were no longer restricted as of 31 December 2020). Its amount is the same as the amount of the reduction in the final tax base applied for this item in the Spanish consolidated tax group's corporate income tax return for 2015 and 2017.

Other reserves-

The balance under this heading at 31 December 2023 includes losses carried forward from previous financial years (316,005 thousand euros) and other unrestricted reserves of the Parent.

Distribution of dividends-

Dividends distributed in 2023 and 2022-

On 27 April 2023, the Parent's sole shareholder resolved to distribute a dividend of 6,300 thousand euros with a charge to unrestricted reserves. In respect of this dividend, the Parent complied with the limitations imposed by the financing agreements in force when the dividend was paid. The Parent did not distribute any dividends in 2022.

Restrictions on the distribution of dividends-

As indicated in Note 17, on 21 March 2014 the Parent executed a "Senior Facility Agreement" with major Spanish and international financial institutions, which has been successively amended and novated; the last novation of which took place in December 2021. Under this agreement, the Group obtained financing by means of a syndicated loan ("Loan Facility") (whose outstanding balance at 31 December 2022 was 353,860 thousand euros) and a multi-currency Revolving Credit Facility with an initial limit of 200 million euros (rising to 193,550 thousand euros, of which 4,450 thousand euros have been established as a line of bank guarantees and 189,100 thousand euros are directly linked to the line of credit). In addition, an "Intercreditor Agreement" was executed to govern relations among creditors: bond holders, financial institutions, the European Investment Bank (EIB), which adhered in 2018, and the Compañía Española de Financiación de Desarrollo (COFIDES), which adhered in 2021 as a result of the financing granted to the Group. These financing agreements allow the distribution of dividends provided certain requirements are met. These include:

- If the Group's debt-equity ratio is less than 3.50 but higher than 3.50, the dividend distributed with a charge to the Group's net consolidated profit may not exceed 25%.

- If the Group's debt-equity ratio is less than 2.50, the dividends distributed may not exceed 50% of its consolidated net profit.

Capital management-

The Group's capital management focuses on achieving a financial structure that optimises the cost of capital to ensure a sound financial position. This policy enables value creation for shareholders to be compatible with access to financial markets at a competitive cost to cover the needs for refinancing debt and financing the investment plan not covered by the funds generated by the business.

In this regard, in line with standard practice in the business world and in the industry in which it operates, the Group uses the following ratios to analyse its situation, calculated based on the ratios established in the syndicated senior loan facility:

- Financial leverage (Net borrowing/net equity attributable to the Parent): The Group's ratio at 31 December 2022 was 2.23. At the end of 2023, it was 3.94.

- Debt-to-income (Net borrowing/EBITDA): The Group's ratio at 31 December 2022 was 3.46. At the end of 2023, it was 3.02.

- Interest coverage (EBITDA/Net Finance Income): The Group's ratio at 31 December 2022 was 6.53. At the end of 2023, it was 4.92.

As stated in Note 17, the Group has been granted loans by third parties, which require certain specific financial ratios to be achieved.

Contribution of the consolidated companies to Antolin's reserves and translation differences-

A breakdown, by company, of the balances recorded under "Reserves in fully or proportionately accounted companies", "Reserves in companies accounted for using the equity method" and "Translation differences" in the accompanying consolidated statements of financial position at 31 December 2023 and 2022 is as follows:

	Thousands of Euros			
	Reserves in Consolidated Companies		Translation Differences	
Sociedad	31/12/23	31/12/22	31/12/23	31/12/22
Fully consolidated companies-				
Grupo Antolin-Irausa, S.A.U. (a)	(58,695)	(44,470)	(29,027)	(14,637)
Grupo Antolin-Dapsa, S.A.U.	(2,336)	1,968	-	-
Grupo Antolin-Aragusa, S.A.U.	34,392	38,836	-	-
Grupo Antolin-Eurotrim, S.A.U.	16,170	15,543	-	-
Grupo Antolin-RyA, S.A.U.	29,365	28,594	-	-
Grupo Antolin-Autotrim, S.A.U.	45,419	47,668	-	-
Grupo Antolin-Plasbur, S.A.U.	42,705	44,108	-	-
Grupo Antolin-Lusitânia, S.A.	16,022	16,246	-	-
Grupo Antolin-Ingeniería, S.A.U.	7,967	19,541	(425)	(425)
Antolin Deutschland, GmbH	(113,205)	(93,720)	-	-
Grupo Antolin Bohemia, a.s.	(49,298)	(31,038)	1,084	2,009
Grupo Antolin North America, Inc.	(53,272)	(55,899)	16,144	23,763
Grupo Antolin-IGA, S.A.S.	(65,504)	(57,768)	-	-
Grupo Antolin-France, S.A.S.	10,050	12,674	-	-
Grupo Antolin Turnov, s.r.o.	84,938	82,717	2,505	2,997
Antolin Czech Republic, s.r.o.	503	-	63	-
Grupo Antolin-Kentucky, Inc.	(4,893)	36,780	(394)	(3,105)
Ototrim Panel Sanayi ve Ticaret, A.S.	77,331	70,486	(40,715)	(33,413)
Grupo Antolin-Silao, S.A. de C.V.	44,624	39,770	(11,438)	(15,826)
Trimtec, Ltda.	(103,300)	(105,755)	(14,481)	(15,158)
Iramec Autopeças, Ltda.	3,036	2,986	(3,243)	(437)
Intertrim, Ltda.	(17,792)	(17,100)	(6,787)	(6,707)
Grupo Antolin-South Africa, Ltd.	1,311	1,427	(4,660)	(3,376)
Grupo Antolin-India PTV, Ltd.	12,554	9,835	(8,762)	(7,411)
Grupo Antolin-Leamington, Ltd.	2,451	14,694	(7,074)	(6,431)
Grupo Antolin-Logistik Deutschland, GmbH	36,192	36,192	-	-
Grupo Antolin-Vosges, S.A.S.	(21,185)	(22,065)	-	-
Grupo Antolin-Glass, S.A.U.	1,600	1,526	-	-
Grupo Antolin-Navarra, S.A.U.	14,122	15,693	-	-
Grupo Antolin-Saint Petersburg	-	(35,825)	-	(5,345)
Antolin Tanger, S.A.R.L.	(6,628)	(6,863)	155	(268)
Grupo Antolin-Cambrai, S.A.S.	(82,494)	(73,772)	-	-
Grupo Antolin Ostrava, s.r.o.	23,115	24,714	(299)	17
Grupo Antolin-Bratislava, s.r.o.	(8,031)	(2,800)	713	713
Grupo Antolin-Michigan, Inc.	63,369	82,663	1,967	1,604
Grupo Antolin-Illinois, Inc.	85,352	87,431	5,178	5,086
Grupo Antolin-Bamberg, GmbH & Co. KG	(1,506)	(5,208)	-	-
Grupo Antolin-Besançon, S.A.S.	21,859	20,571	-	-
Grupo Antolin-Gestión de Inversiones, S.L.U.	(9,854)	(9,847)	-	-
Antolin Shanghai Autoparts Co., Ltd.	29,579	28,837	6,397	5,892
Grupo Antolin-Saltillo, S. de R.L. de C.V.	20,141	24,885	4,015	(961)
Grupo Antolin-Cuautitlán, S. de R.L. de C.V.	(4,046)	-	6,677	-
Grupo Antolin-Primera Automotive Systems, LLC	14,842	14,200	-	235
Antolin China Investment Co., Ltd.	54,188	45,642	(13,104)	(1,459)
Guangzhou Antolin Lighting Co, Ltd.	28,739	21,977	(1,789)	170
Guangzhou Antolin Auto-Parts Co., Ltd.	3,574	3,175	2,498	2,024
Grupo Antolin-UK, Ltd.	1,211	693	882	848
Grupo Antolin-Missouri, LLC	10,889	11,171	926	1,047
Antolin Avtotechnika Nizhny Nóvgorod, Ltd.	-	(9,955)	-	(3,448)
Grupo Antolin-Tlaxcala, S. de R.L. de C.V.	8,308	2,471	(1,335)	(3,508)
Grupo Antolin-Valplas, S.A.U.	(15,700)	(14,010)	-	-
Antolin Interiors UK, Ltd.	(148,769)	(121,630)	(24,244)	(24,486)
Antolin Interiors USA, Inc.	(32,022)	(38,613)	(177)	1,651
Antolin Interiors Mexico, S.A. de C.V.	11,595	24,575	7,158	(3,322)

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

	Thousands of Euros			
	Reserves in Consolidated Companies		Translation Differences	
Sociedad	31/12/23	31/12/22	31/12/23	31/12/22
Gestión Industrial de Arteaga, S.A. de C.V.	1,783	-	805	-
Antolin Ebergassing, GmbH	-	40,642	-	-
Antolin Süddeutschland, GmbH	22,711	22,671	-	-
Antolin Hungary, Kft.	(17,769)	(11,784)	-	-
Antolin Straubing, GmbH	11,358	11,377	-	-
Suzhou Antolin Automotive Interiors Co., Ltd.	11,114	5,577	(1,754)	614
Antolin Silesia, Sp. zo.o.	802	5,887	(5,899)	(5,896)
Changshu Antolin Automotive Interiors Co., Ltd.	10,882	7,781	282	444
Antolin Austria Holding, GmbH	-	(30,170)	-	-
CML Technologies, GmbH & Co. KG	4,427	4,427	-	-
Plastimat Hungary, Kft.	3,887	4,643	-	-
Changchun Antolin Automotive Interiors Co., Ltd.	(1,922)	138	2,260	1,482
Beijing Antolin Automotive Interiors Co., Ltd.	6,937	6,335	(404)	86
Grupo Antolin-Sibiu, S.R.L.	(13,651)	(7,533)	(3,227)	(2,009)
Antolin Liban, s.r.o.	(42,795)	(8,046)	1,726	4,266
Cidut, S.L.U.	622	611	-	-
Antolin Alabama, Inc.	(23,633)	(24,142)	(1,216)	(2,086)
Antolin Shelby, Inc.	11,287	5,454	432	1,065
Spartanburg Assembly, Inc.	131	-	-	-
Broomco (3051), Ltd	(3,907)	(3,511)	(395)	(552)
CML Innovative Technologies, Ltd.	(755)	-	299	-
Grupo Antolin-Italia, S.r.l.	(15,555)	(14,659)	-	-
Antolin Massen, GmbH	(9,974)	(14,972)	-	-
Antolin Trnava, s.r.o.	(35,740)	(26,294)	-	-
Irauto, S.A.	(6,546)	(5,366)	(5,454)	(3,067)
Wuhan Antolin Auto Parts, Co. Ltd. (b)	(579)	-	(176)	-
Other companies	(11,875)	(13,156)	(722)	3,765
	(39,777)	**139,861**	**(125,035)**	**(103,555)**
Proportionately consolidated companies-				
International Door Company, B.V.	**9,982**	**9,273**	**(653)**	**(450)**
Companies accounted for using the equity method-				
Slovakian Door Company, s.r.o.	-	1,311	-	-
Dongwon Technology Co., Ltd.	8,406	8,030	(444)	4
Krishna Grupo Antolin Private, Ltd.	7,651	7,186	(2,211)	(1,944)
Walter Pack, S.L.	1,510	1,168	-	-
AED Vantage Group, S.L.	(735)	(57)	-	-
Keyland Sistemas de Gestión, S.L.	(43)	-	-	-
Keyland México, S. de R.L. de C.V.	90	-	17	-
	16,879	**17,638**	**(2,638)**	**(1,940)**
Total	**(12,916)**	**166,772**	**(128,326)**	**(105,945)**

(a) These figures are for the reserves of consolidated companies attributable to the Parent following the consolidation process (eliminating dividends received, etc.).

(b) In July 2022 the Group acquired a 51% stake in the share capital of Wuhan Antolin Auto Parts Co., Ltd., for a price of practically zero. As a result of this operation, the Group now owns 100% of the share capital of this company (at 31 December 2021 it owned 49%), and now controls it (see Notes 2-g and 5).

Contribution of the consolidated companies to profit or loss for 2023 and 2022 attributable to the Parent-

The contribution of each of the consolidated companies to the 2023 and 2022 profit or loss attributable to the Parent is as follows:

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

	Miles de Euros					
	2023			2022		
Sociedad	Consolidated Profit/(loss) for 2023	Profit/(loss) Attributable to Non-controlling Interests	Profit/(loss) Attributable to the Parent	Consolidated Profit/(loss) for 2022	Profit/(loss) Attributable to Non-controlling Interests	Profit/(loss) Attributable to the Parent
Fully consolidated companies-						
Grupo Antolin-Irausa, S.A.U.	(3,097)	-	(3,097)	(25,096)	-	(25,096)
Grupo Antolin-Dapsa, S.A.U.	(2,914)	-	(2,914)	(4,304)	-	(4,304)
Grupo Antolin-Aragusa, S.A.U.	893	-	893	(444)	-	(444)
Grupo Antolin-Eurotrim, S.A.U.	(283)	-	(283)	627	-	627
Grupo Antolin-RyA, S.A.U.	1,887	-	1,887	2,772	-	2,772
Grupo Antolin-Autotrim, S.A.U.	(501)	-	(501)	(2,249)	-	(2,249)
Grupo Antolin-Plasbur, S.A.U.	(273)	-	(273)	(1,403)	-	(1,403)
Grupo Antolin-Navarra, S.A.U.	381	-	381	(1,571)	-	(1,571)
Grupo Antolin-Glass, S.A.U.	115	-	115	75	-	75
Grupo Antolin-Valplas, S.A.U.	(2,693)	-	(2,693)	(1,690)	-	(1,690)
Grupo Antolin-Ingeniería, S.A.U.	8,140	-	8,140	2,426	-	2,426
ASH Reciclado de Techos, S.L.	(528)	-	(528)	(266)	-	(266)
Grupo Antolin-Lusitânia, S.A.	1,885	-	1,885	(1,536)	-	(1,536)
Grupo Antolin Bohemia, a.s.	(10,696)	-	(10,696)	(18,259)	-	(18,259)
Grupo Antolin-IGA, S.A.S.	(4,316)	-	(4,316)	(7,737)	-	(7,737)
Grupo Antolin-France, S.A.S.	(1,743)	-	(1,743)	(2,623)	-	(2,623)
Grupo Antolin Turnov, s.r.o.	(5,075)	-	(5,075)	2,221	-	2,221
Ototrim Panel Sanayi ve Ticaret, A.S.	15,446	(7,723)	7,723	13,194	(6,597)	6,597
Grupo Antolin-Silao, S.A. de C.V.	1,394	-	1,394	4,854	-	4,854
Grupo Antolin-Tlaxcala, S. de R.L. de C.V.	9,666	-	9,666	5,837	-	5,837
Trimtec, Ltda.	1,993	-	1,993	2,455	-	2,455
Iramec Autopeças, Ltda.	3,102	-	3,102	99	(49)	50
Intertrim, Ltda.	993	(146)	847	(812)	119	(693)
Grupo Antolin-India PVT, Ltd.	3,419	-	3,419	2,720	-	2,720
Grupo Antolin-Leamington, Ltd.	2,103	-	2,103	(12,242)	-	(12,242)
Grupo Antolin-Logistik Deutschland, GmbH	2,031	-	2,031	880	-	880
Grupo Antolin-Vosges, S.A.S.	1,415	-	1,415	742	-	742
Antolin Shanghai Autoparts Co. Ltd.	1,220	-	1,220	1,002	-	1,002
Antolin Tanger, S.A.R.L.	189	-	189	1,054	-	1,054
Grupo Antolin-Bratislava, s.r.o.	3,788	-	3,788	(5,231)	-	(5,231)
Grupo Antolin-Cambrai, S.A.S.	(896)	-	(896)	(8,722)	-	(8,722)
Grupo Antolin-Illinois, Inc.	(2,161)	-	(2,161)	(2,079)	-	(2,079)
Grupo Antolin-Kentucky, Inc.	(1,005)	-	(1,005)	(41,673)	-	(41,673)
Grupo Antolin-Michigan, Inc.	(4,085)	-	(4,085)	(19,294)	-	(19,294)
Grupo Antolin-Missouri, LLC	564	-	564	(282)	-	(282)
Grupo Antolin-Saltillo, S. de R.L. de C.V.	(37,810)	-	(37,810)	(4,744)	-	(4,744)
Guangzhou Antolin Lighting Co, Ltd.	5,721	-	5,721	6,762	-	6,762
Antolin Deutschland, GmbH	1,567	-	1,567	120	-	120
Grupo Antolin Ostrava, s.r.o.	3,169	-	3,169	(1,599)	-	(1,599)
Grupo Antolin-Bamberg, GmbH & Co. KG	3,000	-	3,000	3,701	-	3,701
CML Technologies, GmbH & Co. KG	174	-	-	678	-	678
Grupo Antolin-Besançon, S.A.S.	(10,372)	-	(10,372)	1,287	-	1,287
Guangzhou Antolin Auto-Parts Co., Ltd.	(167)	-	(167)	400	-	400
Grupo Antolin-Saint Petersburg	-	-	-	(24,122)	-	(24,122)
Grupo Antolin-Primera Automotive Systems, LLC	4,243	(2,164)	2,079	1,312	(669)	643
Grupo Antolin-Gestión de Inversiones, S.L.U.	(7)	-	(7)	(8)	-	(8)
Antolin Avtotechnika Nizhny Nóvgorod, Ltd.	-	-	-	(1,861)	-	(1,861)
Antolin China Investment Co., Ltd.	1,709	-	1,709	458	-	458
Antolin Austria Holding, GmbH	-	-	-	(113)	-	(113)
Changshu Antolin Automotive Interiors Co., Ltd.	2,596	(1,667)	929	5,169	(2,068)	3,101
Changchun Antolin Automotive Interiors Co., Ltd.	9,953	(4,390)	5,563	9,621	(3,848)	5,773
Antolin Ebergassing, GmbH	-	-	-	(11,371)	-	(11,371)
Plastimat Hungary, Kft.	2,834	(737)	2,097	1,980	(515)	1,465
Antolin Süddeutschland, GmbH	570	-	570	(7,155)	-	(7,155)
Antolin Interiors UK, Ltd.	9,083	-	9,083	(27,139)	-	(27,139)
Antolin Interiors Mexico, S.A. de C.V.	(9,350)	-	(9,350)	823	-	823
Antolin Interiors USA, Inc.	4,234	-	4,234	6,581	-	6,581
Antolin Straubing, GmbH	809	-	809	1,837	-	1,837
Suzhou Antolin Automotive Interiors Co., Ltd.	6,059	-	6,059	5,537	-	5,537
Antolin Silesia, Sp. zo.o.	1,909	-	1,909	(5,085)	-	(5,085)
Antolin Trnava, s.r.o.	222	-	222	(9,446)	-	(9,446)
Antolin Massen, GmbH.	(12,970)	-	(12,970)	(11,738)	-	(11,738)
Antolin Shelby, Inc.	3,688	-	3,688	5,833	-	5,833
Grupo Antolin-Sibiu, S.R.L.	(13,327)	-	(13,327)	(6,118)	-	(6,118)

Continues overleaf…

	Miles de Euros					
	2023			2022		
Sociedad	Consolidated Profit/(Loss) for 2023	Profit/(Loss) Attributable to Non-controlling Interests	Profit/(Loss) Attributable to the Parent	Consolidated Profit/(Loss) for 2022	Profit/(Loss) Attributable to Non-controlling Interests	Profit/(Loss) Attributable to the Parent
Beijing Antolin Automotive Interiors Co., Ltd.	1,022	-	1,022	1,003	(401)	602
Chengdu Antolin Automotive Interiors Co., Ltd.	1,236	(494)	742	756	(302)	454
Grupo Antolin North America, Inc.	7,478	-	7,478	2,627	-	2,627
NHK Antolin (Thailand) Co., Ltd.	3,677	(1,838)	1,839	1,011	-	1,011
Shenyang Antolin Auto Parts Co., Ltd.	2,466	-	2,466	3,782	-	3,782
Antolin Liban, s.r.o.	(4,676)	-	(4,676)	(34,749)	-	(34,749)
Antolin Hungary, Kft.	(1,545)	-	(1,545)	(8,205)	-	(8,205)
Antolin Alabama, Inc.	1,094	-	1,094	510	-	510
Antolin Spartanburg Assembly, Inc.	-	-	-	-	-	-
Irauto, S.A.	(1,724)	-	(1,724)	(2,442)	-	(2,442)
Wuhan Antolin Auto Parts Co., Ltd. (a)	40	-	40		-	-
Other companies	421	(175)	420	(1,947)	(244)	(4,052)
	7,384	**(19,334)**	**(11,950)**	**(212,609)**	**(14,574)**	**(227,183)**
Proportionately consolidated companies-						
International Door Company, B.V.	**(71)**	**-**	**(71)**	**206**	**-**	**206**
Companies accounted for using the equity method-						
Slovakian Door Company, s.r.o.	-	-	-	(807)	-	(807)
Dongwon Technology Co., Ltd.	567	-	567	495	-	495
Krishna Grupo Antolin Private, Ltd.	976	-	976	864	-	864
Walter Pack, S.L.	3,648	-	3,648	1,543	-	1,543
AED Vantage Group, S.L.	268	-	268	(680)	-	(680)
Keyland Sistemas de Gestión, S.L.	(196)	-	(196)	-	-	-
Keyland México, S. de R.L. de C.V.	11	-	11	-	-	-
	5,274	**-**	**5,274**	**1,415**	**-**	**1,415**
Total	**12,587**	**(19,334)**	**(6,747)**	**(210,988)**	**(14,574)**	**(225,562)**

(a) In July 2022 the Group acquired a 51% stake in the share capital of Wuhan Antolin Auto Parts Co., Ltd., for a price of practically zero. As a result of this operation, the Group now owns 100% of the share capital of this company (at 31 December 2021 it owned 49%), and now controls it (see Notes 2-g and 5).

Valuation adjustments-

The balances of this heading at 31 December 2023 and 2022 in the accompanying consolidated statement of financial position include net changes in the fair value of:

- Actuarial gains and losses (see Note 16).
- Translation differences.

The movements in these items in 2023 and 2022 were as follows:

	Thousands of Euros						
	Balance at 31/12/21	Amounts Transferred to Income	Change in Fair Value, Net	Balance at 31/12/22	Changes in the Scope	Change in Fair Value, Net	Balance at 31/12/23
Actuarial gains and losses (a)	**(6,229)**	**-**	**3,007**	**(3,222)**	**813**	**(530)**	**(2,939)**

31 December 2023

Translation Differences	Thousands of Euros					
	Balance at 31 December 2022	Reductions	Transfers	Additions	Net Change	Balance at 31 December 2023
Net translation differences in fully or proportionately accounted companies	(144,539)	-	-	(66)	(29,655)	(174,260)
Less - Translation differences attributable to non-controlling interests	40,534	7	(2,426)	-	10,463	48,578
	(104,005)	7	(2,426)	(66)	(19,192)	(125,682)
Net translation differences in companies accounted for using the equity method	(1,940)	(203)	2	-	(503)	(2,644)
	(105,945)	**(196)**	**(2,424)**	**(66)**	**(19,695)**	**(128,326)**

31 December 2022

Translation Differences	Thousands of Euros				
	Balance at 31 December 2021	Reductions	Transfers	Net Change	Balance at 31 December 2022
Net translation differences in fully or proportionately accounted companies	(169,286)	(1,415)	(270)	26,432	(144,539)
Less - Translation differences attributable to non-controlling interests	35,880	557	-	4,097	40,534
	(133,406)	(858)	(270)	30,529	(104,005)
Net translation differences in companies accounted for using the equity method	(1,722)	-	270	(488)	(1,940)
	(135,128)	**(858)**	**-**	**30,041**	**(105,945)**

At 31 December 2023 and 2022, the Group had no financial derivatives designated as cash flow hedges.

Non-controlling interests-

The balance of this heading in the consolidated statement of financial position relates to the equity held by non-controlling interests in the fully consolidated companies. The balance of "Profit attributable to non-controlling interests" in the consolidated income statement relates to the non-controlling shareholders' share of profit or loss for the year.

The movements under this heading in the consolidated statement of financial position in 2023 and 2022 were as follows:

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

2023

Company	Thousands of Euros						
	Opening Balance	Dividends and Other	Reductions	Acquisition by the Group of Non-Controlling Interests (Notes 1 and 2-g)	Profit /(loss) for 2023 Attributable to Non-Controlling Interests	Translation Differences	Closing Balance
Ototrim Panel Sanayi ve Ticaret, A.S.	15,574	247	-	-	7,723	(7,302)	16,242
Iramec Autopeças, Ltda. (a)	(5,581)	-	-	5,581	-	-	-
Intertrim, Ltda.	(2,144)	-	-	-	146	(14)	(2,012)
Keyland Sistemas de Gestión, S.L.	212	-	(212)	-	-	-	-
Keyland México, S. de R.L. de C.V.	96	-	(96)	-	-	-	-
Grupo Antolin-Primera Automotive Systems, LLC	7,626	(1,240)	-	-	2,164	(284)	8,266
Plastimat Hungary, Kft.	2,750	(780)	-	-	737	-	2,707
Changchun Antolin Automotive Interiors Co., Ltd. (b)	23,780	(5,222)	-	-	4,390	(1,405)	21,543
Changshu Antolin Automotive Interiors Co., Ltd. (c)	17,736	-	-	-	1,667	(1,137)	18,266
Chengdu Antolin Automotive Interiors Co., Ltd.	1,126	-	-	-	494	(85)	1,535
Antolin Chongqing Auto Interiors Trim Systems, Co., Ltd.	1,035	-	-	-	222	(80)	1,177
Wuhan Donghuan Antolin Auto Parts Co., Ltd.	145	-	-	-	19	(21)	143
Chongqing Zhenneng Antolin Auto Parts Co., Ltd.	31	-	(31)	-	-	-	-
Shanghai Antolin-Naen Automotive Electronics Co., Ltd.	108	-	(96)	-	(66)	19	(35)
NHK Antolin (Thailand) Co., Ltd.	4,521	-	-	-	1,838	(154)	6,205
	67,015	**(6,995)**	**(435)**	**5,581**	**19,334**	**(10,463)**	**74,037**

(a) In December 2023 Antolin disposed of its stake in Slovakian Door Company, s.r.o. (in which the Group held a 25% stake through International Door Company, B.V), and acquired in the same transaction a 50% stake in Iramec Autopeças, Ltda., which at 31 December 2023 gave the Group a 100% stake in the Brazilian Company.

(b) Corresponds to the consolidated book value of the subgroup which this company heads, including the percentage attributable to non-controlling interests in the consolidated subsidiary Beijing Antolin Automotive Interiors Co., Ltd.

(c) Corresponds to the consolidated book value of the subgroup which this company heads, including the percentage attributable to non-controlling interests in the consolidated subsidiaries Changshu Antolin Auto-Parts Co., Ltd., Ningbo Antolin Auto Parts Co., Ltd. and Hefei Antolin Auto Parts Co., Ltd.

2022

Company	Thousands of Euros							
	Opening Balance	Dividends	Reductions	Acquisition by the Group of Non-Controllin g Interests (Notes 1 and 2-g)	Additions	Profit /(loss) for 2022 Attributable to Non-Controlling Interests	Translation Differences	Closing Balance
Ototrim Panel Sanayi ve Ticaret, A.S.	12,360	(3,549)	-	-	-	6,597	166	15,574
Iramec Autopeças, Ltda.	(5,586)	-	-	-	-	49	(44)	(5,581)
Intertrim, Ltda.	(2,927)	-	-	-	-	(119)	902	(2,144)
Chongqing Antolin Tuopu Overhead System Co., Ltd. (a)	1,041	-	(1,041)	-	-	-	-	-
Keyland Sistemas de Gestión, S.L.	260	-	-	-	-	(48)	-	212
Keyland México, S. de R.L. de C.V.	80	-	-	-	-	4	12	96
Grupo Antolin-Primera Automotive Systems, LLC	7,865	(420)	-	-	-	669	(488)	7,626
Dongfeng Antolin (Wuhan) Overhead Systems, Ltd.	1,153	-	-	(1,153)	-	-	-	-
Plastimat Hungary, Kft.	2,495	(130)	-	-	-	515	(130)	2,750
Changchun Antolin Automotive Interiors Co., Ltd. (b)	25,825	(2,284)	-	-	-	4,249	(4,010)	23,780
Changshu Antolin Automotive Interiors Co., Ltd. (c)	15,491	(605)	-	-	-	2,695	155	17,736
Chengdu Antolin Automotive Interiors Co., Ltd.	851	-	-	-	-	302	(27)	1,126
Antolin Chongqing Auto Interiors Trim Systems, Co. Ltd.	1,364	-	-	-	-	(310)	(19)	1,035
Wuhan Donghuan Antolin Auto Parts Co., Ltd.	182	-	-	-	-	(29)	(8)	145
Chongqing Zhenneng Antolin Auto Parts Co., Ltd.	44	-	-	-	-	(14)	1	31
Shanghai Antolin-Naen Automotive Electronics Co., Ltd.	389	-	-	-	207	(491)	3	108
NHK Antolin (Thailand) Co., Ltd.	4,487	(639)	-	-	-	505	168	4,521
	65,374	**(7,627)**	**(1,041)**	**(1,153)**	**207**	**14,574**	**(3,319)**	**67,015**

(a) Corresponds to the consolidated book value of the subgroup which this company heads, including the percentage attributable to non-controlling interests in the consolidated subsidiaries Hangzhou Antolin Tuopu Overhead System Co., Ltd. and Harbin Antolin Tuopu Overhead System Co., Ltd. This subgroup was disposed of in 2022 (see Notes 1 and 2-g).

(b) Corresponds to the consolidated book value of the subgroup which this company heads, including the percentage attributable to non-controlling interests in the consolidated subsidiary Beijing Antolin Automotive Interiors Co., Ltd.

(c) Corresponds to the consolidated book value of the subgroup which this company heads, including the percentage attributable to non-controlling interests in the consolidated subsidiaries Changshu Antolin Auto-Parts Co., Ltd., Ningbo Antolin Auto Parts Co., Ltd. and Hefei Antolin Auto Parts Co., Ltd.

An itemised analysis, by consolidated subsidiary, of the balance of this heading at 31 December 2023 is as follows:

	Thousands of Euros				
Company	Share Capital	Reserves and (Prior Years Losses), Net	Profit/(Loss) for 2023	Translation Differences	Total
Ototrim Panel Sanayi ve Ticaret, A.S.	12,734	40,220	7,723	(44,435)	16,242
Intertrim, Ltda.	1,678	(2,468)	146	(1,368)	(2,012)
Grupo Antolin-Primera Automotive Systems, LLC	25	5,886	2,164	191	8,266
Plastimat Hungary, Kft.	1,560	410	737	-	2,707
Changchun Antolin Automotive Interiors Co., Ltd.	5,347	13,400	4,390	(1,594)	21,543
Changshu Antolin Automotive Interiors Co., Ltd.	9,613	8,113	1,667	(1,127)	18,266
Chengdu Antolin Automotive Interiors Co., Ltd.	1,292	(209)	494	(42)	1,535
Antolin Chongqing Auto Interiors Trim Systems, Co., Ltd.	2,240	(1,250)	222	(35)	1,177
Wuhan Donghuan Antolin Auto Parts Co., Ltd.	248	(110)	19	(14)	143
Shanghai Antolin-Naen Automotive Electronics Co., Ltd.	76	(65)	(66)	20	(35)
NHK Antolin (Thailand) Co., Ltd.	2,631	1,910	1,838	(174)	6,205
	37,444	**65,837**	**19,334**	**(48,578)**	**74,037**

The non-controlling interests with holdings of more than 5% in the share capital of any subsidiary are as follows:

Subsidiary	Non-Controlling Interest	Percentage Held
Ototrim Panel Sanayi ve Ticaret, A.S.	SKT Yedek Parça ve Makina Sanayi ve Ticaret, A.S.	50.00
Intertrim, Ltda.	Luiz Rodovil Rossi	14.72
Grupo Antolin-Primera Automotive Systems, LLC	Crown Automotive Systems, LLC	51.00
Plastimat Hungary, Kft.	Summit D & V Autóipari Gyártó és Szerelő Korlátolt Felelősségű Társaság (b)	26.00
Changchun Antolin Automotive Interiors Co., Ltd.	Changshu Automotive Trim Co., Ltd. (a)	40.00
Changshu Antolin Automotive Interiors Co., Ltd.	Changshu Automotive Trim Co., Ltd. (a)	40.00
Chengdu Antolin Automotive Interiors Co., Ltd.	Changshu Automotive Trim Co., Ltd. (a)	40.00
Antolin Chongqing Auto Interiors Trim Systems, Co., Ltd.	Changshu Automotive Trim Co., Ltd. (a)	49.00
Wuhan Donghuan Antolin Auto Parts Co., Ltd.	Wuhan Donghuan Auto Cab System Co., Ltd. (a)	49.00
Shanghai Antolin-Naen Automotive Electronics Co., Ltd.	Shanghai Naen Auto Technology Co., Ltd. (a)	5.00
NHK Antolin (Thailand) Co., Ltd.	NHK Spring Co. Ltd.	50.00

(a) Holdings held indirectly via Antolin China Investment Co., Ltd.-

(b) Holding held indirectly via Antolin Hungary, Kft.

(14) EARNINGS PER SHARE

Basic earnings/*(loss)* per share-

Basic earnings/(loss) per share are calculated by dividing the net profit attributed to the holders of equity instruments in the Parent by the weighted average number of shares outstanding during that year, excluding the average number of treasury shares held during the year.

An analysis of basic earnings/(loss) per share is as follows:

	Thousands of Euros	
	2023	2022
Earnings/(loss) for the year attributed to holders of net equity instruments in the Parent (thousand euros)	(6,747)	(225,562)
Weighted average number of shares outstanding in the year (thousand shares)	8,023	8,023
Basic earnings/(loss) per share (euros)	**(0.84)**	**(28.11)**

The number of shares outstanding at 31 December 2023 and 2022 was 8,023,241.

Diluted earnings/(loss) per share-

Diluted earnings/(loss) per share are calculated in much the same way as basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential diluting effect of the share options, warrants and convertible debt current at the year-end.

At 31 December 2023 and 2022, diluted earnings/(loss) per share were the same as basic earnings/(loss) per share as the Group had no diluting instruments.

(15) GRANTS

The movements in this heading in the consolidated statement of financial position in the financial years 2023 and 2022 were as follows:

	Thousands of Euros
Balance at 31 December 2021	**5,545**
Income recognised in the year	(939)
Grants awarded during 2022	487
Other items	(15)
Balance at 31 December 2022	**5,078**
Income recognised in the year	(769)
Grants awarded during 2023	400
Other items	(31)
Balance at 31 December 2023	**4,678**

These non-refundable grants were awarded by Romanian, Spanish, French, German, South African, Chinese, Italian and Hungarian public bodies to finance certain investments made by the Group in a number of production plants.

In order for these grants to qualify as non-refundable, the companies receiving them must fulfil a number of general and specific conditions, such as making the approved investments, creating and maintaining a given number of jobs and evidencing a certain level of capital and reserves at the end of a specified period. The Parent's Directors consider that all the general and specific conditions established in the respective Individual Grant Resolutions relating to the capital grants made to the consolidated companies have been and/or will be met.

Capital grants received by the Group at 31 December 2023 will be taken to income as follows:

Taken to Income	Thousands of Euros
In one year	947
Between one and five years	2,942
After five years	789
	4,678

(16) CURRENT AND NON-CURRENT PROVISIONS

The movements in this heading in the consolidated statements of financial position in the financial years ended 31 December 2022 and 2023 were as follows:

	Thousands of Euros			
	Non-Current Provisions			
	Provisions for Pension Commitments and Similar	Other Provisions	Total	Current Provisions
Balances at 31 December 2021	**26,232**	**72,880**	**99,112**	**24,982**
Taken to income for the year	2,070	30,926	32,996	37,378
Transfers between accounts	(948)	9,735	8,787	(8,787)
Reversals credited to income for the year	(5,351)	(19,719)	(25,070)	(1,324)
Provisions applied	-	(16,470)	(16,470)	(5,323)
Contributions to the pension plan contracted with an insurance entity and payments to beneficiaries	(1,548)	-	(1,548)	-
Remeasurements recognised (for actuarial gains and losses)	2,256	-	2,256	-
Outflows of provisions relating to discontinued operations (Note 25)	-	(1,028)	(1,028)	(366)
Transfers to other accounts in the consolidated statement of financial position	-	(3,457)	(3,457)	(111)
Translation differences and other items	432	(1,774)	(1,342)	228
Balances at 31 December 2022	**23,143**	**71,093**	**94,236**	**46,677**
Taken to income for the year	3,761	28,424	32,185	23,891
Transfers between accounts	571	(486)	85	(85)
Reversals credited to income for the year	(1,603)	(6,322)	(7,925)	(10,962)
Provisions applied	(2,805)	(8,044)	(10,850)	(11,400)
Contributions to the pension plan contracted with an insurance entity and payments to beneficiaries	(283)	-	(283)	-
Exclusions from de scope of consolidation	(6,186)	(1,167)	(7,353)	(2,543)
Transfers to other accounts in the consolidated statement of financial position	-	(669)	(669)	-
Translation differences and other items	575	(3,176)	(2,601)	369
Balances at 31 December 2023	**17,173**	**79,653**	**96,825**	**45,947**

Provisions for pension commitments and similar-

The balances of this heading at 31 December 2023 and 2022 correspond basically to provisions to meet long-term commitments to personnel (pension commitments to certain current and former employees) in the British, French German, Mexican and Indian companies. Some of these companies have outsourced their pension liabilities to an insurance company.

The amounts recognised in the consolidated statements of financial position at 31 December 2023 and 2022 were determined as follows:

	Thousands of Euros	
	31/12/23	31/12/22
Present value of the obligations at the end of the reporting period	30,884	37,442
Fair value of the assets assigned to the plan at the end of the reporting period	(13,711)	(14,299)
Liability in the consolidated statement of financial position at the end of the reporting period	**17,173**	**23,143**

These amounts have been calculated using appropriate actuarial studies. The technical assumptions applied by the consolidated subsidiaries (interest rates, mortality tables, accumulated annual CPI, etc.) are in line with the socio-economic situation of each country (specifically, the discounted interest rates used at 31 December 2023 range from 3.2% to 9.5% while at 2022 year-end they ranged from 1.10% to 9.48%).

Other provisions-

The balance of other "Non-current provisions" at 31 December 2023 essentially comprises provisions set up to meet commitments with the personnel of some other consolidated companies not included under "Provisions for pension commitments and similar" (10,062 thousand euros), some claims by suppliers and/or customers for retroactive pricing and similar arrangements (25,587 thousand euros), and future losses deriving from onerous contracts which are expected to be incurred in the long term (1,589 thousand euros), as well as provisions for the reversal or dismantling of assets (12,731 thousand euros), and claims by suppliers and/or customers for warranties (3,872 thousand euros), restructuring (6,280 thousand euros), taxes (11,123 thousand euros) and various liabilities incurred during the normal course of their operations (8,408 thousand euros).

Neither the legal and tax advisers of the Group nor the Directors of the Parent expect any of these proceedings and claims pending resolution at 31 December 2022 to produce a material impact on the consolidated financial statements for the years in which said proceedings are concluded.

Current provisions-

The balance of the other current provisions at 31 December 2023 relates mainly to the provisions recognised to meet certain commitments with suppliers and/or customers for retroactive pricing arrangements and similar (13,146 thousand euros), claims by suppliers and/or customers for warranties (1,573 thousand euros), restructuring (1,013 thousand euros) and for certain liabilities arising in the normal course of Antolin's business activities (30,215 thousand euros).

(17) BANK LOANS, DEBENTURES AND OTHER MARKETABLE SECURITIES

The financing facilities granted to the Group by financial institutions and the debentures and bonds issued at 31 December 2023 and 2022 are as follows:

	Thousands of Euros					
	31/12/23			31/12/22		
	Current Liabilities	Non-Current Liabilities	Total	Current Liabilities	Non-Current Liabilities	Total
Debentures and bonds	-	630,300	630,300	-	630,300	630,300
Syndicated loan facility	31,454	322,406	353,860	15,727	353,860	369,587
Multi-currency Revolving Credit Facility	50,000	-	50,000	-	-	-
EIB loan	20,952	76,667	97,619	20,952	97,619	118,571
COFIDES Loan	800	8,200	9,000	400	9,000	9,400
Other loans	2,816	1,776	4,592	3,003	4,842	7,845
Other credit lines	31,635	-	31,635	827	-	827
Factoring lines	30,711	-	30,711	4,092	-	4,092
Payables under finance leases	78	146	224	51	134	185
Interest payable	5,109	-	5,109	4,098	-	4,098
Less- financial re-measurement	(3,196)	(5,082)	(8,278)	(3,337)	(8,328)	(11,665)
	170,359	**1,034,413**	**1,204,772**	**45,813**	**1,087,427**	**1,133,240**

The schedule of maturities of this financial debt at 31 December 2023 and 2022, excluding the reduction for financial re-measurement, is as follows:

	Thousands of Euros	
Maturing in the Year	Debt at 31/12/23	Debt at 31/12/22
2023	-	49,150
2024	173,555	56,262
2025	183,870	183,906
2026	440,551	440,525
2027	20,964	20,952
2028 and later	394,110	394,110
	1,213,050	**1,144,905**

Debentures and bonds-

Bond issue effected on 29 June 2021-

On 29 June 2021, the Parent completed the process of placing with qualified and institutional investors an issue of ordinary long-term bonds totalling 390 million euros. The purpose of this transaction was to obtain funds for the early redemption of the bonds issued on 10 April 2017, as well as to lengthen the repayment terms of its financing. The key terms and conditions of this bond issue are:

- The amount of the issue was 390 million euros maturing in 7 years (on 30 April 2028).
- The credit rating of the issuer and/or the issue was B/B2.
- The issue's ISIN code is XS2355632584 and the bonds are traded on the Luxembourg Euro MTF market.
- The bonds bear annual interest at 3.50% payable six-monthly.

At 31 December 2023, the bonds were trading at 75.872% (71.307% at 31 December 2022).

Antolin redeemed part of these bonds in 2022. Specifically, Antolin redeemed early a nominal amount of 9,700 thousand euros, posting a gain on this transaction of 3,035 thousand euros. Consequently, at 31 December 2023 and 2022 the nominal amount of these unredeemed bonds was 380,300 thousand euros.

Bond issue effected on 18 April 2018-

On 18 April 2018, the Parent completed the process of placing with qualified and institutional investors an issue of ordinary long-term bonds totalling 250 million euros. The key terms and conditions of this bond issue are:

- The amount of the issue was 250 million euros maturing in 8 years (on 30 April 2026).
- The credit rating of the issuer and/or the issue was BB-/Ba3.
- The issue's ISIN code is XS1812087598 and the bonds are traded on the Luxembourg Euro MTF market.
- The bonds bear annual interest at 3.375% payable six-monthly.

At 31 December 2023, the bonds were trading at 88.577% (81.843% at 31 December 2022).

Other significant terms of the bond issues effected in 2018 and 2021-

- The bonds are jointly guaranteed by Grupo Antolin-Irausa, S.A.U. and certain subsidiaries and, in addition, a lien on 100% of the shares of the Parent has been established (see Note 13).
- The issuer of the bonds may redeem all or part of the bonds at any date from 30 April 2021 (for the 2018 issue) and from 30 April 2024 (for the 2021 issue). Prior to these dates, it may redeem all or part of the bonds subject to certain conditions. Also, all the bonds may be redeemed at any date if any changes to tax legislation are introduced whereby the issuers would be required to pay additional amounts for the bonds.
- With respect to these bond issues, an Intercreditor Agreement was signed governing the relations between creditors (bondholders and the financial institutions of the Senior Facilities Agreement), under which said creditors will have an equal share in any guarantee issued.
- Certain limits have been established with respect to the Group's capacity to perform specific operations (the distribution of dividends, the signing or provision of additional debt guarantees, certain investments or acquisitions, mergers with other companies, the sale of assets and investments, etc.), subject to some exceptions and conditions. The Directors of the Parent consider that the Group complies and will comply with these limits and commitments.

Syndicated Loan Facility, and multi-currency Revolving Credit Facility-

On 13 March 2014, the Parent signed a “Senior Facilities Agreement” with major Spanish and international financial institutions under which Antolin obtained financing by means of a 200-million-euro syndicated Loan Facility, and a multi-currency Revolving Credit Facility with a 200-million-euro limit. Subsequently, in June 2015 a 200-million-euro extension to the syndicated Loan Facility was entered into, increasing the capital of said loan to 400 million euros, all of which was drawn by the Parent by 31 December 2015.

On 26 October 2016, Antolin signed a novation of the “Senior Facilities Agreement”, amending the repayment schedule, extending the final maturity date of the contract to 2021 (originally this was 2020), and modifying the interest rate (Euribor plus a market spread) thereby reducing the Group’s finance costs.

Also, on 27 April 2018, a change to the “Senior Facilities Agreement” (“Amendment and Restatement Agreement”) was signed, increasing the syndicated loan by 50 million euros, all of which was drawn by the Parent in 2018. The amount of the loan was 419,204 thousand euros and it was divided into three tranches. In this modification of the loan a new financial institution became a lender (HSBC Bank plc), the final maturity of the contract was extended until 2023, and the repayment schedule was changed as was the interest rate, reducing the cost of this financing.

Additionally, on 3 June 2020 a new amendment to this financing agreement was executed, which allowed Antolin the possibility of additional financing for an aggregate amount of up to 200 million euros.

In 2021 the Parent completed a process to refinance the "Senior Facilities Agreement" ("Amendment and Restatement Agreement") in order to extend the repayment schedule. In this loan amendment a new financial institution became a lender (Instituto de Crédito Oficial (ICO)), the final maturity of the agreement was extended to 2026 and the repayment schedule and applicable interest rate were modified. In accordance with IFRS 9 requirements, Antolin checked that the present value of the cash flows deducted under the new conditions, using the original effective interest rate for the deduction, differs by less than 10% from the present discounted value of the remaining cash flows of the original financial liability. Antolin calculated the differential amount of the present value of the future contractual cash flows discounted at the debt's original effective interest rate with respect to the amortised cost recorded without reaching a significant quantity for recognition in the consolidated financial statements for 2021.

In relation to the multi-currency Revolving Credit Facility, with the inclusion of the Instituto de Crédito Oficial (ICO) as a lender, it was agreed to reduce the total available amount from 200 million euros (initially granted) to 193,550 thousand euros, of which 4,450 thousand euros has been set up as a bank guarantee facility and 189,100 thousand euros are directly linked to the credit facility.

Lastly, in 2022 a new amendment to this financing agreement was executed, under which certain adjustments were included in relation to the financial ratios which the Group is required to achieve, taking into account the restructuring costs and the synergies included in the 2023-2026 Business plan.

In 2023 and 2022, the Group repaid 15,727 and 16,127 thousand euros, respectively, of these financing agreements.

The outstanding principal on the syndicated loan at 31 December 2023 and 2022 was 353,860 and 369,587 thousand euros, respectively, since at those dates the Parent had not drawn down any amount against the multi-currency Revolving Credit Facility. The outstanding principal on the syndicated loan at 31 December 2023 and 2022 had the following repayment schedule:

	Thousands of Euros				
	Maturing in:				
	2023	2024	2025	2026	Total
At 31/12/23	-	31,454	157,271	165,135	**353,860**
At 31/12/22	15,727	31,454	157,271	165,135	**369,587**

Notwithstanding the above schedule, Antolin may, at any moment during the life of the loan, opt to repay all or part of the outstanding syndicated loan or multi-currency revolving credit facility, provided certain conditions are met. Furthermore, the following events will trigger full or partial early repayment of these loans:

- Subject to certain exceptions and amounts, the disposal of specific asset categories, the receipt of indemnities from insurance companies or the flotation of the Parent (with no change of control of the Group).

- In the event of a change of control in the Group, any of the financial institutions may decide to leave the financing arrangements in place or may request early repayment of the proportional part of the loan corresponding to said institution.

Interest-

These loans accrue annual interest tied to the Euribor, plus a variable market spread, which is reviewed annually on the basis of certain financial ratios.

In the novation formalised on 5 May 2021, the multi-currency revolving credit facility was linked to the achievement of certain environmental, social and corporate governance-related performance indicators by Antolin. Antolin must also pay a commission with respect to the undrawn amount of the multi-currency revolving credit facility.

Loan guarantees-

These loans are backed by an irrevocable and unconditional guarantee from a significant number of the companies forming the Group, although the guarantees provided by some subsidiaries (specifically certain Portuguese, Czech and German companies) are limited to amounts established by the applicable local legislation. In order to comply with the obligations related to these loans, Antolin has given a commitment to each of the subsidiaries in which it holds at least 90% of the share capital that it will become a guarantor if the following circumstances arise: its EBITDA for the year represents at least 2.5% of the Group's EBITDA and exceeds 5 million euros.

In addition, liens have been established on the share capital of the Parent (see Note 13).

Early repayment-

The Senior Facilities Agreement under which these loans were granted includes clauses specifying that the following events will trigger their full early repayment:

- Failure to repay the principal or pay the interest on the loans as and when they fall due.
- Failure of the Group to achieve the financial ratios set in the agreement under which these loans were granted or to remedy said failure within 20 days of the issue of the "ratio compliance certificate" in which they are detailed.
- Failure to comply with other obligations established in the loan agreement (false disclosures, failure to provide information, etc.) without rectifying said failure within a determined period.
- Failure to pay other borrowings falling due, provided certain circumstances are met, or the insolvency of the Parent, a material subsidiary, or the shareholders.
- A change in the ownership of the shares of the Parent, or the closure of businesses, expropriation, lawsuits and legal claims, the seizure of or embargoes on assets, material changes and any other circumstances which have a material adverse effect on the Group. The loans will also be repayable if the Group's auditors issue a disclaimer of opinion, or an adverse or qualified opinion.

At 31 December 2023, the Parent's Directors considered that all the clauses and obligations set out in the financing agreement and their subsequent amendments had been fulfilled, and that no grounds for early maturity or partial or total early repayment had occurred. They also consider that all conditions will be met in the following 12 months from the date of authorisation for issue of these consolidated financial statements.

Other obligations and commitments-

The Senior Facilities Agreement contains certain obligations and commitments limiting the Group's capacity to perform certain operations during the life of the loans, including the following:

- Limits on obtaining additional financing, the constitution of charges or guarantees against its assets, and the granting of guarantees or sureties to third parties.
- Limits on the sale, cession, transfer or other forms of disposal of its assets.
- Limits on the acquisition of companies or businesses.
- Limits on the distribution of dividends by the Parent (see Note 13).

Long-term loan granted by the European Investment Bank (EIB)-

On 12 June 2018, the Parent and the European Investment Bank, and other Group companies as guarantors, signed a contract by which said entity granted the Group a long-term loan of 100,000 thousand euros, to finance a project called "Antolin Car Interiors RDI", implementing the Group's R&D and innovation strategy for the development of new solutions for vehicle interiors. The total planned investment in the project was 217,172 thousand euros, which had to be implemented by various Group companies located in Spain, Germany and France between 2018 and 2020.

The principal is repaid in 14 half-yearly instalments of equal amounts, the first of which fell due on 30 November 2021 and the last of which falls due on 31 May 2028.

On 23 December 2020, the Parent executed a new agreement with the European Investment Bank (EIB), under which it increased the amount of financing granted to the "Antolin Car Interiors RDI" project by 40,000 thousand euros, which had been drawn down by the Parent at 31 December 2021. The amount of this loan extension is repaid in half-yearly instalments, the first of which fell due on 31 January 2023 and the last of which falls due on 30 June 2028.

This loan accrues fixed annual interest and is backed by a joint and several guarantee from various group companies, acting as guarantors.

Therefore, at 31 December 2023 and 2022 the outstanding principal of this loan amounted to 97,619 thousand euros and 118,571 thousand euros, respectively, with the following repayment schedule:

	Thousands of Euros						
	Maturing in:						
	2023	2024	2025	2026	2027	2028	Total
At 31/12/23	-	20,952	20,952	20,952	20,952	13,811	**97,619**
At 31/12/22	20,952	20,952	20,952	20,952	20,952	13,811	**118,571**

The European Investment Bank (EIB) has signed the intercreditor agreement which governs relations between bondholders, financial creditors and the Group, having agreed to adopt the covenants and conditions for the distribution of dividends envisaged in the loan agreements for the "Antolin Car Interiors RDI" project, as well as the guarantees, causes of early repayment and other obligations and commitments established in the aforementioned intercreditor agreement. The causes of obligatory partial or total repayment of the loan include failure to make the envisaged investments or the reduction of the cost of the project to a certain amount.

Lastly, in 2022 a new amendment to this loan agreement was formalised, introducing certain adjustments to the financial ratios which the Group is required to achieve, taking into account the restructuring costs and the synergies included in the 2023-2026 Business Plan.

In the light of this accession to the intercreditor agreement and the conditions established in the loan agreements, at 31 December 2023 the Parent's Directors considered that all the clauses and obligations set out in the loan agreements had been fulfilled and no event which could trigger full or partial early repayment had occurred. They also considered that all conditions will be met in the next 12 months from the date of authorisation for issue of these consolidated financial statements.

COFIDES Loan-

On 28 July 2021, the Parent and Compañía Española de Financiación del Desarrollo (COFIDES) executed an agreement under which the latter granted a long-term loan to the Parent of 10,000 thousand euros to promote the Group's international investment.

The principal of this loan will be paid in half-yearly instalments the first of which fell due on 20 March 2022 and the last of which falls due on 20 June 2026.

This loan accrues variable interest and is backed by a joint and several guarantee from several Group companies, acting as guarantors.

At 31 December 2023 and 2022, the outstanding principal of this loan totalled 9,000 and 9,400 thousand euros, respectively. The repayment schedule is as follows:

	Thousands of Euros				
	Maturing in:				
	2023	2024	2025	2026	Total
At 31/12/23	-	800	4,000	4,200	**9,000**
At 31/12/22	400	800	4,000	4,200	**9,400**

Compañía Española de Financiación del Desarrollo (COFIDES) has adhered to the "Intercreditor Agreement" which governs relations among bondholders, financial creditors and the Group, and had agreed to adopt the covenants and conditions for dividend distribution, as well as guarantees, grounds for early repayment and other obligations and commitments established in the aforementioned "Intercreditor Agreement".

Lastly, in 2022 a new amendment to this loan agreement was formalised, introducing certain adjustments to the financial ratios which the Group is required to achieve, taking into account the restructuring costs and the synergies included in the 2023-2026 Business Plan. In the light of this accession to the intercreditor agreement and the conditions established in the loan agreements, at 31 December 2023 the Parent's Directors considered that all the clauses and obligations set out in the loan agreements had been fulfilled and no event which could trigger full or partial early repayment had occurred. They also considered that all conditions will be met in the next 12 months from the date of authorisation for issue of these consolidated financial statements.

Other loans-

Other loans granted to the Group at 31 December 2023 and 2022 are as follows:

	Thousands of Euros				
	Maturing in:				
	2023	2024	2025	2026	Total
At 31/12/23	-	2,816	1,565	211	**4,592**
At 31/12/22	3,003	3,003	1,628	211	**7,845**

A significant portion of these loans were formalised in 2020 within the framework of government plans to provide financial assistance during the COVID-19 pandemic.

These loans accrue annual interest at a variable market rate.

Other credit lines-

The following other credit lines had been granted to the Group at 31 December 2023 and 2022:

	Thousands of Euros					
	At 31/12/23			At 31/12/22		
Nature of Loan	Limit	Balance Drawn	Balance Available	Limit	Balance Drawn	Balance Available
Euro credit lines (a)	17,500	11,506	5,994	18,054	204	17,770
Credit lines in foreign currencies	69,214	20,129	49,085	58,018	543	57,475
	86,714	**31,635**	**55,079**	**76,072**	**827**	**75,245**

(a) This amount includes a current account overdraft limit of 17,000 thousand euros granted to the Group as part of a framework agreement with a financial institution for the provision of banking services.

The Directors of the Parent foresee no difficulty renewing these credit lines when they expire.

Also, in March 2014 Antolin arranged a multi-currency long-term Revolving Credit Facility with an initial limit of 200 million euros. This amount was reduced in 2023 to a limit of 189,100 thousand euros and maturity was set at 30 June 2026. 50,000 thousand euros had been drawn down against the aforementioned credit facility at 31 December 2023. As a result, at 31 December 2023, the undrawn amount available to Antolin from credit lines and overdraft facilities totalled 194,178 thousand euros. These credit lines and overdraft facilities accrue interest at variable market rates.

Factoring lines-

At 31 December 2023, Antolin had executed recourse and non-recourse factoring agreements with several financial institutions. At that date outstanding receivables assigned without recourse to financial institutions amounted to 193,236 thousand euros (122,605 thousand euros at 31 December 2022). As this involved transferring part of the risks and benefits of the assets and control thereof, Antolin directly reduced its trade receivables by the amount of the receivables assigned to the financial institutions and did not, therefore, recognise any financial liability in this connection.

Also, in relation to these factoring agreements, at 31 December 2023 Antolin had 30,711 thousand euros pending payment to financial institutions in respect of collections made by these in the final days of December 2023 regarding invoices ceded to these entities (4,092 thousand euros at 31 de December 2022). This amount, which is included under liabilities in the accompanying consolidated statement of financial position at 31 December 2023 as payable to the corresponding entities, was paid in the first few days of 2024.

Payables under finance leases-

The lease payments outstanding at 31 December 2023 and 2022, including the purchase options, fall due as follows (see Note 8):

	Thousands of Euros					
	Maturing in:					
	2023	2024	2025	2026	2027	Total
At 31/12/23	-	78	81	53	12	**224**
At 31/12/22	51	53	54	27	-	**185**

This financing accrues annual interest at a variable market rate.

(18) RIGHT-OF-USE LIABILITIES AND OTHER FINANCIAL LIABILITIES

"Right-of-use liabilities" and "Other financial liabilities" under current and non-current liabilities in the consolidated statements of financial position at 31 December 2023 and 2022 were as follows:

	Thousands of Euros					
	At 31 December 2023			At 31 December 2022		
	Current Liabilities	Non-Current Liabilities	Total	Current Liabilities	Non-Current Liabilities	Total
Liabilities associated with right-of-use assets	**58,003**	**177,132**	**235,135**	**60,779**	**189,829**	**250,608**
Other financial liabilities-						
Loans granted by Spanish and Portuguese public authorities	2,987	4,782	7,769	3,002	8,186	11,188
Other financial liabilities	2	5,121	5,123	-	9,725	9,725
Less- financial re-measurement	-	(52)	(52)	(29)	(133)	(162)
	2,989	**9,851**	**12,840**	**2,973**	**17,778**	**20,751**

Lease liabilities-

The maturities estimated for lease liabilities at 31 December 2023 and 2022 (recognised on applying IFRS 16) range over approximately 15 years, as shown in the estimated breakdown below (see Note 8):

	Thousands of Euros							
	Maturing in:							
	2023	2024	2025	2026	2027	2028	2029 and Later	Total
At 31/12/23	-	58,003	50,067	32,509	23,295	17,093	54,168	**235,135**
At 31/12/22	60,779	45,103	35,424	26,622	21,258	16,621	44,801	**250,608**

Loans granted by Spanish and Portuguese public authorities-

Most of the balances under this heading at 31 December 2023 and 2022 corresponded to loans granted to the Group by certain Spanish public authorities to finance research and development projects and improve competitiveness. In 2009, 2010, 2011 and 2012, the Ministry for Industry, Tourism and Trade, through the Plan for Competitiveness of the Automotive Industry, granted long-term interest-free loans to Antolin. In general, these loans must be repaid in 10 regular annual instalments falling due between 2015 and 2027.

The nominal amount of these and other loans granted by Spanish and Portuguese public authorities outstanding at 31 December 2023 and 2022 (which are recorded at said dates at their amortised cost) will be repaid in accordance with the following repayment schedule:

	Thousands of Euros							
	Maturing in:							
	2023	2024	2025	2026	2027	2028	2029 and Later	Total
31/12/23	-	2,987	1,349	802	972	544	1,115	**7,769**
31/12/22	3,002	3,108	1,518	994	908	396	1,658	**11,188**

(19) TAX MATTERS

Tax receivables and payables-

Antolin's tax receivables and payables at 31 December 2023 and 2022 were as follows:

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

	Thousands of Euros			
	31/12/23		31/12/22	
	Current	Non-Current	Current	Non-Current
TAX ASSETS:				
Deferred tax assets	**-**	**170,083**	**-**	**99,793**
Tax receivables (Note 11)-				
Current tax assets	6,509	-	19,282	-
VAT and other receivables	56,695	-	65,203	-
TOTAL TAX ASSETS	**63,204**	**170,083**	**84,485**	**99,793**
TAX LIABILITIES:				
Deferred tax liabilities	**-**	**58,279**	**-**	**40,443**
Tax payables -				
Current tax liabilities	6,194	-	14,415	-
Accounts payable to the Tax Authorities for other concepts	36,204	-	27,344	-
Accounts payable to Social Security agencies	14,196	-	13,459	-
TOTAL TAX LIABILITIES	**56,594**	**58,279**	**55,218**	**40,443**

Corporate income tax-

As indicated in Note 3-m, Grupo Antolin-Irausa, S.A.U. and all of its consolidated Spanish subsidiaries domiciled in Spanish "common territory" in which it has holdings of 75% or more file consolidated corporate income tax returns. The parent of the consolidated tax group under which these companies file is Avot Inversiones, S.L. (until 31 December 2014 the parent of the consolidated tax group was Grupo Antolin-Irausa, S.A.).

The corporate income tax charge is calculated for each consolidated subsidiary based on accounting profit, determined in accordance with generally accepted accounting principles, which need not coincide with taxable income, the latter being the tax base.

The reconciliation of consolidated accounting profit or loss to the respective tax bases for corporate income tax purposes for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Consolidated profit/(loss) for the year before tax:		
From continuing operations	(7,414)	(174,250)
From discontinued operations	-	(26,266)
	(7,414)	**(200,516)**
Permanent differences-		
Losses incurred by certain foreign consolidated companies for which no tax asset has been recorded	43,398	102,373
Individual companies and adjustments in consolidation:		
Other increases and decreases, net	38,687	96,489
Share in profit or loss of companies accounted for using the equity method		(1,412)
Temporary differences-	(5,460)	-
Increases and decreases, net:		
Individual companies (a)	39,886	135,738
Consolidation adjustments	4,128	(886)
Application of tax loss carryforwards-		
For which a tax credit had been recorded	(2,628)	(33,538)
For which no tax credit had been recorded	(17,011)	(7,973)
Consolidated taxable income	**93,586**	**90,273**

(a) The most significant increases and decreases correspond to the recognition of certain provisions and to other expenses incurred, which the Group considers non-deductible (temporary differences). 2022 also includes the adjustment for the impairment of recognised tangible and intangible assets, and the change in tax legislation regarding the amortisation of R&D expenditure, which applies to the consolidated companies in the United States.

The balance under "Current investments in Group companies and associates" in the accompanying consolidated statement of financial position at 31 December 2023, amounting to 1,995 thousand euros, corresponds to the estimated tax receivable from Avot Inversiones, S.L. (Parent of the Spanish consolidated tax Group) derived from taxable income, deductions, withholdings and payments on account furnished by the Group's Spanish companies to the 2023 consolidated income tax return (911 thousand euros at 31 December 2022 recorded under the same heading in the accompanying consolidated statement of financial position at that date).

Corporate income tax expense/(benefit)-

The balances of the "Corporate income tax" heading in the consolidated income statements for the financial years ended 31 December 2023 and 2022 were determined as follows:

	Thousands of Euros	
	2023	2022
Consolidated profit/(loss) for the year before tax:		
From continuing operations	(7,414)	(174,250)
From discontinued operations	-	(26,266)
	(7,414)	**(200,516)**
Permanent differences	76,625	197,450
Application of prior year tax losses for which no tax credit had been recognised	(17,011)	(7,973)
	52,200	**(11,039)**
Estimated tax rate (25%)	**13,050**	**(2,760)**
Tax deductions applied for which no tax credit had been capitalised	(8,632)	(5,820)
Capitalisation of deductions	(4,553)	-
Regularisation/(capitalisation) of tax credits for prior years' losses and other deferred tax assets	(23,401)	11,338
Tax paid by companies in other countries (withholdings) (a)	4,396	6,998
Other items and adjustments	(861)	997
Corporate income tax expense/(benefit) attributable to continuing operations (balance of "Corporate income tax" in the consolidated income statement)	**(20,001)**	**10,753**

(a) Corresponds to tax paid in other countries on dividends, interest and other amounts paid to the Parent and other consolidated subsidiaries for which said companies have made no deductions.

Tax loss carryforwards-

Although at 31 December 2023 some of the consolidated companies had very significant tax loss carryforwards (around 861 million euros in total), the accompanying consolidated statement of financial position at that date only includes a tax credit of 44,683 thousand euros relating to the tax effect of the tax loss carryforwards, the offsetting of which can reasonably be expected to be applied (basically, they correspond to tax losses generated in 2009, 2011, 2012, 2021 and 2022 by the Spanish consolidated tax group, and tax losses generated, mainly, by French, Chinese, Mexican, British, German, Brazilian, Czech, Indian and Italian companies).

Tax losses generated in a given year can be carried forward for offset against the taxable income of the immediately following years, as established in the tax legislation of the countries in which the consolidated companies are located.

Foreign subsidiaries-

At 31 December 2023, no dividend distributions had been proposed by foreign consolidated subsidiaries and associates which were pending execution. Nevertheless, at that date it was envisaged that dividends would be distributed by certain subsidiaries in the coming years with a charge to existing reserves. Consequently, and based on estimates made, at 31 December 2023 a deferred tax liability of 1,677 thousand euros was recognised in this connection due to the tax effect these pay-outs would have on the Group. This deferred tax liability has been charged to "Corporate income tax" in the accompanying consolidated income statement for 2023.

Deferred tax assets and liabilities-

The movements in 2022 and 2023 under "Deferred tax assets" and "Deferred tax liabilities" in the consolidated statement of financial position were as follows:

	Thousands of Euros	
	Assets	Liabilities
Balances at 31 December 2021	**107,624**	**65,807**
Tax effect of applying IFRS 16	470	-
Application of tax loss carryforwards	(8,095)	-
Capitalisation of tax loss carryforwards	10,210	-
Regularisation of tax loss carryforwards	(11,100)	-
Changes for temporary differences, translation differences and other items	684	(25,364)
Balances at 31 December 2022	**99,793**	**40,443**
Tax effect of applying IFRS 16	754	-
Application of tax loss carryforwards	(657)	-
Capitalisation of tax loss carryforwards	29,815	-
Capitalisation of deductions	4,553	-
Regularisation of tax loss carryforwards	(4,242)	-
Changes for timing differences, translation differences and other items	40,067	17,836
Balances at 31 December 2023	**170,083**	**58,279**

The aforementioned deferred tax assets have been recognised in the consolidated statement of financial position because the Parent's Directors are reasonably sure that they will be recovered, based on recent forecasts of the future tax bases of the consolidated subsidiaries. In this regard, Antolin's current business plan for the coming years revised by the Parent's Board of Directors and recently prepared by the Group's Directors envisages the generation of pre-tax profits.

In 2023 an advance pricing arrangement (APA) was requested pursuant to Article 18.9 of Spanish Corporate Income Tax Law 27/2014, of 27 November. For these purposes, the requested arrangement was performed at arm's length and in accordance with the procedure established in Article 21 et seq. of Royal Decree 634/2015, of 10 June, approving the Corporate Income Tax Regulations. That arrangement includes and accepts all the elements of the proposal initially requested and the tax projections which served as a basis for the analysis of the recognition and recoverability of the deferred tax assets include the impacts of the APA for 2024 and subsequent years.

On 19 March 2024, the Spanish International Tax Office accepted the terms and conditions of the Advance Pricing Arrangement requested by Antolin. This arrangement will be in force from 1 January 2024 to 31 December 2027.

At 2023 year-end, the Group had not recognised deferred assets in the accompanying consolidated statement of financial position in respect of certain tax loss carryforwards of consolidated subsidiaries (approximately 689 million euros), deductions pending application (totalling 56 million euros) or other temporary differences (totalling 224 million euros), as it considers that their future recovery does not meet the requirements of probability provided for in applicable accounting standards and/or in the application of the principle of prudence, on the basis of the estimated tax projections aligned with the Group's business plans.

The deferred tax assets recognised in the consolidated statements of financial position at 31 December 2023 and 2022 were generated as follows:

Deferred Tax Assets Arising from:	Thousands of Euros	
	31/12/23	31/12/22
Tax loss carryforwards and unused deductions and refunds	49,236	18,349
Elimination of internal profit/(loss) in the consolidation process on development expenditure invoiced by G.A. Ingeniería, S.A.U.	6,303	5,456
Tax effect of applying IFRS 16 (a)	4,308	3,554
Timing differences as a result of certain provisions, expenses that are not deductible in the period and other items	110,236	72,434
	170,083	**99,793**

(a) These amounts relate to the net deferred tax assets and liabilities arising in this connection.

The detail, by geographical area, of these deferred tax assets is as follows:

Geographical Area	Thousands of Euros					
	Deferred Tax Assets due to Tax Losses		Deferred Tax Assets due to Other Temporary Differences		Deferred Tax Assets due to Tax Credits	
	Recognised	Unrecognised	Recognised	Unrecognised	Recognised	Unrecognised
Asia	2,024	695	10,343	1	-	-
Europa and RoW	30,885	173,363	37,108	53,407	4,553	56,305 (a)
North America	11,774	4,694	73,396	354	-	-
Balances at 31 December 2023	**44,683**	**178,752**	**120,847**	**53,762**	**4,553**	**56,305**

(a) Including an estimate of the amount relating to tax credits arising in 2023 since the final amount was being calculated at the date of authorisation for issue of these consolidated financial statements.

The deferred tax liabilities recognised in the consolidated statements of financial position at 31 December 2023 and 2022 arose as follows:

Deferred Tax Liabilities Arising from:	Thousands of Euros	
	31/12/23	31/12/22
Revaluation of certain plots of land recognised under property, plant and equipment and investment property on first application of the "EU-IFRSs" (Note 8)	4,252	4,252
Difference between book value and taxable value of assets and liabilities, accelerated depreciation and amortisation of property, plant and equipment, intangible assets and other items	54,027	36,191
	58,279	**40,443**

The detail, by geographical area, of the deferred tax liabilities is as follows:

Geographical Area	Thousands of Euros	
	Deferred Tax Liabilities	
	Recognised	Unrecognised
Asia	5,004	54
Europa and RoW	17,628	710
North America	35,647	-
Balances at 31 December 2023	**58,279**	**764**

Tax credits-

The corporate income tax legislation in force establishes various tax incentives. The tax credits earned in one year in excess of the applicable legal limits may be deducted from the corporate income tax payable in subsequent years, up to the limits and within the periods established in this connection by the related tax regulations. The Group has availed itself of the tax benefits provided for by this legislation and deducted 8,632 and 5,820 thousand euros, respectively, from the consolidated corporate income tax charge for 2023 and 2022, for which the Group had not recorded any tax credits for those applied in 2023 and 2022.

At 31 December 2023 and 2022, after the aforementioned tax credits had been applied, certain foreign Group companies had unused deductions amounting to approximately 10,806 and 11,740 thousand euros, respectively, while the Group's Spanish subsidiaries had the following unused deductions:

	Thousands of Euros	
	31/12/23	31/12/22
Deductions for research and development activities	45,182 (a)	41,888 (b)
Other deductions	4,870	2,864
	50,052	**44,752**

(a) At 31 December 2023, these corresponded to deductions for R&D activities from 2005 to 2023, inclusive, which can be applied for 18 years from the year in which they were generated. These figures include an estimation of the amount relating to deductions generated in 2023, because the final amount was still being calculated at the date of authorisation for issue of the accompanying consolidated financial statements.

(b) At 31 December 2022, these corresponded to deductions for R&D activities from 2004 to 2021, inclusive, which can be applied for 18 years from the year in which they were generated. These figures do not include any amounts relating to deductions generated in 2022, because the final amount was still being calculated at the date of authorisation for issue of the accompanying consolidated financial statements.

At 31 December 2023, Antolin had recognised a deferred tax asset of 4,553 thousand euros in relation to the deductions pending application (no amount was recognised in 2022 for this concept).

Years open for tax inspection-

Under current legislation, tax settlements cannot be considered to be final until the tax returns filed have been inspected by the tax authorities or until the statute-of-limitations period has expired (generally four or five years in the countries in which the Group's companies are located). In this regard, on 17 April 2019 the Spanish consolidated tax group to which the Parent and the majority of the Spanish consolidated subsidiaries belong filed supplementary corporate income tax returns for 2016 and 2017.

Recently, on 18 January 2024, the Spanish Constitutional Court unanimously declared unconstitutional and null and void the provisions envisaged in Additional Provision Fifteen and paragraph 3 of Additional Provision Sixteen of Spanish Corporate Income Tax Law 27/2014, of 27 November, as amended by paragraphs 1 and 2 of Article 3.1 of Royal Decree-Law 3/2016, of 2 December, adopting tax measures aimed at consolidating public finances and other urgent social measures. Specifically, it declared unconstitutional the introduction of stricter limitations on the offsetting of tax loss carryforwards, the ex-novo introduction of a limitation on the application of double taxation tax credits, and the requirement to automatically include in the corporate income tax base the impairment losses on ownership interests that would have been deducted in prior years. In this regard, on 8 June 2021 and 17 November 2021, Avot Inversiones, S.L., as the head of the consolidated tax group in Spain, submitted requests to rectify the corporate income tax returns filed for years 2016 to 2019 and 2020, respectively.

Although the Spanish consolidated tax group's corporate income tax returns for 2016 to 2022 will be affected by this ruling, at present it is not yet possible to determine with any certainty what the specific effects will be for Antolin, considering in any event that the rectification requests should be accepted in full given that the provisions on which the rectification requests are based are perfectly valid. Due to various factors concerning uncertainty which prevent these effects from being determined from a quantitative point of view and make it impossible to predict when they may be determined or when they will arise, no related deferred assets have been recognised.

Consequently, in Spain at 31 December 2023, the Group had 2020 through 2023, inclusive, open for inspection by the tax authorities for all applicable taxes as well as 2019, 2018, 2017 and 2016 for Corporate Income Tax as a result of the rectification and amended returns filed.

The Parent's Directors believe that the settlements of those taxes have been properly executed and, therefore, even if differences were to arise in the interpretation of the regulations governing the tax treatment of its operations, such liabilities as could arise as a result of inspections in certain subsidiaries in relation to the remaining years open for inspection would not have a material effect on the consolidated financial statements for 2023.

The new international tax rules (Pillar Two)-

<u>The new top-up tax arising from the transposition of Pillar Two to Spanish legislation</u>

As a large multinational group, Antolin is subject to the Pillar Two anti-base erosion model rules (also known as the GloBE Rules) approved by the Organisation for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on BEPS (Base Erosion and Profit Shifting) on 14 December 2021 to which, among many others, the EU Member States have adhered.

From 2024 onwards the Group must assume a payment corresponding to a top-up tax that will be levied on the profits obtained in any jurisdiction in which it operates in which the effective tax rate, calculated at a jurisdictional level, is lower than the minimum tax rate of 15%.

Pillar Two legislation is currently in the process of being approved in Spain and is expected to come into force at the beginning of 2024 and will be applicable to Antolin for the first time in the reporting period commencing 1 January 2024 and, therefore, at 31 December 2023, the Group's corporate income tax expense for 2023 and, accordingly, its consolidated statement of financial position at 31 December 2023 are not affected by the Pillar Two rules.

Also, the Group applies the exception for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two corporate income taxes provided for in the amendments to IAS 12 issued in May 2023 (see Note 2-b).

<u>Adaptation to the top-up tax</u>

Antolin has explicitly undertaken to apply the OECD Pillar Two Model Rules. The Group is aligned with the principles and actions advocated by the OECD and is working on an analysis of the impact of the new Pillar Two in order to establish a compliance and control and management system that will permit it to adapt to the new rules in due time and form.

In this regard, although the Group's analysis is still in progress, taking into account the existing regulatory framework, an estimated calculation of the top-up tax arising from the application of Pillar Two was performed on the basis of the most recent tax returns, the country-by-country report and the financial statements of the constituent entities of the Group, and based on this calculation and subject to unforeseen events, the application of the Model Rules is not expected to have a significant effect on equity, since in the jurisdictions in which the Group operates the effective tax rate is at least 15% and/or the Group has sufficient employees and tangible assets to trigger the substance-based income exclusion.

In this connection, it should be noted that the jurisdictions in which Antolin operates in which the effective tax rate is below 15% are either not material jurisdictions and, therefore, the potential top-up tax that may arise is not material or, although the average effective tax rate is below 15%, the Group considers that the new tax will not have a material impact on the consolidated income statement applying the specific adjustments provided for in the Pillar Two Model Rules and the Safe Harbour rules,

(20) INCOME AND EXPENSES

Net turnover-

The breakdown, by activity and geographic market, of the Group's net turnover for 2023 and 2022 is as follows:

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

Business Unit	Thousands of Euros 2023	Thousands of Euros 2022
Product Systems	4,213,027	4,096,142
Technology Solutions	400,096	350,576
Other	4,260	4,226
	4,617,383	**4,450,944**

Geographical Market	Thousands of Euros 2023	Thousands of Euros 2022
USA	1,017,896	1,035,408
China	576,028	583,530
Germany	462,290	573,890
Mexico	550,508	515,509
United Kingdom	333,040	328,744
Czech Republic	215,987	181,951
France	123,055	157,316
Spain	266,404	154,173
Slovakia	120,356	105,500
Other countries	951,819	814,923
	4,617,383	**4,450,944**

The percentage breakdown of the Group's ordinary revenues by car manufacturer is as follows:

Car Manufacturer	Percentage 2023	Percentage 2022
Volkswagen Group	22	23
Stellantis Group	15	16
Ford Group	13	13
BMW Group	7	8
Mercedes-Benz Group	7	8
Tata Group	7	7
General Motors	6	6
Renault-Nissan Group	5	4
Hyundai-Kia	4	3
Other manufacturers	14	12
	100	**100**

Other operating revenue-

The breakdown of the balances of this heading in the accompanying consolidated income statements for 2023 and 2022 is as follows:

	Thousands of Euros 2023	Thousands of Euros 2022
Operating grants	2,981	2,754
Revenues from leases of investment property	287	285
Revenues from the assignment of industrial property	550	493
Other revenues	138,741	153,774
	142,559	**157,306**

Supplies-

The breakdown of the balances of this heading in the accompanying consolidated income statements for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Purchases of goods for resale and raw materials	2,786,403	2,722,507
Purchases of other supplies	34,869	34,316
Purchases of prototypes	14,255	10,885
Transportation of purchases	92,265	96,583
Work performed by other companies	20,567	17,531
Less- bulk discounts and returns	(150)	(931)
Cost of sales of tools	107,585	108,917
Change in inventories of goods for resale, raw materials and other supplies	20,856	(13,642)
	3,076,650	**2,976,166**

Staff costs-

The breakdown of the balances of this heading in the accompanying consolidated income statement for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Salaries and wages	681,367	669,834
Termination benefits	6,718	5,039
Employer's social security contributions	167,329	170,306
Other employee benefits expenses	35,338	31,775
	890,752	**876,954**

Average number of employees-

The average number of employees working for the Group in 2023 and 2022 was as follows:

	Average Number of Employees	
	2023	2022
Direct labour	12,958	13,289
Indirect labour	6,639	7,115
General employees	3,495	3,718
	23,092	**24,122**

The average number of employees at associates in 2023 and 2022 was 752 and 797, respectively.

The average number of employees at the Group in 2023 and 2022 with a disability of 33% or more was 206 and 267, respectively, and is broken down, by function, as follows:

	Average Number of Employees	
	2023	2022
Direct labour	126	163
Indirect labour	51	69
General employees	29	35
	206	**267**

Functional analysis by gender-

The functional breakdown, by gender, of the Group's work force at 31 December 2023 and 2022 is as follows:

	Number of Employees					
	At 31 December 2023			At 31 December 2022		
	Male	Female	Total	Male	Female	Total
Direct labour	6,471	5,684	12,155	7,136	6,433	13,569
Indirect labour	5,132	1,277	6,409	5,591	1,521	7,112
General employees	2,342	1,121	3,643	2,507	1,287	3,794
	13,945	**8,082**	**22,027**	**15,234**	**9,241**	**24,475**

The number of employees at associates at 31 December 2023 was 732 (580 men and 152 women), and at 31 December 2022 there were 780 employees (593 men and 187 women).

At 31 December 2023, the Parent's Board of Directors comprised one individual (a woman) and four legal entities represented by two men and two women (one individual (a man) and four legal entities represented by one man and three women at 31 December 2022).

At 31 December 2023, the Group's Senior Management comprised eight individuals, seven men and one woman (fourteen individuals, eleven men and three women, at 31 December 2022).

Other operating expenses-

The breakdown of the balances under this heading in the accompanying consolidated income statements for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Research and development expenditure	11,606	12,124
Leases (a)	23,971	17,791
Repairs and maintenance	59,264	56,819
Independent professional services	33,779	27,105
Transport	82,301	77,763
Insurance premiums	17,567	16,515
Banking and similar services	386	430
Advertising, publicity and public relations	3,918	3,264
Utilities	71,493	61,213
Other services	220,047	263,307
Total external services	**524,332**	**536,331**
Taxes	**14,018**	**13,372**
Other current operating expenses	**46,199**	**11,778**
Other operating expenses	**584,549**	**561,481**

(a) These amounts comprise the expenses of low-value leases and short-term leases (see Note 8).

(21) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances and transactions with associates and joint ventures-

The Group's balances with associates and joint ventures at 31 December 2023 and 2022 are as follows:

Company	Thousands of Euros					
	31/12/23		31/12/22			
	Trade Receivables	Current Payables to Group Companies and Associates	Short-term Credits (a)	Current Payables to Group Companies and Associates	Trade Receivables	Trade Payables to Suppliers
Slovakian Door Company, s.r.o.	-	-	3,750	-	117	2
Krishna Grupo Antolin Private, Ltd.	221	16	-	-	-	-
Dongwon Technology Co., Ltd.	-	-	-	-	-	-
Walter Pack S.L.	-	45	-	-	-	-
Keyland Sistemas de Gestión, S.L.	-	670	-	-	-	-
AED Innovation Group, S.L.	-	766	-	6	-	48
	221	**1,497**	**3,750**	**6**	**117**	**50**

(a) The balance of these credits is recognised under "Investments in companies accounted for using the equity method" in the accompanying consolidated statement of financial position at 31 December 2023 (see Note 1).

The detail of the Group's transactions with associates and joint ventures (sales and services provided, and goods and services received) in 2023 and 2022 is as follows:

Company	Thousands of Euros					
	Sales and Services Provided		Finance Income		Goods and Services Received	
	2023	2022	2023	2022	2023	2022
Slovakian Door Company, s.r.o.	-	2,758	-	83	-	116
Dongwon Technology Co., Ltd.	-	-	-	-	-	13
Krishna Grupo Antolin Private, Ltd.	1,444	1,237	-	-	12	27
Walter Pack S.L.	-	-	-	-	50	38
Keyland Sistemas de Gestión, S.L.	3				3,482	-
AED Innovation Group, S.L.	-	-	-	-	5,573	72
	1,447	**3,995**	**-**	**83**	**9,117**	**266**

The transactions detailed above were carried out in the normal course of business of the Group and under market conditions.

Balances and operations with shareholders and Directors of the Parent-

At 31 December 2023 and 2022, the Group held the following balances with Avot Inversiones, S.L.:

	Thousands of Euros	
	31/12/23	31/12/22
Other non-current financial assets:		
Cash pooling account (Note 9)	**717**	**651**
Current investments in Group companies and associates (Note 19):		
Credit from the year's tax consolidation	**1,995**	**911**

At 31 December 2023 and 2022, the Group had no balances with other shareholders and/or Directors of the Parent.

The Group's transactions with shareholders and Directors of the Parent in 2023 and 2022 were as follows:

Shareholders and/or Directors and Type of Operation	Thousands of Euros 2023	2022
Finance income:		
Avot Inversiones, S.L. (indirect shareholder)	**63**	**28**
Remuneration, wages, salaries and other benefits paid to the Directors	**4,954**	**7,205**

Balances and transactions with related parties-

In 2023 and 2022, the Group made purchases from CYLBUR, Compras y Logística Burgalesa, S.L. (a company related to shareholders of Avot Inversiones, S.L. and affiliated with some of the Parent's Directors) for total amounts of 3,964 and 3,180 thousand euros, approximately. These transactions were carried out in the normal course of business of the Group and under market conditions. As a consequence of these transactions, at 31 December 2023 and 2022 the Group had payables to this related company totalling approximately 908 and 831 thousand euros, respectively.

Moreover, in 2023 purchases were made and services received from other companies related to the shareholders of Avot Inversiones, S.L. totalling 632 thousand euros (551 thousand euros in 2022), and lease expenses paid to other related companies were also recognised amounting to 232 thousand euros (186 thousand euros in 2022).

As a result of the operations carried out with these related companies, at 31 December 2023 the Group recognised accounts payable to said companies amounting to 180 thousand euros (98 thousand euros at 31 December 2022).

Lastly, other transactions with parties and persons indirectly related to the Directors were performed in the ordinary course of the Group's business. These were not however material and are not relevant for the purposes of giving a true and fair view of the Group’s consolidated net assets, consolidated financial position and consolidated results.

(22) INFORMATION REGARDING THE PARENT'S DIRECTORS AND THE GROUP'S CORE PERSONNEL

Parent Directors’ remuneration and other benefits-

In 2023 and 2022 the members of the Parent's Board of Directors received 3,033 and 3,040 thousand euros, respectively, in exchange for their administration tasks at the Parent. In addition, since certain members of the Parent's Board of Directors are also employees thereof, in 2023 they accrued wages and salaries, termination benefits and other benefits in this connection totalling 1,921 thousand euros (4,165 thousand euros in 2022).

In 2023 and 2022 the Parent's Directors did not receive any amount whatsoever for the rendering of services.

The sum of these amounts represents the total remuneration accrued by the Parent's Directors in 2023 and 2022, for any cause or concept.

The Group has not assumed any obligation regarding pensions or life insurance for any current or past members of the Parent's Board of Directors, although the Group paid D&O insurance premiums for the Parent's Directors in 2023 totalling approximately 114 thousand euros (106 thousand euros in 2022).

At 31 December 2023 and 2022, the Parent had not granted any loans or advances to its Directors. Moreover, at those dates the Parent had not provided any guarantees in their favour.

In 2023 and 2022 no agreements between the Group and the shareholders of the Parent or persons acting on their behalf were concluded, modified or terminated early, in relation to transactions outside the Group's ordinary course of business or that would not have taken place under normal conditions. In those years no agreements were executed between the Group and the Parent's Directors.

Remuneration and other benefits of the Group's Senior Management-

Remuneration accrued by the Group's Senior Management (those members of the Management Committee that are not Directors of the Parent) in 2023 totalled 3,146 thousand euros (4,528 thousand euros in 2022).

The Group has not entered into any pension commitments, nor has it granted any advances, loans or guarantees to the members of the Group's senior management. The Group has approved “Multi-year remuneration plans” for the Group's senior management for the 2022-2024 and 2023-2025 periods. These plans are subject to certain targets being met and the remuneration, if any, that is to be obtained is scheduled to be paid in the first few months of the year following the end of each three-year period. The Group had not recognised any provision in relation to these plans at 31 December 2023 because the established conditions were not being fulfilled and, therefore, no liability had accrued at that date.

Information regarding conflicts of interest involving the Parent’s Directors-

Pursuant to Section 229 “Obligation to avoid conflicts of interest” of the Consolidated Text of the Spanish Corporate Enterprise Act, approved by Royal Legislative Decree 1/2010, of 2 July, amended on 4 December 2014, it is hereby reported that there are no situations of direct or indirect conflict of interest involving the members of the Parent's Board of Directors and individuals related to them and the companies composing the Group. In this connection, transactions between the Group and companies related to certain directors are detailed in Note 21.

(23) RISK POLICY AND MANAGEMENT

Financial risk factors-

Antolin's activities are exposed to several financial risks: market risk (fair value risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. Antolin's global risk management programme focuses on the uncertainty of financial markets and seeks to minimise potentially adverse effects on the Group's profitability. Antolin uses derivatives to hedge certain risks.

Risk management is controlled by the Group's Finance Department in accordance with the policies approved by the Parent's Board of Directors. This Department identifies, assesses and hedges financial risks in close co-operation with the Group's operating units. The Parent's Board of Directors provides policies for global risk management, as well as for specific matters such as exchange rate risk, interest rate risk, liquidity risk, the use of derivatives and non-derivatives, and the investment of excess liquidity.

i) Commodity risk-

The Group has no material exposure to commodity price fluctuations. In those companies in which this risk may appear under specific market conditions (plants that use commodities with quoted prices), the risk is managed through agreements to pass on the impact of financing commodity prices to customers on the basis of the prevailing circumstances.

ii) Credit risk-

Antolin's customer portfolio is basically distributed among major car manufacturing groups, with a high credit rating (see Note 20 on the percentage distribution of the Group's ordinary revenue based on the various car manufacturers).

Each management unit maintains specific policies to manage this credit risk of its customers, which take into consideration the financial position, past experience and other factors associated with its customers.

In addition, Antolin considers that the expected credit loss is negligible given the characteristics of the Group's customers, since historically receivables have been collected in less than 60 days. The Group considers the credit quality of these outstanding balances to be high, and understands that they have neither suffered impairment nor are in arrears.

At 31 December 2023 and 2022, impairment of trade and other receivables totalled 5,836 and 5,717 thousand euros, respectively, and past-due balances receivable from customers that are not provisioned are not significant. The Group's maximum exposure to credit risk at 31 December 2023 and 2022 were the book values.

The credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions is considered immaterial given the credit quality of the banks with which the Group operates. The credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions is considered immaterial, since these transactions are only executed with financial institutions with a high credit rating. Antolin has policies to restrict the amount of risk with any financial institution.

iii) Liquidity risk-

Liquidity risk arises as a result of differences in the amounts or in the collection and payment dates of the various assets and liabilities of Group companies.

Antolin exercises prudent management of liquidity risk based on the maintenance of sufficient cash and marketable securities, the availability of financing by means of a sufficient amount of committed credit facilities and sufficient capacity to settle market positions. In addition, the Group's centralised treasury operations allow it to manage financial resources more efficiently. Given the dynamic nature of the underlying businesses, the goal of the Group's Finance Department is to maintain flexible financing, through the availability of contracted credit facilities or factoring lines with or without recourse (through which it transfers its receivables to third parties).

At 31 December 2023, the Group had a solid financial situation and had recognised positive working capital totalling 181,781 thousand euros.

The Group's liquidity position in 2023 is based on its strong capacity to generate operating cash flows, supported by the maintenance of undrawn credit and revolving credit facilities. At 31 December 2023, the undrawn amount of the credit and revolving credit facilities amounted to 194,179 thousand euros. The Group's liquidity position guarantees that it will be able to meet operating cash needs and debt maturities in 2024, amounting to 173,555 thousand euros (see Note 17), as well as any adverse financial market situations that might arise in the coming months.

Group Management monitors cash requirements as well as the evolution of its debt ratio. In this regard, Group Management considers that any liquidity constraints that may arise in the short term will be covered by the financial resources currently available, the resources generated by the Group in its activities (as indicated in the cash budget for 2024) and/or any future financing that may be arranged.

iv) Cash flow interest rate risk and fair value risk-

Given that the Group does not have any significant amounts of interest-earning assets, its operating revenues and cash flows are largely unaffected by the variations in market interest rates.

The Group's interest rate risk stems from its non-current borrowings. The Group's variable rate borrowings expose it to cash flows interest rate risks. The Group's fixed rate borrowings expose it to fair value interest rate risks. At the end of the 2023 reporting period, approximately 60% of borrowings were at fixed interest rates (if non-recourse factoring is also taken into account, this ratio is 52%).

At 31 December 2023 and 2022, the Group had no derivative instruments contracted to cover its exposure to variable interest rates. Taking into account the contractual terms of the funding in force at that date, it was estimated that a 0.50% change in interest rates would lead to a fluctuation of approximately 3 million euros in interest expenses.

v) Foreign-exchange risk-

The international expansion of the Group and its ever-growing volume of business outside the euro zone expose it, principally, to exchange rate risks in currencies such as the Czech koruna, the Brazilian real, the US dollar, the Mexican peso, the Pound sterling and the Chinese yuan, which could have an impact on its results. To reduce its exposure to this risk, the Group avails itself of a variety of mechanisms, such as using local suppliers and negotiating with customers and suppliers to hedge against major movements in currencies. Antolin has not entered into any foreign-exchange hedge or foreign-currency forward agreements.

The Group has carried out a sensitivity analysis of the key figures in its budgeted income statement for 2024, and has concluded that a 5% rise in the euro against currencies such as the Czech koruna, the Brazilian real, the US dollar, the Mexican peso, the Pound sterling and the Chinese yuan would reduce revenue by approximately 128 million euros (approximately 3% of the amount budgeted), and budgeted consolidated net turnover for 2024 (before tax) would fall by approximately 8.5 million euros.

Other risk factors-

The activities of Antolin are also exposed to other risks that could impact on the economic growth or the business activity of the markets in which it operates. Antolin's global risk management programme is also focused on the uncertainty of these other risks and seeks to minimise any adverse effects on the Group's profitability. The Parent's Board of Directors provides policies for global risk management in close co-operation with the business units.

i) Effect of the Russia-Ukraine war-

The military conflict arising from Russia's invasion of Ukraine and the associated financial sanctions continue to pose a threat to the recovery scenario of the world's production of light vehicles in 2023. In addition, the negative economic impact of the war in Ukraine is coupled with ongoing risks on the supply side in connection with a shortage of semi-conductors, high and volatile gas and electricity prices, a situation of generalised inflation tied to the other production factors and significant and rapid interest rate hikes in the United States and, to an even greater extent, in Europe.

The consensus forecasts estimate that, as a result of the direct and indirect impacts of the Russian invasion, global vehicle production has been adversely affected, with the indirect impacts being particularly pronounced in Europe. In 2022, original equipment manufacturers (OEMs) based in Russia progressively suspended their production activities in that country and have not been able to normalise their operations in that market since then.

As regards Antolin, the direct impact of the conflict between Russia and Ukraine affected its two factories in Russia (St Petersburg and Nizhny Novgorod), which represented 0.17% of Antolin's turnover in 2022.

In this regard, and given the uncertainty surrounding the Group's activities in Russia, in 2022 the Group decided to discontinue its operations in that country and initiate a process for the sale of the related business, which was completed in March 2023 (see Note 25). In the consolidated financial statements for 2022 the Group recognised the results of this business as “discontinued operations”, reporting a loss of approximately 26 million euros under “Profit/(loss) for the year from discontinued operations, net of tax” in the accompanying consolidated income statement (see Note 25).

ii) Climate change-

Through its activities, Antolin wishes to comply with the objectives of the Paris Agreement and the Sustainable Development Goals of the 2030 Agenda.

Antolin incorporates issues related to climate change and environmental issues in its risk catalogue, explicitly in four of the risks included in the corporate catalogue: "Environmental risk", "Risk of non-compliance with environmental legislation", "Risk of incidents in the environmental management of production" (including waste management) and "Risk of climate change".

“Environmental risk” relates to the absence or inadequate definition of a business contingency plan that covers both preventive management and recovery of activity in situations caused by serious accidents and/or natural disasters. In short, it takes into consideration extreme weather events that may significantly affect its operations and facilities.

Both the risk of "Non-compliance with environmental legislation" and the risk of "Incidents in the environmental management of production" (understood as the occurrence of accidents with environmental impact) refer to the penalties that may be incurred as well as the reputational damage derived from such incidents.

In the case of "Climate Change" risk, reference is made to the negative impact of climate change and its consequences in relation to meeting the Company's strategic objectives.

Antolin adopts and applies the main conventions and guidelines established in the Global Compact (Principles 7, 8 and 9) and the Carbon Disclosure Project (CDP Water Disclosure Project) and has resolved to progressively reduce its carbon emissions in order to achieve neutrality by 2040 in its own operations, with an intermediate 75% (previously established at 30%) reduction by 2028, and wishes to extend this environmental commitment to its entire supply chain in order to achieve total carbon neutrality by 2050.

(24) OTHER INFORMATION

Guarantees given to third parties and other contingent liabilities-

At 31 December 2023 and 2022, various financial institutions had also provided guarantees to public bodies on the Group's behalf to guarantee compliance with the general and particular terms of certain capital and operating grants made to the Group (see Note 15), and the repayment of a number of loans granted by public authorities to fund research and development projects (see Note 17).

The Parent’s Directors do not expect any liabilities not foreseen at 31 December 2023 or any significant losses to arise for the Group as a result of the guarantees given.

Other current liabilities-

The balance recorded under this heading in the accompanying consolidated statement of financial position at 31 December 2023 corresponds mainly to outstanding remuneration to personnel, to accruals recorded to match revenues to expenses and to record operations on an accrual basis.

Fees paid to the auditors-

The fees for audit and other services provided during 2023 and 2022 by the Group's main auditor, KPMG Auditores, S.L., or by companies related to them through control, joint ownership interests or management, together with fees for services provided by other auditors to companies included in the consolidation, or by any company related to them through control, joint ownership interests or management, are as follows:

	Thousands of Euros			
	2023		2022	
Description	Services Provided by the Main Auditor	Services Provided by Other Audit Firms	Services Provided by the Main Auditor	Services Provided by Other Audit Firms
Audit services	2,790	1,585	2,354	1,499
Other verification services	355	84	660	253
Total audit and related services	**3,145**	**1,669**	**3,014**	**1,752**
Other services	**75**	**2,737**	**40**	**1,949**
Total professional services	**3,220**	**4,406**	**3,054**	**3,701**

Disclosure on the average payment period to suppliers in Spain-

This note contains the information required in accordance with Additional Provision Three of Law 15/2010, of 5 July, modifying Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions (amended by the Final Provision Two of Law 31/2015, of 3 December), prepared in compliance with the Resolution issued on 29 January 2016 by the Institute of Accounting and Account Auditing (ICAC) on the disclosures required in the notes to the financial statements with regard to the average payment period to trade suppliers and service providers. Trade payables are understood to include amounts payable for the supply of goods or services (not including non-current asset suppliers).

For the purposes of preparing this information, and given the nature of the Group's activities and operations, the “payment period” is treated as the period between the invoice date (which in practice is generally on or close to the date the goods and services are received from the supplier) and the payment date.

In accordance with the above, the information required under this legislation for the financial years ended 31 December 2023 and 2022 for payments made by the Group's Spanish companies is as follows:

	2023	2022
	Days (a)	Days (a)
Average payment period to suppliers	55.38	47.71
Transactions paid ratio	55.11	48.44
Transactions payable ratio	57.01	43.48
	Amount (Thousands of Euros)	Amount (Thousands of Euros)
Total payments made	323,229	484,155
Total payments outstanding	55,323	83,842

(a) In accordance with Law 11/2013, of 26 July, establishing measures to support entrepreneurs and stimulate growth and the creation of jobs, amending Law 3/2004, the maximum legal payment period is 30 days, which may be extended to up to 60 days with the agreement of both parties.

The information for 2023 relating to invoices paid by the Spanish Group companies in a shorter period of time than the period established in the late-payment legislation is as follows: a total of 33,415 invoices (representing 65% of the total invoices paid in 2023), involving a total amount of 212,493 thousand euros (66% of the total amount paid in 2023).

Also, the information for 2022 relating to invoices paid by the Spanish Group companies in a shorter period of time than the period established in the late-payment legislation was as follows: a total of 36,950 invoices (representing 72% of the total invoices paid in 2022), involving a total amount of 387,268 thousand euros (80% of the total amount paid in 2022).

Environmental information-

Antolin's environmental activities focus on two general areas:

- Environmental Management System. Based on manuals and procedures common to all the centres defining the measures to ensure strict compliance with current legislation, the rational use of resources and energy and minimising the generation of waste.

- Environment-Sensitive Design. Through its research and development centres, the Group designs its products with a view to minimising the environmental impact of the vehicle over its useful life.

The Group's property, plant and equipment includes certain investments the net book value of which at 31 December 2023 and 2022 totalled approximately 418 and 526 thousand euros, respectively, its purpose being to reduce the environmental impact of the Group's activity and to protect and enhance the environment. In 2023 and 2022 the Group also incurred certain expenses aimed at protecting and enhancing the environment, totalling approximately 6,900 and 5,674 thousand euros, respectively.

Antolin has no other environmental liabilities, provisions or contingencies that could have a significant impact on its equity, financial position or results (see Note 16).

In particular, as regards greenhouse gas emissions allowances for no consideration, given the nature of their activity, the facilities of the Spanish consolidated companies were not included in the scope of Law 1/2005, of 9 March, regulating the allocation of greenhouse gas emissions allowances and, therefore, these Spanish companies have been allotted no greenhouse effect gas emission rights for the 2021-2025 period (Phase IV). No greenhouse gas emissions rights have therefore been recognised in the consolidated statement of financial position at 31 December 2023, no movements occurred under this heading in 2023 and no impairment losses were recognised in relation thereto. Furthermore, in 2023 Antolin incurred no expenses and recognised no provisions in connection with this item. The Group has not entered into any futures contracts relating to emission rights, has received no grants associated with such rights and has recognised no contingencies arising from greenhouse gas emissions rights.

(25) DISCONTINUED OPERATIONS

As indicated in Notes 2-g, 3-f, 3-p and 6, in 2022, and with accounting effect from 1 January 2022, the Group decided to discontinue its operations in the Russian geographical segment, and the sale process initiated was completed in March 2023. This activity was classified as a "discontinued operation" in the consolidated financial statements for 2022.

The detail of the measurement of the assets and liabilities associated with this geographical segment at 31 December 2022 is as follows:

Description	Thousands of Euros
Non-current assets:	
Intangible assets (Note 7)	397
Property, plant and equipment (Note 8)	2,137
Right-of-use assets	2,291
Deferred tax assets (Note 19)	770
Current assets	3,965
Non-current assets held for sale	**9,560**
Non-current liabilities:	
Non-current provisions (Note 16)	(1,028)
Non-current financial liabilities	(1,633)
Current liabilities	(1,132)
Liabilities associated with non-current assets classified as held for sale	**(3,793)**

Shown below is a breakdown of the revenue and expenses recognised by this discontinued business line in 2022, whose net gains/(losses) are presented separately under the balances of the heading “Profit/(Loss) after tax for the year from discontinued operations” in the accompanying consolidated income statement for 2022.

	Thousands of Euros
	2022
DISCONTINUED OPERATIONS:	
Net turnover-	7,366
Changes in inventories of finished goods and work in progress	(201)
Other operating income	519
Supplies	(4,527)
Staff costs	(2,220)
Depreciation and amortisation	(2,209)
Change in trade provisions	(9,913)
Other operating expenses	(5,452)
Less - In-house work on non-current assets	818
Operating profit/(loss) from discontinued operations	**(15,819)**
Finance income	-
Finance expenses	(340)
Exchange gains *(losses)*, net	1,814
Net finance income	**1,474**
Gain/(loss) on impairments or disposal of non-current assets	(11,923)
Profit/(Loss) before tax of discontinued operations (Note 19)	**(26,268)**
Corporate income tax (Note 19)	283
Profit/(Loss) for the period from discontinued operations, net of tax	**(25,985)**
Gains (losses) attributable to non-controlling interests	-
Profit/(Loss) attributable to the Parent	**(25,985)**

The balance of “Profit/(Loss) for the period from discontinued operations, net of tax” in the accompanying consolidated income statement for 2022 relates to the loss after tax obtained on discontinued operations during the year and includes impairment to adjust the book value of the assets to their recoverable value.

The detail of the net increase in cash and cash equivalents of discontinued operations in 2022, which is included in the consolidated statement of cash flows of Group for 2022 under “Net increase/(decrease) in cash and cash equivalents from discontinued operations”, was as follows:

	Thousands of Euros
	2022
CASH FLOWS FROM ORDINARY OPERATING ACTIVITIES (I):	
Consolidated profit or loss for the year *(before tax)*	**(26,268)**
Adjustments to gains/(losses)-	
- Depreciation and amortisation	2,209
- Non-current provisions	9,913
- Finance income and expense	(1,474)
- Gain/(loss) on disposal of non-current assets	11,923
Operating profit or loss before changes in working capital	**(3,697)**
(Increase)/decrease in trade and other receivables	5,257
(Increase)/decrease in inventories	2,678
(Increase)/decrease in trade and other payables	(1,478)
Exchange differences and other items	(688)
Cash generated (used) in operations	**2,072**
Corporate income tax paid	**-**
Total cash flows from ordinary operating activities	**2,072**
CASH FLOWS FROM INVESTING ACTIVITIES (II):	
Proceeds from disposal of investments	**-**
Payments for investments	**(1,992)**
Total cash flows from investing activities	**(1,992)**
CASH FLOWS FROM FINANCING ACTIVITIES (III):	
Proceeds from/(payments for) equity instruments-	
- Issue of equity instruments	-
Proceeds from/(payments for) financial liabilities-	
- Proceeds from/(repayment of) other bank borrowings, net	(195)
- Proceeds from/(repayment of) other financial liabilities, net	(756)
Other cash flows from financing activities-	
- Finance income and expense paid, net	(340)
Total cash flows from financing activities	**(1,291)**
EFFECT OF FLUCTUATIONS IN EXCHANGE RATES (IV)	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS (I+II+III+IV)	**(1,211)**

(26) EVENTS AFTER THE REPORTING PERIOD

On 19 March 2024, the Spanish International Tax Office accepted the terms and conditions of the Advance Pricing Arrangement requested by Antolin. This arrangement will be in force from 1 January 2024 to 31 December 2027.

No significant events occurred subsequent to the 31 December 2023 close.

(27) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2-b). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

GRUPO ANTOLIN-IRAUSA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2023

Performance of the businesses in 2023-

The macroeconomic context of 2023 was characterised by a slowdown in world growth as a result of high levels of inflation, especially in the first half of the year, which led to a tightening of monetary policy reflected in the upward trend in interest rates around the world. Despite this, economies showed resilience and world GDP was positive in comparison with initial expectations, with growth finally standing at close to 3%.

In 2023, the automotive industry continued with the upward trend in vehicle production, which began in the second half of 2022, as a result of strong demand for cars in almost all the geographical areas. Thus, production volumes increased by 9.7% with respect to 2022, reaching 90.3 million units compared with 82.3 million units manufactured in 2022.

In Europe, the estimated increase in production was +12.9%, which benefitted from increased volumes in Germany (+18.5%), France (+9.5%), Spain (+10.4%) and the Czech Republic (+15.1%).

The North America area increased its production level, manufacturing 15,7 million units, up from 14,3 million units in 2022. This increase in units manufactured was reflected in the US and Mexico, where growth rates of 6,0% and 14.9%, respectively, were reported.

In the Asia region, vehicle production levels in China increased by 10% compared with the previous year, rising from 26.4 million units to 29 million units in 2023. In India, increases in production volumes amounted to 6.4% with respect to 2022, with more than 5.4 million units produced.

Growth in the Mercosur area was positive (+3.1%) as a result of an increase in production volumes in Argentina (+12.9%) and Brazil (+1.2%).

In this context, the Antolin Group's turnover, including tool sales on behalf of customers, grew by 3.7% with respect to 2022. In addition, turnover from components (without including Tools on behalf of customers) increased by 3.9%. The increase in turnover adjusted for perimeter and exchange rates would represent 8%.

In 2023 customer tool sales amounted to 131 million euros, compared with the 142 million euros recorded in 2022.

The performance by business unit was as follows: Product Systems (+3.73% or +157.7 million euros) and Technology Systems (+3.83% or +14.7 million euros).

The main increases in turnover by territory were in Europe and Rest of the World (+6% or +136 million euros euros), Asia (+3.3% or +24 million euros) and North America (+0.4% or +6.6 million euros).

The increase in turnover in Europe is linked mainly to higher production volumes and new programmes launched in various countries such as Spain (+22%), Turkey (+37%), Czech Republic (+15%), Portugal (+23%), Slovakia (+20%) and France (+12%). If the sales of Antolin Ebergassing, GmbH are excluded in 2022, the increase would have been 6.9%.

The increases in turnover in the Asia geographical segment are the result of the increase in our businesses in all the countries in which we operate, especially in India (+9%) and Thailand (+29%). Our sales in China account for 13.2% of total sales.

Low percentage growth in our business activities in North America (+0.2%) is the result of the net effect of the positive performance of our operations in Mexico (+6%) and the reduction in our turnover in the United States (-3%). The fall in sales in the United States can be explained by, among other factors, the strike in the industry in September and October 2023, which led to a decrease in sales of around 35 million euros.

The most significant increases in turnover, by customer, were recognised at the Renault-Nissan Group (+18.8%), the Tata Group (+10.8%) and the Ford Group (10.3%).

Our internationalisation and diversification strategy are reflected in two key indicators. First, 91% of the Group's average workforce were employed outside Spain in 2023 and, second, consolidated sales excluding Spain accounted for slightly more than 95% of the total.

In terms of profit or loss, the Group achieved EBITDA and EBIT margins of around 7.1% and 2%, respectively. If we exclude the one-off items associated with the GOA transformation process, the EBITDA and EBIT figures would be 8.1% and 2.9%, respectively, improving by more than one percentage point over sales achieved in 2022.

The most notable key events in 2023 were as follows:

- In March 2023 Antolin sold 100% of its ownership interests in the Russian companies Grupo Antolin Saint-Petersburg and Antolin Avtotechnika Nizhny Novgorod, Ltd. to Delta Leasing Company. As a consequence, Antolin is no longer present in Russia.

- In February, Shanghai Antolin Automotive Interiors Co., Ltd. was incorporated for the purpose of supplying roofs.

- In November, Antolin sold 100% of its ownership interest in the Austrian company Antolin Ebergassing, GmbH.

- In December, Antolin sold its ownership interest in Slovakian Door Company, s.r.o. (in which it held a 50% interest through International Door Company, B.V.) and acquired 50% of Iramec Autopeças, Ltda. as part of the same transaction, thereby taking control of 100% of the Brazilian company.

Research and development-

The Group's innovation activities aim to find creative solutions to the major trends redefining the concept of mobility every day. As part of its “Smart Integrator” strategy, the Antolin Group provides smart in-car solutions.

The Antolin Group prioritises programmes that aim to technically enrich its products by developing solutions to embed functionalities and designing processes to be more efficient and competitive.

Investment in cutting-edge technology has enabled us to incorporate the most advanced support for design work and ensure the analysis and validation of our products and processes.

The Antolin Group's Innovation Plan envisages the following strategic lines: fields in which the Group has vast experience and which are proving to be very important for car manufacturers: MATERIALS and PROCESSES (focused on weight reduction to minimise CO_2 emissions), INDUSTRIAL FLEXIBILITY (innovative processes to produce different functions), and SMART INTERIORS (supporting our customers' brand strategies is crucial to the end user's experience and perceived quality in accordance with personalisation).

Industrial design and innovation continue to be viewed as a distinguishing feature that customers appreciate in the advanced stages of projects.

Our aim is to launch more integrated products that incorporate more technology and electronics, offering more functionalities and new lighting solutions. This is what we have called our "Smart Integrator" strategy, which must be our priority moving forward.

As an example of this innovation strategy, the Antolin Group is working on efficient heating alternatives that enhance sustainable mobility by decreasing power consumption and improving car autonomy. After researching several technologies, the Antolin Group opted to focus on the use of heated surfaces that provide thermal comfort through infra-red radiation. Any high-temperature surface emits radiation in the infra-red spectrum which may be used to heat passengers at a given distance. The Antolin Group's research work provides passengers with personalised heating focused on a specific point without wasting energy in heating all of the air inside the car.

Another example of our innovation activities in lighting deals with the most innovative approaches in functional and dynamic lighting. Dynamic ambient lighting systems use SmartLED technology that, combined with electronics and control software, generate various light signals to inform the driver or passenger of vehicle conditions. In this way, light is used as an element of communication between passengers and the exterior.

To accelerate the "Smart Integrator" strategy, we have to enhance our electronics capabilities. In 2020 the Antolin Group launched an Electronics Business Unit to support the other business units in the development of products incorporating more electronic components.

Innovation is present throughout the Antolin Group and, therefore, R&D and innovation activities are performed at all the Group's centres and involve not only its technical departments, but also a large team of external partners.

The Antolin Group continues with the open innovation initiative called "ANTOLIN i.JUMP" to work with engineers, physicists and other STEM experts, and with start-ups, SMEs, technology centres and universities to accelerate R&D and innovation.

The Antolin Group's goal is to create an open ecosystem for exchanging knowledge and ideas to develop new innovative solutions and novel models of collaboration to meet the challenges faced by the industry. The Group has launched a programme of collaborative challenges with "ennomotive", an open innovation platform that is leading the way in tackling technological challenges. The platform already has over 15,000 engineers worldwide.

ANTOLIN i.JUMP is included in the innovation strategy and forms part of the Group's talent attraction policy. The Group needs to have the highest qualified staff to lead the way in the industry's current digital transformation.

Environmental and human resource issues-

One of the Antolin Group's goals is to demonstrate its environmental commitment by dedicating time, effort and resources to waste management, consumption, energy efficiency and management, as well as social awareness.

Our focus is based on reducing the environmental impact of our business activity.

In 2023, the Antolin Group continued to increase its commitment to the environment through its policies for "Environmental Management" and "Design for the Environment". This commitment has resulted in technological solutions which favour sustainability, prioritising innovative approaches that reduce weight, facilitate recycling and make use of natural materials, features widely demanded by the market.

In order to reduce CO_2 emissions and minimise the use of energy from fossil fuels, we are developing numerous products based on two environmental concepts: Light & Green. We are therefore committed to the environment, working with makers on projects to reduce CO_2 emissions and develop technologically sustainable products.

As proof of our commitment, the Antolin Group adopts and applies the main conventions and guidelines established in the UN's Global Compact (principles 7, 8 and 9) and in the Carbon Disclosure Project (CDP Water Disclosure Project).

At the Company we wish to transform the Sustainable Development Goals into concrete measures and actions. We contribute indirectly with SDGs 1, 2, 6 and 14, and directly with the other 13. To do this, in 2018 we established a master sustainability plan based on seven strategic lines: sustainable culture, environmental commitment, good governance, compliance with human rights in the supply chain, committed team, shared value and sustainable positioning. This year we took a further step and defined our sustainability goals in detail, in terms of the environment as well as in relation to social and corporate governance matters.

Although we are not directly responsible for vehicle emissions, we can help to reduce the environmental impact they have through the optimisation of energy in our chain, and the efficient management of the natural resources and materials we use.

Our company's goal is to generate value for the planet. To do so we have set some ambitious, yet realistic environmental goals. We have determined the progressive reduction of our carbon emissions to achieve neutrality by 2040 in our own operations, with an intermediate 75% reduction by 2028 *(this had previously been set at 30%)*. We wish to extend this environmental commitment throughout our entire supply chain in order to achieve total carbon neutrality by 2050.

Furthermore, we have raised our target for the use of renewable energy at global level to 70% by 2028 (this target had previously been set at 35%).

The Antolin Group maintains its commitments acquired in 2003 with the United Nations Global Compact, derived from its principles of “good governance” in companies based on respect for human rights, environmental protection and ensuring decent working conditions.

At 31 December 2023, all of the consolidated Group companies subject to the legislation complied with the applicable regulations relating to “Equality Plans” established by Royal Decree-Law 6/2019, of 1 March, on urgent measures taken to ensure equal treatment and opportunities for women and men at work, and the applicable regulations relating to the “whistleblowing channel” established in Law 2/2023, of February, regulating the protection of persons reporting regulatory breaches and infringements in the fight against corruption.

Main risks arising from activities-

The main risks which could affect the future development of our business, and the corresponding measures put in place by the Antolin Group to offset them, are as follows:

- Derivatives are used to eliminate or reduce exposure to interest rate fluctuations in certain financial operations, given the impact an increase in interest rates could have on the Group's earnings. However, at 31 December 2023 no instruments of this kind had been contracted. In addition, a factor that mitigates the risk derived from rising interest rates is to have over 60% of financial debt at fixed rates.

- The risk arising from a possible increase in the prices of raw materials, including the purchase of components used in the production processes, is mitigated by the fact that the Antolin Group deals with its main suppliers under long-term agreements which help keep prices stable. Also, the Antolin Group negotiates with its customers to pass on increases in the prices of certain raw materials.

- The terms of agreements with customers have resulted in lower prices, which could reduce the Group's margins. The Group develops improvement programmes and tools to offset such impacts with higher productivity. The Antolin Group also negotiates with its suppliers to help it absorb these price reductions.

- The extensive international expansion of the Group and its ever-growing volume of business outside the eurozone expose it to exchange rate risks in currencies such as the Pound sterling, the US dollar, the Mexican peso or the Chinese yuan, which could have an impact on its results. To reduce its exposure to this risk, the Group uses a variety of mechanisms, such as using local suppliers and negotiating with customers and suppliers to hedge against major fluctuations in currencies.

Outlook for the Group-

The latest forecasts for 2024 from leading economic organisations are that global GDP will grow by 3.1%.

This growth forecast is not exempt from risks, such as those derived from the intensification of conflicts in the Middle East, the election results in the United States, a possible slowdown in China and monetary policy decisions both in Europe and the United States relating to interest rates. In addition, inflation trends and potential continued high inflation around the world, together with its impact on demand, increase volatility and uncertainty as regards growth in the world economy.

In relation to the automotive industry, the latest projections on a global level point to a scenario of growth, with the maintenance of production volumes at a figure slightly below 90 million units, which is 0.4% lower than the figure for 2023.

Our estimate for 2024 projects turnover of around nearly 4,500 million euros with a reduction of 3% with respect to 2023, which is partly due to the completion of certain programmes in North America and Europe and the delay in the entry into production of new projects, which are expected to be launched at the beginning of 2025. In terms of EBITDA, we project a sales margin, excluding the one-off items relating to the GOA Transformation Plan launched in 2023 and taking into account future synergies relating to those items, of around 9%. This increase in margins is the result of the improvement initiatives identified and applied in the GOA Transformation Plan, which envisages footprint optimisation programmes and actions to reduce fixed and variable costs, as well as the implementation of digitalisation and standardisation projects and the update of our commercial agreements with our customers.

Subsequently, in the short and medium term the Group is confident that it will boost its profit margins significantly.

Maximising cash-flows has become the prime objective for the whole Company in 2024 and it is concentrating all its efforts on increasing its value by reducing its net financial debt significantly to be able to tackle the refinancing process in the best possible position. The net financial debt/estimated EBITDA covenant for 2024 will be a figure that is 2.5 times lower.

The improvement in our operating margins, the streamlining of expenses and investments, the divestment of assets that are not key assets for the Company, the use of sale & lease transactions and an optimisation of working capital management must all contribute to this objective.

Also, the Antolin Group's current liquidity situation, thanks to undrawn credit and revolving credit facilities, together with the extensive diversification of its business model along geographic, customer and product axes, allows us to address any contingency that might arise with a high degree of confidence and peace of mind.

Non-organic growth and the forging of alliances with technology partners remain a key part of the Antolin Group's strategic approach and we will continue to explore the market for opportunities that will complement our current business units, helping to add value to our product portfolio and make it more attractive.

In response to new challenges in the automobile sector, the Antolin Group continues to work on new market trends related to driverless cars, new sources of energy, transport systems, connectivity and vehicle customisation.

To lead the industry revolution and anticipate customers' needs, last year the Antolin Group strengthened its Innovation department with the new Electronics and Integrated Products department. The aim is to improve capacities in electronics and commit to the integrated development of new solutions.

To meet these new challenges and maintain our position as market leaders, the Antolin Group is supported by a highly experienced and effective team of human resources whose abilities, initiative and talent are recognised by the sector.

The Antolin Group continues to launch numerous initiatives relating to Sustainability, as part of our firm commitment to the environment and the society in which we live.

The Group continues to implement new measures to improve and streamline spending and ensure investments are more efficient in order to maintain margins at levels that continue to enhance shareholder value.

Disclosure on the average payment period to suppliers in Spain-

The details of the average payment period to suppliers in 2023 and 2022 by the consolidated companies subgroup in Spain, prepared in compliance with the Resolution issued on 29 January 2016 by the Institute of Accounting and Account Auditing (ICAC), is as follows:

	2023	2022
	Days (a)	Days (a)
Average payment period to suppliers	55.38	47.71
Transactions paid ratio	55.11	48.44
Transactions payable ratio	57.01	43.48
	Amount (Thousands of Euros)	Amount (Thousands of Euros)
Total payments made	323,229	484,155
Total payments outstanding	55,323	83,842

(a) In accordance with Law 11/2013, of 26 July, establishing measures to support entrepreneurs and stimulate growth and the creation of jobs, amending Law 3/2004, the maximum legal payment period is 30 days, which may be extended to up to 60 days with the agreement of both parties.

The information for 2023 relating to the invoices paid by the Spanish Group companies in a shorter period than the maximum established in the late-payment legislation is as follows: 33,415 invoices (representing 65% of all the invoices paid in 2023), which amount to 212,493 thousand euros (66% of the total amount paid in 2023).

In addition, the information for 2022 relating to the invoices paid by the Spanish Group companies in a shorter period than the maximum established in the late-payment legislation is as follows: 36,950 invoices (representing 72% of all the invoices paid in 2022), which amount to 387,268 thousand euros (80% of the total amount paid in 2022).

In general, the Group is complying with the maximum legal payment periods to trade suppliers established in Spanish law to combat late payment. It is currently assessing measures to be implemented in the next financial year to reduce the payment period in those cases in which the maximum period has been exceeded. These measures will centre on reducing the processing time for receiving, checking, approving and accounting for invoices (with improved use of electronic channels and technology) and improving procedures for resolving incidents in this process, so that payment orders can be released on the monthly payment dates established by the Group and within the maximum period established in legislation to combat late payment.

Events after the reporting period-

On 19 March 2024, the Spanish International Tax Office accepted the terms and conditions of the Advance Pricing Arrangement requested by Antolin. This arrangement will be in force from 1 January 2024 to 31 December 2027.

No other significant events occurred subsequent to the 31 December 2023 close.

Shares in the Parent-

The group companies held no shares in the Parent at 31 December 2023, and no operations were performed with such shares during the twelve-month period ended on 31 December 2023.

Consolidated non-financial information-

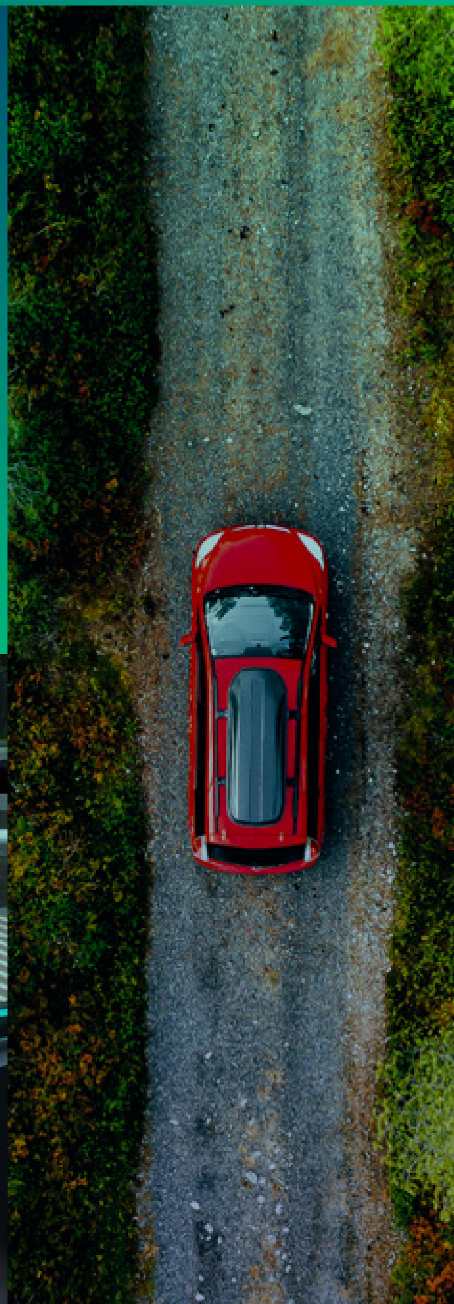
Pursuant to the option permitted in Article 49.7 of the Spanish Commercial Code, the Parent's Directors have prepared a "Consolidated Non-Financial Information Statement" (Consolidated NFIS) for Grupo Antolin Irausa, S.A.U. and Subsidiaries for the year-ended 31 December 2023 in a separate report.

It is expressly stated therein that said information forms part of the accompanying consolidated directors' report for 2023 and includes the content stipulated for this statement in the aforementioned Article 49 of the Commercial Code.

ANTOLIN

Intelligent. Integrated. Inside.

INTEGRATED
REPORT



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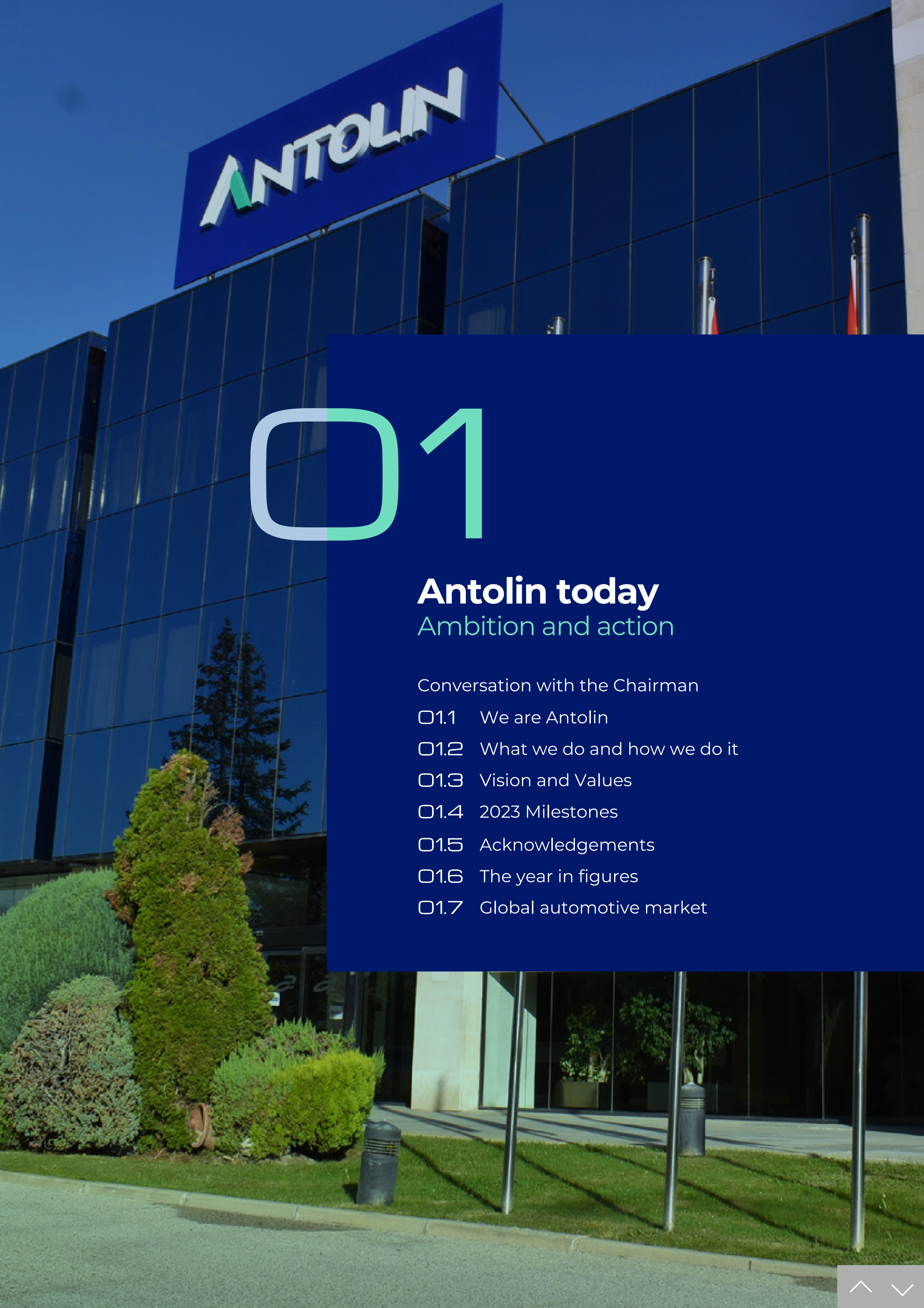


01

Antolin today
Ambition and action

Conversation with the Chairman

Ernesto Antolin, Chairman of Antolin

The transformation plan designed by Antolin and aimed at leading mobility from inside the vehicle was launched in 2023. How would you describe this first year? What advances have generated the greatest impact?

The transformation process we have implemented must be considered as a **future project in which Antolin's employees are building a new era on firmer foundations with a more profitable and value generating business**. This will enable us to respond and adapt to the technological and regulatory changes we are experiencing in the industry in a macroeconomic context with growing competitive pressure. Our ambition remains unwavering, mirroring the same drive that has led us to the forefront of the vehicle interior market, serving over 100 renowned brands globally.

We want to be a leading and profitable company driven by its capacity for innovation and managed by top-tier professionals with financial, industrial and operational excellence. Therefore, the first step has been to reinforce our organization and commit to a change of culture with a **new way of working that is more flexible, cross-cutting, inspiring, collaborative and customer-centric**. The basis of any change is always the people, who are the main players in our transformation.

At the same time, we have made progress in the plan's main lines, which cover all scopes of the business, from accelerating the digitization of our processes to expanding the product portfolio, by taking advantage of the changes in vehicles brought by the new mobility. In a challenging environment that requires being as efficient and competitive as possible, we are unfolding in our plants projects based on the Internet of Things, advanced robotics and smart energy, which is currently implemented in seven factories. The aim is to achieve the most efficient and competitive industrial network in the industry.

Another important point is to consolidate ourselves in markets where we have greater growth potential. The best example was our **presence at the latest edition of the Shanghai International Automobile Industry Exhibition**, currently the largest showcase in the industry in Asia. Customers in China had the opportunity to see first-hand our comprehensive portfolio of products and solutions for the vehicle interior in areas such as functional lighting, smart surfaces and sustainability. Thanks to the improvement of our technological capabilities and innovation, the business units have entered new and significant projects with customers. The result of it all is that Antolin's components are currently in more than 600 vehicle models in all major automotive markets.

The innovation and technological development of Antolin's solutions are strategic levers in the company's transformation process aimed at leading the change that vehicles and their interior are experiencing. What does this evolution consist in and how is it materialized?

Our innovation strategy aims to adapt to the ever-changing world of mobility. Connectivity, digitization and new technlogies such as the electric motor, in conjunction with a consumer that wants more sustainable consumer goods, are joining forces to transform our main means of transport, which will continue to be the car, and the travel experience it provides. We are talking about a **vehicle as a sustainable and advanced space**, which will have new entertainment or work-related functions and where one will be able to interact with the environment, other cars and the infrastructure itself. Let me give just a few examples of the work carried out by Antolin during 2023. We have been developing a **vehicle access system** with several technology partners that allows accessing the vehicle or even starting it by voice or facial recognition. Another interesting example of this transformation that vehicles are experiencing, and of how we are researching its application to our solutions, is our Genius project. By means of a system of sensors installed in the vehicle compartment, we are able to monitor, analyze and interpret the user's cognitive and emotional state.

Depending on the identified state, we can improve the passenger's safety, comfort and experience using external stimuli such as lighting, sound or fragrances.

The potential of all these new technologies is enormous, and the goal is to offer a smart vehicle interior that automatically adapts to the needs of each person. The strategy is to make the most of this change in order to offer more value to our solutions and components, thus strengthening our business model. As experts in this field, our customers expect us to evolve the interior of their future vehicles by integrating all this technology while maintaining the perceived quality of the components at competitive costs. In fact, some of the innovation projects initiated in 2023 are being developed in close collaboration with the innovation and design departments of several vehicle manufacturers. On this point, it is important to mention all the **collaborations we have with partners that provide cutting-edge technologies** that we can integrate into our solutions.

During the year, we signed agreements with **Biometric Vox**, involving the voice-activated vehicle access system, and with **VIA optronics**, we are working on developing a wider range of interactive screen solutions.

The company is focusing on providing innovative technological solutions aimed at creating smart, safe and comfortable interiors, as well as more environmentally friendly. How can we achieve this fusion of innovation and sustainability? What are the main achievements of the year?

Innovation is a fundamental driver for us to improve for improving our position as a company that offers sustainable solutions to customers. This is why we have decided to integrate our resources and competence in sustainability within the Innovation Department, which will lead to greater efficiency and better results in both areas of work. Consequently, it will enable us not only to fulfill the requirements of innovation of our more technology-oriented customers, but also address sustainability aspects such as, such as recyclability, weight reduction, the circular economy and eco-design.

This organizational change regarding innovation and sustainability has enabled us to develop a **new material made from mycelium**, a part of fungi's vegetative growth. In other words, by making the most of the nature's infinite resources, we can offer customers a biodegradable product with zero emissions. In the sphere of recycling, we are researching the use of all types of organic and inorganic waste as a basis for future materials that are more environmentally friendly.

These projects are already generating a positive impact on the market, such as the **sustainable headliners** equipped in Volvo and Volkswagen models.

Our commitment is to **incorporate 40% of sustainable plastic into the products supplied to customers by 2040.**

Following this strategy, in 2023 we have continued to make progress on all the environmental objectives we have set for the coming years, that is, on reducing our corporate environmental footprint and minimizing the impact of our products. Our goal is to become a **carbon-neutral company by 2050, consolidating ourselves as a circular business**. Antolin thus contributes to the ongoing decarbonization process in the automotive industry.

Among the year's milestones, an improvement in the ratings provided by the main ESG rating agencies stands out. What does this consistent presence among the most prestigious ratings involve for Antolin?

The improvement we have achieved in some of the main international sustainability classifications, such as Moody's ESG Solutions, S&P global and Sustainalytics, is a sign that we are on the right path when it comes to our commitment towards advancing in sustainability and our business responsibility. We aim to be a **benchmark in material issues that concern our stakeholders**, such as environmental management, human rights and supply chain sustainability. We hope to continue improving the rating of our environmental, social and governance performance among the ESG rating agencies and customers.

Companies have the responsibility of building a fairer world and tackling the climate emergency, poverty and inequality in certain regions. In addition, in terms of the new mobility, the vehicle is the reflection of a consumer who not only seeks to travel from point A to point B, but who also wants this experience to be consistent with their values and vision of the world. Therefore, apart from considering issues such as the vehicle's cost, safety or comfort, they also require manufacturers to commit to sustainability. They demand from the companies behind the vehicle to conduct themselves following the environmental commitments and to contribute to social development, as well as to act in accordance with clear principles and values, while applying the highest standards of good governance.

Another acknowledgement worthy of mention is that given by SupplierAssurance for our sustainable performance. In this industry, it is impossible to move forward with comprehensive sustainability in the entire business cycle if all the players involved do not move forward together with clear goals. A robust sustainability performance of our chain is essential, and it is part of our commitment towards excellence, innovation, transparency and a sustainable performance in the eyes of the sector and customers.

This responsible management of the supply chain is a requirement of your customers, who also value the commitment to a sustainable business model and innovation. How are you working towards meeting all your customers' needs?

A clear goal of our transformation process is to reinforce our customer orientation by strengthening relationships with all of them. This includes ensuring the sustainable business model that I explained beforehand, based on flexibility, the quality of services and products, state-of-the-art technology and cutting-edge design. **We have to meet our customers' needs by helping them move forward in their own business strategy**. The best example is the work we do **to improve the performance** of their electric vehicles, which ranges from optimizing their thermal and acoustic insulation to making the components lighter, with the aim of increasing their autonomy, and developing natural materials. We currently have around 200 ecological models on the market.

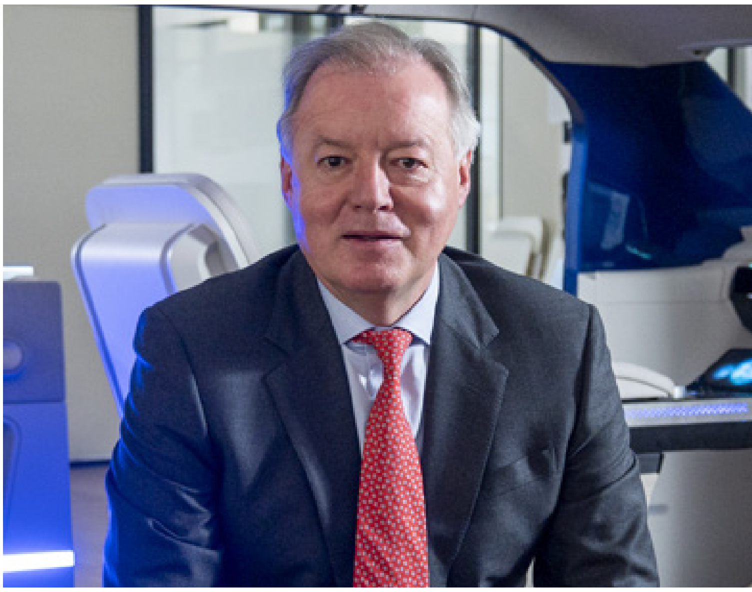
In this sense, the efforts made by the teams in boosting technical promotion activities in all regions are very important, both at global exhibitions —I already mentioned our presence at the Shanghai International Automobile Industry Exhibition— and at the customers' facilities. Vehicle brands from around the world, including consolidated manufacturers and new entrants in the electric mobility market, trust the innovative capacity, technological leadership and experience accumulated by Antolin in the industry. We have gained this trust after years standing by our customers and helping them grow and transform. If we consider the sizeable technological and regulatory challenges faced by the industry, **it is time to further strengthen this relationship with vehicle manufacturers.**

One of the major challenges that the sector is facing is the search for the professional profiles required to overcome the challenges of Industry 4.0. How is Antolin addressing this situation? What role does a differential employee's experience play in attracting talent?

The success of any business project is based on the talent and commitment of the collaborators, because, in the end, the strategies and initiatives are designed by people. Managing teams demands the utmost from organizations in a context of stiff competition to attract the best talent, which in many profiles is lacking, or the paradigm shift in the mindset of the new generations. Young people demand more job flexibility, work-life balance and clear expectations of professional development. This opportunity was seized by the 21 youths who completed our latest **IT Bootcamp, Finance Bootcamp and Dual Training programs**.

These challenges require a long-term strategy, which for Antolin involves fostering aspects such as continuous learning, attending to the team's diversity in order to develop talent or opting for flexibility as an organizational model.

Training is another key aspect, as is the leadership capabilities of the people responsible in an environment with extremely stringent demands. With this in mind, in 2023 we implemented the **Goodhabitz tool, which focuses on an innovative and effective approach to training**, so employees can decide what to learn in relation to the development of communication skills, technology or marketing, and more importantly, when to learn it. As regards leadership, our executives participated in a program delivered by the renowned International Institute for Management Development. The aim was to reinforce their skills to better guide their teams towards a culture of change management in the company and achievement of results.



Lastly, with a more medium-long term outlook, which is the vision of the future for Antolin's Chairman? If we were to imagine where the company will be in five years, what elements do you see in this projection?

At Antolin, we are not only looking to the future with excitement, but also with determination and firmness so as to make the decisions required to drive our business. This will enable us to move forward in the new era that we, the nearly 22,000 collaborators, are building. Mobility and our environment are changing, and **Antolin wants to play the leading role in this change by contributing with value to all our stakeholders through the vehicle interior, as well as via the people's interior**. The aim is to increase our profitability and the strength of the business in a timeframe of a few years by broadening the customer base with new projects that provide added value. We are also working towards gaining further presence in the regions that will lead the major growth of the coming years.

We want to consolidate **Antolin as a leading manufacturer in terms of profitability, innovation and sustainability**. As a result, we will help our customers in the process of change they are experiencing. Our company is about to turn 75. I am convinced that the next 75 years will be better, and they will be so because we have the people and talent and because we all share the same ambition and commitment.

01.1 We are Antolin

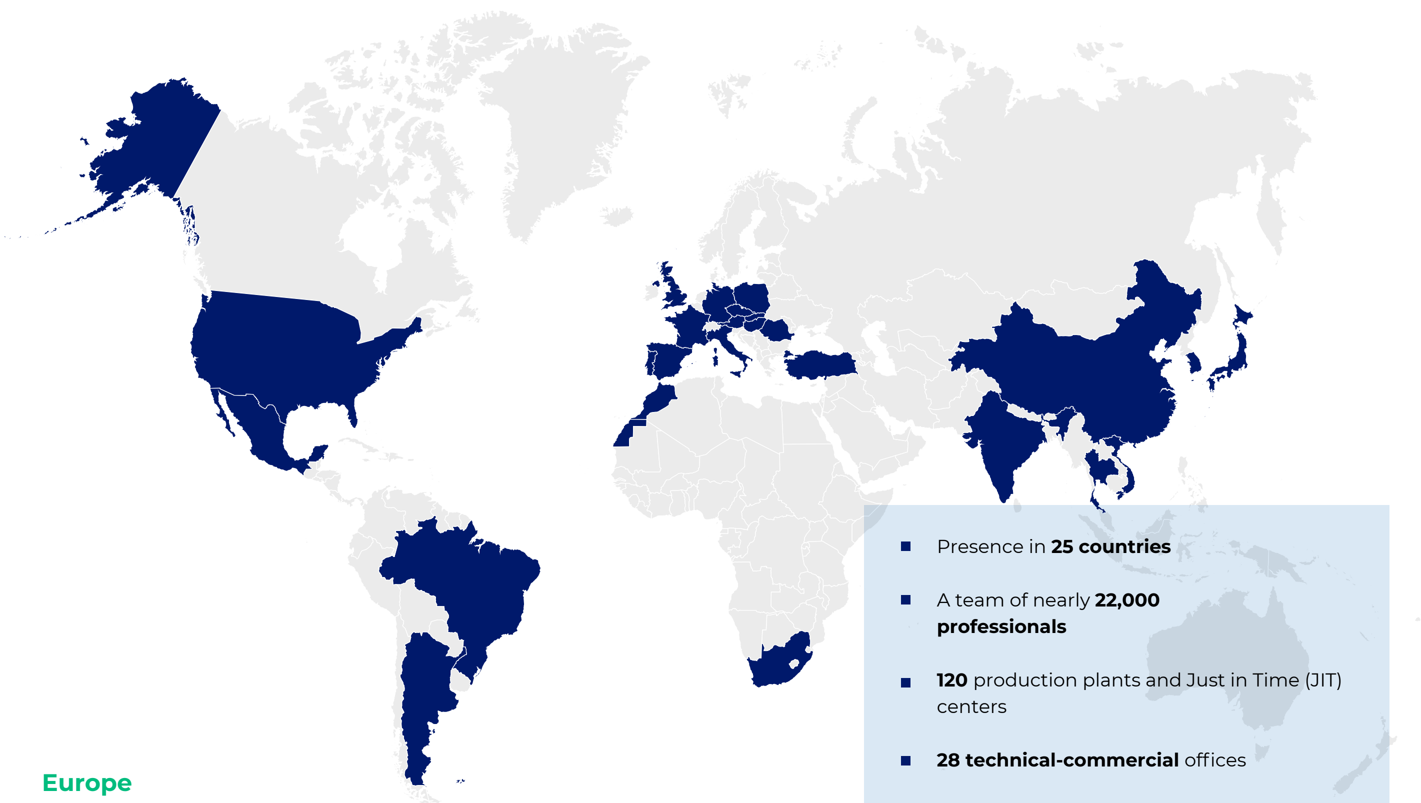
Antolin is the strategic ally of more than one hundred vehicle manufacturers around the world. The products and solutions it designs, develops, produces and supplies range from **headliners** and **door panels** to **cockpits and electronic systems,** including **lighting**. These encompass a wide range of products focused on the vehicle interior and which can currently be found in more than 600 top-tier car models: specifically, 9 of the 10 best-selling vehicles worldwide or the 10 cars leading sales in Europe feature the Antolin seal.

Innovation permeates the success story of this Burgos-based company founded in the 1950s, that has been able to evolve over more than seven decades from a modest family repair workshop to a recognized and highly prestigious multinational corporation.

Presently, Antolin operates in 25 countries and employs nearly 22,000 people.

Its non-conformist nature, talent, hard work, vision, commitment and creativity are the driving force behind a very specific way of doing business: firmly convinced that mobility will make society thrive socially, culturally and economically, Antolin works every day towards making this mobility more **efficient, safe, responsible and sustainable**.

Antolin's ability to anticipate future trends has always placed the company in a leading position worldwide. Therefore, as the new forms of mobility are currently being defined, Antolin aims to maintain its position as a leading provider of automotive interior technological solutions. To that end, it has a **Transformation Plan** in place, the first steps of which have been implemented in 2023. This plan aims to increase the company's profitability and growth and to do so through **innovation, operational excellence and the best human talent, all within the framework of a responsible business model.**



Europe

Germany
Austria
Slovakia
Spain
France
Hungary
Italy
Poland
Portugal
United Kingdom
Czech Republic
Romania
Turkey

Asia

China
South Korea
India
Japan
Thailand
Vietnam

America

Argentina
Brazil
United States
Mexico

Africa

Morocco
South Africa

- Presence in **25 countries**
- A team of nearly **22,000 professionals**
- **120** production plants and Just in Time (JIT) centers
- **28 technical-commercial** offices
- **TIER-1 supplier** of the main vehicle manufacturers
- Supplies to **more than 100** vehicle brands around the world
- Equips **more than 600 car models on the market**
- Present in **9 of the 10** best-selling cars in the world

GLOBAL PRESENCE[1]

Country	Production Center	Technical-Commercial Office	Total
Germany	12	6	18
Argentina	1	0	1
Austria	0	1	1
Brazil	4	0	4
China	22	4	26
South Korea	0	1	1
Slovakia	4	0	4
Spain	13	2	15
United States	14	1	15
France	4	2	6
Hungary	2	0	2
India	6	4	10
Italy	1	0	1
Japan	0	1	1
Morocco	1	1	2
Mexico	10	2	12
Poland	1	0	1
Portugal	2	0	2
United Kingdom	6	1	7
Czech Republic	8	1	9
Romania	1	0	1
South Africa	4	1	5
Thailand	2	0	2
Turkey	1	0	1
Vietnam	1	0	1
Total	**120**	**28**	**148**

[1] Data as at December 31, 2023.

01.2 What we do and how we do it

What we do

The company's products and solutions are grouped into Business Units (BUs) that are arranged into two areas that separate the mature business from their more technological counterparts and thus better unlock their potential.

• Product Systems, organized into four BUs:

Overheads: headliner substrates, modular headliners and lit overheads.

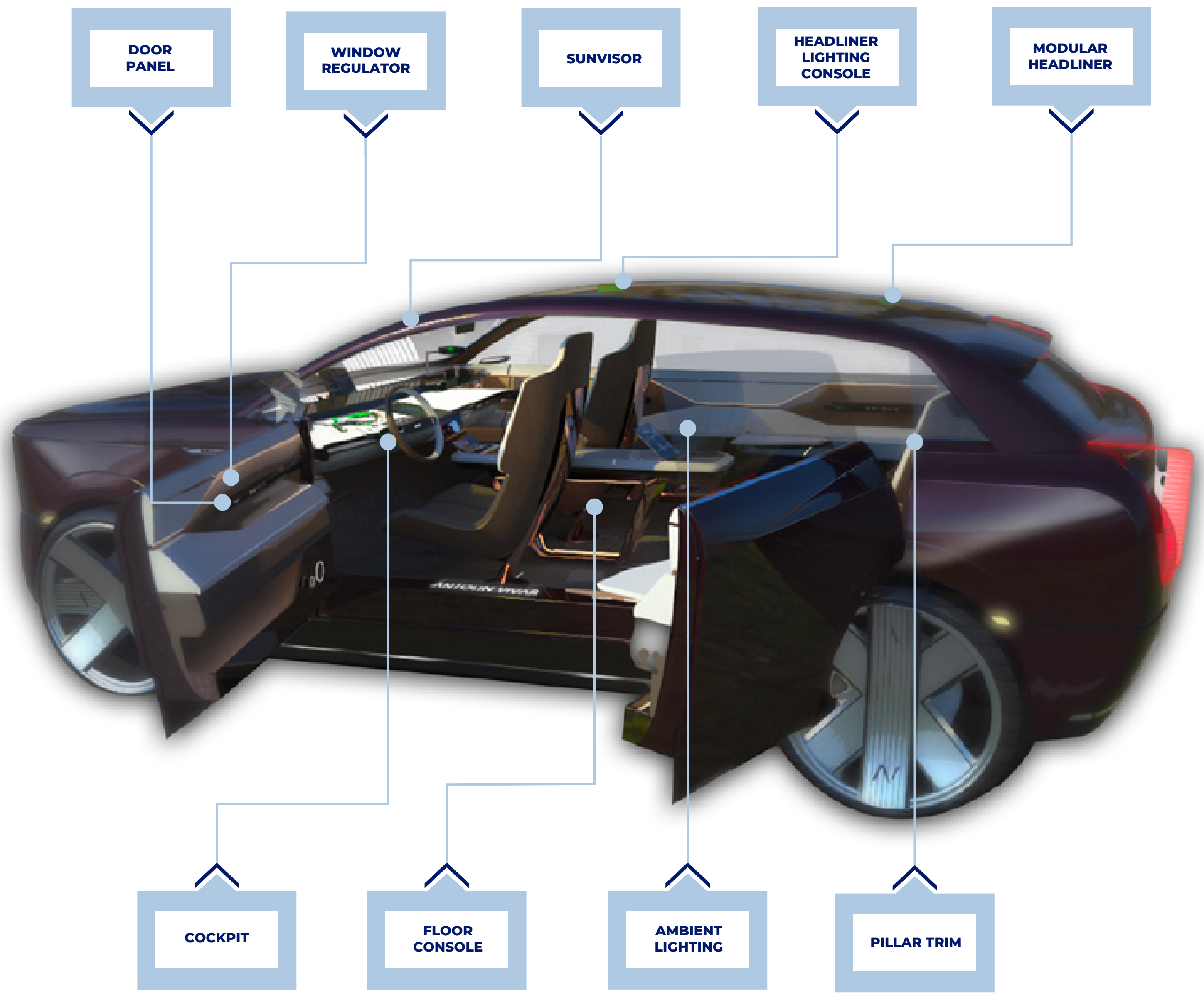
Doors and Hard Trim: door panels, pillar trims and plastic parts, backlit trim.

Cockpits & Central Consoles: cockpits, floor consoles, cockpit module.

Components and JITs: Sunvisors, window regulators, door modules, boot trim, management of JIT centers (logistics).

• Technological Solutions:

Lighting, HMI (Human Machine Interface) and Electronics: lighting (ambient and functional), decorative, smart surfaces, vehicle access systems, electronic control units (ECUs).



How we do it

Antolin's work covers every process of the product cycle, from the very conception to mass delivery, including the components' design, all with the highest quality standards. Its excellence has established Antolin as a **full service supplier car interior industry.**

Thanks to its technological capability and global presence, the company supports its customers throughout the complete product life cycle in the different countries in which it operates. Flexibility and swiftness at the service of the industry's the most demanded requirements.

1. Conception

Innovative solution for the needs and expectations of customers and their consumers

28 technical-commercial offices
€136.29 M in R&D and innovation spend
4 innovation lines
7 patents in 2023
16 developments satisfactorily completed
1,622 people in technology-related jobs

2. Development / Design

Definition of the product and service according to the customer's requirements

3,354,286 hours of development
22 design and simulation centers
18 CAD (2D and 3D design centers) and 4 CAE (simulation centers)
376 projects in the development phase

3. Validation

Acceptance by the customer and the company in charge of the production and supplier appointment

56 STA's Supplier Technical Assistants (operational level)
€2,497 M in volume of purchases from leading suppliers of direct material
83.86% are suppliers of direct material
€1,263 M in volume of purchases from local suppliers
71.4% suppliers of direct material assessed for ESG

4. Manufacturing

Start of mass manufacturing of the product to the highest quality

120 factories and JITs
25 countries
€253 M investment
60 - ISO 45001
70% of the workforce covered by ISO 45001 Certification
93 ISO 14001 centers
8 ISO 50001 centers
88 ISO TS16749
2.97 Accident frequency rate

5. Delivery

Sequenced supply of the customer's final product

€4,617.38 M sales
More than 600 vehicle models
More than 100 vehicle brands
45.1% sales in Europe
34% sales in North America
91.2% Product Systems sales
8.7% Technology Solutions sales
0.1% Other sales

01.3 Vision and Values

As part of the brand's evolution and the transformation process, the company is adapting its vision and values, which are currently the following:

Vision

To be the leading company in automobile interiors by creating value for our stakeholders.

Values

The pillars that define how Antolin works in a globalized, competitive and changing environment.

People, the key to success

- Recognize achievements: everyone contributes to success
- Build a climate of trust
- Be tolerant with mistakes
- Listen, communicate: act transparently
- Work as a team

Passion for a job well done

- Make quality work
- Meet your commitments
- Train yourself permanently
- Be involved from the beginning

Family spirit

- Act honestly
- Respect others
- Deal with issues fairly

Innovation, fundamental to the future

- Be flexible and open to new ideas
- Don't settle, encourage boldness
- Everything can be questioned, look for the best solution

Contribution to the development of society

- Be committed to your environment
- Represent the company's values in society

01.4 2023 Milestones

Cristina Blanco, new CEO

With a career spanning over 22 years at Antolin, Cristina Blanco was appointed the company's new CEO in 2023. One of her main challenges is to accelerate the implementation of the transformation process, in which she actively partook.

Return to the corporate convention

Following a three-year break due to the pandemic, Antolin held its corporate convention again. Nearly 350 executives from 25 countries met to analyze, debate and share the challenges and opportunities offered by the transition to the new mobility, which the company is determined to lead through the transformation that is underway.

Antolin, at the Shanghai International Automobile Industry Exhibition

Antolin's customer-centric culture and the significance of China as a key market in its global transformation were decisive factors when it came to choosing this event to present the new concept car ITACA, as well as other of the best samples of its innovative portfolio of products and solutions, such as the intelligent sliding floor console, the vehicle access system and the communicative and dynamic lighting.

01.4 2023 Milestones

INNOVATION, STRATEGIC LEVER

- Presentation of the new concept car **Antolin VIVAR**.
- Agreement with **PersiSKIN** to develop alternative plant-based leather.
- Collaboration with **Biometric Vox** in a voice-activated vehicle access system.
- Development of a **smart intralogistics system** aimed to improve the factories' efficiency, with **Keyland** as a strategic partner.
- Opening of a state-of-the-art factory in **Besançon** (France).
- Four years of collaboration between Antolin's Joint Research Unit and **CTAG** (Automotive Technology Centre of Galicia).
- **Open Innovation Day** at the headquarters in Burgos.

PROMOTION OF RESPONSIBLE BUSINESS

- Approval of the target of **40% sustainable plastic material** by 2030.
- **12.42%** increase in the consumption of renewable energy.
- Reduction of **7% in the Frequency Index (2.97).**
- **Delegated committees' structure review** with expansion of the knowledge matrix, experience and responsibilities.
- **88%** of our productive and investments suppliers accepted the **Supplier Code of Conduct.**
- Joining the **UNICEF Spain's** Empresas por el Cambio program.
- Incorporation to the Board of the **Princess of Asturias Foundation.**

PARTICIPATION AT FORUMS AND EVENTS

- **Mobility City** Initiative (Zaragoza).
- Selection of Electronics and HMI products at the **Connected Fair of the Automotive World Expo** (Japan).
- **DVN Workshop** in Cologne to present functional surfaces and integrated products.
- **New Materials for future Mobility**, congress by the Société des Ingénieurs de l'Automobile (France).
- **Folien + Fahrzeug** (Plastic Films in Mobility), conference by SKZ - Das Kunststoff-Zentrum in Germany.
- **International Fair for Electricity and Electronics** in Sao Paulo (Brazil).
- **Intelligent Cockpit Vehicle Display & Perception** 2023, conference in China.
- Participation at **The Automotive Decarbonization and Sustainability Summit 2023**, within the Green & Smart Auto Shanghai in China.

INDUSTRY BENCHMARK

- Visits to the headquarters in Burgos by the government delegations of **Wuhu and Changfeng** (China).
- Visit to the headquarters by the **President of the Regional Government of Castilla y León** (Spain).
- Antolin's support to the **Choose France** initiative.
- Official presentation of the position paper of the European Chamber of Commerce in China to the Spanish business community in Shanghai.
- Ernesto Antolin at the **27th edition of the Automotive Quality 4.0 Congress.**
- María Helena Antolin at the **Future Mobility Challenges Forum**, held by FACYL and **Polo de la Automoción, and at the 4th Edition of the International Forum held by Expansión.**

01.5 Acknowledgements

Presence in indices and rankings

• One more year ranked among the 100 most responsible companies in Spain, according to **Merco ESG Responsibility 2023.**

• Among the companies with the best reputation in Spain and ranked second in the industrial sector, according to the **Merco Empresas ranking**.

• **Improvement in the ratings awarded by the main ESG rating agencies** (Moody's The ESG Solutions, MSCI and Sustainalytics) with respect to the previous year.

• Gold medal for sustainability performance by **Ecovadis.**

Acknowledgements to Antolin's innovative and sustainable solutions

• **Chemical foaming door panel in the Renault Espace model:**

› Finalist of the SPE Automotive Innovation Awards by the Society of Plastics Engineers.

• **NightSight Assist, improved safety and comfort in night driving:**

› Winner of the Mobility category of the Castilla y León Automotive and Mobility Awards held by FACYL and Polo de Automoción.

› Winner of the INNOWINNER Award by Global Mobility Call.

• **Sustainable headliner:**

› BASF Circular Economy Awards and Excellence in Sustainability Club Awards.

› Best Sustainable Action 2023 with environmental and social impact at the Sustainability Day 2023 (EWM Solutions).

• **Vehicle access system:**

› Innovation Award at the Consumer Electronics Show (CES) in Las Vegas.

› Gasgoo Awards (also received an award for the intelligent console).

• **Micelio**, recognized by the Expansión Awards for the Transformation towards a Sustainable Economy in the category "Best initiative to increase the circular economy's efficiency".

• Acknowledged with the **Quality Award** (interior parts-headliner substrate) by Nissan Mexico.

• Winners of the Innovative Product category of the 27th edition of the **Premios Castilla y León Económica** for using SEAQUAL® YARN, a fabric with recycled marine plastic, on a door panel.

• Smart Thermal Comfort System, recognized at the **Automotive INNOVATIONS Awards,** by PwC Germany and the Center of Automotive Management in the "Interior & Interface" category.

• Nominated in the 2nd edition of the **Gravity Wave Awards** held in Valencia, Spain, in the "Great Company for the Best Circular Product" category, for the use of recycled oceanic plastics in the production of value-added car interior solutions.

Acknowledgements as an industry benchmark

• Ernesto Antolin, elected Executive of the Year by Prensa Ibérica.

• María Helena Antolin, among the Top 100 Women Leaders in Spain (event organized by EL ESPAÑOL's magasIN and Atresmedia) in the senior management category.

• Acknowledgements to the new brand by the Just Auto Excellence Awards, held by Just Auto and Global Data, and the BEST!N Auto Award.

• Company Spirit Award by the French-Spanish Chamber of Commerce in the "Spanish Business Success in France" category.

• Leading Company in Sustainability 2022 at the **12th Corporate Social Responsibility and Philanthropy Event** in China.

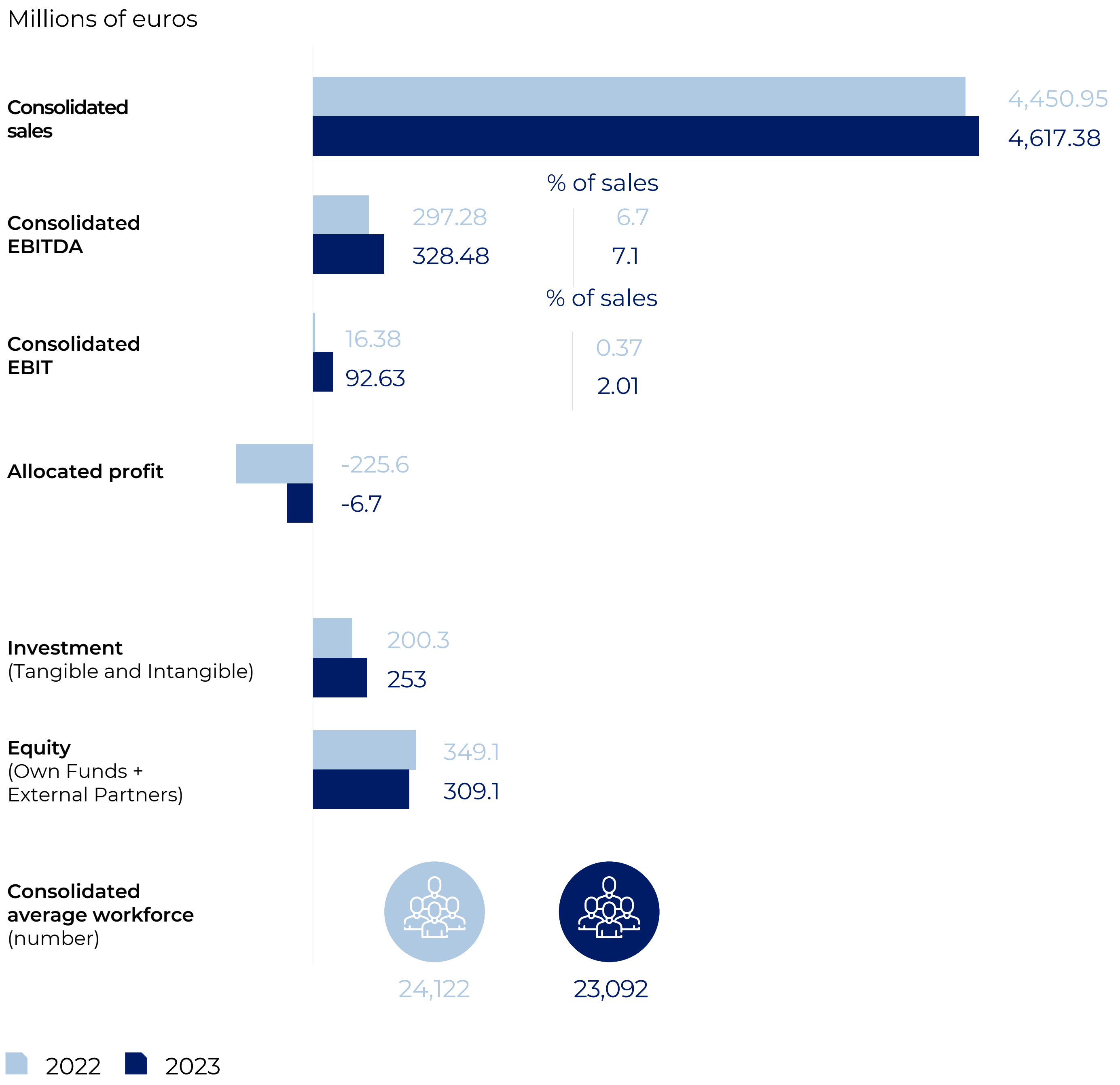
• Best project of national transformation of human resources (digitization) by SAP.

• The Tlaxcala Plant in Mexico obtains a double acknowledgement as "Top Company 2023" and "Socially Responsible Company" with the **ESR badge**.

Antolin, among the best suppliers of 2023

SupplierAssurance, a benchmark in the automotive sector for its assessment of the sustainability performance of supply chains, acknowledged Antolin among the five best suppliers in the industry in 2023. Antolin obtained the highest ratings and thus exceeded the sector's standards, establishing a new benchmark on its path towards excellence in sustainability.

01.6 The year in figures



01.7 Global automotive market

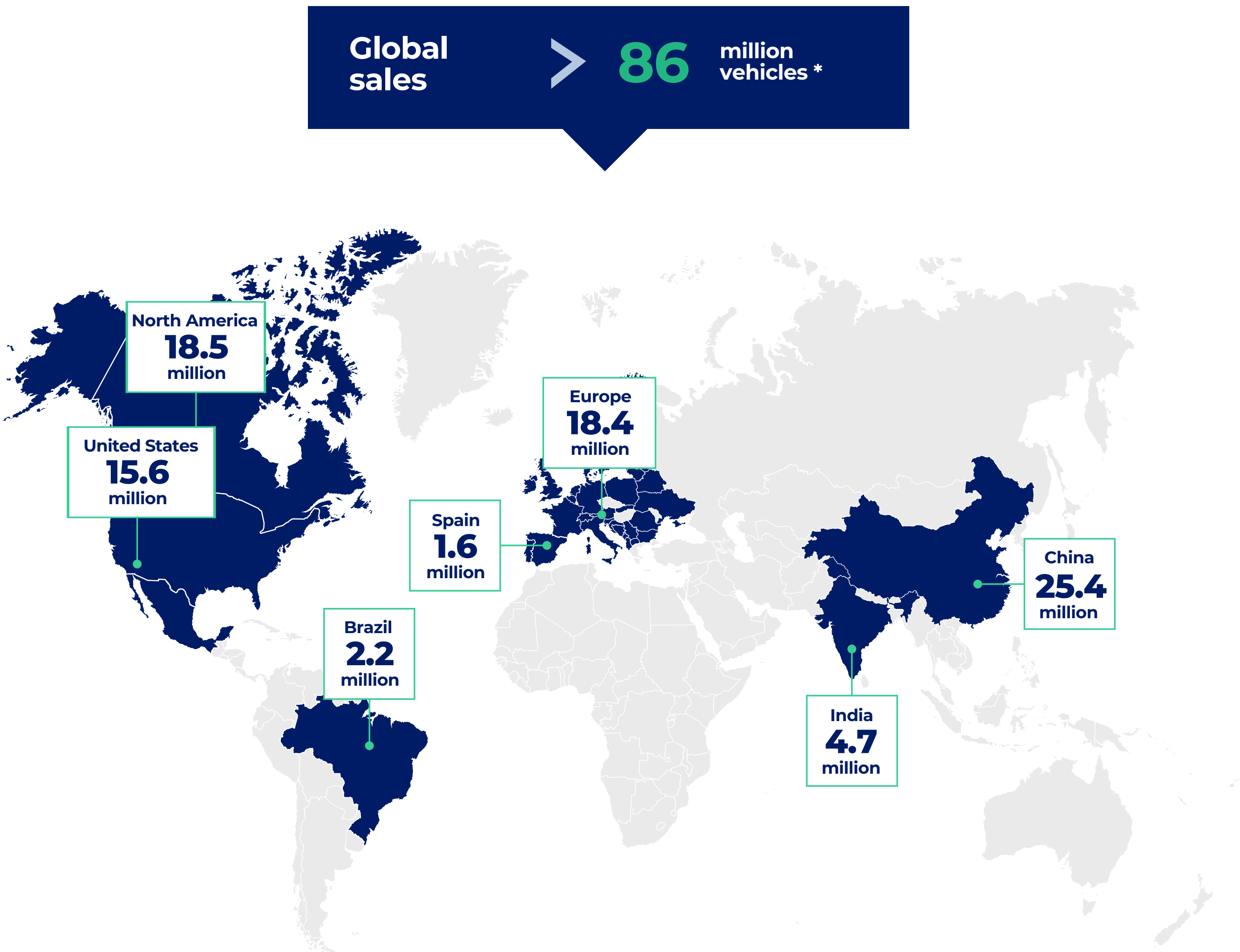
In 2023, the automotive industry faced a challenging year but full of opportunities generated by the transformation of mobility. The changes in the way we travel and the investment in new, more sustainable technologies —in terms of engines, connectivity, safety, comfort and autonomy— are accelerating unprecedented innovation.

As for the market, in spite of the economic challenges and still far from pre-pandemic levels, **global vehicle sales grew by 9% in 2023, reaching 86 million units**. The causes behind this upturn are the progressive improvement of supply chain issues and a less restrictive regulation favorable to internal demand. Examples of this are the Euro 7 regulation in the European Union or the IRA/EPA in the United States.

While traditional combustion vehicles continue to lose ground to alternative propulsion, the penetration of electric vehicles is not advancing at the expected pace. In 2023, strong competition broke out among electric vehicles, which represented 31% of total sales, led by Tesla with its Model Y and BYD with the Song model.

In North America, the effects of the Big Three strike (Ford, General Motors and Stellantis) were finally contained, with uncertainty as to the impact of these stoppages on end prices.

With regard to the best-selling models, the Tesla Model Y stands at the top of the podium, followed by the Toyota Corolla and Ford F-Series. In Europe, the Tesla Model Y was also the best-selling vehicle, whereas in the United States this title is held by the Ford F-Series.



*Source: S&P Global.

Antolin in the Top 10 global sales

Tesla Model Y
1

PILLAR TRIM (NORTH AMERICA)

Toyota Corolla
2

LICENSE PLATE LAMP (CHINA), HEADLINER SUBSTRATE AND SUNVISORS (EUROPE AND SOUTH AMERICA), LIGHTING CONSOLE, DOOR PANELS, CENTER CONSOLE, AMBIENT LIGHTING AND MULTIPURPOSE LAMP (EUROPE), PACKAGE TRAY (SOUTH AMERICA)

Toyota RAV4
3

LIGHTING CONSOLE (EUROPE)

Ford F-Series
4

MODULAR HEADLINER, LIGHTING CONSOLE

Honda CR-V
5

MODULAR HEADLINER (THAILAND), HEADLINER SUBSTRATE (INDIA), LIGHTING CONSOLE, AMBIENT LIGHTING

Toyota Camry
6

Antolin does not produce any component for this model.

Chevrolet Silverado
7

MULTIPURPOSE LAMP

Hyundai Tucson
8

LIGHTING CONSOLE (EUROPE)

Kia Sportage
9

MODULAR HEADLINER (EUROPE), HEADLINER SUBSTRATE (USA)

Toyota Hilux
10

HEADLINER SUBSTRATE (SOUTH AMERICA/SOUTH AFRICA)

Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.

Antolin in the Top 10 European sales

Tesla Model Y
1

PILLAR TRIM (NORTH AMERICA)

Dacia Sandero
2

HEADLINER SUBSTRATE, WINDOW REGULATORS, LIGHTING CONSOLE

Volkswagen T-Roc
3

MODULAR HEADLINER, WINDOW REGULATORS, LIGHTING CONSOLES

Renault Clio
4

WINDOW REGULATORS (PLASTIC), DOOR ELECTRONICS, LIGHTING CONSOLE

Peugeot 208
5

HEADLINER SUBSTRATE, SUNVISORS, WINDOW REGULATORS (PLASTIC), AMBIENT LIGHTING, LICENSE PLATE LAMP, CENTRAL HIGH MOUNTED STOP LAMP

Opel Corsa
6

WINDOW REGULATORS (PLASTIC), SUNVISORS, LIGHTING CONSOLE

Volkswagen Golf
7

HEADLINER LOGISTIC SERVICES, AMBIENT LIGHTING

Toyota Yaris Cross
8

SUNVISORS

Volkswagen Tiguan
9

AMBIENT LIGHTING, MODULAR HEADLINER AND DOOR PANELS (NORTH AMERICA)

Skoda Octavia
10

INSTRUMENT PANEL, DOOR PANELS, PILLAR TRIM, MULTIPURPOSE LAMP

Source: Global Data. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.

Antolin in the Top 10 US sales

Ford F-Series
1

MODULAR HEADLINER, LIGHTING CONSOLE

Chevrolet Silverado
2

MULTIPURPOSE LAMP

Ram Pick-Up
3

MODULAR HEADLINER, LIGHTING CONSOLE, DOOR PANELS

Toyota RAV4
4

Antolin does not produce any component for this model.

Honda CR-V
5

MODULAR HEADLINER (THAILAND), HEADLINER SUBSTRATE (INDIA), LIGHTING CONSOLE

Tesla Model Y
6

PILLAR TRIM

GMC Sierra
7

MULTIPURPOSE LAMP

Toyota Camry
8

Antolin does not produce any component for this model.

Nissan Rogue
9

LIGHTING CONSOLE

Jeep Grand Cherokee
10

LIGHTING CONSOLE, OTHER INTERIOR LAMPS, LIT DECORATIVE PART

Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.

Antolin in the Top 10 Chinese sales

Tesla Model Y
1

PILLAR TRIM (NORTH AMERICA)

BYD Qin Plus
2

SUNVISORS

BYD Song
3

MODULAR HEADLINER, SUNVISORS

Nissan Bluebird/Sylphy
4

LIGHTING CONSOLE, SUNVISORS

Volkswagen Lavida
5

Antolin does not produce any component for this model.

Toyota Corolla
6

LICENSE PLATE LAMP (CHINA), HEADLINER SUBSTRATE AND SUNVISORS (EUROPE AND SOUTH AMERICA), LIGHTING CONSOLE, DOOR PANELS, CENTER CONSOLE, AMBIENT LIGHTING AND MULTIPURPOSE LAMP (EUROPE), PACKAGE TRAY (SOUTH AMERICA)

BYD Yuan Plus
7

MODULAR HEADLINER

BYD Dolphin
8

Antolin does not produce any component for this model.

Volkswagen Sagitar
9

Antolin does not produce any component for this model.

Changan CS75
10

MODULAR HEADLINER

Source: focus2move. The components produced by Antolin are listed. The specific market for which the component is produced is in brackets. Unless indicated otherwise in brackets, the component is manufactured worldwide.

02

Strategy and value creation

Driving the transformation

02.1 A challenging context, a robust sector

Geopolitical tensions have continued to shape the macroeconomic outlook in 2023. However, if the economy has proven anything during this period, it is its great resilience. This year started with full-on headwinds: a scenario of weakness, an energy crisis that led experts to consider the possibility of supply disruptions in some European countries, skyrocketing inflation, interest rate hikes...

In this scenario, production chains, and specifically those in the automotive sector, have been particularly stressed, which has made projecting demand a key part of supply chain management. This mechanism, which enables predicting and anticipating future demand for products or services, is already a strategic element in the sector when it comes to efficiently planning production and distribution.

Another event that has especially impacted production chains in the automotive sector is the historic **strike experienced in the United States**. After six months of strikes, the leading manufacturers' trade unions achieved salary increases of 25%, better retirement benefits, more facilities for temporary workers to become permanent and investments of billions of dollars in new plants in the USA.

All of this in a scenario of a **shortage of qualified talent in the sector** and an advancement of the "quiet quitting" phenomenon. Hence, the growing significance of employee experience policies, which try to design an employee journey suited to the needs of each worker in their different interactions with the company.

On the other side of the Atlantic, the eurozone's activity showed a marked sluggishness, impacted by the high price of energy in its industrial sector. In 2023 the **EU's CBAM Regulation** was approved, a carbon border-adjustment mechanism that will force European Union importers to acquire certificates equivalent to the carbon price they would have had to pay if the goods had been produced in accordance with the EU pricing rules. This mechanism, which will come into force in 2026, is expected to represent a significant cost increase in the EU automotive sector.

In spite of the EU's weakness, Spain's situation has been one of the most stable in 2023. Inflation, although still at high levels, declined during the year. In the automotive sector, the greater stability in the delivery of components and materials for production has enabled surpassing the figure of two million units manufactured, for the first time since the pandemic's impact.

Beyond the economic context and within the environmental scope, the year 2023 kicked off just a few days after the historic agreement reached at the **COP15** (December 2022) to guide global action on nature through to 2030. The agreement includes specific measures to halt and reverse nature loss, which includes putting 30% of the planet and 30% of degraded ecosystems under protection by 2030.

At the end of 2023, another Climate Summit —**Dubai's COP28**— was held, again alerting governments and companies that the current climate commitments are still far from the goal of limiting global warming to 1.5°C. The most pressing issue is the need to gradually eliminate fossil fuels, significantly change the transport and industrial sectors and reduce emissions other than CO_2, such as methane.

Progress in the legislative agenda

Legislative activity at Community level continued to be intense in 2023 as in recent years. The year began with the entry into force of the **Corporate Sustainability Report Directive (CSRD)** and closed with the provisional agreement between the Council and European Parliament on the **Directive on corporate sustainability due diligence (CSDD)**.

This regulation will force establishing processes and measures to detect, prevent, mitigate and eliminate any adverse impacts of real or potential business activity on human rights and the environment. In addition, an important new development is that it will not only involve undertakings, but also companies and partners intervening in the value chain.

Beyond the aforementioned regulations, other laws and directives on sustainability were implemented last year. One example is **Law 2/2023, regulating the protection of persons who report regulatory infringements and the fight against corruption**, which requires companies of more than 50 employees to establish an internal reporting and registration system for complaints and investigations.

Lastly, in the development phase in 2023, the primary objective of the **Directive on new rules for substantiating environmental claims (Green Claims Directive)** is to combat greenwashing by establishing shared criteria aimed at strict and transparent reporting in environmental claims by brands and manufacturers.

The mobility of the future, a present reality

Society is making progress quickly towards the **new mobility: sustainable, connected, smart and secure**. This concept poses a major challenge for the sector of component manufacturers when it comes to adapting their capacities and technologies and, above all, a unique opportunity to reinterpret the relationship of the vehicle with the environment, in which the consumer acquires a new role.

This reinterpretation makes us conceive the car more as a service than property, generating new business models, such as the subscription programs or shared cars. For Antolin's business, it translates into the need to create smart interiors that have more functions and are more sustainable, safe and especially durable for intensive and continuous use.

To keep this new mobility philosophy up with the new consumer's demands and concerns, an ecosystem is required where knowledge is shared fluidly. A partnership between the various agents involved in this task —car and component manufacturers, technology companies, electricity undertakings, financial institutions, regulatory authorities, traffic managers, internet providers, fleet managers, data aggregators and infrastructure managers— is a must and a natural reflection of a completely interconnected world.

Trends and key aspects of the new mobility

Decarbonization

The decarbonization of mobility not only involves the capability of producing less polluting vehicles, but also a swift technical deployment and, above all, a cultural transformation in society and pushing the legislative agenda.

Technological disruption

The interconnection between transport users and the road, intercommunication in the city, traffic control centers... In the era of macrodata, the new mobility revolves around artificial intelligence, the Internet of Things (IoT), sensors and software platforms.

Cybersecurity

Major technological developments in mobility come with new challenges, such as those related to cybersecurity. In the coming years, most road vehicles will include some type of device and connection software that will require monitoring for potential security problems.

Autonomous vehicle

The autonomous vehicle will be one of the pillars of the future of mobility. It will share the space with electric vehicles, with those using hydrogen batteries and with high autonomy driver-assistance systems. Its development will also have numerous economic, ethical and social implications.

Zero accidents

Advanced driver-assistance systems (known as "ADAS") or connected and autonomous driving are key technologies of the future that can contribute to greater road safety and efficiency worldwide.

Public-private collaboration

Improving mobility with a view to the future will only be possible if collaboration between public and private operators is fostered, and if the user's preferences in mobility are studied. The introduction of smart transport in large cities will also pose challenges to the design and regulation of urban centers.

Talent requalification

The industry's transformation and digitization requires new knowledge and professional skills, a series of profiles that the industry does not always find in the current market.

02.2 Leading mobility from inside the vehicle

Since its inception, Antolin has assumed that it should put its capacity to offer innovative solutions at the customer's service. And it did so in the 1950s, when the Antolin brothers realized that the ball joint (the pivot point between the wheels and the vehicle's front suspension) caused numerous accidents. To solve this problem, they invented the rubber-metal steering joint by placing a rubber insert in the joint, thus prolonging the useful life of this component.

More than 70 years later, this desire to support the customer and offer solutions to their needs remains the first strategic priority. This is why it is the basis of the **Transformation Plan**, which marks Antolin's path up to 2026 and whose initial progress has been carried out in 2023.

The purpose of this plan is to consolidate the company as a **key supplier for vehicle manufacturers** in developing technological solutions for automobile interiors. In a decisive period that will become the turning point in this industry, the plan represents a firm step forward: Antolin wants to play the main role and be the worldwide leader within this exciting process from a business, environmental, social and governance standpoint.

In the volatile context of last year —and with the added challenge of keeping up with the pace of the unstoppable technological revolution—, the company started to deploy this plan, through which it aspires to significantly improve its results and operational efficiency in order to ensure a sustainable and profitable growth project over time.

Transformation plan

OBJECTIVES

Increase profitability

Profitable growth up to around €6,000 million in 2026 (EBITDA of approximately €600 million).

Greater presence in markets with high growth potential

North America and Asia (China and India). The Technological Solutions business (lighting, HMI and electronic solutions) will be the driving force behind growth.

Attract the best talent

Manage and attract talent to face the challenges posed by Industry 4.0 in all countries where Antolin is present.

KEY ASPECTS

Innovation and a customer-centric culture to strengthen the relationship with manufacturers.

Operational and industrial excellence. Technological development, innovation and digitization.

Talent and commitment of teams, managerial leadership.

CROSS-CUTTING LEVERS

INNOVATION	DIGITIZATION	SUSTAINABILITY	BRAND

Implementation of the new brand: bringing transformation closer to all stakeholders

As part of the transformation process, we cannot ignore the company's the corporate identity and positioning. With this in mind, the company officially presented its new image in March, which reinforces Antolin's position and what it aims to be a change with a view to the future, but without giving up its roots.

The new brand thus joined the claim launched in 2021: Intelligent. Integrated. Inside. Together, brand and claim, form a solid corporate image that conveys reliability to all stakeholders and contributes to an excellent corporate reputation.

Throughout the year, the brand's implementation and communication process was carried out worldwide, with the aim of better connecting with all the stakeholders and meeting their needs. Antolin's centers and plants made a great effort to make this new identity their own, and in this endeavor they were provided with all the necessary tools: from specific training and permanent query resolution to online spaces with all documents related to the corporate image, standards, examples and usage rules.

The next step in this process will be to present the adaptation of the company's Vision and Values, which will continue to reflect the central triangle embodied by the new brand: stability, growth and progress. The triangle that symbolizes the past, present and future of the company.

See 1.3. Vision and Values.

Strategy management

The **Board of Directors** is responsible for approving the company's strategic plan, as well as the annual budget and management objectives. The **Executive Committee** reviews the business plan in accordance with the company's strategy, vision and values. This plan is then submitted to the Board of Directors for approval.

When analyzing the business plan, the units carry out a SWOT analysis on the environment: customers, competitors, markets and technologies. Based on the results obtained, each unit —supported by the corporate areas— establishes its strategic lines and objectives, which are then translated into actions, operational objectives, persons responsible, timeframes and necessary resources.

Antolin's **Executive Committee** is also responsible for ensuring that each department contributes equally and proportionally to this process. It also defines the strategic plan's lines, objectives and final actions and takes on the responsibility of spreading it throughout the entire company. The corporate and operational departments, in turn, deploy the plan in their respective areas.

Keys to generating value: Strengths

Six aspects define the company's success:

- Long-term vocation linked to its nature of a family business.
- Excellent risk management in decision-making.
- Economic efficiency and business resilience.
- Close relationships with customers through innovation and a customer-centric culture.
- Operational excellence, technological development and the commitment to innovation and digitization.
- Talent and managerial leadership, as well as the teams' commitment.

Innovation as a lever for technological disruption

Although innovation has always played a decisive role in Antolin, the current transformation gives greater weight to this area as a lever for researching and offering disruptive technologies to customers. The Innovation Department has evolved from exploring and researching new solutions in the medium-long term to **developing, validating and marketing** innovative solutions in the market in the short term. This includes, as has been the case so far, market analysis and gathering information on new customer programs.

From the business portfolio's point of view, the transformation plan aims for an innovation that adds value to the more traditional businesses —Headliners, in which Antolin is the leader worldwide; or Doors, in which the company holds a strong position— and to the business with the greatest potential for growth: Lighting, HMI (Human Machine Interface), electronics and cockpits.

The Innovation Department has also extended its competences and has changed its organizational model, and now works adopting a more transversal approach with the business units and customers. All of this is aimed at accelerating the development of new technological solutions and proposals with greater value. This pursuit has become a reality, and proof of it is the various projects developed in 2023 in close collaboration with the innovation and design departments of several manufacturers.

In 2023, the company took the strategic decision of integrating the company's resources and competences in sustainability into the Innovation Department, with effective implementation in 2024. By adopting this measure, the company will not only be able to meet the requirements of a more technology-oriented innovation, but also those that affect aspects of sustainability. Having innovation and sustainability advance together from an organizational point of view will result in a better anticipation of the needs of customers and other stakeholders.

See further information in 2.3 Creation of value and business model.

Operational and industrial excellence and digitization

Antolin conceives the production centers of the future as **intelligent environments** where repetitive processes are automated, remote management advances significantly and decision-making is digitized. All of it aimed not only at improving management, but also at **focusing efforts on activities of greater added value** for the company.

The digitization and application of Advanced Industry technologies is essential to achieving the objective of becoming a benchmark in industrial leadership through excellence in operations, as it helps to establish more competitive, efficient and productive factories.

Antolin's transformation also includes the improvement of the operational excellence of corporate functions (financial, procurement or quality) through digitization. This digital evolution will lead to a more streamlined and flexible way of working, where these professionals can focus on the tasks that provide added value to the organization.

See further information in 2.3 Creation of value and business model.

Sustainability: Antolin's way of being and doing things

As part of its transformation and in light of trends that change practically every day, Antolin is fully committed to growing and leading the future mobility from inside the vehicle. To reach this point, it is advancing in the path of becoming a key partner of leading manufacturers worldwide, a goal that cannot be attained without involving the continuous improvement of its sustainable performance.

Antolin conceives sustainability as an opportunity, the junction between present and future; it is its way of being and doing things. The company assumes its responsibility for building a better planet through a people-centric sustainable business model. In this horizon profitability and growth coexist with caring for the planet and people and with value generation for all stakeholders.

This commitment to sustainable development permeates the entire organization and is materialized in **clear and ambitious goals** —aligned with the 2030 Agenda— in environmental, social and governance matters.

As a result of active listening and the constant inclusion of its stakeholders' demands in its strategy, in the last year the organization has updated these goals in order to adapt them to the needs of its stakeholders, as well as the legislati-ve requirements.

#ODSporBandera, Antolin's commitment

In 2023 Antolin joined this initiative aimed at drawing attention to the commitment to Sustainable Development Goals (SDGs). SDGs are very much present in Antolin as a symbol of its commitment to the well-being of people and the planet's development. Antolin has also participated in the UN Global Compact's SDG Ambition Accelerator.

Sustainable business objectives

ENVIRONMENTAL
Value for the PLANET

CARBON NEUTRAL COMPANY BY 2050

• CO_2 emissions neutral in operations by 2040 (scopes 1 and 2) and -75% CO_2 emissions by 2028 (versus 2019).
• Validation of SBTi targets by 2024 (committed to in 2022).

A CIRCULAR BUSINESS

• Eco-design and Life Cycle Analysis (LCA) of the main products.
• 40% sustainable plastic raw material by 2030 (20% in 2025).
• -10% of non-hazardous waste by 2028 (versus 2019).

SOCIAL
Value of PEOPLE

ZERO ACCIDENTS. A SAFE AND HEALTHY WORKING ENVIRONMENT

• < 2.30 decrease in the global frequency index by 2030 and 2.70 by 2025.

DIVERSITY, EQUITY AND INCLUSION APPLIED TO TALENT

• 15% reduction of the wage gap by 2025 (versus 2021: 3.55%).

DRIVER OF SOCIAL DEVELOPMENT

• Promotion of initiatives that contribute to the future development of society.

GOVERNANCE
Value for the BUSINESS

BENCHMARK IN ETHICS, INTEGRITY AND COMPLIANCE

• 100% ESG reports resolved.
• 100% of the workforce trained in the Code of Ethics by 2025.

RESPONSIBLE SUPPLY CHAIN

• 96% adherence to the Supplier Code of Conduct by 2026.
• 90% of the direct supply chain assessed in ESG by 2026.
• 94% adherence to the CMRT by 2026.

* ESG (Environmental, Social and Governance)

		OBJECTIVES	MAIN PROGRESS 2023
VALUE FOR THE PLANET	Carbon neutral company by 2050	**CO_2 emissions neutral in own operations by 2040 (scopes 1 and 2)** -75% CO_2 emissions by 2028 (with respect to 2019) Carbon neutral (scopes 1, 2 and 3) by 2050 **Validation of SBTi targets by 2024** (committed to in 2022)	**37%** reduction of CO_2 emissions (scopes 1 and 2) with respect to 2019 (2.2% in 2022) **18,196** tons of CO_2 avoided thanks to the increased use of renewable energy sources by **12.42%** Measurement of key Scope 3 categories, two new from 2023, representing **89.40% of total emissions** **B-score in the Climate Change Report** - CDP 2023, above all industries reporting to the CDP and equal to the sector average
	A circular business	Eco-design. **Life Cycle Analysis (LCA) of the main products**	Launch of a **headliner substrate for vehicles with polyurethane** obtained from **vegetable waste** First foam door panel, with a weight reduction of 20%
		40% sustainable plastic raw material by 2030 (20% by 2025)	Strengthening of the commitment to **circularity** by approving a new objective for a **responsible use of resources** and the integration of materials with a lower environmental impact
		10% reduction of non-hazardous waste by 2028 (with respect to 2019)	Reduction of **33.6% compared to 2019** **2.8%** in 2022
VALUE OF PEOPLE	Zero accidents, a safe and healthy working environment	**2.30** decrease in the **global frequency index** in 2030 2.70 by 2025	Decrease of **7% in the global frequency index** with respect to 2022
	Diversity, equity and inclusion applied to talent	**15% reduction of the wage gap** by 2025 (Regarding to 2021: 3.55%)	New objective to address the challen-ge of the **pay gap** with an **equity approach** **55% women** in the company's management bodies
	Driver of social development	Promoting initiatives for the future development of society	**€31.85** of contribution per employee
VALUE FOR THE BUSINESS	Benchmark in ethics, integrity and compliance	**100%** of **confirmed ESG reports resolved**	**100%** of substantiated claims resolved
		100% of the workforce trained in the Code of Ethics by 2025	**96%** trained out of the target group based on proximity to the risk
	Responsible supply chain	**96%** adherence of production suppliers (direct material and investments) to the **Code of Conduct** **90%** of the **direct supply chain assessed in ESG** by 2026 **94%** adherence to the **CMRT** (Conflict Minerals Reporting Template) by 2026	**88%** of production suppliers have accepted the **Supplier Code of Conduct** **71.4%** of the direct supply chain **assessed in ESG performance** **99.5%** adherence to the CMRT

Materiality analysis

The commitment to a company's environment always begins with an analysis of the requirements and concerns of its stakeholders. In order to correctly identify and fulfill them through our business activity, Antolin has a materiality study in place that was conducted in 2017 and is reviewed annually to prioritize and/or redirect the actions planned according to the situation at any given time.

The ultimate aim of the materiality study is to align the company's strategy, beyond the economic aspect, with the needs and expectations of stakeholders and the environment, so that they can be translated into common objectives for the entire company and adapted to each function, business unit and territory after analyzing the following:

• Vision: What does Antolin want?

• Global trends: How does it plan to address them? How should it integrate them?

• Stakeholders: What do they expect from Antolin?

• Risks and opportunities: What possible impacts generated by decisions and operations require focusing their efforts and resources? How can they transform the identified risks into business opportunities?

• Best Practices: What is its reference? Internal? External?

Impact of megatrends on our business model

Starting point Global trends in the crosshair

• Sustainability and climate change
• Rapid urbanization and population growth
• Talent and skills of the future
Impact of new technologies on business
• Automation and robotization of production
• Changes in the transport model
• Human Rights in the supply chain
• New consumption patterns

Identification of relevant issues for the sector

Analysis of reference sources: Benchmark and sector sustainability reports:

• Global Reporting Initiative (GRI)
• Sustainability Accounting Standard Board (SASB)
• Dow Jones Sustainability Index (DJSI)
• 2014/95/EU European Directive Requirements

Automotive sector benchmarking

Analysis of best practices of competitors and customers, leaders in sustainability:

• STELLANTIS
• BMW
• HONDA
• HYUNDAI MOBIS
• GESTAMP
• VALEO

INSIDE PERSPECTIVE

Vision and meaning of sustainability management in Antolin

11 in-depth interviews with Senior Management

1,117 surveys answered by the workforce worldwide

62 Regional Managers and Managing Directors

1,055 IL, SL AND DL

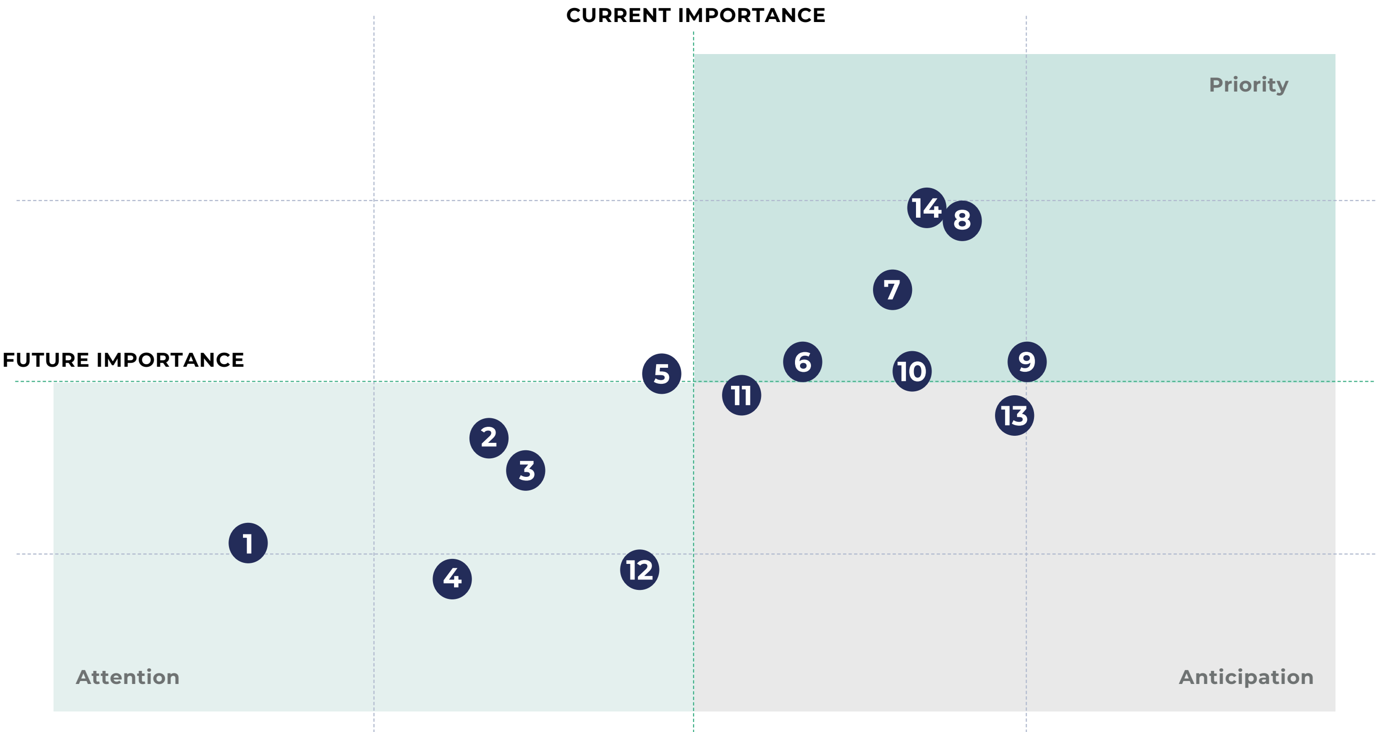
OUTSIDE PERSPECTIVE

Analysis of the opinion and expectations of the most relevant stakeholders for Antolin

12 in-depth interviews with:

• Customers
• Suppliers
• Investors and financial institutions
• Sustainability prescribers

As a result of all these steps, the study identified 14 relevant issues according to the degree of maturity in their management and their significance at present and in the future. Meanwhile, the ratings awarded by the stakeholders were weighted according to their weight in the business. When prioritizing the identified issues, Antolin considered their risks and opportunities in each of the stages of the business model.



1. Social contribution
2. Diversity
3. Economic efficiency
4. Environmental impact of products
5. Professional development
6. Attraction and retention of talent
7. Ethics and compliance
8. Occupational health and safety
9. New materials and technologies
10. Innovation in processes
11. Protection of human rights in the supply chain
12. Reduced use of natural resources
13. Security of information
14. Adaptation to the customers' needs

The company considers materiality as an organic exercise of listening and analyzing the market, sector and customer requirements; the ratings and assessments of rating agencies, investors and financial institutions; and the perception and assessment of employees and the increasing regulatory requirements.

All of this contributes to reinforcing its strategy from a perspective that transcends the economic sphere and aligns the business with the needs and expectations of its stakeholders and the environment.

The result is common objectives for the company that are adaptable to each function, business unit and territory.

Antolin envisages a materiality approach that involves an inside-out (company-environment) and outside-in (environment-company) strategy. The business impacts its surroundings, mainly people and the environment; and, in turn, the environment impacts the business' development, performance and value.

The methodology employed to update relevant issues within the framework of this report consists of the following:

Internal analysis:
Performed using the information provided by Antolin in relation to the current management level.

The following are some of the items analyzed:

• Risk map of the organization.

• Strategic plan and action lines.

• Antolin Sustainability Master Plan.

• Internal analysis of the current and potential requirements of its stakeholders, such as the One Client project.

External analysis:
Identification of aspects from trends, analysts, international standards and the standards of the sector itself.

The following are some of those considered:

• SASB: international standard that offers a specific focus on the car components sector.

• DJSI: where the evaluated aspects of the sector have been identified. Environmental and social taxonomy as a tool for determining the relevant areas for financing.

• Drive Sustainability: guide from the car manufacturers for the supply chain.

• National legislation (Law 11/2018, Climate Change and Energy Transition Law, Circular Economy Plan) and international legislation (FIT for 55, Green Pact, REACH, Conflict Minerals, Circular Economy Strategy, European Consumer Agenda, Human Rights Due Diligence Directive and Corporate Sustainability Reporting Directive).

• Action plan in the scope of the España Puede (Spain Can) recovery plan.

As a result of the aforementioned dual perspective, among the most relevant issues for the business and the environment are the following:

PLANET

- Responsible use of materials and components
- Energy management and efficiency
- Sustainable innovation

PEOPLE

- Employment practices
- Attraction, development and training
- Health and safety
- Commitment, diversity and inclusion

BUSINESS

- Business model and ability to adapt
- Security of information and cybersecurity

In accordance with this materiality and the company's operations and business model, the content of Law 11/2018, of December 28, 2018, on non-financial information and diversity relating to the following have been considered **"non-material":**

- Food waste, due to not being related to the business.
- Biodiversity, as it is not considered relevant in terms of the activity's impact and location.
- Consumers, because it is a B2B business. Customer orientation and adaptation to customer needs is a key aspect for Antolin, which always seeks to support its customer's brand strategy with the aim of improving quality and the end user's experience. The company's customers are leading car manufacturers (OEMs) worldwide, and it is recognized in the market for being one of their main TIER-1 suppliers. Therefore, it has an indirect relationship with vehicle users (end consumers), always established through the manufacturers, which define the technical specifications and those related to the health and safety of persons, among others.

02.3 Creation of value and business model: solid foundations

A sound corporate governance model, a firm commitment to innovation and an unwavering focus on sustainability are the backbone of Antolin's value creation process. Promoting this vision, the Transformation Plan sets out the guidelines for generating shared value in all stakeholders.

With this in mind, the company allocates its economic, material, intellectual, human, social and environmental resources to an integrated and resilient business model, under a responsible and ambitious leadership.

Antolin's value creation model

ANTOLIN'S VISION AND VALUES

Capital invested

Financial
120 production plants and Just in Time (JIT) centers in 25 countries

Manufactured
€253 M invested

Intellectual
50% of the workforce is linked to the technology areas
Workforce with an average length of service of 8 years
37.85 training hours per person

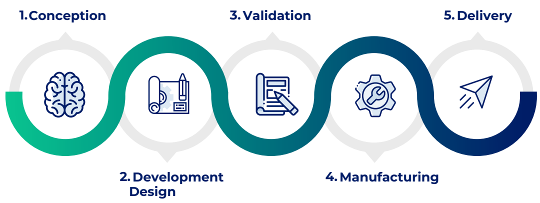
Human
22,024 professionals *
96.8% with permanent contracts
42 is the average age

Social
Social contribution per employee of €31.85
13,676 hours of training in human rights

Environmental
Energy consumption (GWh): 584.11
Consumption of raw materials (T): 114,789
89 people dedicated to environment

*Data as at December 12, 2023

Integrated business model



Corporate governance model

Internal control system

Sustainable innovation

ESG goals

External context

Sustainable, connected and safe mobility

Ecosystem with new players

Industry 4.0

Legislation

Technological advances

Impact generated

Financial
€1,263.4 M in volume of purchases from local suppliers

Manufactured
600+ cars on the market equipped
Present in 9 of the 10 best-selling cars in the world

Intellectual
€130.97 M in projects
7 patents in 2023
226 Key Pieces of Knowledge

Human
€890.75 M in staff costs
70% of the employees covered by the 45001 certification

Social
€23 M generated in corporation tax**

Environmental
Avoided the emission of 18,196 tons of CO_2 eq

**Income taxes paid (unearned)

The value of sustainable innovation

The innovation strategy is a decisive lever for Antolin, as it enables the company to increase the value of the business and ensure sustainable growth over time.
In this strategy, Antolin has the backing of the Institute for Business Competitiveness (ICE) of the Regional Government of Castilla and León in Spain, which supports the projects in the **2022-2024 Strategic Plan for Innovation** to cater the trends of future vehicle interiors. These research projects are grouped into five major programs:

1 Vehicle interior as a living space

Projects focused on the research and development of new functionalities to enrich the feelings of thermal comfort; research on audio functions and the study of their implications in the design of components; and projects aimed at delving further into health aspects through air purification and the disinfection of on-board surfaces.

2 New safety and driving assistance functions

The program delves into active safety aspects and includes the validation of corrective lighting functions with which to improve visual capabilities during night driving. Technologies that generate holographic warning signs for the driver are also being researched, as well as new translucent optical surfaces that increase their protection against glare.

3 Optimization of performance and new features

Development of new alternative materials to natural leather and synthetic leather for lining purposes. With regard to lighting functions, work is being carried out on the development of algorithms to model the behavior of interior surfaces in different lighting scenarios.

4 New forms of HMI (Human Machine Interface) interaction

The autonomous vehicle will be one of the pillars of the future of mobility. It will share the space with electric vehicles, with those using hydrogen batteries and with high autonomy driver-assistance systems. Its development will also have numerous economic, ethical and social implications.

5 Digital Strategy and Industry 4.0

Program aimed at aspects of advanced manufacturing by means of which the company deploys its global digitization strategy, with the aim of improving the sustainability, efficiency, flexibility and industrial competitiveness of Antolin.

In 2023, a series of exploratory phases involving technologies and analysis of functionalities led to **44 new innovation projects.** Of these, **15 have been executed in deep exploration phases** to demonstrate the feasibility of the proposed ideas and materialize them in technology demonstrators; **26 have entered pre-development phases** in order to transform new concepts into feasible products; and, lastly, three are being executed in co-development with the formal involvement of some of its main customers.

In 2023, the technical actions committed to in the third year of the INN-Medical project, co-financed by the Centre for the Development of Industrial Technology (CDTI) within the framework of its Strategic Program for National Business Research Consortiums (CIEN), continued. The project works on developing air purification and surface sterilization systems to turn the vehicle into a space offering comprehensive health protection.

After four years of work, the activity carried out under the **3rd Antolin-GAIN (Axencia Galega de Innovación) Joint Research Unit** was completed successfully. This involved advances that will help improve safety, comfort and user experience on board the vehicle.

Technology impact solutions

Research and studies lead to ideas for prototypes in which future technologies take the form of market-ready solutions. Among the new developments presented in 2023, the following stand out:

• Antolin VIVAR, a new dimension for the experience inside the vehicle

The new virtual concept car Antolin VIVAR symbolizes the company's vision of the interior's transformation in the future. A considerable design exercise aimed at achieving the balance between present and future mobility. Antolin VIVAR includes facial recognition, so users can access the vehicle without a key. When the doors are opened, passengers find a spacious interior suited to their needs at any given time. It features rotating front seats that can face the rear passengers and a sliding, smart central console with a folding smart surface that functions like a virtual reality screen and from which the user can access different applications and notifications.

• First prototype of the interior sanitization system

Antolin together with Sanz Clima, leader in HVAC systems, and CleanAir Spaces, a photocatalysis specialist, have developed the first prototype of a vehicle interior air purification system based on cutting-edge, ozone-free photocatalysis technology. The system neutralizes the infectious capacity of pathogens in the air and on surfaces, and it removes volatile organic compounds and odors.

• GENIUS, how to interpret and act on the cognitive and emotional state of the user

This project leads a pioneering initiative based on artificial intelligence aimed at improving user experience during the journey. From external stimuli such as lighting, sound or aromas, GENIUS acts intelligently on emotional and cognitive states, optimizing the on-board experience of the vehicle's passengers.

• NightSight Assist, improved safety and comfort in night driving

Internal lighting system that optimizes the driver's pupil diameter by inhibiting adverse effects caused by low-light conditions. The system improves night vision and reduces the risk of traffic accidents. The development is an example of Antolin's capacity for collaboration with research centers, such as the Institute of Applied Ophthalmology (IOBA) and the University of Valladolid (UVa).

• Micelio, nature as an ally

This project proposes a new compound material (composite) made from mycelium (a vegetable growth of fungi) and vegetable-fiber reinforcement. This material has proven to have structural properties and applicability in the manufacture of certain components, while being sustainable and CO_2 neutral.

See more information in chapter 6: Planet.

• Plant-based lining as an alternative to natural and synthetic leather

Development, in partnership with the Valencian startup PersiSKIN, of a vegetable skin adapted to the demanding requirements of the automotive sector in terms of technical performance, perceived quality and real parameters of minimum demonstrable environmental impact throughout the life cycle.

See more information in chapter 6: Planet.

Expanding the innovation ecosystem

Antolin's strategic approach to innovation cannot be understood without a network of alliances that contributes to incorporating improvements into the industrial processes and integrating intelligence into certain components.

Companies, start-ups and innovation centers are part of this increasingly growing open ecosystem that in 2023 gave way to new alliances and agreements with suppliers, among which the following stand out:

• VIA optronics AG, leading supplier of interactive display systems and solutions.
The aim of this alliance is to redefine the vehicle experience and establish new **standards for the user interface and its integration into components** such as instrument panels, floor consoles and headrests. Antolin and VIA optronics AG are working together to develop a wider range of interactive display solutions that provide improved visual performance, enhanced touch sensitivity and perfect integration within the vehicle's interior, which will ensure a better driving experience for their customers.

• Biometric Vox, with the support of AED-Vantage.
This collaboration has led to an Exterior Vehicle Access System, developed by Antolin and awarded a prize at the last edition of CES Las Vegas 2023, and it provides the following advantages:

- Opening and starting the car using voice biometrics
- Customized driver settings by identifying and recognizing the authorized driver
- Security guarantee: the biometric parameters of a person's speech cannot be altered or duplicated

• Antolin, e2ip and WalterPack alliance.
Antolin has selected e2ip's Smart Structural Surfaces TM technology and patent portfolio as its primary platform to develop In-Mold Electronics (IME) smart parts. Together with e2ip, Antolin —in collaboration with its partner WalterPack— has initiated the basis to establish the In-Mold-Electronics Alliance, a global initiative focused on IME technology and its manufacturing processes.

In 2023 **Antolin participated in the Industrial Liaison Program (ILP) of the Massachusetts Institute of Technology (MIT).** 48 MIT institutes, departments and spin-offs have been identified within the program's framework. These are working on 77 topics of potential interest for the company, within 14 areas of knowledge: from materials science and polymer engineering to photonic applications and smart materials.

Digitization: a transformational journey

Antolin's evolution towards consolidating itself as a smart company is much more than relying on digital technology. It entails embarking on a transformational journey, a profound cultural change to gain agility and power of anticipation in the market by digitizing all its corporate and industrial operational processes.

See further information in Getting to know the factory of the future.

The main objectives are as follows:

· **Data-driven company management;** therefore, the data must be of quality and well governed.

· The **search for maximum efficiency, quality, sustainability and competitiveness** through automation, standardization and consolidation of processes and services.

· All of which with the aim of reinforcing **cybersecurity to increase the company's resilience** against attacks.

See more information on cybersecurity in 4.1. Ethics and compliance: the value of being an example.

Everything is embodied in a digitization plan based on data and good governance. The focal point is the process' digitization and its traceability throughout its life cycle; and, at the top of the pyramid, are the emerging technologies, such as advanced analytics or artificial intelligence.

Relevant digitization projects

One Global Finance

Project aimed at optimizing the processes that make up the finance function and at increasing the efficiency and effectiveness of the area through digitization and standardization in all its activities.

One-Company

Designed to globally unify and standardize processes as a company.

Way to Cloud

Its aim is the evolution of information technology services for the cloud.

Product Lifecycle Management (PLM)

Digitization of project management with the customer.

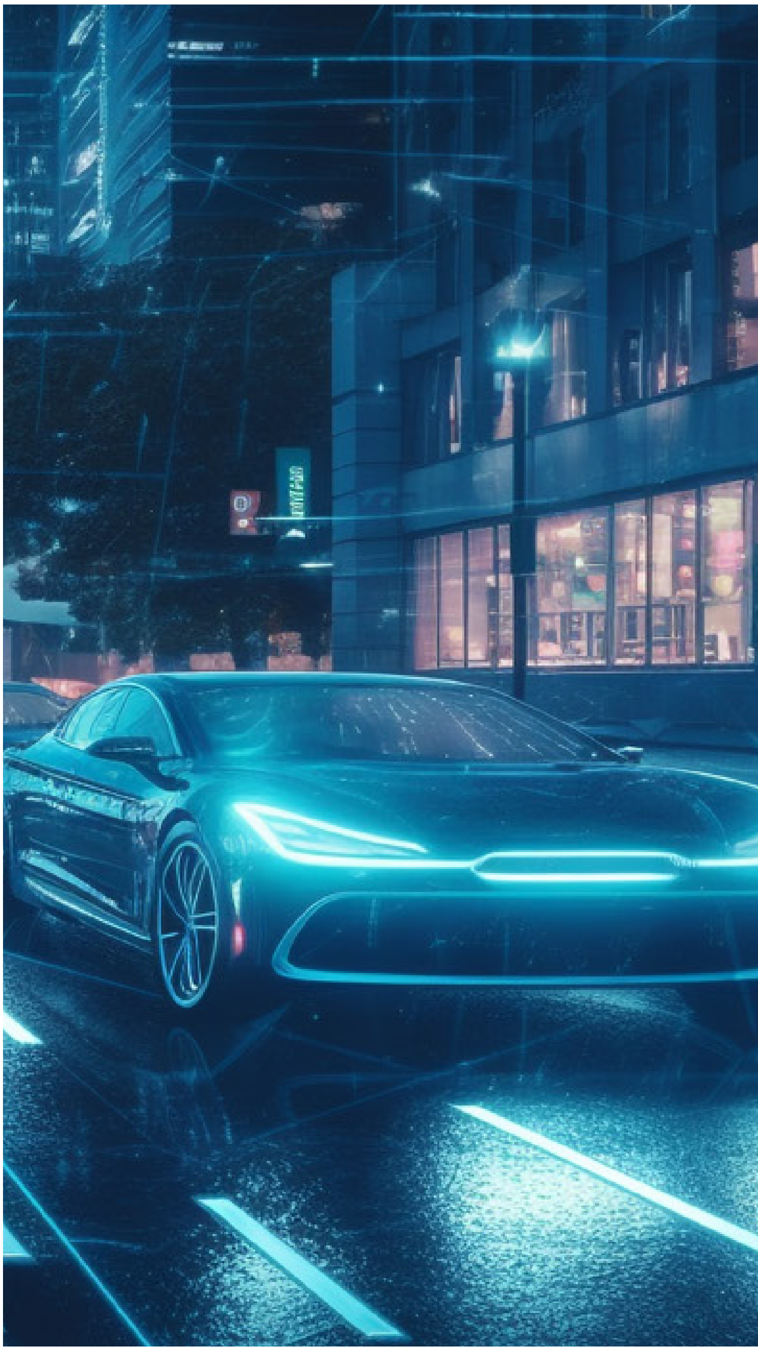
GAIA (Global Automotive Intelligence for Antolin)

Created to standardize and exploit market information, enriched with Antolin's internal knowledge and adapted to the needs of each company department.

Operational and industrial excellence

Antolin has embarked on a path to consolidate operational and industrial excellence from numerous fronts with the aim of achieving the most competitive, efficient and productive factories in the industry.

In 2023, the teams worked on several actions to identify and extend internal best practices. Efforts have also focused on applying the digitization and technology of the advanced industry to the centers, thus driving continuous improvement.



Booster Project

This project is a new initiative aimed at accelerating the identification and implementation of opportunities for improvement in Antolin's factories. It involves visits by working groups to the plants to work with local teams, identify best practices and implement them in other production units. In 2023, 55 boosters were deployed, each lasting between one and two weeks.

This initiative is a good example of the **new way of working swiftly, interfunctionally, flexibly and collaboratively** encouraged by Antolin and which makes the most of the experience of a diverse and global team. During the visits, the team analyzes the key processes and carries out work sessions. Following these, savings and efficiency actions, as well as best practices, are identified to be incorporated into other factories.

By means of all these initiatives, Antolin is developing a new production model for its industrial centers, which will be implemented in 2024. A broader, more efficient, clearly measurable and standardized model will be achieved, resulting in increased productivity across all the company's plants worldwide.

Getting to know the factory of the future

The factory of the future is **flexible, streamlined, intelligent and digital.** With this in mind, Antolin is working towards the integration of the advanced industry into its industrial operations as part of its global strategy.

Getting to know the factory of the future

Flexible

Allows the production system to adapt to the changing needs of customers as quickly as possible.

Streamlined

Speeds up the production process without affecting product quality. Also shortens delivery times.

Intelligent

Able to anticipate and make decisions in real time, by using Big Data and Artificial Intelligence.

Digital

Combines new and existing technologies with a new, more digital corporate culture.

Fundamentals of the digitization of production processes:

1 Focus on generating value

The digitization of processes allows for optimizing business control and immediate and informed decision-making. It also fosters transparency in production processes and new knowledge and opportunities.

2 Technology focused on the human component

With a focus on improving the quality of the employees' work and providing them with new tools and knowledge to make them more efficient.

3 Green and digital

The digitization of production processes will help to reduce Antolin's carbon footprint, in line with the expectations of regulators, customers and investors, for the sustainability of the business and decarbonization of the economy.

4 Ethical artificial intelligence

As in all its business areas, Antolin will respect the regulations in force in each country and will go beyond basic compliance, following the guidelines of the European Union regarding the use of Artificial Intelligence.

5 Data governance

Antolin undertakes to preserve data ownership and control over the assignment of use, always guided by responsibility and security, in line with the standards.

Antolin's advanced industry activity has six main lines of action. In all of them, the application of technology to production processes acts as a **bridge between engineering and the reality of a factory.** Antolin's firm commitment focuses on the importance of advanced manufacturing systems meeting the typical needs of production centers.

• IoT (Internet of Things). Explore and Discovery Insight

It seeks to facilitate and bring decision-making closer by obtaining real-time information on production processes. The use of data analytics and machine learning applications contribute to **improving the quality, productivity and maintenance ratios**, as well as consolidate a data-driven culture.

In 2023, the first deployments were carried out in headliner production lines, and several projects were launched to automatically control the parameters of the materials entered into the production line.

• Smart Energy

This project consists of implementing monitoring systems that help to **improve the energy efficiency of production centers.** Smart Energy provides an instant diagnosis of electricity consumption. This allows defining algorithms based on consumption patterns to identify and warn about any consumption deviating from the optimum level. Smart Energy is currently implemented in seven factories and is expected to expand to others in Europe, North America and China in the medium term.

See more information in chapter 6: Planet.

• Industrial Innovation

This line encompasses conceptual technology testing, together with process engineering, aimed at pre-validating technologies, strengthening the design and reinforcing the technological ecosystem.

• Intralogistics

This lever involves the use of smart robots in plants with the aim of improving the efficiency of material and component movements. This automation of logistics processes enables employees to work on high-value production processes, as well as to increase workplace safety.

Furthermore, several projects implementing autonomous mobile robots and collaborative robots were completed in 2023, mainly in Europe. Progress was also made in the completion of the automated warehouse of the new Besançon factory in France.

• Advanced Robotics

These are projects aimed at strengthening Antolin's automation strategy with the goal of improving process efficiency and allowing teams to focus on true value-added processes. In 2023, the first fully automated injection and assembly project was implemented in a plant in Spain. Artificial vision projects were also undertaken in three European plants, and laser traceability solutions for injected parts were validated.

• Data Intelligence

This new line of work was opened in 2023 to provide a cross-cutting service to all other lines. This has led to a significant advance in the Data Intelligence department from a point of view of data modeling and standardization, thus increasing the internal capacity in deep learning and artificial intelligence.

Quality: a guarantee for the future

More robust developments, ensuring efficient operations and increasing quality levels in the supply chain are the pillars of Antolin's quality culture. Within the framework of the transformation plan, the quality strategy focuses on **four main lines of work:**

- **Culture:**
Fostering a culture of excellence and customer orientation by encouraging collaboration between the different functions in order to ensure a holistic and integrated approach that guarantees customer satisfaction and improves their experience.

- **People:**
Combining efforts in recruiting, developing and retaining talent to consolidate a dynamic workforce that can adapt to the digital transformation.

- **Efficiency:**
Establishing an intelligent organizational framework that optimizes and rebalances quality activities in department and regions within the company.

- **Results:**
Perfecting tools for launching product concepts and processes; developing problem-solving skills; and reinforcing the suppliers' quality management.

In 2023, the **digitization process** of this function was initiated with the deployment of specific software that will mark a **significant change in its way of operating in the next five years.** In addition to this digitization process, in 2024 the company will continue to deploy all the quality-related initiatives underway, with the aim of improving the organization's overall efficiency, raising the standards and ensuring higher customer satisfaction.

The constant efforts invested in defining and implementing improvements in product and process design and the progress in project management within the framework of the APQP (Advanced Product Quality Planning) are integrated into the company's philosophy of generating high-quality projects suited to each Business Unit.

Product quality and safety

With regard to the preventive, control and corrective actions that provide the highest quality levels in the different stages of the product, Antolin has a specific process in place that requires the treatment of any incident and prioritizes customer protection from the outset. Therefore, in the event of detecting a faulty product, it is immediately removed, and measures are taken to ensure that the subsequent deliveries are correct.

Product **safety management** follows an internal procedure that involves the identification of the safety and regulatory requirements and characteristics, their transfer to the technical documentation concerned, a risk analysis for the preventive treatment of potential problems and control measures to ensure compliance.

Lastly, registering a cost of warranties ratio below 0.1% is a confirmation that the preventive strategies deployed by the company have been effective in 2023. In addition, Antolin has registered zero incidents for the second year running, which shows that the company places the safety of vehicle users among its main priorities at the level of product design and the manufacturing process.

02.4 Business development

Antolin has been able to increase its results in 2023, in spite of a challenging economic environment shaped by high inflationary pressures and a generalized rise in interest rates. The robustness and diversification of its business and its ability to adapt efficiently to any market situation and customer helped the company increase its sales by **3.7%**, up to **€4,617.38** million.

The EBITDA increased by **10.4%** to **€328.48** million euros, driven by the efficiency measures rolled out under its transformation plan coupled with cost optimization and control. The roadmap is clear: focus on profitable and sustained growth by committing to high-potential markets for its business, such as China or India, and the development of its technology solutions business around lighting technology, HMI and electronics.

The transformation plan underway seeks to accelerate Antolin's profitable growth in the coming years, consolidating it as the customers' full-service supplier of vehicle interiors. To that end, it has a solid base thanks to a broad and diversified order book.

Antolin's business strength is clear: it offers **one of the most complete and extensive portfolios of products and solutions for the vehicle interior on the market,** through its five Business Units.

Headliners

Antolin is making the most of its in-depth knowledge of key technologies in the development of headliners, its extensive experience with the customer and its global capabilities to evolve this traditional vehicle component towards a more advanced and sustainable solution.

Applying the potential of lighting technology and sustainability in terms of natural, recyclable and lighter materials are the main pillars of Antolin's developments, and these are resulting in wide market recognition. **The sustainable headliner**, produced for the Volkswagen T-Roc and Volvo C40 Recharge, has won major awards in 2023 and has raised the interest of other customers, positioning the company as a benchmark in the development of more environmentally friendly materials.

The integration of lighting has enabled Antolin to produce for several Tata models a headliner trim featuring ambient lighting around the perimeter of the voice-assisted panoramic sunroof.

Throughout the year, the company has secured **significant programs** with customers such as Mercedes, Audi, Jaguar Land Rover, Tesla and BYD, thus consolidating its position as the leading company in the business of vehicle headliners. This Business Unit is the company's second largest activity in terms of turnover and the first in customer share.

Doors & Hard Trim

The Doors business had a **positive year** in terms of **new business acquisition.** New projects were secured in Europe with BMW and Mercedes; in America with Ford: and in Asia with Renault (Korea), Suzuki and Maruti (India) and Hongqi (China).

The series launch of new projects with **Ford and Chevrolet in North America, Volkswagen and Renault in Europe and Tata in Asia** are examples of the Business Unit's good work and commitment to customers.

Process automation and optimization, two of the areas for improvement in the plan to accelerate the company's transformation, are also part of the department's roadmap.

Furthermore, **innovative and sustainable products and processes** continue to be promoted, whether it be the development of **backlit** solutions for customers such as Stellantis or the implementation of **chemical foaming technology** in door panels, which make them 20% lighter and are essential to increasing the autonomy of electric vehicles and efficiency of combustion engines.

Its multi-technology offering, maximum integration, global presence and industrial flexibility position the company as the global benchmark in door panels & hard trim.

Cockpits & Central Consoles

Through **instrument panels, central consoles and complete cockpit systems** (instrument panels), Antolin provides **customized and safe experiences for passengers.**

Thanks to its **extensive offer in technology and processes,** Antolin creates fully integrated smart cockpits, incorporating dynamic and functional lighting, new HMI (Human Machine Interface) features and decorative surfaces.

This integration model transforms the department into a platform for growth of other Business Units, increasing the market share by offering more comprehensive solutions to vehicle manufacturers.

In Europe, the pre-development of various products that will ensure **future projects** has been initiated, and relevant orders have been obtained from brands such as **INEOS and BMW.** In addition, the successful development of the current mass-produced products has enabled the company to consolidate its position with current customers worldwide. Furthermore, the **technical-sales approach** to vehicle manufacturers is opening doors to new relationships with **truck companies.**

Components and Just in Time (JIT) centers

This unit, which leads the business related to sunvisors, mechanisms (window regulators) and boot trims, as well as the Just in Time (JIT) modularization, assembly and delivery activities, offers a wide range of technologies and internally has all the necessary validation capabilities for the entire life of its product range (from innovation to mass production). It is essential in optimizing the company's competitiveness and leads to the maximization of internal synergies.

Finding solutions where others do not is part of this unit's DNA, which has worked on improving the **reduction of the components' complexity and the simplification of production processes.** Replacing metal parts with plastic parts that eliminate operations, such as fastening, and even reduce the weight of the component, allows enhancing this business unit's offer, thus making it more competitive.

In 2023, the **relationship with traditional customers has been consolidated,** growing in the **premium segment through series launches,** the **securing of new projects** and future developments. Antolin has initiated the **supply of sunvisors for the new Land Rover Range Rover,** and it has been appointed by a German customer to supply the **door modules** made lighter by means of JIT sequencing of components, such as the window regulators, door control unit, wiring and speaker.

It is also working on the development of a **sunvisor that darkens at the user's request,** by means of liquid crystal technology. The aim is to evolve products with **greater added value,** thus differentiating the company from the competition.

Also particularly noteworthy is the vertical integration of electronic window regulators, taking on its electronics' management and optimizing the motor's supply chain and weight.

Lighting, HMI and Electronics

In 2023 Antolin continued to offer more value-added products to its customers by leveraging its capabilities in lighting, electronics and HMI solutions. Antolin develops a wide range of dynamic and functional ambient lighting, perfectly integrated into the interior surfaces.

The premium touch of its new developments has help it secure projects with international brands such as Zeekr, Porsche, Audi, Lotus and DS, among others. In the field of electronics, it has been able to overcome the challenges related to the shortage of semiconductors and the software migration, which has resulted in an improved service to customers.

Alternative design solutions have been implemented too. Having obtained ASPICE level 3 in a short period of time with a project for a premium German customer confirms the company's capacity to meet customer requirements in a precise and efficient manner. The wireless connectivity's capabilities have been extended by focusing on UWB (Ultra-Wideband) and Bluetooth technologies in collaboration with the partner AED.

In short, thanks to its lighting, electronics and HMI solutions, Antolin is redefining the user experience by creating more intuitive and attractive interfaces, thus guaranteeing a better driving experience.

Best practice
Integrated products

Tata Motors' flagship vehicles, the new Harrier and Safari, feature a decorative smart surface manufactured by Antolin that combines a central touch control panel (TFATC-HVAC system with capacitive buttons), an in-cabin temperature sensor and integrated multicolor ambient lighting, among other features.

By combining several HMI functions, the design of this component maximizes the interface for the end user and the vehicle customization options.

A key collaborator in this project, Walter Pack, contributed to the development and production of the decorative surface using IMF technology. When non-backlit, the icons remain discreet, presenting a monochromatic and streamlined aesthetic.

This new product is the result of the concerted efforts of a global team spanning India, Germany, Spain, China, France, the UK and North America.

In addition to the touch control panel, Antolin has developed various components for the Tata Harrier and Safari, including multi mood lighting in the cockpit with drive mode sync. It also supplies the headliner trim featuring ambient lighting around the perimeter of the voice-assisted panoramic sunroof.

Furthermore, the vehicles are equipped with an overhead lighting console that incorporates the emergency (E-Call) and breakdown call (B-Call) assistance.

They also feature **additional advantages in terms of sustainability,** such as eco-design, weight reduction of components, responsible supply of raw materials employed in their manufacture, energy efficiency, renewable energy use and improvement in waste generation.

In line with its slogan —Intelligent. Integrated. Inside.— these value-added products represent Antolin's future and mark a significant advancement in its strategy.

03

Value chain

Innovation, effectiveness and responsibility

03.1 Antolin in the new value chain

The stakeholders are key players in Antolin's strategy. Investors, shareholders, customers, suppliers, employees and society in general make up a network to which Antolin pays special attention. Today, the connections that companies generate with their stakeholders are essential to secure their market position and to reinforce their reputation and social legitimacy. Antolin only understands business success on the basis of these shared commitments.

This relationship is based on a two-way engagement: on the one hand, the company places in the forefront the point of view and interests of all of them in each of the decisions it makes; and on the other hand, the company listens to its stakeholders and interacts with them through multiple channels.

The aim is for all interests, however diverse these groups may be, to remain aligned.

To that end, Antolin's work is based on listening, dialogue and establishing partnerships. It also creates avenues for all interactions with its stakeholders to evolve into the definition of specific measures and actions. Some examples of how this constant communication helps Antolin understand these demands and interests are the Tech Days, which are events held with customers; the procurement platform, which is accessible to suppliers (current and future) and third parties concerned; and the wide range of internal channels made available to its employees worldwide.

Closer to employees: visits by senior management

Integrating and motivating employees, as one of the company's main stakeholders, is a cross-cutting element in the strategic management of intangible assets, such as brand, culture or reputation.

The regular visits of Antolin's senior management to the different territories and their local plants **encourage a two-way dialogue and allow learning first-hand about opportunities for growth and improvement** for employees and the business.

It is also a key element to directly explain the company's transformation plan, actively involving employees in its implementation.

In 2023 the Company's chairman, Ernesto Antolin, visited Antolin's facilities in Germany, Austria, China, Slovakia, Spain, the United States, Hungary, Mexico, Poland, the Czech Republic, Romania and South Africa, among other countries.

In some cases, accompanied by other executives and always fostering personal interaction with all employees.

Relationship channels with stakeholders

STAKEHOLDERS (alphabetically)	COMMITMENT	CHANNELS/FREQUENCY
SHAREHOLDERS	Commitment and values, the driver of continuity at this family company.	• **Regularly:** meetings • **Bimonthly:** Board of Directors, Advisory Board, Delegated Committees
SUPPLY CHAIN	Solid and long-lasting relationships, and a common vision of sustainable development.	• **Continuous:** assessments, Code of Conduct, rating, Buy One supplier portal • **Bimonthly:** Innovation Day • **Occasional:** announcements, communications, audits and inspections, calls, ordinary and electronic mail, training and seminars, special newsletter • **Biannual:** special campaigns
CUSTOMERS	Always at the center, their objectives are those of Antolin. See 3.2	• **Daily:** announcements and communications, assessments, monographic survey, marketing updates • **Occasional:** Antolin sales network, social networks • **Eventual:** audits, benchmarking, Code of Conduct, corporate website, samples, traditional and electronic mail, non-financial statements, press releases, awards, Tech Days, training and seminars, satisfaction surveys, automotive fairs • **Bimonthly:** customers newsletter • **Annual:** annual report, operational contact, ratings
INVESTORS	Mutual trust and maximum transparency of information. See 4.5	• **Constant:** monographic meetings with investors/traders and rating agencies (in-person/conference calls), website (investor portal) and Investor Relationship inbox • **Regularly:** roadshows / High Yield conferences • **Occasional:** presentation of the Strategic Plan and visits to Antolin industrial facilities • **Quarterly:** presentation of results and report for investors • **Annual:** Integrated report and annual audited financial statements
PEOPLE	A unique talent that Antolin protects, cares for and promotes. See 5.1	• **Daily:** traditional and electronic email, operational contact • **Constant:** calls, monographic meetings, welcome protocol, corporate website, social network • **Weekly:** communication platform 1-2 times/month: communications, project team, internal network, social activities • **Occasional:** internal campaigns, monographic surveys, press releases, satisfaction surveys, suggestion box, training and seminars, workshops, Basic Work Units (BWUs), internal meetings, meetings with the CEO • **Annual:** annual convention, annual report, corporate presentation, monographic conventions, Global Meeting, Values Awards, acknowledgments • **Triennial:** Workplace Climate Survey
SOCIETY	Contribution to a more prosperous, inclusive and fairer future. See 5.2	• **Occasional:** conferences, donations, monographic meetings, work teams, patronage and sponsorship, forums, press releases, presentations, social networks, visits, social activities

Towards the integration of multiple chains

Antolin applies the principle of shared commitments in its relations with all the players that have been incorporated into the **new mobility ecosystem** in recent years: companies in the digital, telecommmunications and services sectors, among others.

Cooperation and learning networks are being created between them, in which technology-based centers and companies, as well as research bodies, are also partaking.

The result is new interconnected value chains, far from the traditional linear value chain.

The concept of vehicle, as we know it today, will change in the coming years much more than in a century of history.

Antolin works towards converting the vehicle interior into a living space, as it will not be a mere compartment in a means of transport, but a sustainable and advanced space of work and leisure with new functions focusing on entertainment and safety and on the interconnection with other cars and the infrastructure itself.

The direct relationship with customers and suppliers will become increasingly important in this effort. Antolin thus promotes collaboration from the initial design phase.

03.2 A customer-centric culture

Management approach

Antolin explores new horizons through **innovation** and the new **boost to its customer orientation policy**. The company's transformation process is enabling the reinforcement of relations with all of them, largely thanks to internal synergies created by the renewed commercial approach, which seeks excellence in customer relations.

In 2023, the Customer Development area and Business Units were perfectly aligned. Consequently, Antolin has been able to achieve presence in all the different levels of the customer's organization, with the aim of obtaining much more detailed knowledge of their needs.

This integrated approach has consolidated the company's market position: Antolin is a supplier of one in three vehicles produced worldwide. It has also created fertile ground for collaboration with its customers, making decision-making processes faster and providing further efficiency in the crucial project and development quoting phases.

Innovation has also benefited from the creation of discussion forums, from which strong alliances have emerged that are already driving specific projects. In short, this deep understanding of customers and its position as full-service supplier of the vehicle interior has involved an amount of orders that exceeded Antolin's objectives for 2023.

To guarantee this customer focus, the company is directing its efforts on several lines of action:

- Ensuring a **sustainable business model** based on flexibility, the quality of its services and products, state-of-the-art technology and cutting-edge design.
- Promoting the **decarbonization of production** and energy efficiency in its operations and processes.
- Committing to **innovation and advanced technologies** to keep up with the new mobility paradigm.
- Offering **solutions with materials of the highest quality**, renewable and environmentally-friendly.
- Guaranteeing **responsible management of the supply chain**.

Antolin is a supplier of one in three vehicles produced worldwide.

SupplierAssurance, a benchmark in the assessment of this industry's supply chains, **acknowledged Antolin as one of the five best suppliers in the sector in 2023**. The rating obtained not only positions it above the sector's standards, but also marks a turning point in its progress towards an increasingly sustainable performance.

Strengthening customer collaboration

Throughout 2023, Antolin undertook an intensive campaign of technical promotion activities in all regions it is present, both at global exhibitions and at customer facilities. The company's technical-sales offices worldwide have opened their doors on several occasions to show the company's work on-site. Customer ties, in particular with technical departments, have been significantly reinforced.

As an example of the activities carried out in Antolin's technical promotion in 2023, the following stand out:

- Participation in IZB ZOOM IN, an international event exclusively for Volkswagen Group suppliers that focuses on sustainable materials and their integration into the vehicle.
- Tech Day at Jaguar Land Rover (United Kingdom).
- Geely's internal event devoted to colors, materials and finishes.
- Promotion of innovation for electric vehicles at the Volkswagen Supplier Workshop in Puebla (Mexico).
- Presentation of Antolin's Sustainable Headliners strategy to the Board of Directors of Tata Motors in India.
- Antolin Corea's participation at the Hyundai International Interior Systems Conference.
- Antolin Brasil's attendance to the Honda Way event.
- Visit to Antolin's centers and plants by customers, such as NIO's and Geely's visit to the headquarters in Burgos.

Partners in driving innovation

Innovation is a fundamental lever for achieving one of the challenges of the transformation plan: evolve Antolin's portfolio of products and solutions. The company's strength and technological capacity is already offering customers the most comprehensive portfolio on the market. However, the company's ambition is to go even further in the search for increasingly advanced solutions.

To that end, in addition to integrating the needs of customers in all phases of the product, Antolin firmly believes in the principle of collaboration. This is why its Tech Days have become the best showcase and a great meeting point to present the company's latest developments: through live streaming events, in hybrid or in-person, customers in different locations can learn about the company's technological offer first-hand.

This continuous contact and gathering of feedback is essential to becoming the ideal partner of its customers and supporting them in their electrification and development strategy of future vehicle models.

Antolin customers

More than 100 vehicle brands around the world trust in the innovative capacity, technological leadership and experience accumulated by Antolin in the industry for more than 70 years.

The components manufactured by Antolin can be found in more than 600 models on the market, and one third of these models offer “ECO” motors (100% electric or plug-in hybrids). Antolin wants to be a key partner for its customers in their electrification strategy, as well as a key player in the zero-emissions goal of the entire automotive industry.

The company is working on specific product lines that will help improve electric vehicles, such as optimizing their thermal and acoustic insulation or those related to sustainability, from reducing the weight of components to increase their autonomy to developing natural materials or the eco-design of parts.

Antolin's components are found in 600+ models available on the market. One third of these offer “ECO” motors.

Below are some examples of the vehicles equipped by the company that arrived on the market in 2023.

Canoo Lifestyle Vehicle

- Complete cockpit system
- Modular headliner
- Sunvisors
- Plastic trim

Hongqi eH5

- Instrument Panels
- Pillar trim
- Active grille shutter

Porsche Macan E

- Instrument Panels
- Pillar trim
- Active grille shutter

Tata Harrier/Tata safari

- Headliner substrate (with ambient lighting around the perimeter of the panoramic sunroof)
- Central touch control panel
- Overhead lighting console (E-call and B-call)
- Ambient lighting

Togg T10X

- Modular headliner
- Sunvisors
- Pillar trim
- Door panels

Ford Transit Courier

- Window regulators
- Sunvisors
- Instrument Panels

Lotus Eletre

- Headliner substrate
- Sunvisors
- Functional ambient lighting (with ISELED technology and electronics included)

Renault Espace

- Headliner substrate (with plastic frame in the panoramic version)
- Sunvisors
- Door panels
- Window regulators (plastic)
- Pillar trim
- Boot trim
  Ambient lighting (RGB module for doors)
- Lighting console

Vinfast VF 6

- Modular headliner
- Sunvisors

VW ID.3

- Modular headliner logistics services
- Door panels (logistics services included)
- Reading lamp

Best Practice
Antolin at the Shanghai International Automobile Industry Exhibition

One of the main objectives of the company's transformation plan is to increase market share in key countries such as China. With this in mind, Antolin chose the Shanghai International Automobile Industry Exhibition in 2023 to present its customers with its innovative product portfolio, including the concept car ITACA, the vehicle access system awarded at CES 2023 and an innovative sliding floor console, as well as a wide range of sustainable solutions.

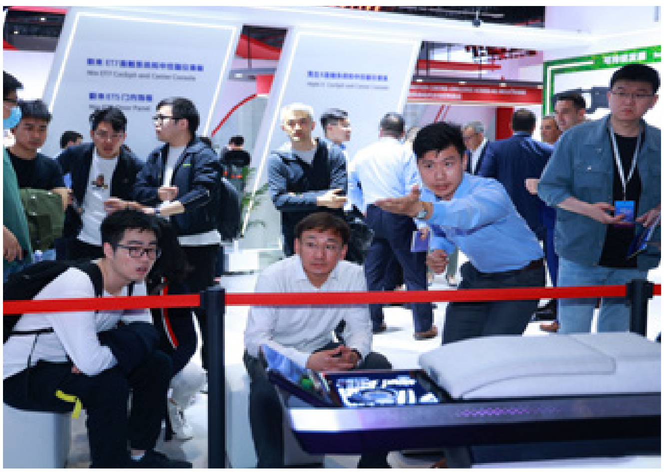
Under the slogan "Leading the new sustainable mobility from inside", Antolin made the most of the prestigious event as a platform to present the futuristic interior space of ITACA.

The audience was able to discover the combination of HMI (Human Machine Interface), electronics, backlit trims, attractive decorative components and a state-of-the-art purifying console in this concept car.

Also, the keyless access system that features state-of-the-art biometrics to access the interior. This vehicle surprised those present with its ambient lighting, which dances in-sync with music.

Antolin's customers were also able to enjoy other smart and integrated solutions, such as the concept of a sliding floor console, which comfortably assists passengers at both the front and rear of the vehicle; or the innovative roof system, which redefines the top console by relocating the capacitive switches to ensure effortless operation for passengers in any position and which uses functional lighting to increase visual comfort.

During the event, Antolin participated in the Automotive Decarbonization and Sustainability Summit 2023, which focuses on the industry's work on the development of sustainable solutions and carbon neutrality.



03.3 Efficient and responsible supply chain

Management approach

The efficient management of the supply chain is a question of responsibility and commitment towards customers and society in general. But to Antolin, it also represents a unique opportunity to improve business relations, achieve greater efficiency in processes and address the continuous challenges stressing the global supply chains (pandemics, wars, shortages or lack of certain raw materials, etc.).

Continuing to optimize its complex supply chain is an essential objective for the company. To that end, the Procurement and Logistics departments work together in the new organization designed within the framework of the transformation plan. Further quality, speed and sustainability, always at lower costs, are the premises pursued by Antolin's Supply Chain department, reorganized in 2022 and which has been gradually established in the company in 2023.

Digitization, one of the pillars of the transformation plan, has been particularly beneficial by eliminating barriers between processes and turning the **supply chain into an integrated, connected, adaptable and transparent ecosystem for all its members**. In such dynamic and fast scenarios as the current ones, it represents a considerable competitive advantage.

Antolin has reviewed all the strategies available to manage the supply chain's challenging situations: advanced negotiations, supplier bundling, internalization decisions and supplier changes. It has also analyzed logistics flows to achieve maximum efficiency and potential alternatives in routes between customers, plants and suppliers.

In 2023, **consignment contracts** with the main suppliers were promoted, which has allowed optimizing the management of inventories, reducing storage costs and increasing efficiency throughout the process. The advantages brought by this solution are key for both Antolin's suppliers and plants. In addition, agreements were signed to achieve more favorable conditions by consolidating volumes.

All these actions, together with a commitment to the centralized management of procurement, policies and processes and the professionalism of a highly motivated team, have achieved excellent annual results and improved supply chain efficiency.

Within the scope of sustainability, supply chain management is at a decisive time following the agreement between the Council and the European Parliament at the end of 2023 to move forward in the **Due Diligence Directive**. In accordance with this new regulation, companies must integrate due diligence into their strategies and their management of the entire chain from beginning to end. This will involve defining the actual or potential negative effects on human rights and the environment; preventing or mitigating possible negative effects; eliminating the actual negative effects or reducing them to a minimum; establishing and maintaining a complaint procedure; overseeing the efficacy of the strategy and due diligence measures; and publicly reporting on due diligence.

It is an ambitious proposal that Antolin has embraced for some time and has continued to make progress in 2023, as explained in the following pages.

Responsible management of the supply chain

Antolin is committed to complying with current national and international legislation and is scrupulously following the main reference frameworks governing this matter: United Nations Universal Declaration of Human Rights, Conventions of the International Labour Organization (ILO), Guidelines of the Organization for Economic Cooperation and Development (OECD) and the principles contained in the United Nations Global Compact.

The relationship with its supply chain is structured around the basis of a sustainable management system supported by the **following tools and procedures[2].**

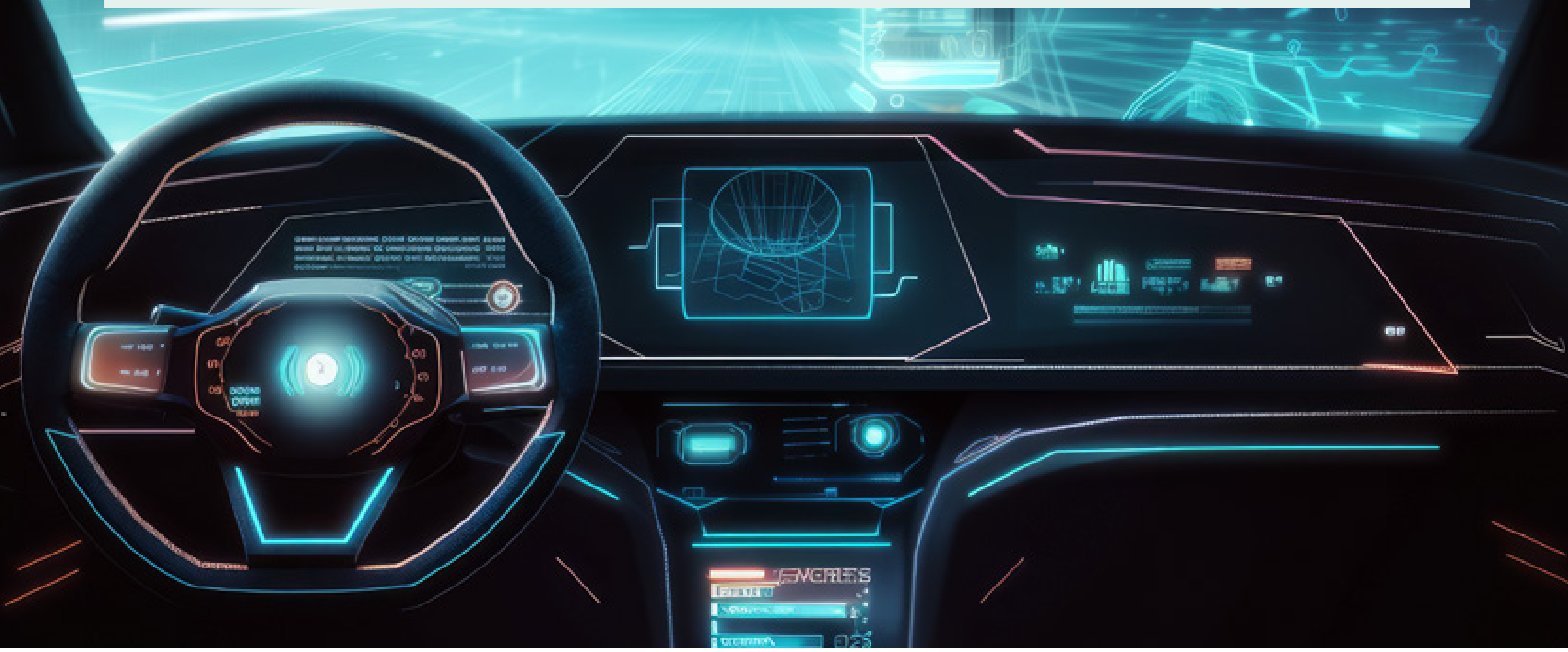
- **Supplier Manual**
- **Code of Conduct for Suppliers**
- **Conflict minerals policy**
- **Corporate Social Responsibility and Human Rights Policy**
- **Commitment against modern slavery and human trafficking: Modern Slavery Statement**
- **Sustainable business model**
- **Procurement platform**
- **Whistleblowing channel**
- **Self-assessment questionnaire**
- **Risk management model**
- **Training**
- **Sustainable procurement policy**
- **Newsletter for suppliers**

The **Supplier Manual was updated in 2023** to incorporate sustainability requirements (reduction of emissions and calculation of the carbon footprint) and references of CAD data exchange systems (computer-assisted design), as well as the last alignment between the requirements of spare parts and general conditions of procurement.

The **Supplier Code of Conduct was also renewed in 2023, including new requirements in terms of sustainability and human rights.** In addition, work has been carried out with the various procurement families with the aim of most of the supply chain accessing this policy. No infringements were recorded in 2023.

These requirements, in turn, must be extended to all suppliers in their respective supply chains.

In 2023 Antolin updated the Supplier Manual and the Code of Conduct for Suppliers.



[2] See description of policies and procedures in Appendix: 7.4. Policies and commitments.

Risk management model in the supply chain

The challenges Antolin faces change drastically. The conditions under which it operates can change overnight, as it occurred in the pandemic. Therefore, detecting the risk as early as possible is essential to making informed decisions and strengthening the company's resilience.

This detection involves advancing the analysis, quantification and management processes of the risks associated with the supply chain. This is the goal of two powerful technological tools incorporated in 2023 for real-time early warning and detection. Thanks to these, the teams can look for supply alternatives in advance:

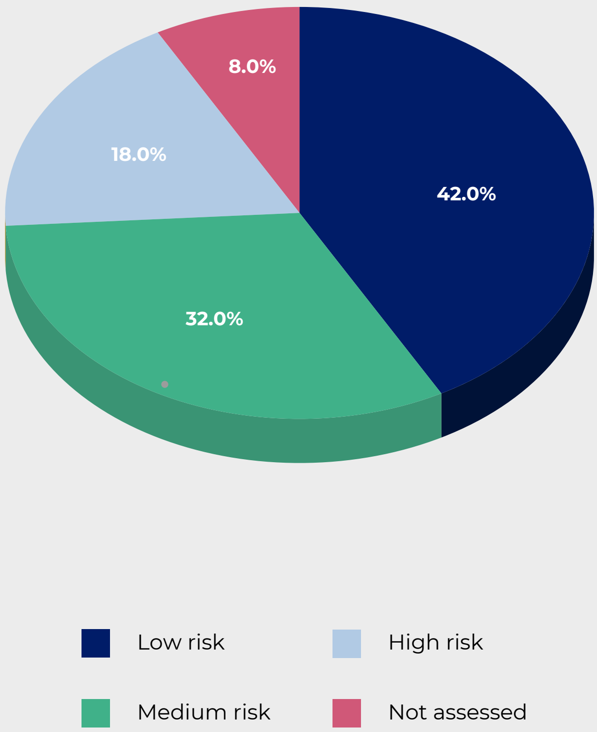
- **Risk Radar (Sphera)**
Thanks to the power of artificial intelligence, this tool is able to profile and monitor the supply chain to detect risks in real time.

It also helps establish a common risk scoring framework across the company and avoids the costs of disruptions in the supply chain. The information used by this tool provides a global map that details potential environmental, financial and social risks or natural disasters with local or global impact, among others.

- **Dun & Bradstreet (D&B)**
Through this platform, Antolin can assess the supplier's global risk or the likelihood of their cessation of activity, among other variables.

Thanks to the integrated analysis of the results obtained from the different assessments conducted, the company can detect global ESG risks, as well as those specific to each supplier. Based on the detailed study of the data, risk indicators are established and included as criteria in supplier selection.

In 2023, Antolin performed **85 due diligences on suppliers suspected of risk**, of which the majority (50%) were found to have a low or unclassified risk. With the remainder (50%), the risk is mainly financial and mitigation measures were taken.



Monitoring of the supply chain

By 2026, Antolin plans to analyze 90% of suppliers of the direct material supply chain by means of a self-assessment tool under ESG criteria. The need to assess their sustainable performance guides this initiative.

The content requested and assessed in the **self-assessment (SAQ) questionnaires follows the recommendations defined in the practical principles proposed by the vehicle manufacturers** and promoted by the main global initiatives of the sector on matters of sustainability: Drive Sustainability and Automotive Industry Action Group (AIAG).

These **Guiding Sustainability Principles of the Automotive Industry** spearhead the sector's commitment to excellence, innovation, transparency and sustainable performance. For this purpose, it contains a series of requirements with regard to business ethics, labor conditions, human rights, health and safety, environmental leadership and due diligence of the supply chain for suppliers at all levels.

To comply with the Guiding Principles, suppliers in the automotive sector must implement one or more management systems that help an organization control its operations, achieve objectives and ensure continuous improvement.

In order to validate and interpret the results, Antolin has the support of SupplierAssurance, a benchmark supplier in the sector and recommended by AIAG, which analyses the due diligence requirements of the supply chain in light of the evolution of legislation in this sphere. SupplierAssurance examines the performance of suppliers in a number of key human rights and sustainability issues, verifies the provided information and helps present recommendations in the detected areas for improvement.

The result of the SAQs is available to the suppliers on the procurement platform, within the Sustainability section.

All internal controls, together with the support provided by STAs (Supplier Technical Assurance) to the suppliers, ensure effective monitoring of the supply chain activity on the basis of fluid and constant communication, without Antolin carrying out additional internal audits. In support of the above, third-party sustainability audits focus on those suppliers whose activity is the most exposed to risk of non-compliance, mainly with human rights.

Communication with suppliers: confidentiality and transparency

When a supplier registers on Antolin's procurement platform, it must accept a **Confidentiality Agreement (NDA) to ensure security in the exchange of information**. There is the possibility of expanding the levels of this NDA to cover protection relating to strategic, technological or sensitive information.

The procurement platform is publicly available on the company's website and is accessible to all current and future suppliers or third parties who want to consult any available information. This portal represents a great exercise of transparency and includes:

- **Procurement conditions (by country).**
- **Supplier sustainability (including the Code of Conduct and Whistleblowing Channel).**
- **Conflict minerals.**
- **EDI: Electronic communication witht he supplier used to transmit information related to logistics processes.**
- **Supplier portal.**
- **Support: where suppliers can seek any kind of help.**
- **Security of information: suppliers can consult the security policy or find the channels to report any problems related to information security.**

A chain with common ESG objectives

Antolin shares with its supply chain the ambition of creating value for the Planet, People and Business. With this in mind, Antolin has established a series of **objectives that its suppliers must meet and share with their own chain:**

- **Be recognized as a responsible business.**
- **Be carbon neutral.**
- **Be a circular business.**
- **Extend the commitments and objectives to its supply chain: achieving zero net emissions throughout the entire supply chain by 2050 at the very latest.**

The responsible management of the supply chain calls for cooperation between different company departments. Proof of this is the work performed in 2023 by the Sustainability and Risk Management teams, which have jointly developed a risk monitoring and management system and have updated the procurement digitization process with sustainability criteria.

GENERAL OBJECTIVES	2021	2022	2023	... 2026
Increase adherence to the Code of Conduct KPI (Objective):	**Direct Material:** 78% (75%) **Investments:** 87% (75%)	**Direct Material & Investments:** 84% (85%)	**Direct Material & Investments:** 88,6% (88%)	**Direct Material & Investments:** -% (96%)
Increase suppliers assessed in ESG (SAQs) KPI (Objective):	**Direct Material:** 59% (55%)	**Direct Material:** 59% (55%)	**Direct Material:** 71,4,1% (70%)	**Direct Material:** -% (90%)
Increase CMRT reports from suppliers KPI (Objective):	**Suppliers with 3TG declared in IMDS:** 98% (90%)	**Suppliers with 3TG declared in IMDS:** 96% (90%)	**Suppliers with 3TG declared in IMDS:** 99% (91%)	**Suppliers with 3TG declared in IMDS:** -% (94%)

KEY

Not achieved

Not achieved due to difficulties

Achieved

Supply respectful of human rights

Antolin has an unwavering commitment to human rights in all its operations. In accordance with the framework of the UN Guiding Principles of Business and Human Rights, as explained in Chapter 4 herein, the company is redoubling its efforts to extend its compliance with suppliers and sub-suppliers.

This commitment is especially reflected in the **sourcing of minerals from areas in conflict**, a scope in which Antolin has for a long time been applying the principle of surveillance and continuous improvement, following the steps indicated by the OECD. Lines of action that are increasingly important in light of the arrival of the European Due Diligence Directive:

- Publication of the **Conflict Minerals Policy**, kept up-to-date and accessible to the public.

- Appointment of a **multicultural and multidisciplinary team** in charge of defining, monitoring and managing conflict minerals objectives.

- **Identifying and assessing the risks in the supply chain,** as well as developing a system that offers a quick response to potential risks. In addition to the human rights violation risks associated with conflict minerals, other indirect risks include the non-application or inadequate application of due diligence and fraudulent reporting through the Conflict Minerals report.

- **Identification of suppliers** that supply 3TG (tungsten, tantalum, tin and gold), cobalt and mica to Antolin in their products, and an assessment to find out whether they comply with the objectives established in this matter.

- Being a member of the **Responsible Minerals Initiative (RMI)**, an alliance that promotes the intersectoral work of the Responsible Minerals Assurance Process (RMAP). This body conducts audits of foundries and facilities in the factories that extract potentially conflicting minerals or materials.

In 2023, 99.5% of the 169 suppliers identified as suppliers of products with conflict minerals correctly submitted their Conflict Mineral Reporting Template (CMRT), a percentage higher than that registered in 2022. Of the 389 mineral foundries present in the supply chain, 340 are eligible and 49 are being audited against the RMAP in accordance with the Responsible Minerals Initiative (RMI) criteria to determine if they are.

After starting to monitor the cobalt and mica supply chain in 2021, in 2023 it obtained a 72% response rate from the 178 suppliers identified as supplying this mineral. Of the 118 mineral foundries present in the supply chain, 108 are eligible and 10 are being audited against the RMAP in accordance with the Responsible Minerals Initiative (RMI).

Sustainable suppliers

Antolin is one of the 17 companies promoting the **“Sustainable Suppliers” training program, an initiative of the Spanish Global Compact Network, the ICO Foundation and ICEX**, the aim of which is to deliver sustainability training for SMEs, in order to recognize and share good leadership practices of sustainable supply chains. 1,200 SMEs from 35 countries participated in the program.

In the first edition, 62 SMEs in the Antolin supply chain completed the program. As a result, they were able to gain a deeper understanding of the Sustainable Development Goals and the Global Compact Principles, as well as of specific aspects of their sustainability performance.

The program's positive reception has led to a second edition, which Antolin has already joined, supporting its suppliers on the path towards the joint construction of the mobility of the future.

04

Conscious leadership
Ethics, integrity and exemplariness

04.1 Corporate governance: guiding Antolin's vision

Management approach

Antolin is convinced that good governance is key to the sustainable development of the business and the creation of value for its stakeholders. As part of its commitment to the highest standards, it works towards strengthening its responsibility and thoroughness. To that end, the professionalization of the company's governing bodies is a key strategy that guarantees the smooth running of the business and better decision-making.

Antolin's response to the requirements of regulators, investors, customers, employees and other stakeholders is based on ethical, honest and transparent principles. The company's governance makes use of the main international trends and best practices in governance, ethical behavior and regulatory compliance.

Thus, **Antolin follows the guidelines established by the Spanish National Securities Market Commission (CNMV) for the corporate governance of listed companies.** Antolin's strong determination to meet the standards and expectations of the business environment represents the best foundation on which to continue building a solid and responsible business.

Corporate governance model

Antolin's corporate governance model comprises the set of rules and principles that ensure the smooth running of the company's governing and administrative bodies. It incorporates all the internal regulations, comprising:

- Articles of association
- Internal corporate governance rules
- Vision and values
- Code of Ethics and Conduct
- Corporate policies that develop the principles underpinning the system
- Regulations of the Board of Directors and of the Delegated Committees
- Regulations of the Advisory Board
- Other internal codes, processes and procedures required or recommended by sector-related provisions that comply with the previous standards and principles approved by the company's competent bodies.

The management model is an essential part of the company's governance approach. It includes a series of policies, processes, procedures, integrated systems, guidelines and forms that allow fulfilling the requirements of international standards and meeting the internal management needs. This management model is made up of:

- IATF 16949. Quality
- ISO 14001. Environmental
- ISO 17025. Laboratory and calibration
- ISO 27001. Security of information
- ISO 27701. Privacy
- UNE 19601. Criminal compliance
- ISO 37001. Anti-bribery
- ISO 26262. Road vehicles functional safety
- ISO 21434. Road vehicles cybersecurity
- ISO 50001. Energy efficiency
- ISO 45001. Occupational Health and Safety
- Other internal processes and procedures

Governance of the organization

Antolin is a company 100% owned by the Antolin family, with a single shareholder and owned by two branches of the family. Each of them is, in turn, indirectly represented by companies that decide the members of the governance structure, always sharing the same vision and values.

In this solid business architecture, each family branch holds more than 5% of the voting rights. The family governing body is the company's highest decision-making body. To that end, there is a Family Protocol that clearly defines its functions, the succession plan and its relationship with the Board of Directors, the latter maintaining its independence.

Antolin's governance structure revolves around two central pillars: The General Shareholders' Meeting and the Board of Directors. Its governance model is a two-tier system that has a Board of Directors and an Advisory Board, supported by the delegated committees, formed by executive members, non-executive members and independent advisers.

The functions of the Chair and CEO are performed by two different people, who provide different perspectives and skills at the helm of the organization. Antolin has designed a governance model that merges family tradition with a modern and efficient structure that guarantees the company's continuity and prosperity.

General Shareholders' Meeting

In 2023, it adopted three decisions: on April 27, October 11 and December 29.

Board of Directors

The Board of Directors has defined procedures to ensure the company's good governance and ensure the interests of the shareholders. One of its most important decisions in 2023 was the unanimous approval of **the appointment of Cristina Blanco Santo Tomás as the new CEO.**

This appointment, approved on October 11, 2023, is part of the company's ambitious transformation process. Cristina Blanco, who has been Corporate Financial Director since 2016, has spent more than 22 years of her career in Antolin and has, therefore, contributed significantly to the company's national and international progress and consolidation, as well as to the design and implementation of the transformation plan.

At 2023 year-end, the Board of Directors was made up of five members —three women and two men currently—, who are elected individually by the General Shareholders' Meeting for a renewable six-year period. **Women represent 60% of the composition of this body**, well above the percentage required by the new European standards on gender balance on Boards of Directors in listed companies.

Responsible for the management, administration, strategic decision-making and supervision of the company's most important issues, it entrusts its day-to-day management to the Chief Executive Officer and the Executive Committee. The Board met 13 times in 2023, with 100% attendance by all its members, making progress in its alignment with best practices according to the good governance standards for listed companies and in monitoring the main legislative development.

Antolin's Board of Directors undertakes to regularly evaluate its composition, operation, conflicts of interest, rights and duties as directors. Led by the Chair of the Appointments and Remuneration Committee and based on individual structured interviews, a final report is prepared and submitted to the Board of Directors. This contains all the assessments and recommendations for improvement presented in aggregate form.

Advisory Board

Since its establishment in 2018, it has been a key element in monitoring and implementing best practices in good governance within the company, as well as in the commitment to the transparency and professionalism of its governing bodies. It has a consultative nature and provides advice to the Board of Directors in relation to running the business and strategic decision-making.

The members of the Advisory Board are independent advisers, who form part of and chair the various delegated committees. All of them have in common distinguished careers, experience in leading companies and organizations and different professional profiles and backgrounds. Two new directors were appointed in 2023: Jürgen Stackmann and Javier Lázaro. Both are renowned professionals, who are already enriching the debate and the role of this body.

Under the operation of an extended Board of Directors, this body actively and simultaneously participates, without voting rights, in the Board of Directors meetings. In 2023, they met autonomously on seven occasions, with 100% attendance by its members.

Members of the Board of Directors[3]

Ernesto ANTOLIN

Chair of the Board of Directors and member of the Delegated Appointments and Remuneration Committee, he took over as Chair of Antolin in 2014 as part of the established generational handover. He is Executive President of Canea, S.L., the family office of his branch of the family. He holds a postgraduate degree in Law from Boston University (USA), along with 30 years of international experience in the automotive sector in the areas of strategy marketing, industry, and business diversification. He started his career at Antolin as assistant to the management at several production plants, coordinating the activities of production, logistics, engineering, quality, human resources and finance. Subsequently, he was responsible for launching industrial operations in Eastern Europe and was Regional Director for Central-Eastern Europe, managing all the sales activities for German customers. He participated in the launch of industrial and sales operations in the NAFTA zone. In 1997, he became Vice-Chair of Antolin, heading the New Business Division, developing the company's strategy for the African and Asia-Pacific Regions and establishing sales agreements with partners and the acquisition of new companies, as well as the introduction of new markets.

María Helena ANTOLIN[4]

Vice-Chair of the Board of Directors and Vice-Chair and Director of Branding, Marketing, Communication and Corporate Affairs at Antolin. She holds a degree in International Business & Business Administration from Eckerd College, St. Petersburg, Florida (USA) and a Master's degree in Business Administration from Anglia University, Cambridge (UK) and the Polytechnic School of Valencia (Spain). At Antolin, she has held various positions related to quality, strategy, and excellence. She has been Director of Human Resources Development, Director of Improvement Operations Strategy and Corporate Industry Director. In addition to her duties at Antolin, she is an External Director of Iberdrola; member of the Board of Directors of DANOSA and member of its Appointments and Remuneration Committee; member of the Advisory Board of Banco Sabadell Urquijo; French International Trade Advisor, Spanish section (CCE); and Vice-Chair of CEOE, as well as Chair of its Mobility Board. She is also a member of the Board of Directors of SERNAUTO, the Spanish Automotive Equipment and Components Manufacturers Association, which she chaired between 2016 and 2021.

[3] Composition and description of profiles as at December 31, 2023.

Emma ANTOLIN

Member of the Board of Directors and the Audit, Appointments and Remuneration, Sustainability and Corporate Governance Delegated Committees. She is the Executive President of Injat Investment Office, the family office of her branch of the family. With over 14 years of experience in several departments of the company, she is currently the Director of Corporate Social Responsibility and Sustainability. She combines her professional activity with her academic work at several business schools. She holds a degree in Psychology from the Pontifical University of Salamanca and a Master's in Financial Management from IE Business School, and has rounded off her education with specific programs at the University of Cambridge, Harvard (Harvard Business School and Harvard Kennedy School), INSEAD and IMD.

Miguel Ángel VICENTE

Member of the Board of Directors and the Sustainability and Corporate Governance and Audit Delegated Committees since 2021, as well as of the Appointments and Remuneration Delegated Committee since 2023. He holds a degree in Industrial Engineering from ENSAI University in Strasbourg (France) and a Master's in Business Administration from INSEAD in Fontainebleau (France), as well as a Master's degree in Motors from the IFP School in Paris (France). With over 40 years of international experience in the automotive sector, he has worked for groups such as Renault, as a manager in the areas of research, engineering, quality, manufacturing and procurement in France, Mexico and Spain. Member of the Executive and Management Committees, as COO of Antolin between 2017 and 2020, he began his career at Antolin in 1992. He has held various positions in the company as head of the corporate divisions for sales, industry and operations in Europe-Mercosur and North America, and head of the Doors segment.

Cristina BLANCO

CEO of Antolin. She graduated in Economics and Business Administration at UNED, in Business Administration from the Universities of Dundee, Scotland, and Burgos, Spain, and completed the Executive Program at ESADE. She is a lecturer on the MBA programs at the University of Valladolid and IE Business School. She joined the Antolin finance team in 2001 where she held various posts including head of the Financial Planning and Treasury Department. In 2016, she became Antolin's Chief Finance Officer and thus took part in the financing process to acquire Magna Interiors, the largest transaction in the company's history and which included Antolin's first bond issuance in the financial markets. After over 22 years at the company, she has a wide strategic vision of the industry and Antolin's business, and she has been directly engaged in establishing the company as one of the world's largest automobile interior suppliers.

[4] Replaced by José Antolin Granet as of 1 January 2024.

Committees

Antolin has three delegated committees reporting to the Board of Directors, made up of company executives, non-executive members and independent advisory directors. The committees meet every two months following the action principles and basic rules of organization and operation defined in the Regulations of the Board of Directors and Delegated Committees approved in 2021.

Each of the committees prepare the annual schedule of meetings, which are held at least seven days before each of the Board of Directors meetings. On a monthly basis, prior to the official meetings, follow-up sessions are held on specific topics of relevance to the company.

Audit Committee

5 **Members**

7 **Meetings**

3 **Independent advisory directors**

2 **Women**

Chaired by a female independent advisory director who oversees risk management, the internal financial reporting management system (FRMS) and the external audit. Other functions also assumed by this committee include, first, analyzing the management of any conflicts of interest that may arise; and, second, preparing the formulation of the annual accounts and the Statement of Non-Financial Information (SNFI). These last two tasks are carried out in coordination with the Sustainability and Corporate Governance Committee.

Appointments and Remuneration Committee (ARC)

3 **Members**

7 **Meetings**

1 **Independent advisory directors**

2 **Women**

Chaired by a female independent advisory director, its task is to propose, evaluate and ensure compliance with the remuneration policies established by the company and remuneration structures aligned with long-term results. It is also responsible for proposing candidates for the Advisory Board and the Board of Directors, as well as analyzing senior management candidates. The full Board of Directors reserves the power to approve the remuneration policy for senior managers and the remuneration of directors, within the limits established by law and by the General Shareholders' Meeting; and in the case of executives, the additional remuneration for their executive functions and other conditions that their contracts must respect. Under the name of the Appointments and Remuneration Committee's profile of suitability and responsibility, the company has a policy that describes the conditions and requirements to be met by independent directors, as well as the processes applicable to their evaluation in accordance with the applicable regulations and recommendations.

Sustainability and Corporate Governance Committee

4 **Members**

7 **Meetings**

2 **Independent advisory directors**

2 **Women**

Antolin sets the strategic lines to be followed in the main environmental, social and governance aspects of the business through its Board of Directors, which has support and advice from the Advisory Board, as well as in the leadership and oversight of environmental, social and governance aspects. As a result, the advisory directors are directly involved in the monitoring and management of these issues through the Sustainability and Corporate Governance Committee. This committee is chaired by an independent advisory director, with powers to supervise compliance with corporate governance rules, internal codes of ethics, compliance programs and environmental and sustainability policies. It is also responsible for overseeing the Annual Corporate Governance Report and the preparation of the Statement of Non-Financial Information, in coordination with the Audit Committee.

Members of the Advisory Committee (in alphabetical order)[5]

Milagros CAIÑA

Former member of the Executive Board of BMW AG, as head for Human Resources, Labor Relations and Real Estate. She holds a degree in Business Administration from VWA in Hagen, and was the first woman on BMW's board as Director of Human Resources, Labor Relations and Real Estate. A member of executive boards in various companies for more than 16 years and with 30 years of experience in the mobility sector, her professional career has been focused on the area of people management and company relations, performing her duties for the railway group Deutsche Bahn AG and DB Mobility Logistics, Schenker AG, in the logistics sector and Vossloh AG. She has also been a Member of the Presidium of the BDA Germany, the decision-making body of the Confederation of German Employers' Associations and chair of its Employee Pension Plan Committee. Her career is complemented by being a former member of the Advisory Board of Kühne Logistics University, Hamburg and Bayrische Elite-Akademie in Munich.

Macarena CASSINELLO

Director at Siemens Gamesa Renewable Energy, Business Expert at Palfinger AG. Macarena Cassinello holds a Senior Industrial Engineering degree from ETSEIB, with a Master's in Automotion from the UPC and GMP from INSEAD. She has extensive international experience in different industrial companies: she has been a director at IVECO España, member of the NAVECO Board of Directors, member of the I-WILL-IESE Advisory Board and member of the Executive Committee of IVECO Spa and Nissan Motor Ibérica S.A.

Carmen GÓMEZ DE BARREDA

Independent Director, Coordinating Director and Chair of the Sustainability Committee of Red Eléctrica Corporación. Independent Director and Chair of the Audit Committee of Grupo Mutua Madrileña. Proprietary Director and Chair of the Appointments and Remuneration Committee of Hispasat. She holds a degree in Economic and Business Sciences from Comillas Pontifical University (ICADE) and a Master's in Business Management IESE (Executive MBA) from the University of Navarre and has worked for 30 years in the energy sector with responsibilities in different business groups such as Enagás, Repsol and BP Oil España. She has been Director of Markets in the National Energy Commission, as well as Managing Director of the Strategic Reserves Corporation of Petroleum Products (CORES).

Javier LÁZARO

Chief Financial Officer of ITP Aero. He graduated in Telecommunications Engineering from the Polytechnic University of Madrid and holds an MBA from New York´s Columbia University. He has held several senior managerial positions, especially in the financial sector, in various listed Spanish companies, as well as in investment banking. He began his career at McKinsey in 1994, where he was a financial analyst. In 1998, he joined Goldman Sachs in London, where he held various positions, and eight years later, in 2006, he joined Credit Suisse, where he held different positions until he was appointed co-Managing Director of Investment Banking for Spain and Portugal. Between 2012 and 2015, he was Chief Financial Officer of Prisa and then joined Indra between 2015 and 2022, where he was the Chief Financial Officer and Chief Corporate Officer with responsibilities in the areas of finance, procurement, human resources and corporate services.

Jürgen STACKMANN

Former member of the Volkswagen Board of Directors as the head of Marketing and Sales for Skoda and Volkswagen Passenger Cars. He is currently the Director of the Future Mobility Lab at St. Gallen University Mobility Institute. He holds a degree in Business Administration from the University of Saarland (Germany) and the University of Metz (France) and has a broad and extensive career in the automotive industry, holding top positions in some of the world's largest vehicle manufacturers. He began his career at Ford in 1989, where he held several senior Sales and Marketing positions in Germany and Europe until 2010. He subsequently joined the Volkswagen Group, where he took on various responsibilities focused on the marketing and sales strategy, and served as CEO and President of SEAT between 2013 and 2015.

Bernardo José VILLAZÁN[6]

Director of the Chair of Connected Industry 4.0 at Comillas Pontifical University ICAI-ICADE. He holds a Senior Industrial Engineering degree from Comillas Pontifical University ICAI, is a Graduate in an Advanced Business Management Program (PADE) from IESE Business School and is qualified in Good Corporate Governance through Instituto de Consejeros Administradores (Institute of Directors and Administrators). Merit Member of the Association and College of Engineers of ICAI and Honorary Member of the Industry 4.0 Observatory. Previously, he was the President of Lucent Technologies; Independent Director and President of the Audit Committee at Laniver; and Independent Director and Chairman of the Appointments and Remuneration Committee of Telvent GIT, a NASDAQ listed company. He was a director of the sustainable packaging company PackBenefit and the IPS Group, a consulting firm specializing in industrial projects linked to sustainability. Since October 2022, he has been a member of Indra's Board of Directors as an Independent Director and a member of the Sustainability and the Appointments and Remuneration Committees.

[5] Composition as at December 31, 2023.
[6] Stood down from the Advisory Board on December 31, 2023.

Composition of the governing bodies in 2023

	Members	Independent	Executive	Non-Executive	Men	Women	% Women	Average age	Over 45	Spanish nationality	Average length of service of the Board members
Board of Directors	5	0	4	1	2	3	60%	55	80%	80%	13
Advisory Board	6	6	0	0	3	3	50%	59	100%	67%	3
Total	11	6	4	1	5	6	55%	57	91%	73%	8

	Ernesto Antolin	María Helena Antolin	Emma Antolin	Miguel A. Vicente	Cristina Blanco	Macarena Cassinello	Milagros Caiña	Carmen G. de Barreda	Bernardo Villazán	Javier Lázaro	Júrgen Stackmann
GOVERNING BODIES											
Board of Directors	Chairman	Vice-Chair	Member	Member	Member						
Advisory Board						Advisory Director	Advisory Director	Advisory Director	Advisory Director	Advisory Director	Advisory Director
Audit Committee			Member	Member		Chairwoman			Member	Member	
Appointments and Remuneration Committee	Member		Member				Chairwoman				
Sustainability and Corporate Governance Committee			Member	Member				Member	Chairman		
MEMBERS											
Executive	X	X	X		X						
Non-Executive				X							
Independent						X	X	X	X	X	X
Represents > 3% of the company's shares	X	X	X	X							
Average length of service > 9 years	X	X									
TRAINING, SKILLS AND EXPERIENCE											
Industrial	X	X		X	X	X	X	X	X		X
Executive from same industry/sector	X	X		X	X	X	X				X
Financial			X		X			X	X	X	
Risks	X		X	X	X	X	X	X	X	X	X
Sustainability Environmental· Social · Governance		X	X	X	X		X	X	X	X	X
OTHER Experience in international environments	X	X	X	X	X	X	X	X	X	X	X

In terms of diversity, women represent 55% of Antolin's governing bodies, 60% of which are on the Board of Directors. In 2023, the number of members with a nationality other than Spanish increased to 22%.

Challenges and progress in corporate governance

2023 Activities Plan: main issues summary

	Board of Directors	Audit Committee	Appointments and Remuneration Committee	Sustainability and Corporate Governance Committee
ESG rating agency methodology study Reporting and updating of evaluations: Moodys The ESG Solutions, Sustainalytics, S&P CSA, CDP Materiality analysis based on results relating to the improvement of policies, processes and management				X
Process to prepare, monitor and submit the Statement of Non-Financial Information as part of the annual accounts for the 2023 financial year and the integrated information	X	X		X
Updating of regulatory new developments and advances on European Taxonomy, as well as confirmation of non-applicability to Grupo Antolin-Irausa, S.A.U.				X
Updating of the decarbonization targets and road map in the fight against climate change in line with the trends and commitments of the investment market, sector and customers	X			X
Review and updating of the strategic pillars of responsible business: Planet, People and Business, within the framework of the transformation process and review of the company's strategy	X			X
Related-party transactions by Antolin's Directors	X	X		X
Updating and approval of the Modern Slavery Act with a scope covering all of the company's businesses	X			X
Updating of commitments and approval of corporate policies on Compliance, Anti-Corruption, Corporate Social Responsibility and Human Rights, and Environment and Energy	X			X
New remuneration system applicable to the CEO with sustainability targets	X		X	
• Long-Term Incentive (2022-2024): 15% reduction in CO_2 emissions	X		X	X
• 2022 MBO: 2022 5% reduction in CO_2 emissions	X		X	X
Monitoring report on ESG indicators and associated targets linked to revolving credit				X
Submission and approval of the transformation project	X	X	X	X
New organizational structure of the company linked to the transformation process	X	X	X	X
Reputational Risk Management Manual, communication and awareness plan	X	X	X	X
Updating of the Criminal Risk Organization and Management Model for the 2023 financial year	X			X
Evaluation of the external audit firm		X		
Updating of the One Client project: customer requirements and company positioning				X

	Board of Directors	Audit Committee	Appointments and Remuneration Committee	Sustainability and Corporate Governance Committee
Information and monitoring				
· Progress on digitization projects such as the One Global Finance project		X		
· Simulation of the fiscal impact of the OECD Pillar II		X		
· Antolin's financing covenants	X	X		
· Special Purpose Entities		X		
· Incorporation of Antolin's Captive Insurer in the United States		X		
· Auditing of information systems outsourced to KPMG		X		
· Progress in cybersecurity		X		
· Monitoring of activity in the whistleblowing channel: complaints and claims received during the year together with the conclusions, action plan and necessary considerations	X			X
· Review of the Compliance Management System	X			X
· Review of the Privacy Management System	X			X
Risk management model				
· Process to review and update the corporate risk catalog		X		X
· Presentation of scorecard and review of indicators (KRIs)	X	X		X
· New Risk Map KRIs	X	X		X

2024 Challenges: the future is being built as of today

• Regularly monitor **each of the objectives defined within the transformation program** to maximize business results and operational efficiency.

• Review the structure and responsibilities of the **delegated committees** with an expansion and adjustment of the matrix of knowledge, experience and skills required to address the challenges of the mobility of the future, promote growth and the transition to a sustainable economy and respond well to a complex, uncertain and volatile context.

• Strengthen the **Board's leadership** based on its commitment to its roots and values and focus on the company's future, through listening and dialogue as a basis for attracting, retaining and looking after talent. This forms part of Antolin's strategy to be the leading employer, thanks to the action plans to retain and develop its professionals.

• Promote the **corporate culture of purpose** to generate greater value in our current business, while developing a project for solid and credible long-term growth, facilitating the alignment of strategies, goals and objectives throughout the organization with the expected performance.

• Monitor, in advance and **regularly, the regulatory developments in environmental, social and governance matters and their correct integration** into the different areas of the organization, within their corresponding areas of responsibility.

• Strengthen the information reporting and control systems to guarantee the quality, reliability and good governance of the data for their correct analysis and management within the framework of the company's informed decision-making process; and supervise their use, progress and quality reporting.

• Intensify the Board's role in the internal and external visibility of Antolin's value, in response to the increasing demand for transparency from the different stakeholders and for the prevention of greenwashing throughout the value chain.

Management team

The implementation of the transformation plan and the first advances made in 2023 highlight the leadership and vision of Antolin's management team in times of change experienced by the automotive industry. In total, 280 people make up a top-level management team that aims to consolidate the company as the benchmark supplier for the vehicle interior.

At the head of this team is the Antolin Extended Executive Committee, which has seven men and two women. The Committee includes professionals with extensive experience within the company, along with international profiles who have joined Antolin to provide a global and transformative vision of the industry.

In late 2023, **Antolin announced the appointment of Emma Antolín Granet as the company's new Vice-Chair** effective January 1, 2024. She takes over from María Helena Antolín Raybaud, who will continue to be associated with the business through her involvement in several family decision-making bodies. Emma Antolín's priorities will be supporting the company's strategic transformation with special attention to all issues concerning corporate governance and sustainability.

Ernesto Antolin
Chairman

María Helena Antolin
Vice-Chair

Extended Executive Committe

Igor Renedo
Chief Financial Officer

Cristina Blanco
CEO

Fernando Sanz
Chief Human Resources Officer

Sonia Aguilar
Group EVP Customer Development

Jorge Loyo
Group Executive Vice President North America

Sergio Freitas
Group EVP Supply Chain

Miguel Marañón
Chief Operating Officer

Christophe Ancey
Group EVP Product Systems

Jorge Juárez
Group EVP Technology Solutions and Group Executive Vice President Asia

04.2 Ethics and compliance: the value of being an example

Management approach

Antolin's decision to act under the most stringent principles requires the company to always go beyond the legislative requirements and demands. Antolin works every day to establish an internal culture based on ethics, respect and integrity. A behavior that reinforces the **Code of Ethics and Conduct** among its professionals and all external people and entities that intervene in the supply chain.

As part of its ongoing commitment to excellence and business integrity, **Antolin renewed its Code of Ethics and Conduct in 2023** to reinforce the company's core values and to improve the accessibility and understanding of the document. In addition to updating content, it presents a new visual design that is aligned with the current approach of Antolin's brand, which is more modern and appealing. It also incorporates QR codes, which allow collaborators and stakeholders to instantly access additional resources, specific policies and key contacts for queries.

In response to the demands of a practical and swift consultation tool, a reduced version of the Code of Ethics and Conduct has been prepared in the form of a two-page brochure, with the code's main and essential elements.

Ethics and compliance model

The reference framework for ethics and compliance is set out in the **Compliance Master Plan 2028**. The aim is for the organization to be able to proactively identify any potential risk and offer an appropriate response. In the daily management of its activity, Antolin has a series of policies and tools, within the compliance management system, that guarantee ethical behavior in accordance with the laws, regulations, and principles of reference in each area and region[7].

- Code of Ethics and Conduct
- Code of Conduct for Suppliers
- Whistleblowing channel
- Compliance system
- Corporate Social Responsibility and Human Rights Policy
- Modern Slavery Statement
- Sustainable Business Model
- Corporate Compliance Policy
- Anti-corruption Policy
- Due diligence procedure
- Conflicts of Interest Policy
- Gifts and Hospitality Policy
- Compliance guides: Donations and contributions
- Compliance guides: Anti-corruption and bribery
- Certification of criminal and anti-bribery compliance management systems
- Telematic Conduct Guide
- Anti-harassment Policy
- Anti-trust Policy
- Internal Information System Policy
- Escalation, investigation and remediation procedure for compliance breaches
- Corporate Privacy Policy

[7] See description of the policies in 7.5. Policies and commitments.

Fight against corruption and bribery

Antolin promotes a zero tolerance culture against any form of bribery or corruption, be it active or passive, private or public in all countries it operates.

To this end, it has an **Anti-Corruption Policy aligned with the international reference standards.**

INTERNAL REFERENCE FRAMEWORK[8]	EXTERNAL REFERENCE FRAMEWORK
• Vision and Values • Code of Ethics and Conduct • Sustainable Business Model • Compliance Master Plan 2024 • Code of Conduct for Suppliers • Corporate Compliance Policy • Anti-corruption Policy • Corporate Social Responsibility and Human Rights Policy • Gifts and Hospitality Policy • Conflicts of Interest Policy • Compliance guides: Donations and contributions • Compliance guides: Anti-corruption and bribery • Telematic Conduct Guide • Corporate Privacy Policy • Due diligence procedure • Anti-harassment Policy • Escalation, investigation and remediation procedure	• United Nations Universal Declaration of Human Rights • Agenda 2030: Sustainable Development Goals 16 and 17 • Principles of the United Nations Global Compact. Principle 10 • United Nations Convention against Corruption • OECD Guidelines for Multinational Enterprises • OECD Due diligence guidance for responsible business conduct • ISO 37001: 2017 Anti-bribery management systems • UK Bribery Act 2010 • Foreign Corrupt Practices Act (FCPA) • ISO 19600-UNE19601. Criminal Compliance Management Systems

In its fight against any form of corruption, Antolin has clear and public commitments that are mandatory throughout the organization. See the list of commitments of the Anti-Corruption Policy.

Antolin guarantees compliance with its commitments through a management system based on transparency and control. This system includes a comprehensive model to prevent and manage corruption, bribery and fraud risks. The measures cover the approval of gifts by independent departments, risk assessment in vulnerable areas, establishment of internal financial and accounting controls, internal and external audits, and confidential information systems to report situations that affect the policy, coordinating with Business Units through internal notifications.

[8] See description of the policies in 7.5. Policies and commitments.

Mechanisms to ensure compliance with internal and external regulations

Antolin has established a crime prevention model as a structured system to reduce the risk of financial crime. It has also implemented an Internal Control System on Financial Reporting to prevent and control internal fraud.

In 2023 the first monitoring audit for the anti-bribery certification was successfully completed in accordance with the UNE-ISO 37001 standard, renewed in 2022.

In line with its commitment to train and raise awareness among all its professionals, the company updated its anti-corruption courses and launched new e-learning training actions on its Success Factor platform, addressing issues such as conflict of interest, third-party relations, international trade and information security.

Coinciding with International Anti-Corruption Day, Antolin released a global statement and a video reaffirming its principle of zero tolerance for corruption.

Main corruption and bribery risks

Antolin implements comprehensive risk management at an international scale by means of the SAP_GRC tool's Risk Management module, covering 24 areas worldwide. In this context, the scopes related to corruption and bribery are positioned as mild risk and integrated into the compliance management system, updated in accordance with the UNE 19601 standard. Criminal offenses have been identified, such as influence peddling, bribery, illegal funding of political parties, corruption in businesses, money laundering, corporate offenses and fraud against public administrations, and others analyzed after the pandemic, highlighting measures that have been complied with and included in the criminal risk catalog.

Antolin's relationship with public administrations involved ordinary and obligatory activities, such as the payment of the corresponding taxes and Social Security contributions, labor or environmental inspections and obtaining authorizations, grants or licenses.

Areas affected and sensitive activities

The following main departments are affected by the corruption and bribery risk:

- Legal
- Corporate Quality
- Sales personnel
- Supply Chain
- Corporate Finance
- Tax Planning and Incentives
- Marketing, Communication and Institutional Relations
- Organization and Human Resources
- General Services
- Transformation

If any breach, violation or non-compliance concerning corruption and bribery is reported, communicated or detected, the established procedure for escalating, investigating and remediating compliance breaches is followed.

The principal sensitive activities in the area of corruption and bribery are as follows:

- Taking part in calls for public tenders to obtain any type of contract.
- Applications for any licenses, permits or authorizations from public administrations.
- Grant applications and management.
- Relations with the Justice Administration.
- Management of gifts and donations to any public administration.
- Management of administrative inspections, taxes, Social Security and occupational safety and environmental protection.
- Relations in general with Public Administrations (public notaries and registrars).
- Processes to waive customers' debt.
- Negotiation and contracting of any goods or services from one of the company's suppliers.
- Negotiation and signing of contracts with customers.
- Relations with administrations to procure contracts in the international arena.
- Receipt of funds from customers, especially those from territories formerly classified as tax havens.
- Making donations and charity initiatives.
- Any kind of investment management, whether movable or immovable assets.
- Monitoring of financial flows, paying particular attention to those with tax havens.

Taking into account the analysis and assessment of the data and information described, the risk associated with corruption in Antolin's activity in Spain and abroad is considered to be low, almost marginal.

In 2023, two claims were filed for cases of corruption (three in 2022)[9], which were closed in a timely manner.

Influence of stakeholders or lobbies

Antolin guarantees legality, transparency and integrity in all its practices, negotiations and strategies of influence or lobbying. To that end, it applies the following measures:

- It prohibits all types of fraudulent, colluding, coercive and obstructive practices.
- It publishes detailed information when participating in activities related to pressure groups, with an internal control of the budget associated therewith and supervision through internal and external audits.
- It avoids any conduct contrary to public international conventions (UN, ILO, OECD, etc.).
- It does not obtain or attempt to obtain information in a dishonest way, and it avoids misrepresenting or deceiving stakeholders and/or public institution officers to obtain undue advantage or benefit.
- In addition, the company has a practical guide for action and participation in sectoral associations.
- In 2023, the company did not make any contributions to or cover any expenses of political campaigns, political organizations, pressure groups or lobbying organizations, trade associations or other tax-exempt groups.

Combating money laundering

Antolin has various controls implemented through the internal risk control and management system relating to financial reporting (FRMS), developed and assessed by an internal auditor. The Anti-Corruption Policy includes a ban on performing any transactions with assets known to come from criminal activity. In addition, the company has internal procedures for the prevention of money laundering.

Antolin also contributes to the identification of the source and destination of funds through the certification of the ownership and origin of bank accounts, together with the establishment of financial controls considered by the internal control over financial reporting system.

As an awareness-raising measure, in 2023 Antolin launched a series of posters on fraud prevention, which were made available in all languages and distributed in the offices of the countries in which it operates.

[9] The scope of the concept of corruption for reporting on the indicator has been defined in accordance with principle 10 of the United Nations Global Compact, the United Nations Convention against Corruption, OECD Recommendations, the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act or reforms of criminal legislation in Spain and other countries.

Due diligence, the key to compliance

The minimum acceptable level of diligence is to learn about the conduct of those who wish to be associated with the organization. To this end, the due diligence procedures included in Antolin's compliance management system are key.

Through these procedures, the company defines, implements and manages due diligence applicable to the entire workforce and the people with positions of exposure within the organization. It also does so to third parties and business partners associated with Antolin’s activities. With different scope and purpose, the point of the organizational perimeter through which risk can penetrate is always taken into account.

Internal projection of due diligence:

• All company personnel, to ensure that they are aware of the organization’s expectations regarding compliance.

• People who, due to their position and the responsibility associated with that position, are particularly exposed to compliance risks.

External projection of due diligence:

• **Customers (upstream level):** as they are the recipients of its products and/or services, based on the way in they use them for purposes or in contexts that run counter to Antolin’s commitments and values.

• **Suppliers (downstream level):** to ensure that the supply chain is aligned with the objectives of the organization’s management system. This is especially important when it runs through jurisdictions where inappropriate practices are tolerated, especially as regards corruption and working conditions.

• **Business partners and/or third parties (lateral level)** whose association with the company is based on autonomous collaboration for a common purpose vis-à-vis third parties.

When any relationships and/or situations that may entail a risk are detected by the company, it implements the monitoring mechanisms for proper follow-up and subsequent validation. Thanks to this procedure, Antolin can define the action plans that guarantee the company's good practice, compliance with the governance model and protection against reputational, legal, financial and non-financial risks.

Monitoring and prevention

The Corporate Compliance department, with the assistance of various areas, monitors the due diligence procedures implemented at Antolin so as to be able to detect possible new risk profiles, evaluate the action plans and report its conclusions in the compliance management system. **Antolin implements preventive due diligence processes with related entities and collaborators by means of risk assessments and surveys,** ensuring that they are aligned with their values. Monitoring is carried out annually and systematically using external consultation tools to obtain non-financial information, such as the verification of inclusion in sanctioned lists, corporate links or categorization of territorial risk.

In the context of its sustainable contribution model, Antolin establishes due diligence processes to ensure the transparency of contributions and prevent illegal contributions to political parties or entities not aligned with its values and principles.

Managing conflicts of interest

Antolin understands a conflict of interest to be any scenario in which a person, influenced by personal or financial interest, could see their levels of objectivity, neutrality or independence impaired. In order to identify and, consequently, mitigate these cases, the company applies its **Conflict of Interest Policy**, which includes both prevention and management measures:

Effective procedures that prevent or control the exchange of information between professionals who participate in activities that may involve a risk, as well as the close supervision of the professionals that perform activities more exposed to risk.

Statement of absence of conflict of interest: individual and confidential declaration to be completed by a certain group, which, due to its responsibility and authority, participates in decision-making and thus has a higher exposure to the risk.

Advice: any employee can communicate or request advice in potential situations of this type, through a private email address for the Compliance department or the Whistleblowing Channel.

Training: online training program that is carried out when joining the company and periodically at planned intervals. Following the conclusion of the training, the employee must make a formal and individual statement, which will renewed periodically, without prejudice to the transparency obligation applicable to all company professionals should a possible conflict of interest situation appear. This training is complemented by internal communications on the Conflict of interest policy with illustrative examples.

Establishment of a procedure and system for the segregation of functions: automation of permissions under a tool that allows us to monitor, manage and control the accesses implemented.

Respect for free competition

Antolin understands that free competition encourages companies to be more efficient, to innovate and to constantly improve the quality of their products. Therefore, considering the beneficial effect on the socio-economic development, the company is a firm advocate of rules being clear and fair for everyone, and it does not allow any participation in any activity that restricts the customer's right to choose between different options of products and services. In order to guarantee the protection of fair and effective competition, Antolin has defined **guidelines for action within the framework of its Antitrust Policy[10],** which are applied in all the markets where it operates. Following these practices, the company establishes —within the compliance system— a model for the management and control of anti-competitive risks that include certain processes and initiatives:

- Procedure for approving prices and conditions of contracts with a multiple and independent authorization system.

- Assessment of anti-competetive risks by all Antolin entities and territories, which allow obtaining a global snapshot, supporting compliance and assessing the exposure of potential violations of regulations in each territory.

- Supervision and verification through internal and external audit processes, the latter developed by an independent and specialized organization.

- Direct access and reporting to the Compliance department in the event of any situation or practice that affects this policy, as well as the coordination with the business units through internal reporting systems.

In 2023 Antolin developed the **regulatory Radar project** to identify regulatory changes and scopes in the criminal, corruption, competition and privacy areas and to assess the impact of its compliance and the risk of not doing so.

In addition to this project, the company published a methodological guide and drafts quarterly reports with action criteria according to the risk level. All of this contributes to the conduction of a regular review of the catalog of criminal, corruption and anti-competitive risks. Moreover, all the sales and management teams receive specific training on Spanish Antitrust Law and anti-competitive practices. This course is delivered by the Compliance department, which will be updated and renewed in 2024. At the closing date of this report, there were no legal proceedings pending or completed with the scope of free competition.

[10] See description in 7.5. Policies and commitments.

Whistleblowing channel

Transparency in Antolin is based on information and trust. It is the duty of all Antolin employees, collaborators, managers and directors to report any suspected irregularity or act contrary to the law or internal rules.

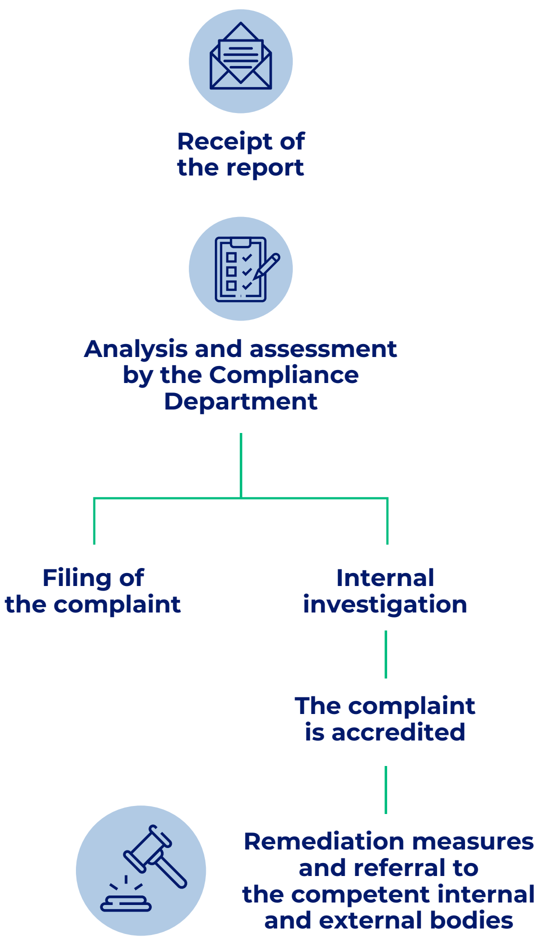
In order to foster this **internal reporting culture,** Antolin has been provided with an internal and external single reporting system for all companies. It includes the Internal Information System Policy, approved in 2023, and the procedure for managing information received, which was updated in 2023 to include the commitments and requirements of European and local regulations.

The **Whistleblowing channel** is the means put in place by Antolin to manage complaints —via the website or its P.O. box— in the event of any conduct or act that is contrary to the principles of the Code of Ethics and Conduct. The person making the allegations may give their personal details on reporting a complaint or remain anonymous.

The Compliance department is in charge of receiving complaints or claims made internally or externally. It must also inform the Sustainability and Corporate Governance Committee, Audit Committee and the Board of Directors, at least once a year, and exceptionally whenever necessary, of any complaints and claims received during the year along with the necessary conclusions and considerations.

In 2023, the Whistleblowing channel received 39 complaints. Of these, 21 were substantiated complaints that were addressed, in all cases, with corrective actions. There were also two cases of corruption related to conflicts of interest and acts against the company's integrity in the private scope, which were resolved appropriately, as well as two complaints in the area of human rights and discrimination, which were also resolved.

Procedure for managing claims or complaints



The procedure for managing the Whisteblowing channel focuses on the analysis, processing, investigation and resolution of classified incidents, where the Compliance department is the sole area responsible.

Depending upon the implications and assumptions raised, this department must act and resolve the incidents in the most appropriate way possible. After a preliminary analysis, the procedure can be filed or it may be agreed to continue with an internal investigation, assigning a case manager.

This process can be assisted by independent people, legal advisors, human resources and external advisors.

When completed, a report is drawn up with proposals for remediation, and in cases of non-compliance, the supervisors are sanctioned in accordance with hierarchical or departmental competence, maintaining transparency and avoiding retaliation against informers, as set out in the Code of Ethics and Conduct.

Responsible tax

Antolin strictly complies with the tax regulations in force in Spain and in all the territories in which it operates. The corporate tax policy is integrated into the company's corporate governance rules, which are approved by the Board of Directors.

All entities comprising Antolin contribute fairly to government spending, always following prudence criteria in the interpretation of the rules and responsibility in their application.

In addition, in all the countries in which it operates, the company complies with, develops and implements best practices in tax matters. It also undertakes to maintain relations with the tax authorities based on three principles: transparency, good faith and fairness.

See breakdown of tax information in 7.2. Financial balance sheet.

Protecting information

One of the main elements on which to build and preserve the trust of professionals, customers and other stakeholders is respect for the privacy of information and the guarantee of adequate processing. To that end, the Corporate **Information** Security Policy and the **Corporate Privacy Policy** are integrated into Antolin's management model.

In 2023, the company advanced in this direction with the **appointment of a Corporate Data Protection Officer,** which reports to the Compliance Director. As the person responsible for Antolin's data protection management system, it advises the entire organization on data protection and coordinates actions in the event of potential breaches and the exercise of rights, as a point of contact with stakeholders and supervisory authorities.

The guidelines on which the **protection of corporate information resources** is based at Antolin are as follows:

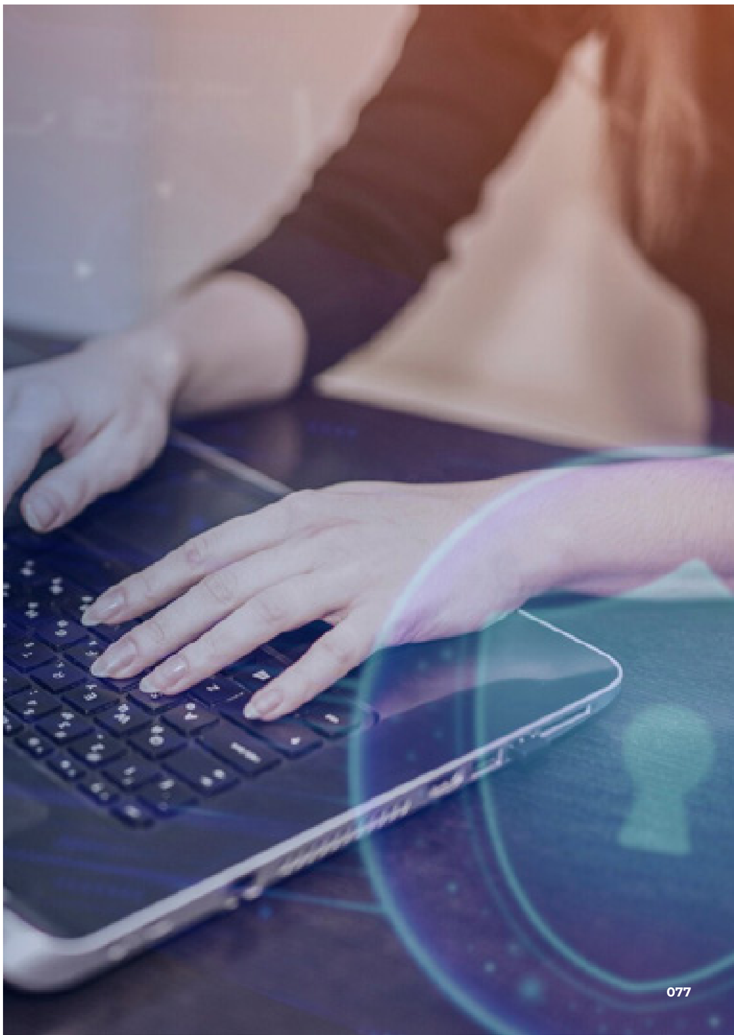
- **Management system for personal data protection**
- **Management system for security of information**
- **Cybersecurity**

Information security management, which also covers areas such as prototypes or the physical security of buildings, continues to focus on digital assets. In order to achieve better coordination with cybersecurity, information security has been part of the scope of responsibility of the Corporate Information Systems department since 2021.

In 2023 **Antolin has reinforced its data protection system at an international level by means of the transfer impact assessment.** After receiving the approval of its Binding Corporate Rules (BCRs) by the European and Spanish Data Protection Authorities in 2022, Antolin has conducted an impact assessment of international data transfers.

This involves an additional protection and security layer that reinforces the credibility of the international transfer of data pertaining to the entire organization.

On the other hand, the future mobility poses new challenges for information security. This is why Antolin works on new technological solutions, always taking into account respect for the protection and privacy of information.



Cybersecurity at all levels

Even with a better than average starting point in terms of cybersecurity, the company is not satisfied and seeks excellence. This ambition requires a comprehensive strategy that encompasses corporate risk management, the cybersecurity strategy and a robust cybersecurity project program. To that end, Antolin has defined a **360° strategy based on eight pillars:**

Pillars of the Cybersecurity Program

1 **Detection**
Identification and monitoring of attacks.

2 **Security test**
Regular testing to validate security systems.

3 **Intelligence**
Gathering of information to avoid future attacks.

4 **Employees**
Cybersecurity awareness program.

5 **Supply chain management**
Collaboration with suppliers.

6 **Recovery**
In the event of a serious impact, the recovery and reinforcement of business continuity.

7 **Response**
Investigation and containment of the impact.

8 **Protection**
Prevention of cyberattacks.

Protected organization

With the aim of increasing the degree of maturity in cybersecurity, Antolin conducted an in-depth analysis of four major areas: **strategy, protection, surveillance and resilience.** As a result of the analysis, objectives with a three-year time frame and a portfolio of projects that the company will prioritize based on risk were established.

A large percentage thereof is already in place, and among them are the following:

- **OT (Operation Technology) security monitoring**

The company has implemented an **OT security system** with the aim of providing early warnings on industrial operations, improving supplier control and applying controls as a preventive measure against emerging threats.

- **Standardization and certification of management systems**

The adoption of the TISAX® (Trusted Information Security Assessment Exchange) standard is proof of Antolin's commitment to excellence and security in all processes. This standard helps Antolin to apply the principles and best practices of risk management in order to strengthen cybersecurity and its recovery capacity.

In addition, Antolin is also standardizing its business continuity plans and systems, certified with TISAX® and reinforced with the adoption of ISO 22301.

In 2023 Antolin initiated many communication, awareness-raising and training actions for all professionals whose main work tool is based on digital media. The aim was to report and raise awareness of the adverse effects of malicious communications (malware or ramsomware) and cyberattacks (smishing or CEO fraud), as well as help them detect potential security gaps in the system.

In addition, as part of the Antolin Cybersecurity Academy, 6,928 professionals participated in phishing simulation exercises in production plants and 2,023 professionals did so in technical-sales centers.

Training and awareness-raising for a culture of ethics and compliance

Continuous improvement is one of the main drivers of Antolin's activity, which is why every year it devotes a considerable amount of resources to training and awareness-raising among its professionals. Education and prevention are two major undertakings for Antolin, and it manages them with an approach aimed at efficiency, participation and added value for its professionals.

The company's e-learning platform, Success Factor, is the largest repository of all online courses and training, and it has been designed to enable the company's professionals to find the training they need for their work. In 2023, a course on international trade was added, which was attended by the procurement and logistics departments. This training adds to the training already delivered in previous years on the following:

- Code of Ethics and Conduct
- Anti-corruption
- Data protection and privacy
- Antitrust
- Conflicts of interest
- Due diligence with third parties
- Prevention of harassment and discrimination
- Security of information
- Respectful communications

These actions are combined with awareness-raising campaigns, information materials at the work centers, communication tools such as the "weekly flashes", videos, podcasts and audiobooks.

Best practice
Gamification of learning

The training of all collaborators, which is an essential part of the company's value chain, is also one of the basic pillars of the Compliance management model.

Thus, in line with Antolin's digitization and cultural transformation projects, in 2023 a **learning gamification project** was launched through an interactive, trivial-pursuit-type game. It is an exercise to foster the participation and motivation of professionals in matters such as compliance, ethics, corruption and privacy. It is gradually being implemented in all countries where Antolin has presence.

Along with this innovative proposal, the new website, compliance online, was presented. It features extra resources to complement the knowledge of Antolin's professionals about Compliance, with content available 24/7.

Environmental and socio-economic compliance

Antolin's ethical and compliance culture is the foundation for a series of procedures implemented to channel communications regarding environmental, social or economic breaches. In addition to receiving these queries or complaints, the company is committed to providing a response in a timely manner.

In 2023, no significant breaches of environmental or social-economic legislation or regulations have been identified.

04.3 Human rights: first step of decision-making

Respect for human rights is one of the main pillars of Antolin's sustainable business model. This philosophy defends a type of management in which profitability, economic prosperity and social and environmental progress are perfectly compatible.

Antolin's strategy is aligned with the United Nations Guiding Principles on Business and Human Rights, which extends to all its internal and external stakeholders, as well as its own operations and those of its business partners. Any decision or action by the company must involve a component of integrity, ethics and transparency in accordance with respect for Human Rights.

The Code of Ethics and Conduct guides the organization and its supply chain in compliance with these rights and does so within a culture of prevention, mitigation and redress. In 2023, 100% of the complaints processed were investigated and resolved.

The established management model follows three steps, as set out in the Guiding Principles:

1. **Public commitments to human rights**
2. **Due diligence process**
3. **Mechanisms for redress**

Public commitments to human rights

The Code of Ethics and Conduct is aligned with the main international and local initiatives within the scope of the 2030 Agenda and Guiding Principles on Business and Human Rights.

The respect, promotion and compliance with the Code transcends Spanish borders to attain all commercial, industrial and financial activity of the company and the entire value chain worldwide.

The continuous analysis of trends, stakeholder expectations and regulatory requirements is essential as a tool for anticipating, listening and responding to relevant issues in human rights. As a result of the analysis, in 2023 the Corporate Social Responsibility and Human Rights Policy was updated together with the Supplier Code of Conduct, guaranteeing its alignment with the applicable commitments and policies.

Internal reference framework[11]

- Code of Ethics and Conduct
- Code of Conduct for Suppliers
- Sustainable Business Model. Strategic objectives: Planet, People and Business
- Corporate Social Responsibility and Human Rights Policy: Antolin's Commitments
- Modern Slavery and Human Trafficking Statement
- Conflict minerals policy

External reference framework

- United Nations Universal Declaration of Human Rights
- Agenda 2030: Sustainable Development Goals 3, 4, 5, 7, 8, 10, 16 and 17
- Principles of the United Nations Global Compact. Principles 1, 2, 3, 4, 5 and 6
- Guiding Principles of Business and Human Rights
- Children's Rights and Business Principles
- Directive Guidelines of the OECD for Multinational Companies
- Guidelines and principles of the International Labour Organization (ILO): Conventions 29, 87, 98, 100, 105, 111, 138, 182
- The Global Sullivan of Corporate Social Principles
- Section 1502 on conflict minerals of the Dodd-Frank Wall
- Street Reform and Consumer Protection Act
- World Benchmark Alliance. Corporate Human Rights Benchmark Corporate (CHRB)

[11] See description of the policies and standards in 7.5. Policies and commitments.

Commitments contained in the Corporate Social Responsibility and Human Rights Policy

• Respect for the right to privacy.

• Respect for the right to personal safety in all relations with people directly or indirectly associated with the company.

• Respect for intellectual and industrial property rights.

• Avoid cruel, inhumane or degrading treatment.

• Respect for freedom of association and collective bargaining.

• Respect for the right to a decent wage, ensuring equal pay for positions of equal value.

• Respect for freedom of expression.

• Prevention of complicity in human rights violations.

• Respect for the rights of minorities, local communities and indigenous people, as well as their culture, customs and history.

• Respect for the freedoms and rights of animals.

• Respect for the right to a healthy environment.

Commitment to combat child labor

In 2023 Antolin reinforced this commitment —already included in both the Corporate Social Responsibility and Human Rights Policy and the Supplier Code of Conduct— with the signing of specific commitments against child labor with customers, mainly in the United States.

Due diligence process

Antolin is moving forward in its due diligence process by conducting an exhaustive analysis of key points, using the CHRB (Corporate Human Rights Benchmark) model specific to the automotive industry, with the following key points:

• Identification of **applicable human rights** based on their impact.

• Identification of **potential conflicts** from a prevention and management perspective.

• **Awareness, education and training for 100%** of the workforce.

• **Acceptance of the Code of Ethics** by 100% of the team.

• Extension of the commitment and acceptance of the **Code of Conduct for suppliers** by 100% of the supply chain.

• **Assessment** of the human rights performance of **direct material suppliers** to reach 96% by 2026.

• Promotion of mechanisms that allow for the **safe communication** of any queries, information or complaints.

• **Research, processing, redress and follow-up** procedures.

• Continuous **monitoring** as a measure for anticipating potential risks.

• **Accession to the Business & Human Rights Accelerator program, promoted by the United Nations.** This program, currently present in 30 countries, has a duration of six months, and its mission is to help companies set specific objectives when it comes to addressing their main human rights risks. In each stage, one per month, training is carried out by international experts via the United Nations Global Compact Academy platform:

1. Understand the Principles of the United Nations Global Compact and the human rights due diligence process.
2. Scope the value chain to identify the main impacts.
3. Prioritize salient human rights impacts and understand the company's involvement with those impacts.
4. Implement and monitor a human rights action plan.
5. Involve the affected stakeholders and communicate their impacts.
6. Understand remedy and grievance mechanisms.

This program has evolved from a focus on risks for companies to people, and it provides opportunities to share best practices through learning experiences between equals.

Training and raising awareness for employees

Beyond the mandatory nature of Antolin's human rights policies, **awareness-raising is key to helping interiorize commitments.** To that end, Antolin has launched an awareness and participation campaign to detect the human rights risks it faces in its daily management activity.

In addition, to reinforce the training of its employees, Antolin has launched new courses on Success Factor, based on approaches for estimating risk and relative materiality. This training program is updated and renewed every three years, complying with the objective of continuous improvement in the awareness, training and educational promotion for employees.

Commitment in the supply chain

In order to achieve a robust integration of human rights across the company, the value chain's collaboration and communication is essential. Antolin's suppliers are a key part of the success of its operations, and it is therefore essential to extend this commitment to the entire supply chain, as detailed in chapter 3 of this report.

With the aim of reducing the possible risks associated with the supply of **conflict minerals**, Antolin has a multidisciplinary and multicultural work team in charge of updating the conflict minerals policy and applying the due diligence process for the proper management of these high-risk minerals and areas.

See more information in 3.3. Efficient and responsible supply chain.

Integration of human rights into risk management

Human rights are integrated into Antolin's risk management system, which facilitates the establishment of systems and processes to address potential impacts caused both by the company and by the people in the performance of their activity.

Management and monitoring is carried out in the SAP_GRC tool, through its Risk Management module, as part of the due diligence process implemented by the company.

The key points of the process include the identification of Human Rights applicable on the basis of its impacts for Antolin, backed by the methodology developed by the Corporate Human Rights Benchmark (CHRB) initiative for the automotive sector. For prevention purposes, the Compliance department carries out a monthly monitoring —with traceability in the risk map itself— concerning any possible incident that could affect Antolin's commitment.

Human rights impact assessments

Antolin identifies and analyzes the needs of stakeholders in the different environments in which it operates. Once analyzed, it studies whether these needs are aligned with the company's objectives. With regard to possible partnerships, it validates whether the collaborating entities meet the criteria established by Antolin and assesses the positive impact on the Sustainable Development Goals.

Free, prior and informed consent (FPIC)

In spite of Antolin not having presence in indigenous communities, each contribution program is the result of the three-way relationship and collaboration between the company, NGOs or public or private entities and the local population.

Development of human rights capacities for local communities

The company is as a potential transformer of its environments to build spaces of economic, social and environmental prosperity based on ethics, transparency and professionalism.

Mechanisms for redress

With the aim of fostering and favoring the prevention and detection of threats to the company and public interest, Antolin has put in place an internal and external single reporting system for all entities. This system includes the Internal Information System Policy, approved in 2023, and the Procedure for managing information received —internally known as the Procedure for escalating, investigating and remediating compliance breaches—, which was updated in 2023 to include the commitments and requirements of European and local regulations. Both mechanisms have an integrated internal reporting channel for all Antolin companies.

This channel, called by Antolin the **whistleblowing channel**, is the official means at the disposal of all individuals who provide services in any of the Antolin companies. It is also available to other stakeholders outside the organization.

When any relationships or situations that may entail a risk are detected, the organization's monitoring mechanisms for proper follow-up and subsequent validation are implemented and action plans are created to ensure the company's adherence to best practices and compliance with Antolin's governance model.

With regard to the respect for human rights, in 2023, one case related to harassment was identified, investigated and resolved, as well as another case related to acts of discrimination, respect and fair treatment in the workplace (three cases less than those registered in 2022). The year ended with 100% of the confirmed human rights complaints having been resolved, in line with the company's targets[12].

One of the complaints was made by Antolin employees, while the other was made by third parties or Antolin's collaborators, with none resulting in legal proceedings, and they were addressed by the company through action plans and remediation measures such as: disciplinary actions, coaching and training, termination of commercial relations with the parties involved, awareness-raising or follow-up of actions and behaviors.

[12] The scope of the concept of Human Rights taken as reference for the reporting of the indicator was defined in accordance with the United Nations Universal Declaration of Human Rights and the Guidelines and Principles of the International Labour Organization (ILO): eradication of child labor and that of adolescents aged 16-18 years, elimination of forced or coerced labor, slavery and people trafficking, respect for healthy working hours, diversity, inclusion and non-discrimination in employment and occupation, fair, equal and non-discriminatory pay respecting minimum wage conditions, freedom of association and right to collective bargaining and occupational health and safety management.

04.4 Risk culture and management

Management approach

Antolin defines "risk" as any internal or external contingency that, if materialized, would prevent or significantly hinder the achievement of the objectives set by the organization. Managing risks is for the company an essential task to guarantee both long-term financial planning and the organization's flexibility.

Antolin's internal control system includes risk management and is designed to effectively identify, manage and monitor all risks that could pose a threat. This model covers 100% of current and newly created operations.

The following are **key principles** of this risk management:

- Managing risks across the company, with no exceptions, in order to achieve the strategic objectives set.

- Ensuring compliance with the corporate risk management process, which includes identification, assessment, response, monitoring or tracking and information about the risks.

- Establishing the risk levels deemed acceptable by the company.

- Providing consistent risk responses, appropriate to business conditions and the economic environment.

- Regularly reviewing the assessment of risks and the responses designed.

- Monitoring the controls and strategies related to risk management to ensure that they work effectively.

- Regularly assessing the fulfillment of the activities to identify, assess, respond to, monitor or track the risks and information on them, in accordance with the latest standards.

- Designing the information systems, internal controls and strategies for managing and mitigating risks.

These management principles are combined with a genuine **internal risk culture in Antolin,** which promotes and improves awareness and action against risks through different lines of action:

- Economic incentives for senior management, which incorporate risk management metrics.

- Training to educate and raise awareness on proactive management and mitigation of risks, from a preventive perspective, for the most exposed groups.

- Reporting the risk policy to the entire company.

- Proactively identifying, reporting and updating potential risks every year. They are channeled through the Risk Committee with the presence of company's different departments and the employees.

Functions and responsibilities in the management of corporate risks

The Board of Directors has delegated the function of supervision and management of the risk control system to the Audit Committee. The Executive Committee is responsible for the proper functioning of the risk management model at Antolin.

The effectiveness of the company's risk management model and the control activities implemented are regularly evaluated. The results are reported to the Audit Committee and the CEO. Independent reviews can be carried out both through Antolin's own Internal Audit department and through external experts.

The **Executive Committee** has the following basic duties in the field of risk management, regardless of any additional ones that may be required in specific circumstances:

• Under the leadership of the CEO, it is in charge of implementing and managing the strategy, culture, people, processes and technology that make up the risk management model.

• By delegation of the Board of Directors, it defines, updates, approves and disseminates the Corporate Risk Management Policy, which is documented and updated every three years.

• Review the budget allocated and supervise the assigned costs.

• Promote the application of best practices, being responsible for the function's continuous improvement.

• Facilitate and involve the necessary personnel in risk management within the scope of their responsibility, applying Antolin's methodology.

Led by the corporate risk manager, the **Risk Committee** is made up of representatives from the following functions at the organization: industrial, sales, finance, procurement, legal advisory, internal audit, compliance, marketing and communication and sustainability, besides said corporate risk manager. Their basic responsibilities in the field of risk management, regardless of any additional ones that may be granted in specific circumstances, are as follows:

• **Detailed analysis and monitoring of Antolin's risk catalog.** It may also include, if applicable, recommendation for specific action plans.

• **Driving the implementation of the action and/or contingency plans** agreed with the Risk Management function.

• **Identification of new risks** and updating of the **risk catalog.**

• Definition of the **risk assessment scale** and the weight of each risk for subsequent consolidation (CPI).

• Establishment of **tolerance thresholds for indicators** (level of risk aversion).

Risk Catalog and Procedure

Antolin's risk catalog includes the different types of risks that could affect the company's financial growth or activity. In 2023 Antolin updated and validated its risk map and catalog (applicable as of January 1, 2024) in accordance with three criteria: probability of occurrence, internal capacity to detect and manage the risk, and impact in the event of the detected risk materializing. The result is a **risk scorecard** that is regularly monitored during the year with the following aim:

• **Ensuring** that risks are being managed in the manner foreseen by management.

• **Evaluating** whether the response plans continue to be efficient, providing information to those responsible for them and initiating the pertinent action plans if necessary.

• **Determining** if the risk catalog anticipates and reflects changes in business circumstances and new economic conditions.

• **Detecting** possible variations or transfers from the threshold established for each of the indicators.

The company also incorporates into this risk catalog —classifying them as **"non-financial"**— those risks that, while they do not have a financial origin are becoming increasingly important to companies as they may have an impact on their business plans and results.

Antolin's Sustainable Business Model contributes to detecting, controlling and managing "non-financial" risks through the strategic objectives set out in Planet, People and Business.

Corporate risks

Following the COSO II model, the corporate risks included in Antolin's catalog are classified into the following four groups:

Strategic risks: risks that affect high-level objectives, directly relating to Antolin's strategic plan (risk in emerging countries, penalties for breach of financing contracts, shortage of human resources, etc.).

Operational risks: risks that affect the objectives related to the effective and efficient use of resources (customer credit risk, increases in the price of raw materials, fraud in the procurement process, etc.).

Reporting risks: risks that affect the reliability objectives of the information provided, both internally and externally (reliability of financial information, fraud or error in the data reported to official bodies, etc.).

Compliance risks: risks that affect the objectives related to compliance with applicable laws and regulations (non-compliance with local labor or environmental legislation in countries where Antolin operates, non-compliance with obligations derived from the Spanish National Securities Market Commission-CNMV, etc.).

Specific risks

Antolin's corporate risk catalog identifies the following specific risks:

• **Corruption and money laundering:** existence of situations that may bring criminal liability to Antolin due to the actions of its employees, a failure to remain up to date with changes in applicable legislation/regulations regarding reporting to official bodies, fraud or material error in the data reported internally.

• **Human resources:** absence of necessary personnel (limited resource structure), labor, disputes, unexpected loss of key personnel, discrimination.

• **Training:** training deficiencies.

• **Occupational health and safety.**

• **Environment:** incidents in the environmental management of production (including waste management), non-compliance with environmental legislation, negative impact of climate change and its consequences.

• **Suppliers:** dependence on key suppliers and/or imposed by customers, inadequate selection of suppliers and incidents in supplier management.

• **Human rights:** lack of awareness of or non-compliance with the Code of Ethics and Conduct, failure to comply with labor and data protection legislation, discrimination against employees.

• **Social action and local communities:** non-compliance with tax legislation, CSR and supply chain.

• **Reputation:** lack of definition and measurement of Antolin's reputational risk (external perception of the company: customers, investors, suppliers, society, employees, etc.). Loss of competitiveness and mistrust of third parties due to inadequate and inefficient management of reporting systems in the organization, in terms of accuracy, reliability and data quality. Negative impact on Antolin's reputation with stakeholders (customers, shareholders, employees) for any type of reason (financial, commercial, institutional, fake news, any kind of malicious acts, etc.).

• **Sustainability:** failing to meet ESG public targets could result in a loss of profitability, reputational cost and/or company value on the market due to the inability of providing an efficient response to the present and future requirements of the main stakeholders (investors, employees and customers).

• **Lack or inadequate alignment with sustainable investment criteria** that guarantee the proper management of possible risks and a long-term return on the investment to be made.

In 2023, the risk map continued to be marked by low production volumes, inflation, raw material shortages and supply problems in the sector, reflected in a series of threats included in the catalog:

• The risk arising from pandemics, which may cause all types of consequences (economic, social, in employees, customers and suppliers, etc.).

• The interdependence of the value chain with the potential disruption of global supply chains.

• Increase in costs tied to production goes beyond the cost of raw materials, as in the case of labor, energy and other fuels.

Climate change risks

Aware of the importance that the potential impacts of climate change may have on its activity, Antolin identifies, assesses and monitors explicitly the risks related to these aspects as four risks included in the corporate catalog:

- **Environment risk (physical):** Absence or inadequate definition of a business contingency plan that covers both preventive management and recovery of activity in situations caused by natural disasters or extreme weather events that may significantly affect its operations and facilities.

- **Non-compliance with environmental legislation and incidents in the environmental management of production** (including waste management): they refer to the penalties that may be incurred as well as the reputational damage derived from such incidents.

- **Climate change risk:** Reference is made to the negative impact of climate change and its consequences in meeting the Company's strategic objectives.

The corporate risk map of 2023 included environmental risk in 11th place, two positions below 2022.

The Risk Committee performs a monthly assessment of the KRIs (Key Risk Indicators), in which it evaluates the absence or inadequacy of a contingency plan covering both preventive management and recovery in the event of a major natural catastrophe.

The monitoring of indicators is reported monthly by the head of the Risk Committee to the Executive Committee and periodically to the Audit Committee for review and analysis. Antolin's activity is insured by FM Global, the worldwide leader in material damage coverage. It places special emphasis on the protection and safety of factories, and its safety standards are among the most stringent in the world. As part of Antolin's corporate risk policy, this insurer annually visits the company's main plants around the world to assess, among others, their climate risk.

In 2023, two Antolin plants received FM Global's certification of having obtained the highest HPR (Highly Protected Risk) rating that a company can achieve with their safety systems, according to the insurer's standards. With these two, there are now 32 Antolin plants that hold the HPR rating, and another six plants are expecting to obtain it in the near future.

As part of the process of transformation and continuous review of materiality, with a focus on the expectations of the legislator, customers and financial market, Antolin has planned an in-depth analysis to identify, assess and quantify the financial impact of climate-related risks and opportunities, with the aim of responding to the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures). With this specific analysis as the starting point, the company must also define projects and measures to mitigate or make the most of these opportunities, setting the application of the Corporate Sustainability Reporting Directive as the deadline.

In 2023 two plants received the highest rating for their safety systems by FM Global.

Roles and responsibilities in climate change risk management

- **Risk Committee.** It drives the implementation of the action and/or contingency plans agreed with the Risk Management function. It also performs a monthly assessment of the KRIs, in which it evaluates the absence or inadequacy of a contingency plan covering both preventive management and recovery in the event of a natural catastrophe.

- **Managing Director.** With the support of the other management functions, this person establishes the actions to be implemented in the event of an emergency; and reviews and verifies its contingency plan, as well as its effectiveness and updates.

- **Risk officers.** These people are responsible for training and raising awareness of staff members about these risks and how to address them in the management model.

04.5 Strategic connection with the investment community

Management approach

Antolin conceives the finance function as an **area geared to the company's change and strategic transformation**. In this new era, it is called to provide support to the decision-making process at the highest level of the company, to anticipate environmental trends to create value and convey confidence and security to the organization and all its stakeholders.

Rigor and discipline in the financial area are essential to meet the contractual obligations agreed with bondholders and lenders, and thus be able to ensure the sustainability of the business. Thanks to its ability to adapt to the environment, its commitment to digitization and its strong relationships with the investment community, the financial function is contributing to counteracting the uncertainty generated by the geopolitical crises and tensions in recent years.

Among its strategic initiatives, Antolin's financial department has advanced in the implementation of **One Global Finance** in 2023. This project to digitize back-office activities enables professionals to focus on other financial areas with higher added value for the organization. As part of the company's transformation process, the project has reached Germany, France, Italy, Poland and Romania over the past year and will continue to progress throughout 2024.

Communication with investors: transparency

Building a strong relationship with investors, based on trust and long-term collaboration, is a priority for Antolin. Open communication, management of expectations, accessibility and recognition of the decisive role of investors are some of the ingredients for maintaining this strategic connection, which is based on the highest ESG standards and on the transparency of information required by the financial community.

Thanks to this model, the company can access financial capital more efficiently, boost the profitability of the business and better manage both its corporate reputation and the potential risks associated with its activity.

Antolin's Investor Relations department is responsible for, among other duties, ensuring that the information provided to the market —mainly rating agencies, analysts, and institutional fixed-income investors— is conveyed fairly, symmetrically and in a timely manner.

It maintains a constructive, permanent, effective and transparent dialogue with analysts, investors and credit rating agencies. Any financial market agent can request a meeting in order to learn about Antolin's strategy, current situation and future prospects in detail.

In addition, it regularly and personally responds to questions from analysts and institutional investors in fixed income. Antolin also has a **direct communication channel** with the investor area through two means: telephone line **(+34 947 477727)** and email **(investor.relations@antolin.com)**. Antolin also has an investor area on its website: **https://www.antolin.com/en/inversores/contact.**

Antolin also presents quarterly earnings, publishing the relevant documents on its website and on the Luxembourg Stock Exchange. It also holds a conference call, attended by the company's management, for market agents.

In 2023, Antolin has significantly increased its activity in this area. It carried out four conference calls on the company's earnings and presented the company's transformation plan to the market for the first time. Another example of this intense activity was its attendance at the high yield & leverage finance conferences of BNP Paribas in January, Deutsche Bank in June, JP. Morgan in September and Bank of America in November.

On the other hand, the active coverage of sell-side analysts on Antolin's bonds has increased from three to four analytical firms with the incorporation of Bank of America, which began coverage on Antolin in June.

At year-end, the main financing instruments were bank debt, debt listed on financial markets (bonds) and non-recourse factoring.

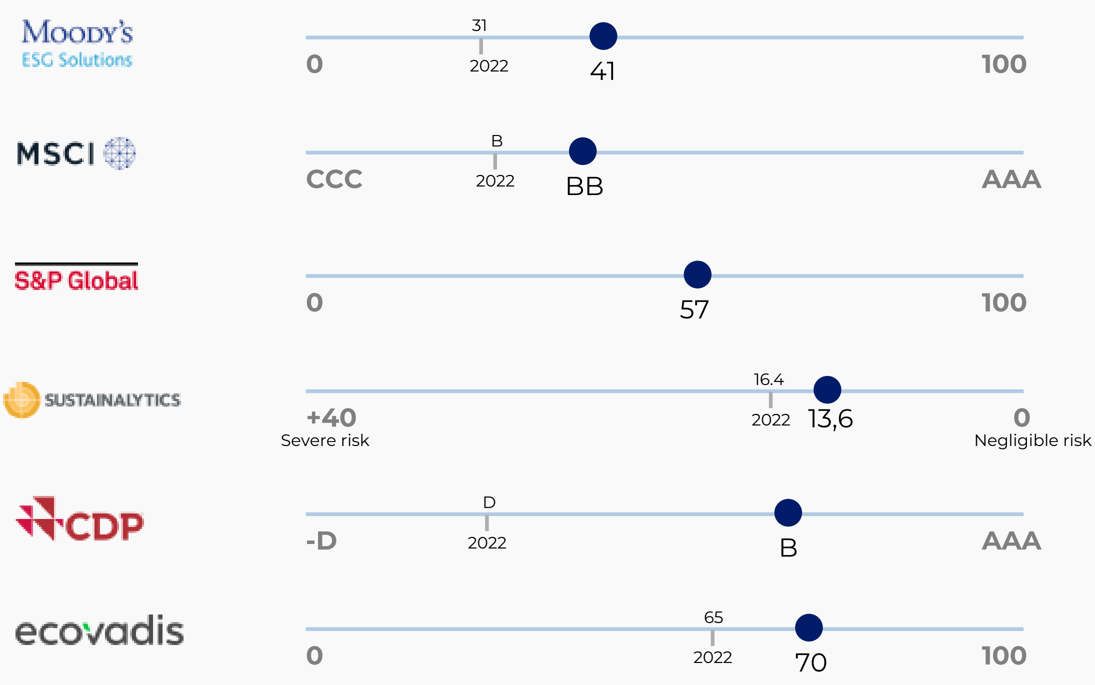
Sustainable finance

Sustainable finance has consolidated as a key lever in mobilizing resources to address the major challenges of the time, such as the climate emergency and the fight against inequality. In this regard, the European Union's Sustainable Finance Plan and Taxonomy are promoting the activity and decisions of organizations around the world.

Antolin is not foreign to this reality. The company continues to make progress in its environmental, social and governance performance year after year. ESG criteria were incorporated into the renewal and extension of syndicated loans carried out in 2021. Since then, this long-term credit line has had two specific sustainability metrics: one related to CO_2 emissions and the other to employee accident rates. Both indicators have been met.

In 2023, there was an improvement in the ratings awarded by the main ESG rating agencies (Moody's The ESG Solutions, MSCI and Sustainalytics) with respect to the previous year. EcoVadis also improved its silver rating to gold medal. This recognition and constant presence in the most renowned ESG ratings contributes to the company being better positioned with regard to the investment community and its customers.

Evolution of the rating: 2022-2023



As of March 17, 2023, Antolin performed in the 94 percentile in the ATX industry in the S&P Global Corporate Sustainability Assessment.

05

People

The power of sharing a purpose

05.1 Antolin's Talent: epicenter of transformation

Uncertainty has become the habitual scenario in which companies manage their projects. When many organizations just began to process the lessons learned following the health crisis, the geopolitical tensions and economic instability again led to raising questions with regard to their day-to-day. The reality is more “VUCA” than ever: volatility, uncertainty, complexity and ambiguity have become the new normal. In this scenario, streamlined companies with a greater capacity to adapt are those that survive. In addition, those which secure the commitment of their workers thrive and are able to contribute greater value to society.

This commitment has been significantly diminished in recent years. The priorities of millions of workers around the world have changed, leading to the “quiet renunciation” phenomenon: employees who do the bare minimum in their respective jobs as a form of sit-down “rebellion”. This trend can no longer be only countered with remuneration. The new and complex employment arena is being defined by how companies design their employees' work in multiple aspects: productivity, development, flexibility, well-being, satisfaction or recognition.

These changes represent enormous challenges, but it is also a **great opportunity for companies to help people become resilient, take advantage of new, much more productive ways of working and build strong and enriching careers** that reconnect them to the purpose of organizations.

Management approach

With this in mind, one of Antolin's transformation objectives is to attract and retain the best talent available in the sector to face the industry's challenges and lead the changes in mobility. To that end, the company fosters knowledge, the exchange of ideas, a culture of entrepreneurship and a passion for competitiveness and innovation. Employee experience has become the best strategy to meet this goal, by establishing a relationship with employees based on trust, commitment, flexibility and, above all, active listening.

As part of the management approach, the company has identified specific risks within the scope of people, for example, those linked to health and safety or training.

See more information in 4.4. Risk culture and management.

In terms of people management, Antolin includes the material aspects identified by the company in its materiality analysis:

Attraction and retention of talent

Professional development

Occupational Health and Safety

Diversity

See more information in 2.2. Leading mobility from inside the vehicle (Materiality analysis).

These risks and material issues are part of the targets set out in the company's Sustainable Business Model (Value of People), as well as in the Strategic Human Resources and Organization Plan.

Sustainable Business Objectives

Value of people

Zero accidents. A safe and healthy working environment

- <2.30 decrease in the global frequency index by 2030
- <2.70 decrease by 2025

Diversity, equity and inclusion applied to talent

- 15% reduction of the wage gap by 2025 (versus 2021: 3.55%)

Strategic Human Resources and Organization Plan

Since its adoption in 2021, this plan has been guiding Antolin in the strategic management of its talent. This tool combines the best of the company's legacy —with over seventy years managing work teams— and the evolution towards new methods of talent promotion and leadership required in current times.

1. Purpose and culture, as a hallmark.

2. Global talent as a differentiating and competitive tool by means of continuous learning, growth and diversity of the team.

3. High performance organization as a means of work and management aligned with the goals of the company and people.

4. Flexibility, as an organizational model that facilitates an intelligent and flexible adaptation to constant changes in the environment.

Antolin continues to make progress in achieving the plan's actions and milestones, supported by the **People First** platform as the **single employee management tool.**

Currently, the platform, which continues to incorporate new functionalities, focuses on user experience with a threefold aim:

- Integrated vision of the teams as an organization.
- Visibility of opportunities for learning, promotion and professional development as an employee.
- Two-way communication tool aimed at improving the professional experience and company satisfaction.

Policies and processes in people management

Internal reference framework[13]

- Vision and Values
- Code of Ethics and Conduct
- Code of Conduct for Suppliers
- Corporate Social Responsibility and Human Rights Policy
- Sustainable Business Model
- Strategic Human Resources and Organization Plan
- Diversity policy and principle of equal opportunities
- Anti-harassment policy and protocol for preventing gender-based workplace harassment and violence at work
- Occupational health and safety and well-being policy
- Geographical Mobility Policy
- People Management Model
- Knowledge Management Model

External reference framework

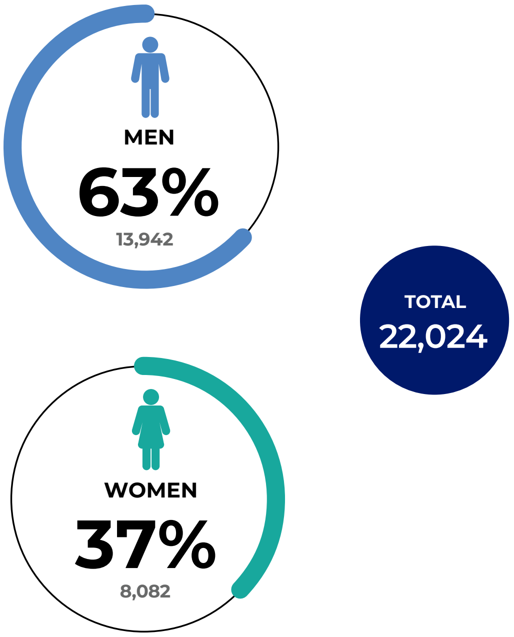
- United Nations Universal Declaration of Human Rights
- Agenda 2030: Sustainable Development Goals 3, 4, 5, 8, 10, 16 and 17
- Guidelines and principles of the International Labour Organization (ILO)
- United Nations Global Compact. Principles 3, 4, 5 and 6
- Diversity Charter
- European Mobility Charter
- Occupational Health and Safety System Standard and ISO 45001
- Modern Slavery Statement Act, 2015
- Local and national legislation and regulations, covenants, pacts and/or those derived from local, regional, sectoral and international collective negotiation

[13] See description in 7.5. Policies and commitments.

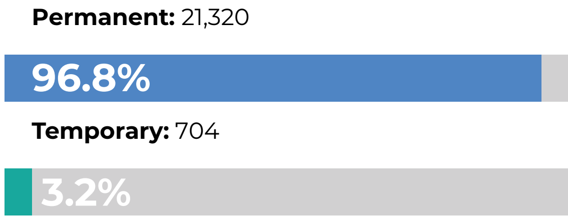
Workforce profile

As of December 31, 2023, Antolin's team was made up of 22,024 professionals.

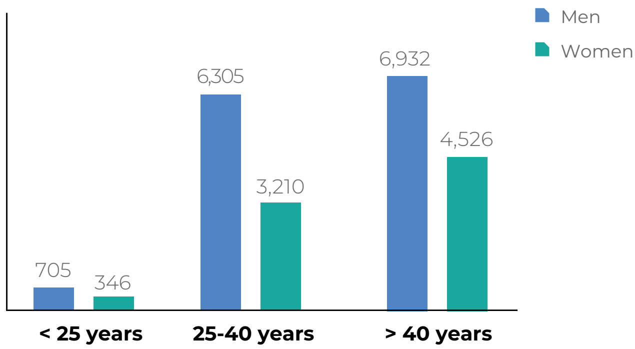
Distribution by gender:



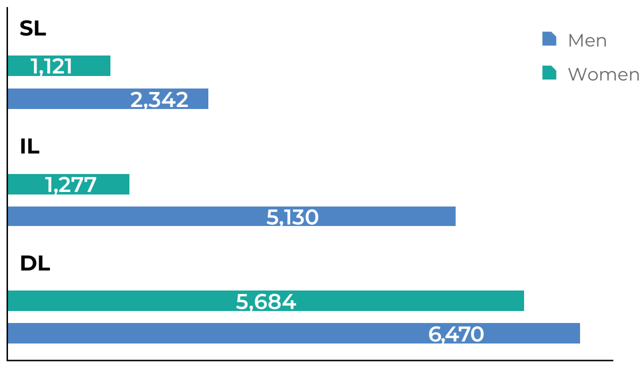
Distribution by contract type[14]:



Distribution by age:



Distribution by type of labor:



Indirect Labor (IL): Workers who have remained registered at an Antolin company for a period of time, who perform activities to support the production process and are assigned to the Maintenance, Logistics, Quality, Engineering and Production departments.

Structural Labor (SL):
· Structural - Technical and Sales Offices and Headquarters: All employees in the technical and sales offices, Grupo Antolin-Irausa, S.A.U. and Grupo-Antolin-Ingenieria, S.A.U. are included as structural.
· Structural - Factory: Workers who have remained registered at an Antolin company for a period of time, who perform activities to support the production process.

Direct Labor (DL): Workers who have remained registered at an Antolin company for a period of time, assigned to the production process, performing direct work on the product in accordance with the established work method.

[14] According to staff figures at the end of 2023. Does not include companies accounted for using the equity method.

Technology jobs

Leading the mobility of the future requires diverse and qualified talent:

1,622 **professionals in technology-related positions**

50.33% **of the workforce in Spain is linked to the technology area**

1,475 **professionals with an engineering profile worldwide, 385 in Spain**

See more information in 7.4. People management in figures.

Attracting, managing and retaining unique talent

Having the best professionals is key to any company that seeks to innovate and develop a future project like the one initiated by Antolin. The company has set several priorities in the talent selection and recruitment processes:

· To present candidates with an **attractive and comprehensive value proposition, based on equality, diversity, and inclusion,** and comprised of competitive remuneration, a wide range of training activities and professional development. All in a healthy working environment, and with measures for work-life balance.

· To promote **access for young people to their first job** through scholarship programs and other agreements, through a strong ecosystem with universities and educational centers.

· To strengthen Antolin's **brand and image as a quality employer**.

As part of its digitization process, Antolin has made progress in improving the management system for published job offers, at both an internal and external level.

The entire process has a cloud-based architecture that provides more efficient access to more comprehensive information for purposes of a better analysis and interpretation. The aim is to provide an **attractive, personalized and multi-platform experience** to all candidates, as well as to the technical managers and recruiters.

In 2023 Antolin has continued to maintain its presence in digital media and social networks and has attended employment forums and fairs to promote its employer brand.

Proof of the good performance in attracting and managing talent is that the company continues to be present in the industrial category of the prestigious Merco Talent ranking. It is also among the companies with the best reputation in Spain and ranked second in the industrial sector, according to the Merco Empresas ranking.

Attracting young talent

In a scenario marked by a shortage of talent, Antolin invests considerable efforts in attracting the best and becoming an excellent employer brand. The main actions carried out in 2023 in this area include:

IT Bootcamp
Antolin has been promoting this training program since 2022, which focuses on attracting and developing young talent in the technological field. In the 2023 edition, nine students from very diverse profiles participated: Computer and Industrial Engineering, Mathematics and Business Administration. All of them were mentored and supervised by the heads of the different technical areas that make up the IT Bootcamp. This edition also featured the launch of the first industrial Hackathon.

Finance Bootcamp
Antolin's goal through this initiative was to attract and develop young talent in the field of finance in order to reinforce the control, monitoring and analysis of certain investment projects of the company's different Business Units. In 2023, nine young people participated in this program.

Dual Training
This program is aimed at Spanish students who have trained in STEM disciplines, and it is carried out in Germany. Students learn to navigate in an industrial environment supervised by professionals, while studying the Degree in Mechanical Engineering at the University of Deggendorf. The training is completed with learning English and German. Three students participated in the last edition, 2022-2023.

Talent training and development: investment for the future

According to a joint study between CEOE and Randstad[15], 80% of Spanish companies face significant problems in filling vacancies, mainly due to the shortage of talent and qualified profiles.

The need for training to increase workers' competence has therefore become a crucial factor of competitiveness. In this regard, Antolin considers **training as a key cross-disciplinary vector** for the sustainable growth of the company and its transformation process, as well as of the individuals comprising it and, by extension, society. Each and every one of the employees working for Antolin are responsible for refreshing their knowledge required to adapt to the reality of their jobs.

At the same time, Antolin considers crucial providing a positive experience for employees by creating a work environment that assesses and recognizes employee contributions. To achieve this, the company sets a fair remuneration based on individual contributions and recognizes the work carried out.

874,004 hours of training in 2023

37.85 average hours of training per employee

Investment of €448.15 per person

See breakdown of training data in 7.4. People management in figures.

Promotion of a learning ecosystem

Antolin has implemented a training plan for all its employees, with the aim of strengthening skills and competencies in technical matters, languages or others that are of interest for their professional performance.

The company considers that traditional training should not be the only source of learning for its employees. This learning philosophy is based on the **70-20-10 model,** which advocates for integrating different approaches into professional development: 70% experience, 20% social learning and 10% formal learning.

Antolin thus gives employees the opportunity to be architects of their own development, reinforcing their autonomy, promoting personal responsibility and cultivating motivation for continuous and sustainable learning. The company considers that this approach not only benefits individuals, but also contributes positively to the company's general culture and performance.

As part of this same approach, Antolin is committed to an **equitable, innovative and effective approach to training,** so employees can decide what to learn and when. The **new tool that fulfills this concept is Goodhabitz,** which is associated with the People First learning part. Any employee has direct access to a wide range of online courses focused on developing skills: leadership, communication, social skills, technology, marketing, etc. In total, almost 3,400 people are registered on the platform, who completed 7,600 hours of training in 2023. Courses as diverse as time management and the promotion of critical thinking are worth mentioning. In 2023 an application was created to facilitate access to courses from mobile devices.

Through People First, employees can also monitor their progress, complete tasks and receive certificates after successfully completing the training. The contents are updated regularly, and new courses are uploaded to the catalog every month. The plant's employees have a specific training plan suited to their characteristics and needs, which is carried out annually and guarantees not only legal compliance, but also promotes versatility, which is essential in contingency plans. Training in production centers is mainly delivered on-site due to many of the training activities focus on industrial maintenance and operations.

In addition, **transversal training** is promoted to motivate and help them learn more about the company, including how things are carried out and what makes it unique. Two relevant examples of this type of training are the sharing of the different business units' **technical benchmarks** by means of online presentations that remain recorded for subsequent consultation and the **Innovation Open Day**. The latter took place at the headquarters in Burgos in 2023, where more than 200 people saw Antolin's future of innovation first hand, while studying in depth the progress in 22 projects of various topics.

A specialized and motivated internal talent is key to the company's commitment to leading the future of new mobility from the inside. All these strategic training lines are aimed at ensuring that the company's people acquire knowledge and optimize their performance in new technologies (upskilling) and at expanding and developing knowledge in order to adapt to the new requirements of the position (reskilling).

[15] 2023 HR Trends Report, CEOE and Randstad Research.

Preparing the leaders for today and tomorrow: promotion of leadership and skills management

Given the difficulty of finding talent on the market, Antolin pays special attention to developing management skills that address this problem. With this goal in mind, Antolin's managers are playing an essential role by leading their teams to develop their skills in an increasingly digital and technological environment.

Hence, the importance of strengthening leadership capabilities through emotional intelligence, motivation, empathy and sensitive communication. The Dialogues4ALL project is good proof of this, as the main approach of this initiative is to reinforce these skills in managers by providing feedback and coaching to their teams, defining their objectives and designing realistic professional development plans.

Following its launch in 2022, the Dialogues4ALL process has been extended to all regions, with the participation of almost the company's entire indirect workforce.

Nearly 5,000 employees completed their conversations with their respective managers, which enabled them to define and improve their strengths, knowledge and future development, thus adapting to an environment that always demands the best out of each professional.

Antolin also extended its **skills management model** in 2023, so that employees share a common language and a single roadmap when establishing and working on their individual development plans. This comprehensive approach underpins the consistency and alignment in the professional development of the entire organization.

In 2023, all the company's managers were invited to participate in the **Lead** (Learn/Excellence/Advance and make a Difference) program at the International Institute for Management Development (IMD) in Lausanne, Switzerland, a prestigious institution internationally renowned for its leadership programs. The aim was to reinforce their leadership skills to better guide their teams towards a culture of performance, change management in the company and achievement of results. Through various learning modules, the program combined an online approach with specialized face-to-face sessions suited to the different profiles.

It consists of the following four modules, of which two have been completed:

1. Leading the change. Workshop on the launch of the program carried out in Spain, China, India, USA, Mexico, Germany and France.
2. Expanding horizons. Online change management program with group work and individual deliverables
3. Ready for the Future in Antolin. On-site workshop in Lausanne.
4. Maintain the change.

Employee perception and assessment

Introducing data culture into daily work allows concentrating efforts where employees create greater value. However, given the large amount of information that technology enables us to process in real time, there is a crucial issue that companies cannot ignore: How do their employees feel? When it comes to improving the employee experience, Antolin considers essential knowing the "temperature" or emotional and motivational status of its professionals.

To that end, **People Survey** was launched in February 2023, an online survey aimed at gauging the employees' opinions on the organization's main issues, such as occupational health and safety, compensation, leadership, communication, etc. This launch was supported by the experience and comprehensive collaboration of a consultancy firm, covering the design, communication, distribution and analysis of results.

Another noteworthy development is the incorporation of benchmarking to assess the results compared to other industrial and high-performance companies, with the goal of adding additional information about the sector and providing more sound analyses.

Aimed at obtaining a greater response, a **communication campaign was launched specially designed to encourage the participation of all employees.** As a result, 80% of Antolin's workforce partook in this consultation, the highest rate since it was initiated and higher than the average for the manufacturing sector (66%). The high participation of employees in South Africa, Brazil, Italy and China stands out, while the most popular categories involved Occupational Health and Safety, Empowerment and Customers and Organization, with a higher overall score from direct labor, compared to indirect labor. The result also showed a 76% commitment rate in the workforce, among the highest in the manufacturing industries.

For the first time, the managers were provided access to an integrated platform from which to directly view the survey data. The survey included 50 questions classified into 18 categories, along with two open-ended questions by means of which employees could express what they value the most in the company and what they consider needs changing.

The conclusions helped prepare an action plan aimed at meeting the aspects most requested by employees and which involves the different departments and areas.

Diversity, equity and inclusion

Antolin's management is deeply committed to this strategy of respect and promotion of diversity, equity and inclusion in the company, and this translates into specific plans that integrate it in its most tangible dimensions: functional capacity, age, gender, race, sexual orientation, social and cultural origin and professional profile, among others. Antolin's defense of diversity goes beyond ensuring equal opportunities and non-discrimination: it is a competitive edge from a point of view of talent and business.

The company considers that diversity brings new perspectives, greater creativity and innovation and an internal climate that fosters commitment and professional development. **Diversity within Antolin is a true reflection of the diverse society in which it operates.**

Moreover, the diversity, equity and inclusion (DE&I) strategy contributes to the company's ability to attract and retain talent. Antolin prioritizes the attraction of professionals who share its values, people who will contribute to building a better company for a better future.

Principle of non-discrimination

Antolin's Code of Ethics and Conduct expressly sets out the principle of non-discrimination, as well as equal opportunities. This principle not only translates directly into the treatment of the employees, but also guides the selection processes for new talent by using neutral and inclusive language. It is also developed in the **Corporate Diversity and Equal Opportunity Policy,** applicable to all individuals who are part of the company, regardless of their function, position and location.

Furthermore, aware of the current social context, Antolin pays special attention to indirect discrimination, understood as a situation in which an apparently neutral provision criterion or practice can place a person at a disadvantage compared to others.

Gender equality

Antolin considers that the best strategy to move towards a fairer and more inclusive future is a management approach with a gender perspective. The agenda for equality between men and women continues to be a major challenge for many organizations, but at the same time, it offers a very valuable opportunity to redesign society and accelerate the closing of all gaps. Antolin considers that companies and society cannot afford excluding female talent and that gender equality provides economic efficiency to the system and social fairness.

In 2021 the Human Resources Department for Spain launched a collaboration project with a specialized consultancy firm for a progressive review of the equality plans and its corresponding adaptation to regulatory demands on the subject of wage records and remuneration audits as a guarantee of equal remuneration for the same positions. By the end of 2023, **seven equality plans had been implemented in Spanish centers and plants,** and the remaining two are expected to be completed shortly.

Its equality model is homogeneous, consistent with the expectations of its stakeholders, and tailored to the needs of the company, regulatory requirements and the individual characteristics of each region.

55% **women on governing bodies**

50% on the Advisory Board

60% on the Board of Directors

27% **women on the Executive Committee**

World Women's Day

One more year, Antolin joined the international movement of World Women's Day, under the slogan **#EmbraceEquity**. Hundreds of collaborators joined the campaign, sharing the gesture of that year to show their support for equal opportunities between men and women all over the world.

In addition, different activities were carried out at Antolin centers and plants worldwide: gifts, competitions and workshops, among other actions, putting women and the importance of promoting their rights at the top of the company's agenda on that day. Making the most of this day, work continued on raising employee awareness by sharing all initiatives and actions aimed at promoting gender equality, as well as an article by the Spanish Network of the Global Compact on the Women Empowerment Principles (WEPS), which foster gender equality in companies.

Antolin also **attended various events** that highlighted the role of women in the industry, such as a forum organized by Facyl or the communication action organized by Sernauto. Sonia Aguilar, Antolin's Group EVP Customer Development, participated in the roundtable "Promotion of female talent in the automotive industry", organized by AutoRevista. Also on this day, María Helena Antolin represented the company at the "Leading women" forum, organized by CEOE Castilla y León and the Department of Family and Equal Opportunities.

In addition to the internal initiatives, Antolin is aware of the importance of giving real visibility to its commitment to equal opportunities, through participation in specialized meetings, conferences and masterclasses, interviews in media or training and professional development programs, where women are the focal point.

As an example of this active role in the community, Marta Cuevas, Antolin's Group VP Components & JITs, participated in the event "Women and Industry" held by POLO Positivo and the City Hall of Burgos, which brought together women who hold senior management positions in industrial companies.

Diversity in all its dimensions

Antolin celebrates difference and integrates it into its teams as a strategy to achieve excellence. While gender equality is an absolute priority for Antolin, the company has not forgotten other dimensions, such as functional, racial, cultural or, even, generational diversity.

The company encourages the integration of people with different abilities into its teams, whether in its own workforce or through collaboration with special employment centers. Antolin guarantees universal access for people with different abilities and promotes the required equality measures. In addition, the Human Resources departments of the companies analyze suitability to the job for their adaptation, when the person exhibits a characteristic or condition that should be taken into account to ensure that duties are performed properly.

In companies, where it is not possible to incorporate them, it requests and submits "statements of exceptional circumstances", and it adopts alternative measures so that, through contracts with special employment centers and by outsourcing certain activities, it is able to comply with the regulations regarding the incorporation of this group.

Beyond complying with the minimum legal hiring percentage, which is 2% for companies in Spain, specific indicators are set in those companies where it is not legally applied in order to measure the degree of inclusion in its teams beyond disability.

Antolin also measures the inclusion of other circumstances, beyond disability, such as racial or cultural diversity, which can be a barrier to people's employability, especially in territories defined by multiculturalism such as the United States.

This policy is highly focused on each country's reality. In Mexico, for example, centers such as Saltillo have been recognized as Responsible Family Company, an award given by the Department of Labor and Social Welfare and that acknowledges companies that carry out best work practices within the scope of equal opportunities and work-life balance. The Tlaxcala plant was awarded the ESR (Socially Responsible Company) Distinction, an acknowledgement received by companies and organizations established in Mexico that meet a number of criteria such as profitability and commitment in ESG matters.

Legislation, as in the case of South Africa, requires the periodic presentation of certain reports "BBEE Broad-based Black Economic Empowerment", conceived to facilitate broader participation by black people in the economy, particularly to correct inequalities created by Apartheid.

Beyond these requirements, the company's centers in this country have employment equity committees to ensure it in all aspects tied to the employee experience thanks, for example, to the adherence to recruiting and postgraduate programs with access targets for certain groups. The office organization does not follow a hierarchical model, but an inclusive model and an open door policy.

Antolin also takes into account the age of employees, aware of the challenge of adapting the senior talent's skills to the evolution of the industry's technology. The company works on this in two ways: on the one hand, it delivers training and employability programs; and, on the other hand, it carries out initiatives aimed at promoting health, physical exercise and emotional well-being.

With the aim of highlighting diversity in Antolin, it continued to promote the **InTalent initiative** in 2023, which seeks to become aware of and place value on employees with special talent in sports, culture or art, aside from the professional aptitudes. They are an example of effort, passion and creativity, reinforcing the company's culture and values.

Celebrating diversity: awareness raising and internal training

As part of the GoodWeeks summer campaign, a week devoted to celebrating diversity in Antolin was organized in 2023.

Aimed at encouraging all the company's employees to embrace an increasingly diverse reality at work, courses were offered to combat unconscious biases and manage cultural diversity in teams, as well as a masterclass delivered by a specialist consultant in diversity and inclusion.

Safety, health and well-being as a priority

The safety, health and well-being of people associated with Antolin's activity is one of the main issues that stakeholders consider relevant. This stems from the company's risk map and materiality analysis. Therefore, both the sustainable business model and the Strategic Human Resources and Organization Plan are designed to guarantee this priority area.

The company also has an **Occupational Health and Safety Policy in place,** which was reviewed in 2023 and aims to protect, promote and optimize the health, safety and well-being of the people part of the company, as well as contractors and suppliers.

Antolin considers the employees' involvement in this field to be essential, which is why it calls on everyone to be responsible for creating a safe, healthy and respectful work environment. The aim is that everyone complies with and enforces the standards, regardless of where the work is performed.

This participation is guaranteed through the **Health and Safety Committees,** which are made up of representatives from the different areas of the company and the workers themselves. The committees are meeting points for regular consultations on the company's actions in health and safety.

Within the sustainable business strategy, as part of the Value of People, Antolin has set a target of **"zero accidents"** in a safe and healthy working environment. To that end, the following medium-term goals have been defined:

- **Strengthening the company's safety culture**
- **Reducing the accident rate by reaching a global frequency index < 2.30 by 2028***

*Incidents with leave / No. of hours worked * 1,000,000.

Three major objectives, all of which have been met satisfactorily, have marked Antolin's 2023 agenda in terms of health and safety:

• **Strengthening and raising awareness of safety, health and well-being.** PTo ensure that the basic safety principles are easily recognizable and assimilated by workers and contractors, the "Antolin Life Saving Rules" standards were drafted. This action was supported by an audiovisual campaign translated into 16 languages, which was used to reinforce the training and awareness.

In addition to the activities explained below, the ongoing training, by means of internal actions and the participation in external conferences, in which best practices are shared, help to expand knowledge and raise awareness in health, safety and well-being,

Specific training is also carried out for emergency teams in all centers, comprised by fire brigades, alarm and evacuation units and first aid units

With the collaboration of mutual insurance companies, insurers, occupational risk prevention services and local firefighters, training actions were delivered on the use of fire extinguishing systems, first aid and semi-automatic external defibrillators (SAED) in plants and centers in China, Mexico Spain and India.

In 2023, following the implementation of the Goodhabitz learning platform, the summer campaign GoodWeeks was launched, which focuses on making the most of days of leisure and vacation and controlling potential stress and work-related fatigue. This campaign included mindfulness therapies and breathing exercises with positive effects on physical and mental well-being, as well as guidelines on improving nighttime rest.

• **Improvements in Occupational health and safety management.** In 2023, ISO 45001 certifications reached a total of 60, thus covering 70% of the total workforce. The objectives set in terms of accident rate reduction were successfully met, registering a Frequency index of 2.97 (-7%) and a Severity index of 0.14 (-22%). The following main actions were carried out in the achievement of these figures:

› Review of the procedure for investigating, analyzing and monitoring incidents and improving the reporting and investigation application, by including potential incidents (near-misses).

› Creation of two awareness-raising videos on the most common incidents in the company: cuts and falls on the same level.

› Review of the application for communicating potential hazards, in order to facilitate the participation of all employees.

See breakdown of health and safety data in 7.3. Sustainability balance sheet.

• **Activities to promote health and well-being among all employees at Antolin plants around the world.** Among them, the following stand out:

Health and well-being in Mexico

Workshops, talks and seminars for employees and other staff from other companies that share a work center have been convened through open communications. These activities were well received, and professionals from companies in this country were called to assist on the World Day to Combat Depression and World No Tobacco Day.

Activities were also carried out on the prevention of cervical cancer; hand hygiene; high blood pressure; digestive health; and hepatitis B, among others.

In addition to raising awareness regarding these issues, the activities promoted the workers' access to medical services, as well as health care in aspects not directly related to work.

Solidarity in business

Within the framework of the “Solidarity in business” program and on the International Day against Breast Cancer, Antolin gave visibility to the progress in the fight against this disease, offered support to the main patient associations and raised awareness of the importance of early detection. Several centers in countries such as Mexico and Brazil held activities on the occasion of that day. Antolin also collaborated with the organization holding the 3rd Solidarity Walk of the Spanish Association Against Cancer in Burgos. This association was provided the total amount collected by Antolin's employees at the auction held.

Promotion of physical exercise

Antolin's plants in Mexico organized various sessions to combat the effects of sedentary lifestyle and raise awareness of the physical and mental benefits of physical exercise. Sport was also promoted in 2023 through different clubs and groups of employees: The Antolin Sports League was organized in India, in which more than 300 employees participated in seven sports disciplines; in Italy, they participated in the Calvi Risorta race (Caserta); and in Romania, 58 runners participated in the Sibiu International Marathon, covering a total of 277 km for humanitarian causes. The Antolin EnFORMA program continued at Burgos headquarters, and in 2023 a session was held for employees and relatives, called enFAMILIA.

Acknowledgements in safety, health and well-being

8th Mutua Universal Innovation and Health Awards in the Large Companies category (Spain).

ELSSA (Safe and Healthy Working Environments) Distinction awarded to one of Antolin's centers in Mexico.

Governor's Safety and Health Award (Kentucky, USA) received by the Louisville plant for achieving more than 275,000 of hours worked without experiencing a lost-time injury or illness.

Gold medal for the Chennai team in India in the SHE (Safety/Health/Environment) category of the awards held by the Quality Circle Forum in India.

Access to the health and well-being promotion and control campaigns carried out at Antolin's plants are guaranteed for employees and other staff from other companies that share a work center.

Among the topics covered in 2023 through workshops and training actions are the prevention of depression, nutritional health, smoking prevention, prevention of cervical cancer, prevention of hypertension, digestive health or yoga.

Work organization

Antolin is strongly committed to respect and compliance with human rights in all its activities and decisions. Therefore, it maintains a firm adherence to all labor standards that support the elimination of any form of forced and coerced labor and child and youth labor, and it respects the prevailing legislation in each country regarding working hours.

The organization of working hours is based on a negotiated work schedule and it fulfills the balance of interests between all parts of the business: customers, company and employees. This schedule meets the principles of job stability and quality, and of flexible working time and workplace.

Plants offer shift work strategically adapted to the business structure, size, location and objectives, as well as the characteristics of the departments and the number of workers. The need for two, three or even five work shifts at some plants is determined by the nature of the services offered and demand for its products.

With the main objective of improving the flexibility of its plants, adapting to the demand of its customers, Antolin makes responsible and occasional use of ERTE (Temporary Redundancy Plans) and other similar figures. In spite of the industry's production still being significantly affected by a stressed supply chain and other uncertainties, the number of days in which the flexibility measures were applied in 2023 were reduced by approximately 50%.

New work methods

As in many other industrial organizations, work carried out on-site corresponds to production and indirect labor. However, remote and hybrid work options exist as a measure of work-life balance for another employee profile. In countries such as Germany, France or the United Kingdom, remote work is the majority option for positions that allow this. In addition, in the case of France, the law provides for the right to disconnect, and all plants respect it.

In Spain, article 88 of the 2018 Data Protection and Digital Rights Act reflects the right to digital disconnection and its role in collective bargaining. It also calls on employers to draw up internal policies on disconnection and reasonable use of technology tools.

Work-life balance

The programs that promote work-life balance are the local responsibility of each country, in accordance with the applicable regulatory framework. Therefore, regional and local Human Resources departments of each company locally manage strict compliance with the measures established by law or collective bargaining.

In addition to compliance with the law, this balance is fostered through initiatives and actions that voluntarily respond to the reality of the specific needs and requirements of its workforces. Most of the actions focus on organizational policies and flexibility of the working day, with the possibility of changing the entry and exit hours of work centers, and holiday period. In Spain, for example, employees are offered several more days off per year than the work schedule approved by law.

Labor relations

In 2023, the company faced much more complex collective bargaining negotiations than in previous years due to the enormous uncertainty generated by the instability of the economic markets and high inflation rates.

As part of its adherence to labor standards in the countries in which it operates, the company recognizes and defends the freedom of association and the right to collective bargaining of everyone. A new development in terms of union representation in centers took place, in which **German plants approved the first works council** at country level within Antolin.

Antolin endeavors to ensure that communications with labor unions and/or workers' representatives are fluid and based on respect. To that end, it establishes communication channels in each of its centers. The entire workforce has a direct participation channel through joint meetings between management and employees. As a result, 100% of the workforce is represented. In addition to this channel, there are those recognized by the various collective bargaining agreements through special committees.

Collective bargaining agreements

Collective bargaining agreements may or may not set deadlines for their review and negotiation. If an agreement with a termination date does not expressly provide for its extension —unless communicated by the parties— in some countries such as France it will be considered terminated and the immediately superior provisions, such as collective bargaining agreements of the sector and/or national legislation, will apply.

Collective bargaining agreements have always been a tool promoted by the company in each of the negotiations carried out each year to improve on the generic or minimum nature of state legislation. However, for those companies that are not party to a collective bargaining agreement, pact or instrument, people are covered by the legislation and regulations in force, always including a reference to occupational health and safety.

Regional and local Human Resources departments of each company locally manage strict compliance with the measures established by law or collective bargaining. These measures are combined with initiatives and actions that voluntarily respond to the reality of the specific needs and requirements of its workforces.

In 2023, 28 collective bargaining agreements were signed between workers' representatives and the company in different countries of Europe, Asia and North America. Efforts were continued to improve relations with the various social agents (labor authorities, workers' representatives, etc.).

Antolin establishes communication channels in each center and the entire workforce has a direct participation channel.

Country	Total headcount at 12/31/2023	Employees covered by a collective agreement		Employees covered by a collective agreement	
Germany	1,407	911	65%	496	35%
Argentina	115	0	0%	115	100%
Brazil	211	211	100%	0	0%
China	2,643	518	20%	2,125	80%
South Korea	3	0	0%	3	100%
Slovakia	579	336	58%	243	42%
Spain	2,087	2,087	100%	0	0%
United States	1,970	292	15%	1,678	85%
France	889	889	100%	0	0%
Hungary	346	0	0%	346	100%
India	479	353	74%	126	26%
Japan	10	0	0%	10	100%
Morocco	263	0	0%	263	100%
Mexico	2,741	2,741	100%	0	0%
Poland	220	0	0%	220	100%
Portugal	257	257	100%	0	0%
Czech Republic	1,903	1,800	95%	103	5%
United Kingdom	207	0	0%	207	100%
Romania	2,445	1,630	67%	815	33%
Thailand	165	165	100%	0	0%
Turkey	1,078	1,078	100%	0	0%
Vietnam	19	0	0%	19	100%
Total	**20,037**	**13,268**	**66%**	**6,769**	**34%**

The scope of the data reported excludes companies accounted for using the equity method and plants: Antolin Lighting India Private Limited, Antolin Mexico S.A de C.V, Changshu Antolin Auto Parts, Antolin Connet GmbH, Antolin-India (TCO PUNE), Hefei Antolin Auto Parts (HEFEI), Ningbo Antolin Auto Parts Co., Ltd., Antolin-Glass, Shanghai Antolin Naen, Shanghai A. A. Interiors and Wuhan Donghuan Antolin Auto Parts (Donghuan JV). Therefore, with regard to the Company's total headcount, the figures in the bargaining agreement in 2023 cover 97.32% of the workforce at 12/31/2023.

05.2 Driver of social development

Management approach

The conclusions of the 2024 Global Risk Report prepared by the World Economic Forum are an unprecedented global alert. The 1,500 international experts consulted by this body agree on the diagnosis: a global order destabilized by wars and conflicts, polarization, economic crisis and climate disasters. Hence, the slogan of this organization's last meeting held in Davos already being, in itself, a call to action: "Rebuilding trust".

Davos' recipe for working on this reconstruction is **dialogue, collaboration and action,** three ingredients that have always been present in Antolin's activity. With the firm purpose of generating a positive impact and contributing to sustainable, fair and inclusive development, the company shares the ambition set by the **2030 Agenda** and the **Sustainable Development Goals.**

Antolin considers its stakeholders as a true community made up of customers, suppliers, investors and employees, and it commits to its daily activity having a positive impact on them, following the road map set by the Value of People axis.

Sustainable contribution model

Antolin aspires to build a shared space of prosperity from a **three-way perspective: economic, social and environmental.** Therefore, its contribution model merges these three aspects. The aim is to comprehensively meet the needs of its many stakeholders.

Although social action represents an important part of this approach, it is worth noting that each Antolin center carries out many actions and initiatives. These are not limited to the scope of social action, but also extend to the daily operations of the business areas and territories.

SUSTAINABLE CONTRIBUTION MODEL

Contribution lines

- **Intelligent and inclusive mobility:** Innovative solutions that improve the quality of life and accessibility of citizens and that contribute to achieving sustainable, economic, social and environmental development.
- **Diversity and talent:** Initiatives that facilitate the integration of groups and/or people in the social and professional environment while respecting difference.
- **Social and environmental development:** Support for projects that involve the enrichment of society or its sustainable transformation.

Areas of action

- **Education and employability:** Initiatives that contribute to the comprehensive development of people who promote critical thinking to understand the world and creativity to improve it.
- **Innovation and entrepreneurship:** Promotion of new ideas, processes, products or services that generate value and contribute to continuous improvement.
- **Sport, health and well-being:** Initiatives that foster an active and balanced lifestyle, contributing to the physical and mental development of people.

Policies and commitments

Internal reference framework[16]

- Vision and Values
- Code of Ethics and Conduct: donations and contributions
- Sustainable Contribution Model
- Sustainable Business Model
- Corporate Social Responsibility and Human Rights Policy
  - Policies and guides against corruption and bribery
  - Anti-corruption policy
  - Gifts and hospitality policy
  - Conflicts of interest policy
  - Anti-harassment policy and protocol for preventing gender-based workplace harassment and violence at work
  - Compliance guides: donations and contributions
  - Compliance guides: anti-corruption and bribery

External reference framework

- United Nations Universal Declaration of Human Rights
- Agenda 2030: Sustainable Development Goals 3, 4, 5, 7, 8, 9, 10 and 17
- Principles of the United Nations Global Compact. Principles 1 and 2
- Guiding Principles of Business and Human Rights
- Children's Rights and Business Principles
- Guidelines and principles of the International Labour Organization. Conventions No. 111, 1958 and 155, 1981
- Modern Slavery Act 2015
- United Nations Convention against Corruption
- OCDE Guidelines for Multinational Enterprises
- OCDE Due Diligence Guidance for responsible business conduct
- ISO 37001: 2017 Anti-bribery management systems
- UK Bribery Act 2010

Creation of shared value

Commitment to open innovation, cooperation and the transfer of knowledge

Antolin contributes to establishing an ecosystem of **strategic partnerships with companies, startups and innovation centers in the main markets in which it operates.**

- **Collaboration with several open innovation and entrepreneurship platforms at the local level:** Wolaria (Castilla y León) and POLO Positivo (Burgos). The latter has incorporated two new partners in 2023: Correa Group and Cropu Group.

- **Participation in the Industrial Liaison Program (ILP) of the Massachusetts Institute of Technology (MIT), identifying 48 MIT institutes, departments and spin-offs.** These actors are working on 77 topics of potential interest for the company, within 14 areas of knowledge: from materials science and polymer engineering to photonic applications and smart materials.

- **Organization of Innovative Day Meetings.** These meetings with experts from suppliers and technology centers have been consolidated as important events involving the exchange of innovation. Five meetings were held in 2023 on topics such as collaborative robotics and automation, among others.

- **Participation in the workshop within the field of In-mold electronics:** standardization of terminology, materials, processes, equipment, products, etc. The event was attended by members of the Functional Printing Cluster, NAITEC (Mobility and Mechatronics Technology Center in Navarre), IPC (The Global Association for Electronics Manufacturing) and Antolin.

- **At the SOCO International Conference (Soft Computing Models in Industrial and Environmental Applications) held in Salamanca,** Antolin presented the scientific community with its research on the quality assurance of ultrasonic welding in door panels, which was already applied to the company's production processes.

See more information on innovation projects in chapter 2.

Education and employability as a driver of creation, development of talent and diversity

Antolin promotes initiatives that provide future opportunities for diverse and global talent.

- **Open door days and visits.** This is an initiative carried out by all Antolin companies to bring business reality closer to the teaching world, seeking synergies and partnerships between the company and training institutions in order to build opportunities for future talent.

[16] See description of policies and commitments in 7.5. Policies and commitments.

Among them, in 2023 Antolin's plant in Caserta received a visit from students of the Giulio Cesare Falco Technical School. The engineering team accompanied the students on the tour of the facilities. A month before the visit, Antolin's team visited the school to present the company and its products. Since then, the students have worked as a team on Antolin Caserta's production processes.

• **FFL First Lego League Tournament.** Antolin once again collaborated with this initiative, which in 2023 held its 12th edition promoting science and technology in children and young people. The nearly 250 participants aged between 4 and 16 faced the SUPER POWEREDTM challenge. This challenge invited teams to learn about energy and its generation, distribution, storage and consumption cycle, to come up with new ideas and to propose solutions to the significant challenges that the energy sector is currently facing.

The program encourages young people to research an idea in different scenarios, test it, discard it, validate it and change it with the aim of reaching their own conclusions. This initiative is rounded off with the celebration of the Antolin FIRST Values Award. The Sustainability department gave this award to the AGUSTICOTS team.

• Initiatives to attract the best young talent: IT Bootcamp (technological talent), Finance Bootcamp (financial), and Dual Training program (STEM skills). It also carried out the Internship program at companies in collaboration with educational institutions and universities, as well as the agreement with the University of Burgos for the incorporation of students through graduate scholarships and contracts for research assistants.

See more information about IT Bootcamp, Finance Bootcamp and Dual Training in 5.1.Antolin's Talent: epicenter of transformation.

• **The Tertiary Education Bursaries program South Africa,** scholarships for young people who would be unable to study without this aid, aligned with “BBEE Broad-based Black Economic Empowerment”, which seeks the participation of black people in the economy, particularly to correct inequalities created by Apartheid.

• **Outplacement service** in the process of decoupling professionals from the company to facilitate their access to the new labor market.

• **Outsourcing of component** assembly activities in Spain to centers that employ people with disabilities.

Promotion of the business activity in health and sustainability

Antolin promotes these initiatives within the social pillar of its strategy as a sustainable business model.

See more information on the health and safety initiatives of its professionals in 5.1. Antolin's Talent: epicenter of transformation.

• **Initiatives aimed at promoting occupational health and safety** in Mexico by means of workshops, training, awareness-raising talks, presentations and debates. The aim is to raise awareness among employees about the importance of self-care and, at the same time, bring them closer to the company's medical services.

• **Gold medal for Antolin India in the SHE (Safety/Health/Environment)** category of the awards held by the Quality Circle Forum in this country.

• **Global vaccination and blood donation campaigns,** en response to the needs of local blood banks. These are carried out at headquarters before holiday periods due to the increase in travel and potential accidents.

• **Together it is possible to fight against cancer.** Within the framework of the "Solidarity in business" program: initiatives to combat cancer, such as the collaboration with the 3rd Solidarity Walk AECC Burgos against cancer; the prevention campaign on the International Day against Breast Cancer in Mexico; or the carrying out of prevention activities for this type of cancer in Brazil.

Of particular note is the campaign in Spain: “Pink is more than a color” with Reciclos, the machine that gives rewards for recycling bottles, installed at Burgos headquarters since 2022. Users can donate the obtained points to the Spanish Association against Cancer for research projects, psychological care and financial aid.

• **Improving safety in the Burgos industry**, a project by the Fire Department in Burgos carried out in industrial establishments. Antolin, selected for its best practices in occupational health and safety, organized an event for companies in business parks in Burgos. The ultimate goal was to safeguard the lives of workers, participants and property of the establishment, minimize the impact of emergencies and streamline the return to production normalcy.

• **The enFORMA sports club,** responsible for encouraging physical activity among employees, hosts several activities, paddle tennis, running, hiking or Nordic walking (this last activity was incorporated in 2023).

• **Antolin enFamilia.** An initiative framed within the company's commitment to the Value of People pillar. This event was attended by Antolin employees in Burgos, who shared an enjoyable day with their families. Marked by a great atmosphere and time together, the event was a success.

• **Antolin Sports Club.** The employees' children play in their own soccer team, which participates in different competitions. The Under-10s "A" soccer team was invited to participate at ISCARCUP 2023, one of the most prestigious youth soccer tournaments in Spain. In the Grand Final, the Under-10s won the Bronze Phase.

• Participation in **Forética's Health and Sustainability Action Group.**

Social and environmental development of the surroundings in response to needs and expectations

People are at the heart of all the projects that Antolin develops in the social area.

• **Participation of the Sustainability department in different forums, such as the Automotive Decarbonization and Sustainability Summit 2023,** held in Shanghai; the cycle of conferences organized by the Ministry of Science and the Accounting, Change and Society Research Group (ERGO) of the University of Burgos, in which Javier Blanco, Director of Sustainability at Antolin, participated; or the seminar on Sustainable Finance held by the Ministry of Economic Affairs and Digital Transformation.

• **Village Upliftment Program Project.** A social circular economy project, "New village life", selected finalist in the 22nd edition of the CODESPA Awards in the 2023 Solidarity Company Category. This program is being carried out in India and builds self-sustaining communities based on the circular economy, with a particular focus on reducing inequalities and helping women and children, the most vulnerable groups.

UNICEF recognizes Antolin's commitment to children's programs

The President of UNICEF Castilla y León, María Eugenia García Rincón, presented María Helena Antolin, Vice-President of Antolin, with an acknowledgement from the entire organization for Antolin's commitment to programs for child aid and the protection of the most vulnerable people. Since 2012, the company has been collaborating with this organization through its traditional Children's Christmas Card Drawing Contest: a drawing, a smile. For every drawing made all these years by the children of Antolin's employees, the company has made an economic contribution to UNICEF's various aid programs, according to the needs of the moment.

The latest programs include the Emergency fund for crises, the COVAX project or the School in a bag.

• **"A love bar" from Hungary.** Antolin Plastimat's collaborators in Hungary joined a local initiative to obtain 300 chocolate bars, with the aim of brightening up the Christmas of children who spend their holidays in the hospital.

• **Solidarity with the Antolin North America Philanthropic Committee: "Operation leaf".** Traditional event involving the collection of leaves in gardens for the benefit of the elderly in the Auburn Hills community. Volunteers spent hours raking and removing weeds, as well as cutting and disposing broken branches in the homes of the elderly.

• **Emergency aid for natural disasters** such as Hurricane Otis in Mexico, the earthquake in Turkey, the South Moravia tornado or the earthquake in Morocco; and support for the victims, thanks to the employees' mobilization and the contributions channeled through companies.

• **Activities to protect nature and animals,** such as waste collection on World Cleanup Day 2023 in France; reforestation campaigns or the "croquetón" campaign in solidarity with animals in Mexico; or the celebration of the World Environment Day in India, featuring various awareness-raising initiatives.

• **Ecological grazing project** framed within the collaboration agreement with the Farmers Association in France, with the arrival of the first sheep in 2023.

• **"2nd Trail Run, Haciendo Sed" in Burgos to help the Burgos Parkinson's Association.** The race was attended by more than 1,000 people and raised over 4,000 euros to help relatives and people affected by the second leading neurodegenerative disease in the world.

• **Charity auction For a good cause.** As an example of the ethical and behavioral commitments, a solidarity auction is carried out among the workforce with gifts donated by suppliers and colleagues during the Christmas holidays. On this occasion, the entire amount was destined to fight cancer.

The Czech Republic also carried out its own auction: a tractor taken from the fleet and provided as aid for an elementary and primary school for children with serious mental and physical disabilities.

• **A smile for Christmas.** EWithin the framework of Antolin's Christmas campaign at various centers around the world, Antolin joined "A smile for Christmas" in partnership with Cooperación Internacional, at its headquarters, bringing this period's magic and excitement to those who need it most. Thanks to the generosity of all the collaborators who participated by exchanging an ornament ball for a gift, left under the solidarity tree, 130 children smiled for Christmas. This initiative is also carried out with the same degree of success in the United States.

• **Collaboration with food banks,** such as the Gran Recogida de Alimentos, helping local food banks in Spain or funding the Friends of Isaac's Food Bank in the Redditch area (United Kingdom); and help at a kitchen for vulnerable people in Droitwich, also in the United Kingdom.

• **Celebration, with the participation of employees, of festivities and traditions in different countries, including** Mexico (Day of the Dead, Independence Day, Children's Day), India (Independence Day) and France (Easter).

Make a difference: Friends of Isaac's Foodbank

As a result of the campaign carried out at one of Antolin's plants in the United Kingdom aimed at awarding local charities, the Friends of Isaac's Foodbank was nominated for the "Make a difference" award.

Isaac is an 11-year-old boy who opened a food bank in a shed in his home's garden in November 2020. The project currently includes four food banks, thanks to the support provided by the community, including Antolin's team.

One of the food banks, called the "Cobertizo de Fran (Fran's Shed)" in memory of one of the recently deceased workers, has been financed entirely by Antolin, whose support goes beyond financial assistance. Thanks to donations and the food bank's management by employees, the local public is able to access and benefit from the help it provides.

Best practice
UNICEF Spain's Companies for Change program

Since 2013, Antolin has supported UNICEF's programs to improve the health, education or protection of vulnerable children or in response to emergency situations. In 2023, it joined the "Companies for Change" program, an initiative designed for companies aiming to change the world and create a better future for children. Together with other private sector partners, the end goal is to create a network of companies that work together to meet the SDGs associated with the protection of minors.

Through the Companies for Change program, UNICEF provides clean water, sanitation and hygiene in schools, as well as safe spaces for learning. It also trains teachers to provide quality education and supports the inclusion of children with disabilities, as well as other vulnerable groups.

Education represents the safest means to escape poverty and the most effective tool for present and future generations to enjoy more equal and robust societies.

See more about Companies for change here.

Partnerships

Antolin's commitment is based on constant listening, dialogue and establishing strong partnerships with all its stakeholders. In this interaction it opens up collaboration channels with academic, environmental, industrial and social entities, among others.

In addition, the company actively participates in the activities carried out by **European Chamber of Commerce** in China and hosted the presentation of the latest position paper at its Shanghai facilities.

Automotive

Antolin is represented on the Managing Board of **SERNAUTO** (Spanish Association of Automotive Suppliers) and actively participates in different committees. It also supports the association's institutional activity. Globally, it collaborates with more than **20 regional and national associations in the automotive sector** in key countries where the automotive industry has a strategic weight. These include:

- **Automotive Industry Association of Czech Republic**
- **FIEV**
- **MICHauto**
- **Sindipeças**
- **VDA**

Innovation

Antolin is a member of the Board of the **COTEC Foundation** and collaborates in various multidisciplinary work groups of the Foundation. It supports initiatives like the **Circular Plastic Alliance (CPA)** to boost the European Union's recycled plastics market.

It also has a collaboration agreement in place with the **Massachusetts Institute of Technology (MIT),** within the **Industrial Liaison Program (ILP).**

See more information on the collaboration with the MIT in 2.3. Creation of value and business model.

Family

Antolin is part of the **Family Business Institute,** one of the most important and influential bodies with the Spanish government, institutions, media organizations and society. Chairman Ernesto Antolin is a member of its Board of Directors.

The company, which is currently still a fully family-owned company, is also part of **Castilla y León's Family Business.**

Academic

One more year, Antolin continues to be Patron of the **Chair of the Connected Industry (ICAI),** at the Higher Technical School of Engineering at Comillas Pontifical University, which facilitates the transfer of the current vision of the automotive sector and its future needs to future professionals and engineers.

It also actively collaborates with different universities in Spain and other countries in various fields, programs, and actions. One of the most special and close collaborations is the collaboration at different levels with the **University of Burgos** (UBU).

Business

Antolin is a member of the Spanish Chamber of Commerce (Chairman Ernesto Antolin represents the company at institutional level in the plenary) and actively collaborates in several committees. The company also participates throughout the year in activities and sessions organized by the Chamber. He is also a member of other organizations, such as:

- **Spanish Circle of Entrepreneurs**

- **AEC** (Spanish Association for Quality)

- **AERCE** (Spanish Association of Purchasing, Procurement, and Supply Professionals)

Sustainability

The company is a founding member of the **Spanish Global Compact Network** and a member of its Executive Committee. Since 2004, it has been committed to the business responsibility initiative of the United Nations Global Compact and to its principles regarding human rights, work, the environment and the fight against corruption.

He is also a member of the **SERNAUTO** Responsible Business Committee.

In 2023, he collaborated with other important associations:

- **Forética.** Social Cluster, Transparency and Good Governance Cluster and Climate Change Cluster. Work groups: Circular Economy and the Future of Sustainability and Health and Sustainability Group. Antolin is a member of its Managing Board for the 2023-2024 period.

- **RMI** (Responsible Minerals Initiative).

- **ASCOM** (Spanish Compliance Association).

Institutional scope

Antolin is a member of the Board of the Princess of Asturias Foundation for the promotion of all scientific, cultural and humanistic values, as well as universal heritage.

New collaborations

Princess of Girona Foundation

In July 2023 Antolin joined the Board of the Princess of Girona Foundation. Ernesto Antolin, Chairman of Antolin, will be part of the 82-member Board of Trustees. Antolin collaborates with this organization in its important work of supporting the professional and personal development of young people in Spain, as well as promoting their talent and entrepreneurship. Fostering and attracting the best talent is one of the pillars of Antolin's responsible and sustainable business model.

The company promotes access for young people to their first job through scholarship programs and other agreements, with universities and educational centers around the world. With the ambition of leading the transformation of the automotive industry and building the future of sustainable mobility, Antolin wants to have the best talent to define that future.

Spain-China Council Foundation

Antolin joined the Board of the Spain-China Council Foundation in a very special year for diplomatic relations between both countries. The company has collaborated in the numerous activities associated with the 50th anniversary of diplomatic relations, the reactivation of the Spain-China Forum and the Future Chinese Leaders program.

The activities run locally and regionally by the different companies demonstrate the need for collaboration and the establishment of partnerships between governments, the private sector and civil society. A cooperation built on values, a vision and shared goals, placing people and the planet at the center of Antolin. The company has allocated €470,896 in 2023 to collaboration with associations.

06

Planet

Positive impact today for a better future

06.1 Environmental strategy and ambition

The report by the **UN Intergovernmental Panel on Climate Change (IPCC)** published in March 2023 revealed that this phenomenon is progressing more rapidly and with greater intensity. The effects of the climate emergency are being experienced in all latitudes, and the most severe impacts may appear before expected. In view of this reality, the report's authors proposed a solution: “Climate resilient development”, i.e. combining climate change adaptation measures with a drastic reduction in greenhouse gas emissions. The conclusions of COP 28 followed the same line after reaching an agreement for “transitioning away from fossil fuels”.

Climate action is required on all fronts. A mandate that Antolin understood a long time ago and integrated into its strategic decision-making, following the path set by the Paris Agreement and the European Green Deal.

This responsibility has grown year after year and is also present in the company's transformation process. Not by accident, the new mobility, in addition to being smart and connected, will be sustainable.

Antolin's contribution to environmental protection is embodied in the **Value for the Planet** pillar, one of the three axes of its sustainable business strategy, which aims to combine economic growth with the generation of a positive impact on the environment.

The Value for the Planet's road map points to two main objectives: becoming a carbon-neutral company by 2050 and consolidating itself as a circular business. These, in turn, take the form of a series of ambitious targets for reducing emissions, eco-design and incorporating sustainable materials into its products.

VALUE FOR THE PLANET	
CARBON NEUTRAL COMPANY BY 2050	**A CIRCULAR BUSINESS**
CO_2 emissions neutral in own operations by 2040 (scopes 1 and 2)	**Eco-design. Life Cycle Assessment of the main products**
75% reduction of CO_2 emissions in 2028 (vs. 2019)	**40%** sustainable plastic raw material by 2030 (20% in 2025)
Validation of Science Based Targets (SBTi) by 2024 (committed to in 2022)	**10%** reduction of non-hazardous waste by 2028 (vs. 2019)
HOW WE ARE GOING TO DO IT	
• **Reduction of emissions**	• **Eco-design and Life Cycle Assessment**
• **Energy efficiency and renewable energy**	• **Waste management**
• **Extend the commitments to the supply chain**	• **Sustainable use of resources**

Positive impact from inside the vehicle

Antolin's commitment towards the planet is put into practice in two key aspects: reducing the corporate environmental footprint and minimizing the environmental impact of its products. Antolin does not work alone in this endeavor; it collaborates closely with its customers and its supply chain. In this regard, the vehicle interior has become a large space from which to work in an environmentally friendly manner. The company's sustainable innovation approach is creating new materials that can replace and improve others that could have a more negative impact.

The innovation and sustainability alliance has led to great success in recent years, such as the sustainable headliner project or the launch of new materials, such as the more environmentally friendly mycelium. All of these are described in this chapter's following pages and highlight Antolin's capacity to lead the new mobility from a positive impact perspective, helping the industry and customers in their decarbonization strategy.

In another vein, the company's efforts in anticipating the low requirements of Volatile Organic Compounds (VOCs) emitted by its products is particularly noteworthy. Since 2005, manufacturers in Europe have reduced by 47% the amount of VOCs emitted by passenger cars. Antolin, always at the forefront, has adapted its processes and plants to the use of state-of-the-art materials with minimum VOC emissions, standardizing the use of those without solvents for more than two decades, for the benefit of its employees and the end user.

Prevention of environmental risks

Antolin promotes the consolidation of a **cross-cutting environmental culture in the company** under the direction of the Board of Directors and the Sustainability and Corporate Governance Committee.

The Sustainability department takes on environmental, social and corporate governance duties. It also has a specific area focused on the fight against climate change and the circular economy, as a facilitating agent for the integration of environmental sustainability into the daily management of the organization.

Each ISO 14001 certified company has at least one environmental manager, who in some cases is qualified to perform cross audits. In 2023 two new internal auditors were trained, meaning that there are currently 21 qualified auditors collaborating in Antolin's environmental management. **In total, 86 of its own employees and three external employees are working to prevent environmental risks.**

Antolin applies the **Precautionary Principle,** derived from its Environmental and Energy Policy, to all stages of its activity, from the design of products and services to the end of their useful life. In addition to its own prevention measures, the company is covered by a civil liability insurance, whose contingencies are detailed in Appendix to this informe[17].

Key elements in environmental management

Environmental and Energy Policy

It drives the promotion of renewable energy, the efficient use of natural resources and the extension of Antolin's environmental sustainability commitments to the supply chain through the Supplier Code of Conduct. In 2023 it was reviewed and approved by the new CEO, and it specified the commitment to the design of processes that contribute to the improvement of energy efficiency. The Environmental and Energy Policy is taken on and signed by the directors of each plant.

Environmental Management System (EMS)

Based on **ISO 14001:2015** and rolled out to the main industrial companies with the greatest environmental impact, the headquarters, and certain assembly and sequencing centers when requested by the customer. The EMS helps annually to identify the risks and opportunities of each company and establish improvement programs.

In 2023, a new center in the Czech Republic was certified, reaching **93 ISO 14001-certified centers**, two less than in 2022, due to the change in the scope of financial consolidation in that year. In 2023, the scope of the multi-site certificate in Mexico, led by Antolin Silao, and in Europe, under the leadership of Antolin Irausa, was also expanded.

Energy Management System (EnMS)

Based on the **ISO 50001:2018** standard to evaluate significant uses of energy, this system is a continuous stimulus for improvements in energy efficiency and to adopt measures aimed at reducing energy use. There are currently **eight** (five in Spain, two in Germany and one in Turkey, which is new in 2023) ISO 50001: 2018 **certified centers.**

Improvements in environmental reporting
With the aim of improving its environmental reporting, in 2023 Antolin replaced its former tool with a new tool that allows monitoring equipment containing refrigerant gases and their leaks, and, according thereto, calculate the scope 1 CO_2 emissions.

[17] See more information in 7.10. Explanatory notes.

06.2 Towards carbon neutrality

The year 2023 has been the warmest in the last 174 years. The consequences of this global warming —in the form of extreme weather events— are already perceived as one of the main threats two years ahead, according to the latest edition of the Global Risks Report from the World Economic Forum. In this regard, a study by the British bank Lloyd's points to losses of up to five billion dollars over a five-year period caused by food and water crises arising from these extreme episodes.

In this context, the leadership demonstrated by the European Union through the **European Green Deal** and the legislative package deployed in recent years to achieve climate neutrality by 2050 has become even more relevant. The Community's efforts to provide a green, digital and inclusive economy continue to drive the legislative agenda, with progress made in 2023, such as the Corporate Sustainability Due Diligence Directive or the adoption of new standards for sustainability reporting.

Antolin is committed to achieving the considerable goal of 2050; and, to this end, it is working on three main lines of action:

Consume less: **reduce consumption by 5%** through the digitization and the introduction of energy efficiency criteria into processes and products.

Consume better: consume **70%** of energy from **renewable sources.**

Offsetting: through actions such as reforestation.

Antolin's commitment to decarbonization is not limited to its own activity, but extends throughout its entire supply chain, where it has incorporated decarbonization commitments and implemented responsible business practices together with partners and suppliers.

Antolin, in the leading initiatives in decarbonization

Antolin has been part of **Science Based Target (SBTi)** since 2022, an international initiative led by the Carbon Disclosure Project (CDP), United Nations Global Compact, World Resources Institute (WRI), World Wildlife Fund (WWF) and the We Mean Business corporate coalition. This commitment has helped it set more ambitious climate targets for reducing emissions, which will be validated by SBTi in 2024.

Antolin has been reporting its environmental performance every year to the **Carbon Disclosure Project (CDP)** since 2012. The CDP is a global organization that works with shareholders and companies in publishing the performance of corporations with regard to their greenhouse gas emissions. This platform's rating is a requirement of Antolin's stakeholders, especially customers and rating agencies.

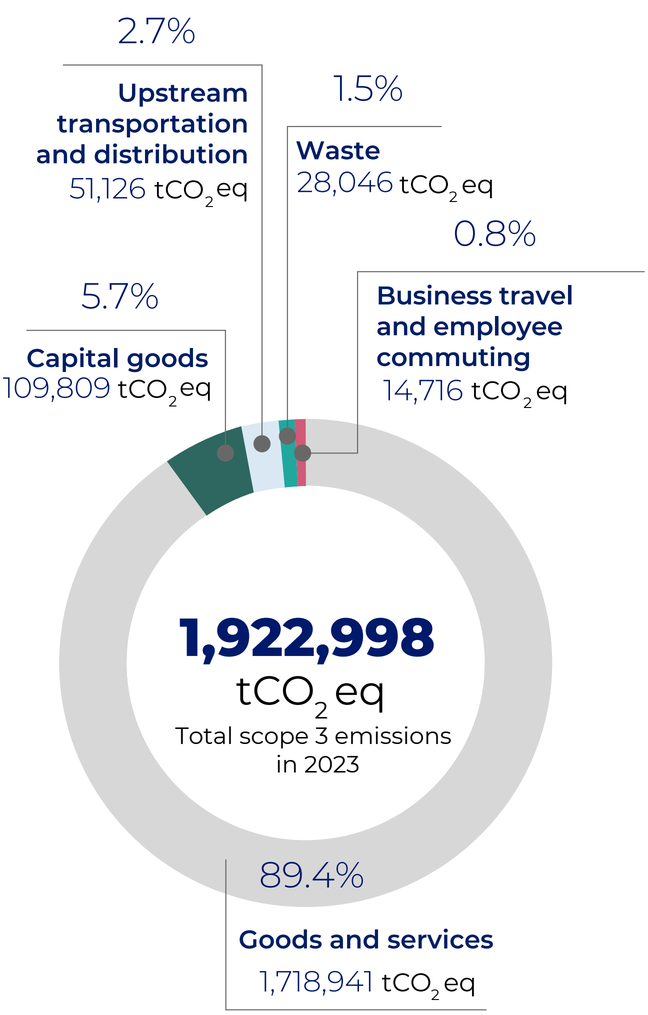
The company has obtained a **B rating in the Climate Change report - CDP 2023.** It is a very positive result, as it maintains the rating obtained in 2022 (D in 2021), which positions Antolin above all industries that report to the CDP (C) and equal to the sector average. As part of its transparency effort, the company published its climate change report, which is available on the CDP platform.

By category, the improvement in the score of “Energy” and “Scope 1, 2 & 3 emissions” is particularly noteworthy thanks to the progressive increase in the use of renewable energies and the effort made in calculating emissions across all scopes. The good result, above average, is also maintained in “Governance”. The score of “Emission reduction” drops slightly compared to the previous year, which points to a need to accelerate Antolin's decarbonization process, in both its own activities and in its supply chain.

Carbon footprint measurement

In recent years, Antolin has advanced towards an exhaustive measurement of its carbon footprint, which also involves addressing the calculation and analysis of indirect emissions. Antolin has calculated its scope 3 emissions since 2022 using the GHG Protocol, a tool designed to facilitate annual emissions reporting, which has enabled to find out the main categories of indirect emissions:

- **Category 1:** Purchased goods and services
- **Category 2:** Capital goods
- **Category 4:** Upstream transportation and distribution
- **Category 5:** Waste generated in operations
- **Category 6:** Business travel
- **Category 7:** Employee commuting



Partial data on emissions derived from transportation were reported up to 2022, which were calculated by two logistics platforms rolled out to 58 centers in Europe, the United States and Mexico. A change in the calculation methodology was implemented in 2023, which provided the global impact of emissions from upstream transport.

To calculate these emissions, the number of purchased products has been considered and new Ecovent emission factors have been used, which provide a separate figure of emissions for the manufacturing stage (category 1) and the transportation stage (category 4).

Reduction of emissions

To continue meeting the targets set, the company has committed to the progressive reduction of greenhouse gas emissions by improving processes and facilities, increasing the use of energy from renewable sources and generating electricity for self-consumption.

The following actions have had the greatest impact on the reduction of emissions:

- **Location of Just-in-Time centers and plants to facilities** of its customers in the 25 countries in which it operates.
- **Implementation of technological solutions to reduce the weight of the manufactured components,** thus helping to mitigate the environmental impact during the use of vehicles.
- **Development of new materials** from renewable sources..
- **Efficient energy management** of facilities with measures such as the intelligent use of lighting to improve energy efficiency.

Other emissions (NOx, SOx, ozone-depleting substances)

NOx and SOx emissions mainly come from fossil fuel combustion, basically natural gas and propane, which are low-sulfur, meaning SOx emissions are lower. Some companies use these fuels in its processes (steam generation, thermal oil heating, etc.) for air conditioning.

To ensure the proper operation of combustion equipment, a preventive maintenance is carried out by following the established procedure. The power of that equipment is relatively low, whereby only periodic measurements are required to verify compliance with atmospheric emission caps in keeping with prevailing legislation. Such measurements are always performed by external maintenance companies or authorized control bodies, managed by each company.

Gases used in cooling and fire extinguishing systems are usually considered as ozone-depleting substances. These installations are examined periodically by maintenance and/or inspection companies to check there are no leaks and the compliance with prevailing legislation in each country. Following the preventive maintenance controls in keeping with the procedures defined, in 2023 leaks of 369 kg of this type of substance were recorded in four installations, equal to the emission of 841 tons of CO2. Maintenance and inspection activities are reviewed during audits, both internal and external, to verify legal compliance with the controls, measurements and results, as well as any corrective actions established in cases of deviation.

Responsible and efficient energy management

Antolin's commitment to responsible energy management has been a key pillar since its inception. The company has always maintained a proactive approach in the search for sustainable solutions to optimize the use of this resource and reduce its environmental impact.

The activity associated with energy saving and its responsible use has been framed within two strategic lines: consume better and consume less. Both axes, driven by the establishment of the Energy Committee in 2022 are a fundamental lever for achieving the climate neutrality target.

Consume better

• **Generation of electricity at its own facilities for self-consumption.** In 2023, **four new photovoltaic installations** were commissioned (three in Spain and one in France), which added to the two existing facilities in India and Spain. This country hosted the company's first photovoltaic installation, which is located at Burgos headquarters.

• **100% renewable energy consumption** All the electricity used in the centers in Spain and Portugal is obtained from renewable sources since 2022. A reality also present in some plants in Brazil.

In 2023, **five facilities** (three in Spain, one in Germany and one in China) **joined the list of centers** (one in Mexico and one in China) **that consume electricity certified by guarantees of origin guarantees or I-REC** (renewable energy certificates). This recognition is endorsed by the GHG Protocol and accepted by customers.

As a result of these actions, **the consumption of energy from renewable sources increased to 12.42% in 2023.** This increase has avoided a total emission of 18,196 tons of CO_2.

Consume less. Sustainability and innovation: a winning combination

As important as increasing the percentage of energy from renewable sources is to redouble efforts to ensure its optimized and responsible use.

The company's commitment involves putting **digitization at the service of energy efficiency,** and one of the projects that best illustrate this is Smart Energy. This initiative represents the possibility of combining sustainability and innovation in an unbeatable combination. It also outlines the future, led by a new smart factory model in which production processes are more efficient and contribute with greater added value.

Smart Energy applies analysis based on big data to real-time monitoring and control of energy consumption. This information feeds algorithms, which, based on consumption patterns, allow identifying and warning about inefficiencies in energy consumption or possible equipment failures.

Energy consumption data can be processed using data analysis techniques for multiple purposes, such as predictively defining maintenance issues, action plans to reduce the average consumption per part produced or optimum consumption production planning. Smart Energy is currently implemented in seven factories and is expected to expand to others in Europe, North America and China in the short and medium term.

06.3 A circular company

The unstoppable growth of the world's population will reach a turning point in 2050. In that year, the Earth could reach 9.7 billion inhabitants, and we will need the resources equivalent to almost three planets, according to the United Nations forecasts. In that scenario, a linear economy would be insufficient to meet the most basic demands. Against these predictions, on the other side of the coin, is the circular economy.

Following the 2030 Agenda, and specifically SDG 12: Responsible production and consumption, Europe has launched the **Circular Economy Action Plan,** with broad legislative development in recent years. This framework is making public and private actors change the way in which they conceive waste and convert them into resources that can return to the production cycle in a virtually unlimited way.

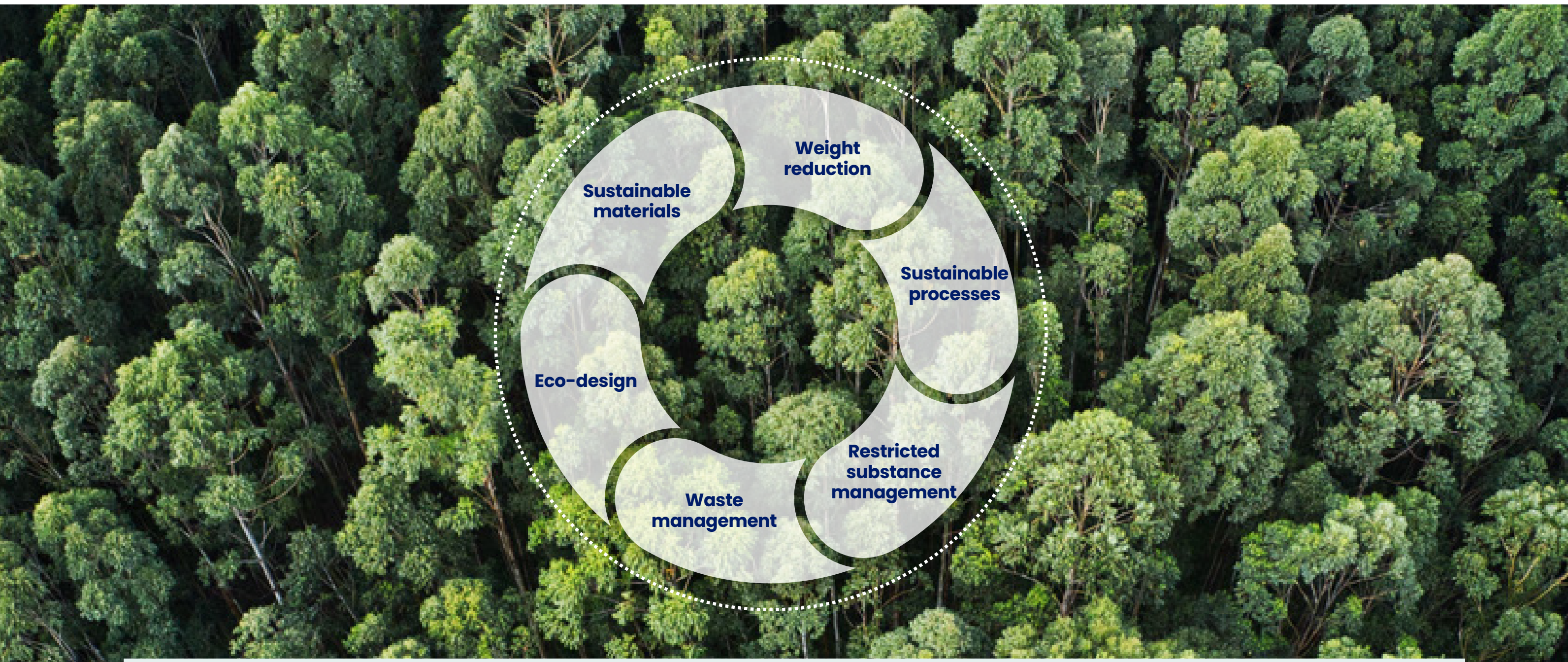
This is also Antolin's approach: becoming a circular business that prioritizes a responsible use of resources and integrates materials with a lower environmental impact.

Thus, in line with its business strategy, the **company has committed to incorporating 40% sustainable plastic material in products supplied to customers by 2040,** with an interim target of 25% by 2030, based on 2022 data. Within the scope of a circular economy, Antolin, supported by customers and the supply chain, addresses these lines of work:

- **Eco-design** of products and solutions, considering their environmental impact from the outset.
- **Life Cycle Assessment (LCA)** of its key products.
- **Innovation and technological development** to reduce the weight of components and to develop sustainable materials.

Lines of work:

risks and opportunities



Sustainable solutions, the protagonists of a workshop with Antolin directors

Having Antolin's directors learn about the company's sustainable portfolio first-hand: this was the aim of the **workshop organized by the Sustainability department in March 2023.** Accompanied by experts from the different Business Units, the directors were able to examine the latest advances in eco-design, natural and recyclable materials, weight reduction technologies, processes, etc. This was carried out passing through three stations: the first one with products for mass manufacturing; the second with validated products or in the process of completing their validation; and the last consisting of solutions on which Antolin is currently working alone or in collaboration with different partners. **Sustainability was present in content and form,** ending the event with the presentation of the calculation of the workshop's environmental, social and governance footprint.

Eco-design and Life Cycle Assessment

The company uses the Life Cycle Assessment (LCA) as a key tool to measure the environmental footprint of its products. An in-house team of experts leads initiatives that involve the entire organization and allow for significant progress in the LCA targets established by the company. Several projects include the LCA in cockpits and superior components, further understanding the environmental impact of materials and processes, which is essential for Antolin's decarbonization strategy.

The eco-design approach covers all areas of the company. As a global leader in the production of headliner modules, the company strives to develop **lighter and more sustainable headliners,** anticipating its customers' needs. In this regard, Antolin, once again, has been recognized locally and internationally for the first **sustainable headliner on the market produced with materials obtained from urban waste,** post-consumer plastic waste and tires at the end of their useful life, as explained in chapter 1.

The BASF Circular Economy Award in the Large Company category for manufacturing the sustainable modular headliner given last year together with Volvo is also a good example.

Sustainable headliner produced from organic waste

Along these lines, the company has taken another step forward in 2023 with the **launch of a headliner substrate for vehicles with polyurethane obtained from organic waste and a recycled textile,** with the aim of protecting natural resources and reducing dependence on fossil-based materials. The headliner has the same appearance and properties than a standard headliner, so the sustainability improvement is achieved without any reduction in mechanical or physical properties.

This achievement has been made possible by a manufacturing process developed in collaboration with key suppliers, as well as the commitment to progress towards more sustainable mobility. In addition to the reduction of the carbon footprint of the headliner, the energy used in the manufacturing process of the headliner substrate comes from 100% renewable sources.

First foamed door panel

As a result of years of close collaboration, Renault and Antolin have developed together the technology of chemical foaming for visual applications in door panels. This innovation is a **sustainable alternative in terms of weight, recyclability, ductility and carbon footprint.** More than 20% weight reduction can be achieved, keeping the same mechanical (stiffness) properties of the door panel.

The injected parts can also be recycled; and the ductility of the material allows using the technology in different trim parts.

All these elements have an impact on the carbon footprint: -20% in Global Warming Potential (GWP) considering “cradle to grave” LCA (Life Cycle Assessment) can be achieved.

In 2023, Antolin's door panel made with chemical foaming and equipped in the Renault Espace model was a finalist in the SPE Automotive Innovation Awards of the Society of Plastics Engineers.

Innovative and sustainable solutions

All business areas share the company's global strategy, which focuses on offering its customers innovative technology solutions, with the aim of creating a smart vehicle interior that is safer, more sustainable and more comfortable for the traveler. The use of recycled material, the weight reduction, the simplification of processes and the monomaterial products drive many of the initiatives already in production.

· Validation of **window regulators** with up to **25% recycled plastic material,** maintaining its mechanical properties.

· Development of a **monomaterial and lighter sunvisor,** where the sunvisor's panel is made in a single injected piece using **chemical foaming**, which reduces weight and offers a more sustainable and affordable solution, without sacrificing its perceived high quality.

· **The cockpits and central consoles department** is also working one step beyond the traditional solutions by offering **lighter cockpits** thanks to the innovative double slush skin, which also r**educes the piece's PVC content.**

· **The reduction of adhesive and use of water-based adhesives,** helps simplify the production of cockpits, making them more sustainable.

Innovation at the service of more sustainable materials

Antolin's efforts to incorporate more sustainable materials are focused in different ways:

- Monitoring and analyzing the **availability of sustainable raw material** on the market in order to replace less sustainable materials.

- Verifying the **technical feasibility of incorporating sustainable materials into the various components** supplied to customers, prioritizing the greater use of sustainable plastics.

- **Developing materials from renewable sources,** such as natural fibers, or polyurethane foams with a high polyol content of biological origin. These are used in the production of interior headliner trims, as an alternative to fossil materials.

- **Developing surface finishes with high added value, using natural materials,** such as mineral materials corks or cellulose in several parts of vehicles,

Several projects in 2023 show Antolin's capacity to combine its strength and experience in innovation with its firm commitment to sustainable development.

Mycelium: the natural response to reducing the use of plastics

Antolin has reached a key milestone in sustainability by developing a material made from mycelium, which is part of the vegetative growth of fungi, so it is found naturally in terrestrial ecosystems.

Mycelium binds with vegetable residues in an innovative process to develop a structural material with which to produce automotive components. A form of sustainable and carbon-neutral production, as the material development occurs organically directly in the mold, compared to the traditional plastic injection process.

This project shows the great potential of extending the **use of 100% biodegradable products at the end of their life cycle,** as a solution to the use of other non-biodegradable products that can end up in oceans and rivers.

Natural and bio-based trims for vehicle interiors

The partnership with PersiSKIN has enabled progress in improving natural trims. PersiSKIN is a start-up that uses plant waste, specifically surplus from the khaki harvest, to develop a natural, organic and sustainable trim for vehicle interiors.

Unlike other alternatives to leather based on the use of agri-food waste or by-products, the PersiSKIN solution allows the **integration of more than 75% of organic vegetable content in the material.**

This collaboration agreement aims to offer Antolin customers a sustainable alternative to traditional trims, reducing chemicals and water consumption. The initiative also makes full use of agricultural waste and substantially reduces the environmental impact.

Sustainable use of resources

As a leader in the manufacture of vehicle interiors and a company aimed at becoming a business benchmark in the new green economy, Antolin assumes the responsibility of reducing the waste generated in the production process. This commitment is reflected in its Environmental and Strategic Policy, which advocates the sustainable use of resources, seeking to reduce their consumption and, where possible, promoting the use of those of sustainable origin or those from renewable energy.

The waste management policy is based on three fundamental principles:

- Reducing the consumption of raw materials and energy.
- Minimizing waste generation as much as possible.
- Ensuring the proper control of the stock of materials.

Consumption of raw materials and water

Among the materials consumed, there are two main families that Antolin uses in the development of its components, of which data are provided in this report: Polyol and isocyanate and plastics.

- **Polyol and isocyanate.** Antolin is the global leader in the manufacturing of headliner trims for vehicles. Polyurethane foam is used to manufacture overhead trims, this in turn being made from two chemical components: polyol and isocyanate. Although in a smaller quantity, both compounds are also used in instrument panels and other accessories. A total of 31 companies use polyol and isocyanate in their processes.

- **Plastics.** Plastic chippings are widely used to manufacture multiple automotive parts, including instrument panels, door panels, pillars, and other small parts or subcomponents for sunvisors, window regulators, lighting components, etc. A total of 35 companies manufacture plastic parts via injection.

Antolin's use of water is mainly sanitary and in specific production processes. In general terms, the company's impact on water consumption remains at low levels.

Protection of biodiversity

Antolin's activity does not have a significant direct impact on biodiversity, and in accordance with the results of the company's materiality analysis, it considers the company's different stakeholders.

In any case, Antolin monitors its possible impact on biodiversity, especially in the seven facilities in Spain, South Africa, China Brazil and Hungary, which are located near natural spaces with some kind of environmental protection. Due to their zero impact, none of these companies have additional legal requirements associated with these protected areas. However, they all apply the commitments included in the corporate policies on Environment and Energy and Corporate Social Responsibility and Human Rights. In this regard, they follow the commitments to prevent pollution and efficient use of water, as well as the precautionary principle arising from these policies.

Best practice: Recycled marine plastic fabric for vehicle interiors

In 2023 Antolin completed the validation of a recycled polyester fabric using **SEAQUAL® YARN, a material consisting of recycled plastics:** 10% marine origin and 90% land-based sources. Marine plastic comes from waste recovered from oceans, beaches, rivers and estuaries, while land-based waste gives a second life to post-consumer waste from fully recyclable plastic (PET).

The company offers its customers the opportunity to choose more comfortable and durable interiors, with physical properties almost identical to virgin polyester, while **helping to eliminate plastic contamination.**

Thanks to this solution and in partnership with Antex, as the yarn supplier, and Textile Santanderina, as the fabric supplier, Antolin takes another step in the development of responsible manufacturing, developing a controlled traceability vertical production process.

In addition, the three companies participate in **SEAQUAL INITIATIVE,** a unique collaborative community that fights plastic pollution in the oceans from information, education and awareness. Convinced of the importance of promoting the circular economy in society, it organizes waste collections in highly contaminated areas.

06.4 Partnerships for the plane

"We need to foster a sense of interdependence, trust and mutual support, as well as an active collaboration between governments, the private sector, philanthropy, civil society and communities to build a more harmonious relationship between communities and the planet."

The words of Gim Huay Neo, the World Economic Forum's CEO, addressed to the participants and attendees of the COP 28 reinforced an idea that is expected to gain further momentum in the remainder of the Decade of Action and turn the declaration of intent into a real impact.

Antolin shares this vision and promotes the exchange of knowledge, experience and best practices, always convinced of its positive effect on both the company's environmental management and the contribution to a healthier environment.

As a result, it collaborates with national and international renowned entities and forums:

• **#ODSporbandera campaign by the Global Compact Spanish Network.** In 2023 Antolin joined this international initiative conceived to highlight the commitment of different global players towards the Sustainable Development Goals. As the SDGs are midway to completion, they have become a symbol of joint efforts towards a fairer, more sustainable and more prosperous future for all.

The company **has been part of the Global Compact since 2004 and was a founding partner of the Spanish network,** of which it is currently a member of its executive committee. It has also participated in the SDG Ambition accelerator program of the UN Global Compact to promote ambitious measures that help advance in the path set out by the 2030 Agenda.

• **Climate Change Cluster (Forética).** Made up of 73 large companies, it is the leading business platform in the fight against climate change. The Climate Change Cluster's activity in 2023 focused on one of the key mechanisms to reach the Net-Zero target: the energy transition. In 2023, the Cluster addressed the main issues of progress towards a decarbonized economy, trying to analyze the energy and climate framework and business action towards the energy transition.

See more about the Climate Change Cluster.

• **Circular Economy Action Group (Forética).** Made up of 15 companies, this business initiative focuses on improving the understanding of innovation and financing as two main pillars for circular transformation. During 2023, the Group has advanced in its knowledge about the WBCSD's circular measurement indicators, using the CTI (Circular Transition Indicators) tool.

See more about the Circular Economy Action Group.

• **Circular Plastics Alliance (CPA).** Antolin collaborates with this alliance —made up of 300 industrial, academic and governmental organizations— through various working groups under the name "Design Product Teams for the Automotive Sector at the CPA". The ultimate goal of the CPA is to boost the European Union's recycled plastics market with a figure on the horizon: 10 million tons by 2025.

See more about Circular Plastics Alliance.

07 Appendix

07.1 About this report

Ensuring transparency and clarity in the information is necessary to cater to increasingly conscious stakeholders. Aimed at moving forward on a path of continuous improvement and in its commitment to sustainable mobility, Antolin takes an important step in the field of reporting by presenting a unique integrated report of the company.

Antolin also continues to work on including the requirements of the Corporate Sustainability Reporting Directive. Always seeking the highest quality with detailed, rigorous and accurate information for its stakeholders, this report presents the main progress made during 2023.

The report includes the Non-financial Information Statement in line with the requirements set out in Law 11/2018 of December 28, 2018, on non-financial and diversity information, approved by the Congress of Deputies on December 13, 2018, amending the Spanish Code of Commerce; the Revised Spanish Corporate Enterprise Law approved by Royal Legislative Decree 1/2010 of July 2, 2010; and Spanish Audit Law 22/2015 of July 20, 2015, on non-financial and diversity information (following Royal Decree-Law 18/2017 of November 24, 2017).

In accordance with prevailing mercantile legislation, the content required by Law 11/2018 has been subject to assurance verification by KPMG Asesores, S.L.

Information perimeter and scope of consolidation

This Antolin-Irausa, S.A.U. and Subsidiaries Integrated Report 2023 corresponds to the financial year from January 1 to December 31, 2023. It is prepared and presented as a separate report but forms part of the 2023 consolidated management report.

The report presents all stakeholders with truthful, relevant and accurate information, providing accountability for the year and showing the objectives, progress and initiatives carried out during the year.

The information published corresponds to the activities performed by all Antolin companies and joint ventures applicable to each indicator in the 25 countries in which it has operated during 2023. The only restriction in terms of information published refers to that reserved on the grounds of confidentiality and privacy for the Management and/or the limited ability to obtain information in certain countries.

The scope of the information reported corresponds to the financial consolidation perimeter*.

Voluntary reporting frameworks, principles and standards

The Antolin Annual Integrated Report follows the principles of the Integrated Reporting Framework produced by the International Integrated Reporting Council (IIRC), responding to the commitment adopted by the organization in 2019 to progress towards a single management report.

In line with the company's commitment to sustainability and contributing to the aims and goals of the 2030 Agenda, this Annual Integrated Report includes the use of the Global Reporting Initiative (GRI) Standards in their latest version: GRI Universal Standards 2021, the reference framework for Antolin.

Antolin also follows the main initiatives and/or legal reporting requirements: Principles of the United Nations Global Compact, ISO 26000 and Law 11/2018 on Non-financial information and diversity. In addition, the annual report of Grupo Antolin-Irausa, S.A.U. and Subsidiaries includes the requirements of Law 11/2018 on non-financial information and diversity for the 2023 financial year.

*For more information see 7.10. Explanatory notes.

Information management system for the Annual Integrated Report

Antolin ensures the traceability of the information thanks to the internal management system established for the reporting of the data constituting the perimeter of the report. The Marketing, Communication and IR Department, along with the Sustainability Department, have led the process of preparing this report, using the information provided by the rest of the areas in the organization.

All of the company's departments have evaluated the projects and actions in their respective scope of activity that stand out when it comes to showing the shared value generated and Antolin's capacity to overcome the global challenges at the same time as meeting the information requirements of the different stakeholders and the recommendations of the external auditor.

The figures that underpin the information reported by Antolin offer an appropriate level of reliability with respect to the scope and controls applied, in accordance with the principles established in the company's Information System.

For information where no international reporting standards exist, the company has defined the calculation and reporting methods. All the economic-financial data underpinning Antolin's information throughout the report have been externally audited by a third party.

In relation to access to the published information, the Annual Integrated Report is presented in PDF format and can be found in Spanish and in English. There is no printed version. The document is available online and has been adapted for mobile devices, and for Antolin's website and intranet. It is available to all external stakeholders in general and also to everyone providing their services in any of the company's centers around the world. In Antolin's desire to ensure access to the information at all levels of the organization, the key aspects of the report will also be translated into the local language and are disseminated by the Management and the Human Resources teams in each of the companies through the channels enabled for that. This publication is the property of Antolin.

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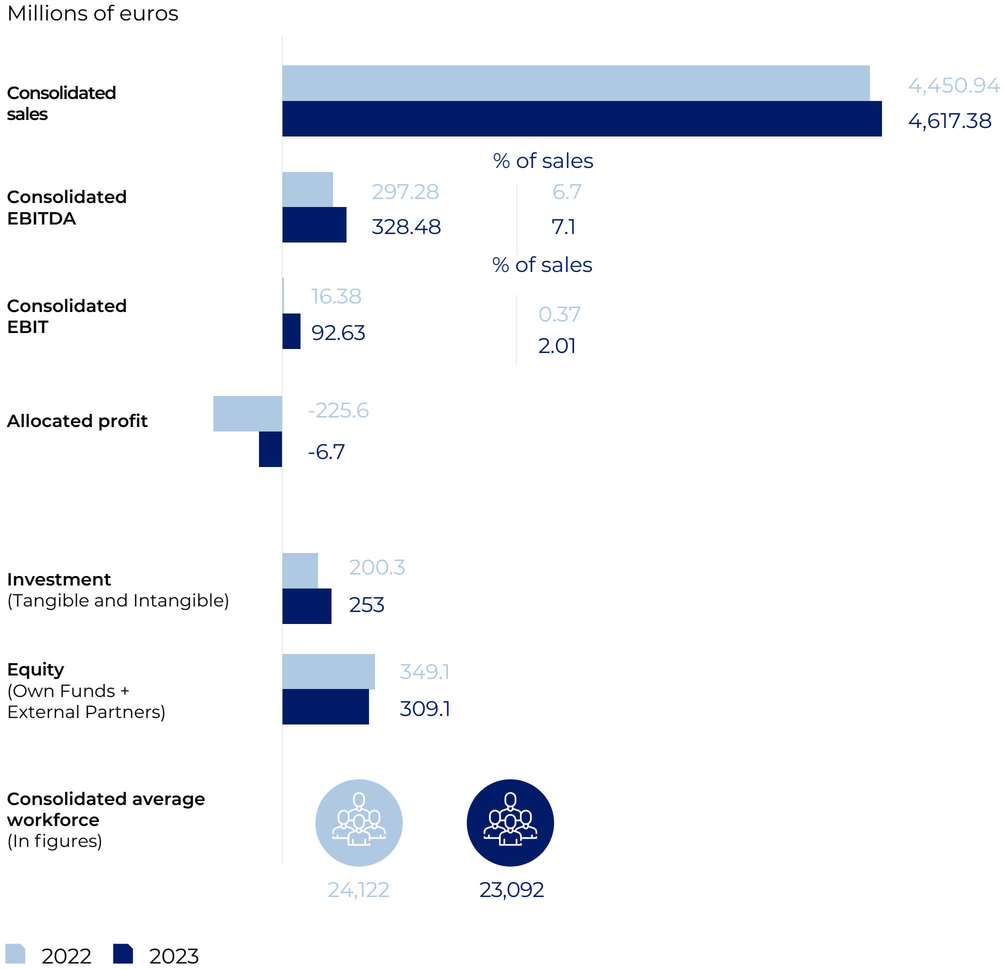
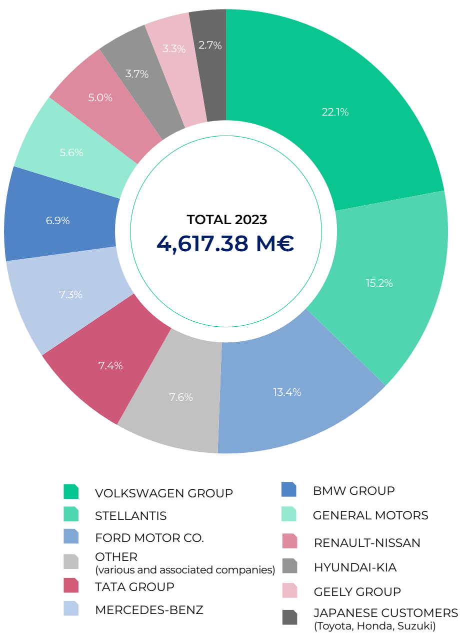
07.2 Financial balance sheet



Consolidated sales by customer

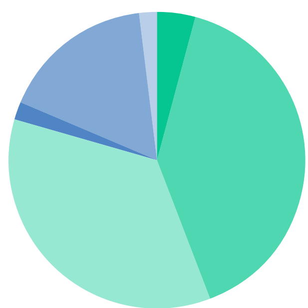
In percentage



Sales by region

In percentage

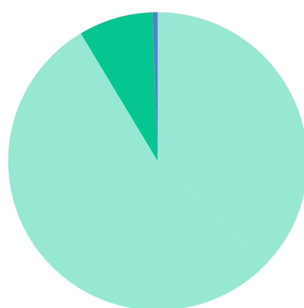
Rest of Europe	40.0%
North America	34.0%
Asia-Pacific	16.4%
Spain	5.1%
Africa	2.3%
South America	2.2%



Sales by business

In percentage

Product Systems	91.2%
Technology Solutions	8.7%
Other	0.1%



Technology Solutions: Lighting, HMI and Electronics Business Unit. Product Systems: Headliner; Doors and Hard Trim; Cockpits & Central Consoles; and Components and JITs Business Units.

RATIOS	2022	2023
In € million **FINANCIAL**		
Financial Leverage (Net Financial Debt / Shareholders' Equity)	2.23	3.94
Borrowing (Net Financial Debt / EBITDA)	3.46	3.02
Interest Charges Coverage (EBITDA / Net Financial Expenses)	6.53	4.92
ECONOMIC		
R.O.E. (Earning after taxes / Shareholders' Equity+Minority Interests - P&L of the Year)	-36.71%	4.25%
R.O.A. (Operating Result / 2 years Average Total Assets)	0.51%	2.96%
R.O.I. (Operating Result / 2 years Average Capital Expenditure)	0.85%	5.33%

BALANCE SHEET	2022	2023
ASSETS		
Goodwill	90.21	90.84
Non-current assets	1,337.17	1,417.94
Current assets	1,702.20	1,631.24
TOTAL ASSETS	**3,129.57**	**3,140.02**
EQUITY AND LIABILITIES		
Net Equity	349.13	309.06
Non-current liabilities	1,434.79	1,381.18
Current liabilities	1,345.65	1,449.79
TOTAL EQUITY AND LIABILITIES	**3,129.57**	**3,140.02**

INCOME STATEMENT In € million	2022		2023	
Net turnover	4,450.94	100%	4,617.38	100%
Other operating income	166.77	3.7%	148.30	3.2%
TOTAL OPERATING INCOME	**4,617.72**		**4,765.68**	
Supplies	-2,976.17	-66.9%	-3,076.65	-66.6%
Staff costs	-876.95	-19.7%	-890.75	-19.3%
Depreciation and amortisation expenses	-280.91	-6.3%	-235.84	-5.1%
Change in trade provisions	-0.82	0.0%	-3.33	-0.1%
Other operating expenses	-561.48	-12.6%	-584.55	-12.7%
- Own work capitalised	94.99	2.1%	118.07	2.6%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**16.38**	**0.4%**	**92.63**	**2.0%**
Financial income and expense	-38.85	-0.9%	-62.96	-1.4%
Net impairment losses on non-current assets	-151.61	-3.4%	-28.46	-0.6%
Gain / Loss on disposal of non-current assets and others	-1.26	0.0%	-8.84	-0.2%
Result from loss of control of consolidated investments	-0.32	0.0%	-5.07	-0.1%
Profit of companies accounted for using the equity method	1.42	0.0%	5.27	0.1%

INCOME STATEMENT In € million	2022		2023	
PROFIT BEFORE TAX	**-174.25**	**-3.9%**	**-7.41**	**-0.2%**
Corporation income tax	-10.75	-0.2%	20.00	0.4%
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**-185.00**	**-4.2%**	**12.59**	**0.3%**
Profit after tax for the year from discontinued operations	-25.99	-0.6%	0.00	0.0%
CONSOLIDATED PROFIT FOR THE YEAR	**-210.99**	**-4.7%**	**12.59**	**0.3%**
Profit attributable to non-controlling interests	-14.57	-0.3%	-19.33	-0.4%
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY	**-225.56**	**-5.1%**	**-6.75**	**-0.1%**
CASH FLOW (Consolidated Profit + Depreciation)	**69.92**	**1.6%**	**248.43**	**5.4%**
EBITDA	**297.28**	**6.7%**	**328.48**	**7.1%**
EBITDA without IFRS16 impact	**226.96**	**5.1%**	**259.66**	**5.6%**

CONSOLIDATED SALES BY CUSTOMER In € million	2022		2023	
VOLKSWAGEN GROUP	1,005.07	22.6%	1,018.43	22.1%
GRUPO STELLANTIS	691.05	15.5%	700.09	15.2%
FORD MOTOR CO.	559.72	12.6%	617.17	13.4%
OTHERS (VARIOUS AND ASSOCIATED COMPANIES)	287.56	6.5%	349.87	7.6%
TATA GROUP	308.64	6.9%	341.92	7.4%
MERCEDES-BENZ GROUP	361.69	8.1%	338.89	7.3%
BMW GROUP	338.91	7.6%	316.63	6.9%
GENERAL MOTORS	276.23	6.2%	257.38	5.6%
RENAULT-NISSAN	195.16	4.4%	231.93	5.0%
HYUNDAI-KIA	151.72	3.4%	170.27	3.7%
GEELY GROUP	145.60	3.3%	151.84	3.3%
JAPANESE CLIENTS (Toyota, Honda, Suzuki)	129.60	2.9%	122.96	2.7%
CONSOLIDATED SALES	**4,450.95**	**100%**	**4,617.38**	**100%**

CASH FLOW STATEMENTS In € million	2022	2023
CASH OR CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**440.76**	**311.18**
CASH FLOWS FROM ORDINARY OPERATING ACTIVITIES	**216.00**	**296.05**
Consolidated profit before taxes	-174.25	-7.41
Adjustments	515.40	376.19
Changes in working capital	-101.72	-49.67
Corporate Income tax paid	-23.43	-23.05
CASH FLOWS FROM INVESTING ACTIVITIES	**-175.99**	**-234.25**
Dividends received	0.42	0.52
Disposal	27.09	21.99
Tangible and intangible investments	-200.30	-253.01
Other investments	-3.20	-3.75
CASH FLOWS FROM FINANCING ACTIVITIES	**-168.38**	**-78.36**
NET VARIATION IN CASH OR CASH EQUIVALENTS FROM CONTINUING OPERATIONS	**-128.37**	**-16.55**
NET VARIATION IN CASH OR CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**-1.21**	**0.000**
CASH OR CASH EQUIVALENT AT END OF THE YEAR	**311.18**	**294.67**

CONSOLIDATED SALES BY REGION In € million	2022		2023	
Rest of Europe	1,783.77	40.1%	1,847.51	40.0%
North America	1,564.65	35.2%	1,571.29	34.0%
Asia-Pacific	732.43	16.5%	756.29	16.4%
Spain	193.05	4.3%	235.66	5.1%
Africa	84.41	1.9%	104.58	2.3%
South America	92.64	2.1%	102.05	2.2%
TOTAL	**4,450.95**	**100.0%**	**4,617,38**	**100,0%**

SALES BY BUSINESS In € million	2022		2023	
Product Systems	4,096.14	92,0%	4,213.03	91.2%
Technology Solutions	350.58	7,9%	400.10	8.7%
Others	4.23	0,1%	4.26	0.1%
TOTAL	**4,450.94**	**100%**	**4,617.38**	**100%**

R&D+I EFFORT In € million	2022	2023
PROJECT EXPENSES	**117.20**	130.97
Central sections	30.65	30.74
Peripheral sections	86.55	100.23
TANGIBLE INVESTMENTS	**1.28**	5.32
TOTAL R&D+I EFFORT	**118.48**	**136.29**

In 2023, Antolin's R&D+I effort represents 2.95% of consolidated sales.

STAFF	2022		2023	
Spain	2,263	9.4%	2,140	9.3%
Rest of Europe	9,683	40.1%	8,870	38.4%
North America	7,135	29.6%	6,862	29.7%
South America	681	2.8%	716	3.1%
Asia-Pacific	3,699	15.3%	3,855	16.7%
Africa	661	2.7%	649	2.8%
TOTAL	**24.122**	**100.0%**	**23,092**	**100.0%**

Tax information

The profit or loss before taxes obtained (in euros) country by country are shown below:

COUNTRIES	2023
Germany	-12,816,388
Argentina	-2,764,285
Austria	2,147
Brazil	2,184,523
China	36,451,380
South Korea	822,964
Slovakia	5,244,799
Spain	3,057,623
United States	11,189,347
France	-18,350,170
Holland	219,044
Hungary	1,406,956
India	8,311,329
Italy	-1,628,713
Japan	78,253
Morocco	364,484
Mexico	-46,334,458
Poland	1,406,301
Portugal	2,419,250
Czech Republic	-20,795,654
United Kingdom	6,403,169
Romania	-13,247,884
South Africa	2,454,256
Thailand	4,593,038
Turkey	20,085,452
Vietnam	1,829,248
TOTAL	**-7,413,990**

Income taxes paid (unearned) are included in the following table in euros:

	PAYMENTS FOR CORPORATION TAX 2022	PAYMENTS FOR CORPORATION TAX 2023
TOTAL	23,428,045	23,047,326.33

Lastly, the public grants received in euros were as follows:

GRANTS FOR OPERATIONS 2022	2,753,784
CAPITAL GRANTS 2022	446,887

GRANTS FOR OPERATIONS 2023	2,981,321
CAPITAL GRANTS 2023	400,000

07.3 Sustainability balance sheet

Intellectual capital

	2022	2023
Investment in R&D+i (€ million)	118.48	136.29
Spending on projects (€ million)	117.20	130.97
Tangible investments (€ million)	1.28	5.32
Technological Solutions (no.)	5	4
Patents (no.)	10	7
Innovation projects subsidized (cumulative figure) (no.)	113	114
Improvement groups (no.)	611	1,662
Best practices (no.)	70	85
Key knowledge items (Management of internal knowledge) (cumulative figure) (no.)	214	226
Lessons learned in projects (Management of internal knowledge) (no.)	5,148	5,437
Innovative Day Meetings (no.)	69	75
Active innovation lines (no.)	52	57
Developments satisfactorily completed (no.)	15	16

Environmental capital

	2022	2023
ENERGY CONSUMPTION		
Direct consumption of energy (GWh)[1]	126.92	111.69
Indirect consumption of energy (GWh)[1] [2]	481.48	472.42
EMISSIONS		
Greenhouse gas emissions by direct consumption of energy (scope 1) (t CO_2 eq)[1]	26,461	24,138
Greenhouse gas emissions by indirect consumption of energy (scope 2) (t CO_2 eq)[1] [2]	155,209	154,895
Greenhouse gas emissions (scope 3) (t CO_2 eq)[3]	1,733,110	1,922,999

CONSUMPTION OF WATER AND RAW MATERIAL		
Water consumption (m^3)(1)(4)	1,522,438	1,336,845
Consumption of plastic chipping (T)	94,560	96,435
Consumption of polyol/isocyanate (T)	19,256	18,354
GENERATION OF WASTE		
Non-hazardous waste (T)(1)	71,577	69,564
Hazardous waste (T)(1)	3,999	3,929
RENEWABLE ENERGIES		
Generation of renewable energy (sale) (kWh)(5)	536,298	535,317
Consumption of renewable electricity (GWh)(6)	66.45	72.57
Consumption of renewable energy (%)(6)	10.92	12.42
Greenhouse gas emissions avoided by using renewable energy (t CO_2 eq)(6)	12,593	18,196
KPI (Unit/Sales)		
Direct consumption of energy (MWh/€ million)(1)	25.68	21.80
Indirect consumption of energy (MWh/€ million)(1) (2)	97.42	92.22
Greenhouse gas emissions by direct consumption of energy (scope 1) (tons of CO_2 eq/€ million)(1)	5.35	4.71
Greenhouse gas emissions by direct consumption of energy (scope 2) (tons of CO_2 eq/€ million)(1) (2)	31.4	30.24
Greenhouse gas emissions (scope 3) (tons CO_2 eq/€ million)(3) (7)	389.38	416.47
Water consumption (m^3/€ million)(1) (8)	314.1	260.96
Consumption of plastic chipping (tons/€ million)(7)	21.2	20.89
Consumption of polyol/isocyanate (tons/€ million)(7)	4.3	3.97
Non-hazardous waste (tons/€ million)(1)	14.48	13.58
Hazardous waste (tons/€ million)(1)	0.81	0.77

PROCESSES (Continued Environmental capital)	**2022**	**2023**
Environmental Certifications based on ISO 14001 (no.)	95	93
Energy Certification based on ISO 50001 (no.)	6	8
People dedicated to the environment (no.)	96	89

(1) The energy, scope 1 and 2 emissions, waste and water figures correspond to 97.9% (by aggregate sales) of Antolin's industrial centers and assembly and sequencing centers (including the headquarters).

(2) The figures for the indirect consumption of energy and emissions include electricity and district heating.

(3) Scope 3 emissions data correspond to the 6 most relevant categories according to the GHG Protocol classification (Categories 1, 2, 4, 5, 6, and 7).

(4) FY 2023 includes the consumption of water by Antolin Ebergassing GmbH (a subsidiary based in Austria sold in November 2023), although this company has been excluded from the scope of financial consolidation. Excluding the consumption of Antolin Ebergassing GmbH, total water consumption in FY 2023 stood at 523,915 m3, a 66% reduction when compared to the previous year (the reduction is currently 14%).

(5) The figures on the generation of renewable energy (sale) correspond to the electricity generated in the Antolin headquarters, which is fed into the electricity distribution network.

(6) The figures on renewable electricity and emissions avoided in 2023 come from the purchase of 100% renewable electricity (23 centers) and the self-generation of electricity (11 centers).

(7) KPI values for plastic chipping consumption, Polyol / Isocyanate consumption and greenhouse gas emissions (scope 3) are calculated in relation to consolidated sales.

(8) In order to calculate water consumption KPI's in relation to sales, the consumption of water by Antolin Ebergassing GmbH in FY 2023 has been considered. However, this company's sales have not been considered, because it has been excluded from the scope of financial consolidation for FY 2023

Human resources

	2022	2023
PEOPLE		
Average workforce (no.)[1]	24,122	23,089
Total staff at year-end (no.)[1]	24,475	22,024
International mobility (no.)	38	25
Short-term mobility (no.)	42	40
Diversity: women (%)	37.75	36.70
Diversity: men (%)	62.24	63.30
Cultural diversity: nationalities (no.)	115	113
Cultural diversity: languages (no.)	40	40
People with special capacities (no.)	267	206
Workforce average age (years)	40	42
Average seniority (years)	8	8
(1) Excluding employees from plants accounted for using the equity method		
EMPLOYMENT		
Permanent contracts (%)	96.45	96.80
Temporary contracts (%)	3.55	3.20
People in technology-related jobs (no.)	1,658	1,622

People with an engineering profile (internationally) (no.)	1,506	1,475
People with an engineering profile (Spain) (no.)	402	385
Workforce involved in technology activities (Spain) (%)	48.94	50.33
Collective contracts/agreements negotiated (no.)	28	28
Temporary Redundancy Plans (no.) Global	50	28
Temporary Redundancy Plans (no.) Spain	6	2
OCCUPATIONAL HEALTH AND SAFETY		
ISO 45001 Certifications (no.)	56	60
Workforce covered by ISO 45001 Certificate (%)	64.07	70
Global Frequency Index (number of accidents at work and/or occupational diseases with medical leave/number of hours worked) (no.)	3.15	2.97
Severity index (number of working days lost for every thousand hours worked) (no.)	0.18	0.14
Fatal accidents (no.)*	0	1
Total Recordable Incident Rate (TRIR): (Total number of recordable injuries and illnesses/Total number of hours worked) * 200,000	2.05	1.91

*In spite of Antolin's good performance in safety having been recognized internally and externally and the company being firmly committed to reducing accident rates and improving occupational health, safety and well-being, last year, an employee passed away in a traffic accident in China when travelling. Consequently, the accident prevention policy will be reinforced in the next financial year, including new forms of mobility, such as electric bikes or scooters, in line with the regulations of each region.

TRAINING AND DEVELOPMENT		
Training per person (hours/person)	41	37.85
Training by professional category (hours) DL	724,422	575,213
Training by professional category (hours) IL	188,770	226,107
Training by professional category (hours) SL	76,899	72,683
Staff under performance management criteria (Dialogues 4all) applicable to SL and IL	28.58	23.82
Staff under UET's criteria (UET: Work Elementary Unit). Data referring to Direct Labor ("DL") (%) applicable to SL and IL	71.42	76.18
Internal promotions (%)	40.63	44.19
Companies with Mobile Production System (no.)	45	45
Internal promotions - executive positions (%)	42.11	57.69
Internal promotions - management positions (%)	55.03	50.77

Social capital

	2022	2023
MANDATORY TRAINING. As a proportion of the target group based on proximity to the risk		
COMPLIANCE AND HUMAN RIGHTS Online training on the Code of Ethics and Conduct Employees (no.)	9,006	13,676
ANTI-CORRUPTION AND COMPETITION Employees trained (no.)	2,224	3,269
DATA PROTECTION AND PRIVACY Employees trained (no.)	756	2,336
CONFLICT OF INTEREST AND INDEPENDENCE Employees trained (no.)	1,815	2,312
PREVENTION AND COMBATING OF HARASSMENT Employees trained (no.)	6,995	8,531
MAIN INDICATORS RELATING TO THE WHISTLEBLOWER CHANNEL		
Complaints received (no.)	34	39
Founded complaints received (no.)	17	21
Corrective actions (no.)	17	21
Corruption complaints (no.)	3	2
Human rights breach complaints (no.)	5	2
OTHER INDICATORS		
Communication of the new version of the Code of Ethics and Conduct (%)	100	100
Monitoring of human rights activity by company (%)	100	100
Meetings and interventions in the governing bodies (no.)	15	9
SUPPLY CHAIN		
Total active tier one suppliers (no.)	3,236	3,098
Active tier one direct material suppliers (no.)	2,674	2,598
Total purchase volume from first-tier suppliers (€K)	2,490,107	2,684,047
Purchase volume from direct material first-tier suppliers (€K)	2,292,046	2,496,869

Volume of purchases from local suppliers (€K)	1,206,700	1,263,417
Suppliers of products containing conflict materials with declaration/certification of origin/compliance (%)	96	99
Direct material suppliers with a relevant impact on environmental, social and governance (ESG) matters (no.)	430	458
Direct material suppliers assessed on their ESG performance (no.)	1,688	1,854
Direct material suppliers assessed on their ESG performance (%)	63.10	71.40
Panel suppliers with an ESG self-assessment questionnaire completed in the last 3 years (no.)	1,987	2,153
Suppliers with a result from the self-assessment questionnaire considered 'High Risk' (no.)	283	267
Productive suppliers that have accepted the Supplier Code of Ethics (%)	84	88
STA's (Supplier Technical Assistants – Responsible for monitoring and developing suppliers) (no.)	56	56
PRODUCT SAFETY		
Number of Companies with a certified Quality System (no.)	101	88
Cost of warranties/Annual sales (%)	0.05	0.05
Safety and Regulatory warranty incidents/Total warranty incidents (%)	0.00	0.00
SUSTAINABLE CONTRIBUTION		
By region: Africa-Asia-Pacific (%)	21.30	36.90
By region: Europe (%)	32.50	54.46
By region: Mercosur (%)	1.20	1.65
By region: North America (%)	45.00	6.98
Contribution per employee (€)	38.10	31.85
By type: Donations, Voluntary Actions and Emergency Responses (%)	53.80	35.43
By type: Sponsorship and patronage (%)	40.10	64.57
Contribution to associations (€)	429,532	470,896

07.4 People management in figures

Employment I

See 7.10 Explanatory notes: explanatory note 1) - Including employees from plants accounted for using the equity method.

Total headcount at December 31, 2022: 25,255 people

Total headcount at December 31, 2023: 22,759 people

HEADCOUNT BY COUNTRY	AT 12/31/2022	AVERAGE HEADCOUNT IN 2022	AT 12/31/2023	AVERAGE HEADCOUNT IN 2023
Germany	1,638	1,631	1,526	1,528
Argentina	125	127	115	117
Austria	488	472	11	2
Brazil	587	554	576	599
China	2,829	2,745	2,813	2,872
Korea	121	122	119	121
Slovakia	982	1,004	579	753
Spain	2,643	2,615	2,591	2,621
United States	3,318	3,195	2,708	3,022
France	902	900	889	897
Hungary	351	327	346	352
India	921	904	891	880
Italy	109	110	137	138
Japan	10	10	10	10
Morocco	290	291	263	276
Mexico	3,980	3,940	3,404	3,840
Poland	234	242	220	226
Portugal	275	277	257	265
United Kingdom	1,090	1,119	958	1,011
Czech Republic	2,048	2,068	1,903	1,990
Romania	835	823	815	811

Russia	121	147	0	0
South Africa	371	370	366	373
Thailand	167	119	165	165
Turkey	790	793	1,078	892
Vietnam	30	16	19	23
TOTAL	**25,255**	**24,921**	**22,759**	**23,844**

HEADCOUNT BY GENDER	MEN	WOMEN	TOTAL
2022	15,827	9,428	25,255
2023	14,525	8,234	22,759

HEADCOUNT BY PROFESSIONAL CATEGORY AND GENDER			SL	IL	DL	TOTAL
2022	by GENDER	Women	1,342	1,562	6,524	9,428
		Men	2,596	5,956	7,275	15,827
2023	by GENDER	Women	1,197	1,311	5,726	8,234
		Men	2,516	5,433	6,576	14,525

People with special capacities at 12/31/2022	**272**
People with special capacities at 12/31/2023	**211**

Employment II*

Total headcount at December 31, 2022: 24,475

Total headcount at December 31, 2023: 22,024**

Average headcount in 2022: 24,122

Average headcount in 2023: 23,089**

*See 7.10 Explanatory notes: explanatory note 1- excluding companies accounted for using the equity method.

*Employment II data tables do not include the company Wuhan Antolin Auto Parts Co., Ltd., which consisted of three people at the end of the financial year, two from DL and one from IL. Including Wuhan Antolin Auto Parts Co., Ltd., the headcount at December 31, 2023, amounted to 22,027 people and the average headcount was of 23,092 people in 2023.

HEADCOUNT BY COUNTRY	AT 12/31/2022	AVERAGE HEADCOUNT IN 2022	AT 12/31/2023	AVERAGE HEADCOUNT IN 2023
Germany	1,576	1,564	1,476	1,533
Argentina	125	127	115	117
Austria	488	472	11	2
Brazil	587	554	576	599
China	2,829	2,745	2,810	2,869
Korea	5	5	3	3
Slovakia	819	842	579	753
Spain	2,292	2,263	2,122	2,140
United States	3,318	3,195	2,708	3,022
France	902	900	889	897
Hungary	351	327	346	352
India	833	805	794	782
Italy	109	110	137	138
Japan	10	10	10	10
Morocco	290	291	263	276
Mexico	3,980	3,940	3,404	3,840
Poland	234	242	220	226
Portugal	275	277	257	265
United Kingdom	1,090	1,119	958	1,011
Czech Republic	2,048	2,068	1,903	1,990
Romania	835	823	815	811
Russia	121	147	0	0
South Africa	371	370	366	373
Thailand	167	119	165	165
Turkey	790	793	1,078	892
Vietnam	30	16	19	23
TOTAL	**24,475**	**24,122**	**22,024**	**23,089**

HEADCOUNT BY GENDER	MEN	WOMEN	TOTAL
2022	15,235	9,240	24,475
2023	13,942	8,082	22,024

HEADCOUNT BY AGE	< 25 YEARS OLD	25 TO 40 YEARS OLD	> 40 YEARS OLD	TOTAL
2022	2,060	11,297	11,118	24,475
2023	1,051	9,515	11,458	22,024

HEADCOUNT BY CONTRACT (BY DURATION))	PERMANENT	%	TEMPORARY	%	TOTAL
2022	23,607	96.45	868	3.55	24,475
2023	21,320	96.80	704	3.20	22,024

HEADCOUNT BY CONTRACT TYPE (BY LENGTH OF WORKING DAY)	FULL-TIME	PART-TIME	TOTAL
2022	23,943	532	24,475
2023	21,582	442	22,024

HEADCOUNT BY PROFESSIONAL CATEGORY	SL	IL	DL	TOTAL
2022	3,794	7,112	13,569	24,475
2023	3,463	6,407	12,154	22,024

HEADCOUNT BY PROFESSIONAL CATEGORY	MANAGEMENT	MIDDLE MANAGEMENT	OPERATING PERSONNEL	OTHER PERSONNEL	TOTAL
2022	271	1,461	9,155	13,588	24,475
2023	280	1,393	8,174	12,177	22,024

HEADCOUNT BY PROFESSIONAL CATEGORY AND GENDER			MOE	MOI	MOD	TOTAL
2022	by GENDER	Women	1,286	1,521	6,433	9,240
		Men	2,508	5,591	7,136	15,235
2023	by GENDER	Women	1,121	1,277	5,684	8,082
		Men	2,342	5,130	6,470	13,942

People with special capacities at 12/31/2022	**267**	**People with special capacities at 12/31/2023**	**206**

HEADCOUNT BY PROFESSIONAL CATEGORY AND GENDER		WOMEN	MEN	TOTAL
2022	Management	45	226	271
	Middle Management	321	1,140	1,461
	Operating personnel	2,442	6,713	9,155
	Other personnel	6,432	7,156	13,588
2023	Management	43	237	280
	Middle Management	312	1,081	1,393
	Operating personnel	2,040	6,134	8,174
	Other personnel	5,687	6,490	12,177

HEADCOUNT BY AGE, GENDER AND PROFESSIONAL CATEGORY 2022		< 25 YEARS OLD	25 TO 40 YEARS OLD	> 40 YEARS OLD	TOTAL
by GENDER	Women	728	4,055	4,457	9,240
	Men	1,332	7,242	6,661	15,235
by PROFESSIONAL CATEGORY	SL	154	1,846	1,794	3,794
	IL	365	3,592	3,155	7,112
	DL	1,541	5,859	6,169	13,569
	Management	0	21	250	271
	Middle Management	4	527	930	1,461
	Operating personnel	515	4,890	3,750	9,155
	Other personnel	1,541	5,859	6,188	13,588

HEADCOUNT BY AGE, GENDER AND PROFESSIONAL CATEGORY 2023		< 25 YEARS OLD	25 TO 40 YEARS OLD	> 40 YEARS OLD	TOTAL
by GENDER	Women	346	3,210	4,526	8,082
	Men	705	6,305	6,932	13,942
by PROFESSIONAL CATEGORY	SL	57	1,525	1,881	3,463
	IL	170	2,941	3,296	6,407
	DL	824	5,049	6,281	12,154
	Management	0	19	261	280
	Middle Management	3	377	1,013	1,393
	Operating personnel	224	4,066	3,884	8,174
	Other personnel	824	5,053	6,300	12,177

HEADCOUNT BY CONTRACT TYPE (BY DURATION) BY GENDER		PERMANENT	%	TEMPORARY	%	TOTAL
2022	Men	14,641	96.10	594	3.90	15,235
	Women	8,966	97.03	274	2.97	9,240
2023	Men	13,464	96.57	478	3.43	13,942
	Women	7,856	97.20	226	2.80	8,082

HEADCOUNT BY CONTRACT TYPE (BY DURATION) BY AGE		PERMANENT	%	TEMPORARY	%	TOTAL
2022	< 25 years	1,828	88.74	232	11.26	2,060
	From 25 to 40 years old	10,928	96.73	369	3.27	11,297
	> 40 years	10,851	97.60	267	2.40	11,118
2023	From 25 to 40 years old	941	89.53	110	10.47	1,051
	< 25 years	9,200	96.69	315	3.31	9,515
	> 40 years	11,179	97.57	279	2.43	11,458

HEADCOUNT BY CONTRACT TYPE (BY DURATION) BY PROFESSIONAL CATEGORY		PERMANENT	%	TEMPORARY	%	TOTAL
2022	SL	3,725	98.18	69	1.82	3,794
	IL	6,964	97.92	148	2.08	7,112
	DL	12,918	95.20	651	4.80	13,569
2023	SL	3,418	98.7	45	1.30	3,463
	IL	6,275	97.94	132	2.06	6,407
	DL	11,627	95.66	527	4.34	12,154

HEADCOUNT BY CONTRACT TYPE (BY DURATION) BY PROFESSIONAL CATEGORY		PERMANENT	%	TEMPORARY	%	TOTAL
2022	Management	270	99.63	1	0.37	271
	Middle Management	1,452	99.38	9	0.62	1,461
	Operating personnel	8,952	97.78	203	2.22	9,155
	Other personnel	12,933	95.18	655	4.82	13,588
2023	Management	280	100.00	0	0.00	280
	Middle Management	1,384	99.35	9	0.65	1,393
	Operating personnel	8,010	97.99	164	2.01	8,174
	Other personnel	11,646	95.6	531	4.36	12,187

The breakdown of the people data in 2022 and 2023 corresponds to 12/31/2022 and 12/31/2023, respectively.

HEADCOUNT BY CONTRACT TYPE (BY LENGTH OF WORKING DAY) AND GENDER		FULL-TIME	%	PART-TIME (*)	%	TOTAL
2022	Men	15,003	98.48	232	1.52	15,235
	Women	8,940	96.7	300	3.25	9,240
2023	Men	13,724	98.44	218	1.56	13,942
	Women	7,858	97.2	224	2.77	8,082

HEADCOUNT BY CONTRACT TYPE (BY LENGTH OF WORKING DAY) AND AGE		FULL-TIME	%	PART-TIME (*)	%	TOTAL
2022	< 25 years	2,051	99.56	9	0.44	2,060
	From 25 to 40 years old	11,183	98.99	114	1.01	11,297
	> 40 years	10,709	96.32	409	3.68	11,118
2023	< 25 years	1,047	99.62	4	0.38	1,051
	From 25 to 40 years old	9,432	99.13	83	0.87	9,515
	> 40 years	11,103	96.90	355	3.10	11,458

HEADCOUNT BY CONTRACT TYPE (BY LENGTH OF WORKING DAY)		FULL-TIME	%	PART-TIME (*)	%	TOTAL
2022	SL	3,644	96.05	150	3.95	3,794
	IL	6,996	98.37	116	1.63	7,112
	DL	13,303	98.04	266	1.96	13,569
2023	SL	3,338	96.39	125	3.61	3,463
	IL	6,318	98.61	89	1.39	6,407
	DL	11,926	98.12	228	1.88	12,154

HEADCOUNT BY CONTRACT TYPE (BY DURATION)		FULL-TIME	%	PART-TIME (*)	%	TOTAL
2022	Management	271	100.00	0	0.00	271
	Middle Management	1,437	98.36	24	1.64	1,461
	Operating personnel	8,915	97.38	240	2.62	9,155
	Other personnel	13,320	98.03	268	1.97	13,588
2023	Management	279	99.64	1	0.36	280
	Middle Management	1,373	98.56	20	1.44	1,393
	Operating personnel	7,984	97.68	190	2.32	8,174
	Other personnel	11,946	98.10	231	1.90	12,177

* The number and percentage of contracts reported is based on the working day of the employee, such that if their working day is 100% it is included in the full-time category, and if it is less than 100% it is reported as a part-time contract.

ANNUAL AVERAGE HEADCOUNT BY CONTRACT TYPE (PERCENTAGE)		MEN	WOMEN
2022	Permanent	96.31%	97.27%
	Temporary	3.69%	2.73%
	Part-time	*	*
2023	Permanent	96.32%	96.99%
	Temporary	3.68%	3.01%
	Part-time	*	*

ANNUAL AVERAGE HEADCOUNT BY AGE AND CONTRACT TYPE (PERCENTAGE)	BY AGE	< 25 YEARS OLD	FROM 25 TO 40 YEARS OLD	> 40 YEARS OLD
2022	Permanent	88.48%	96.90%	97.77%
	Temporary	11.52%	3.10%	2.23%
	Part-time	*	*	*
2023	Permanent	87.72%	96.29%	97.55%
	Temporary	12.28%	3.71%	2.45%
	Part-time	*	*	*

ANNUAL AVERAGE HEADCOUNT BY PROFESSIONAL CATEGORY AND CONTRACT TYPE (PERCENTAGE)		SL	IL	DL
2022	Permanent	98.00%	98.19%	95.49%
	Temporary	2.00%	1.81%	4.51%
	Part-time	*	*	*
2023	Permanent	98.67%	97.92%	95.31%
	Temporary	1.33%	2.08%	4.69%
	Part-time	*	*	*

ANNUAL AVERAGE HEADCOUNT BY PROFESSIONAL CATEGORY AND CONTRACT TYPE (PERCENTAGE)		MANAGEMENT	MIDDLE MANAGEMENT	OPERATING PERSONNEL	OTHER PERSONNEL
2022	Permanent	99.63%	99.16%	97.96%	95.47%
	Temporary	0.37%	0.84%	2.04%	4.53%
	Part-time	*	*	*	*
2023	Permanent	99.71%	99.42%	97.95%	95.30%
	Temporary	0.29%	0.58%	2.05%	4.70%
	Part-time	*	*	*	*

ANNUAL AVERAGE HEADCOUNT BY GENDER AND CONTRACT TYPE (IN NUMBER OF CONTRACTS)	BY GENDER	MEN	WOMEN	TOTAL
2022	Permanent	14,520	8,867	23,387
	Temporary	556	249	805
	Part-time	*	*	*
2023	Permanent	13,841	8,391	22,232
	Temporary	529	260	789
	Part-time	*	*	*

ANNUAL AVERAGE HEADCOUNT BY AGE AND CONTRACT TYPE (IN NUMBER OF CONTRACTS)	BY AGE	< 25 YEARS OLD	FROM 25 TO 40 YEARS OLD	> 40 YEARS OLD	TOTAL
2022	Permanent	1,596	10,910	10,881	23,387
	Temporary	208	350	350	806
	Part-time	*	*	*	*
2023	Permanent	892	9,596	11,744	22,232
	Temporary	125	370	294	789
	Part-time	*	*	*	*

ANNUAL AVERAGE HEADCOUNT BY PROFESSIONAL CATEGORY AND CONTRACT TYPE (IN NUMBER OF CONTRACTS)		SL	IL	DL	TOTAL
2022	Permanent	3,664	6,962	12,761	23,387
	Temporary	75	129	602	806
	Part-time	*	*	*	*
2023	Permanent	3,447	6,477	12,308	22,232
	Temporary	46	138	605	789
	Part-time	*	*	*	*

ANNUAL AVERAGE HEADCOUNT BY PROFESSIONAL CATEGORY AND CONTRACT TYPE (IN NUMBER OF CONTRACTS)		MANAGEMENT	MIDDLE MANAGEMENT	OPERATING PERSONNEL	OTHER PERSONNEL	TOTAL
2022	Permanent	269	1,448	8,868	12,802	23,387
	Temporary	1	12	184	608	805
	Part-time	*	*	*	*	*
2023	Permanent	288	1,392	8,227	12,325	22,232
	Temporary	1	8	172	608	789
	Part-time	*	*	*	*	*

*Data unavailable due to the need to standardize the term "part-time" on the basis of the harmonization of the different legislations in this regard.

Number of dismissals

DISMISSALS BY GENDER	MEN	WOMEN	TOTAL*
2022	727	370	1,097
2023	1,128	657	1,785

DISMISSALS BY AGE	< 25 YEARS OLD	FROM 25 TO 40 YEARS OLD	> 40 YEARS OLD	TOTAL
2022	179	508	410	1,097
2023	29	1,709	47	1,785

DISMISSALS BY PROFESSIONAL CATEGORY	SL	IL	DL	TOTAL
2022	74	258	765	1,097
2023	145	377	1,263	1,785

HEADCOUNT BY GENDER AND PROFESSIONAL CATEGORY		WOMEN	MEN	TOTAL
2022	Management	1	3	4
	Middle Management	7	44	51
	Operating personnel	72	205	277
	Other personnel	290	475	765
2023	Management	5	14	19
	Middle Management	11	30	41
	Operating personnel	152	310	462
	Other personnel	489	774	1,263

*The increase in the number of dismissals is due to the transformation process, the adaptation to changes in demand and the organization of our customers.

Average global remuneration (excluding management and directors)

REMUNERATION BY GENDER	MEN	WOMEN
2022	€26,632	€21,027
2023	€26,902	€21,196

REMUNERATION BY AGE	< 25 YEARS OLD	FROM 25 TO 40 YEARS OLD	> 40 YEARS OLD
2022	€14,938	€20,502	€30,466
2023	€13,654	€19,822	€30,053

Overall average remuneration (including fixed and variable remuneration)

REMUNERATION BY GENDER AND PROFESSIONAL CATEGORY			WOMEN	MEN
2022	**BY PROFESSIONAL CLASSIFICATION**	Management	€150,134	€142,093
		Middle Management	€57,701	€65,112
		Operating personnel	€29,408	€29,288
		Other personnel	€16,014	€18,009
2023	**BY PROFESSIONAL CLASSIFICATION**	Management	€160,906	€139,667
		Middle Management	€58,543	€64,320
		Operating personnel	€30,021	€29,855
		Other personnel	€15,981	€17,877

Average salary of directors and executives

REMUNERATION BY GENDER	MEN	WOMEN
2022	€165,560	€183,834
2023	€150,930	€169,602

Notes:

(1) Includes variable remuneration, allowances, termination payments, payments into long-term savings schemes and any other amounts received.

(2) The remuneration shown comprises both directors and management, management being the same as that reported in the tables showing breakdowns by generic professional category. For further information on Board remuneration, see note 22 to the consolidated annual financial statements.

(3) At December 31, 2023, the Board of Directors of the Parent comprise one individual, a male, and four legal entities represented by one male and three females. The average remuneration of the Board of Directors is based on the amount received by the members of the Board as remuneration for their services as management of the Parent. The average remuneration also includes wages, salaries and similar items of members of the Board of Directors of the Parent who were also employees of the latter in 2023. One woman and four legal persons, represented by 2 men and 2 women.

Wage gap by gender (including fixed and variable remuneration)

2022	**3.95%**
2023	**4.10%**

The wage gap at Grupo Antolin includes the annualized total remuneration, including fixed and variable remuneration, of 100% of the population. The amount calculated is defined as the difference in average pay (male - female / male) for each of the categories defined with both genders represented, by country, weighting each gap by the country's population vs. the total population in each category.

Health and safety in figures

	2022		2023	
	MEN	WOMEN	MEN	WOMEN
Accidents by gender (no.)	99	49	88	48
Frequency rate II[2]	2.98	2.45	2.7	2.44
Severity rate II[3]	0.1	0.12	0.09	0.09
Occupational illnesses by gender (no.)	1	6	0	6
Hours lost to absenteeism for common illnesses, accidents, strikes, union work, maternity leave, paternity leave and other reasons (hours)	2,116,000		1,793,543	

Occupational health and safety: The scope of the data reported in this report is the same as for the consolidated financial information, with the exception of certain companies that are not included in the scorecard with any of the following circumstances: new companies with an immature reporting level, non-industrial companies or companies not considered at the industrial level.

Based on this scope, the data corresponds to 96.38% of the workforce at December 31, 2023.

Hours worked by gender are estimated based on the percentage of employees by gender.

(1) Number of accidents by gender: number of work-related accidents (excluding commuting accidents).

(2) Frequency rate II: work-related accidents with sick leave (excluding commuting accidents) per million hours worked (with estimated hours by gender).

(3) Severity rate II: no. of working days lost due to work-related accidents per thousand hours worked (with estimated hours by gender).

	2022	2023
ISO 45001 Certifications (no.)	56	60
Employees covered by the ISO 45001 certification (%)	64.07	70
Global Frequency Index (number of accidents at work and/or occupational diseases with medical leave/number of hours worked) (no.)	3.15	2.97
Severity index (number of working days lost for every thousand hours worked) (no.)	0.18	0.14
Fatal accidents (no.)	0	1
Total Recordable Incident Rate (TRIR): (Total number of recordable injuries and illnesses/Total number of hours worked) * 200,000	2.05	1.91

07.5 Policies and commitments

POLICY/ COMMITMENT	CHAPTER/ HEADING	DESCRIPTION
Code of Ethics and Conduct	**5.1.** Antolin's Talent: epicenter of transformation	Commitment to employees and collaborators.
	4.3. Human rights: first step of decision-making	The Code of Ethics and Conduct supports, respects and promotes human rights within its area of influence. This includes: eliminating all forms of forced or coerced labor, eradicating child labor and combatting the illegal smuggling, trading or trafficking of human beings.
	4.2. Ethics and compliance (Fight against corruption and bribery)	**Antolin's Commitments:** preventing any form of corruption. Antolin carries out all its activities in accordance with the legislation in force in all the fields of action and all the countries where it operates, in accordance with its spirit and purpose.
	5.2. Driver of social development	**Donations and contributions.** Any contribution, sponsorship or donation must follow company policy and must never be an incentive to purchase its products.
Code of Conduct for Suppliers	**5.1.** Antolin's Talent: epicenter of transformation	Definition of the minimum standards of ethical and responsible conduct that must be observed by suppliers and subcontractors that participate in each and every one of the purchasing and manufacturing processes and/or the supply of goods or services. Compliance with the Supplier Code of Conduct is essential and is a component of supplier selection and assessment processes. Antolin expects and encourages all suppliers to replicate this code in their own supply chain.
	3.3. Efficient and responsible supply chain	
	4.2. Ethics and compliance (Fight against corruption and bribery)	
	4.3. Human rights: first step of decision-making	
Corporate Social Responsibility and Human Rights Policy	**5.1.** Antolin's Talent: epicenter of transformation	**Labor Standards.** Antolin defends freedom of association and the right to collective bargaining; it supports the elimination of all forms of forced or coerced labor, modern slavery and human trafficking; it respects prevailing legislation in each country regarding working hours; its salary policies are in accordance with local legislation, including minimum wage legislation, providing equal pay for equal work; it advocates the eradication of child and youth labor; it favors the abolition of discriminatory practices in employment; and it ensures an occupational health and safety management system.
		Diversity, equity and inclusion. In all policies involving human resources management, Antolin considers diversity, fairness and inclusion a cross-cutting factor that underpins all decisions made in this area. Antolin establishes and develops policies based on equal treatment and equal opportunity for men and women, without direct or indirect discrimination on the basis of gender, race, color, language, religion, opinion, origin or any other personal or social condition or circumstance.
		Recruitment, selection and promotion of personnel. Antolin endeavors to ensure that its recruitment, promotion and selection processes are ethical, fair and transparent, in accordance with international, regional and national legislation and standards of action.

Corporate Social Responsibility and Human Rights Policy	**4.3.** Human rights: first step of decision-making	Antolin supports basic human rights, and avoids and reports involvement in business, economic and industrial activities that abuse such rights.
		It applies due diligence to identify, prevent, mitigate and remediate the possible impacts and negative effects of its activities on human rights, whether directly or through its supply chain.
		It respects and promotes children's rights within its sphere of influence.
	4.2. Ethics and compliance (Fight against corruption and bribery)	Support for international and local efforts to eliminate corruption and financial crime, always complying with the prevailing money laundering laws in any competent jurisdiction. Zero tolerance for any type of corruption (accepting or offering money in exchange for undue commercial advantages), drawing up organizational models to evaluate and ensure compliance with the Code of Ethics wherever is advisable or so required by law. Carry out its business without breaching national or international laws on trading, economic blockade and control of exports prevailing in the countries where Antolin is present. Implement mechanisms that apply across the entire organization, on the control environment and the information and communication systems, effectively eliminating the risk of material financial reporting errors. Facilitate the actions of people, bodies and inspection, auditing or supervisory bodies. Strictly limit the company's use of resources to support political causes or campaigns. Make no payments or render any service to political parties, public officers or candidates to such positions, administrative authorities or their employees, even if such contributions are considered legal under the laws of the countries where these payments could be made. Respect the right of every person to render services for any of the companies forming part of the organization, to carry out, in a private capacity, political, religious or charitable activities, provided they are carried out outside working hours, do not interfere with their professional activity and are not done on behalf of the organization, on its terms or using its resources. Ensure, using the appropriate management and control bodies, that the information provides a true and fair view, particularly that the economic and financial information reflects its economic, financial and equity position, in accordance with generally accepted accounting principles. Compete vigorously and fairly in the market, complying fully with all competition laws in the various territories in which it carries out its commercial activities. Prohibit any form of economic activity, aid or mediation that serves to provide financial or other support for the activities of terrorist elements or groups.
	5.2. Driver of social development	Antolin's commitment to a sustainable future is reflected in its international expansion, which contributes to global economic and social development, working on the impact of its activity on the environment, people and the society in which it is present. Antolin is committed to universal values that govern the Group's conduct in all its activities.
		Antolin contributes directly and indirectly through its activity, products, technology and services to the global and local development of the economy, society and the environment of the communities where it is established.
		Antolin may provide sponsorship, philanthropy or carry out social initiatives on its own behalf or in association with third parties, provided it seeks out projects and partners that contribute value to the company and/or its stakeholders and that it applies the values and principles enshrined in this Code.
		Antolin respects the rights of minorities, local communities and indigenous people, having special regard for the presence of vulnerable groups when these or the land they live on are affected.

Sustainable Business Model	**4.2.** Ethics and compliance (Fight against corruption and bribery) **4.3.** Human rights: first step of decision-making **5.1.** Antolin's Talent: epicenter of transformation **5.2.** Driver of social development **6.** Planet	**Strategic objectives: Planet, People and Business** Value for the Planet: • A carbon-neutral company • A circular business Value of People: • Zero accidents. A safe and healthy working environment • Diversity, equity and inclusion applied to talent • Driver of social development Value for the business: • Benchmark in ethics, integrity and compliance
Strategic Human Resources and Organization Plan	**5.1.** Antolin's Talent: epicenter of transformation	**Definition of the multi-disciplinary lines and programs to promote the business through the leadership, talent and experience of personnel. Four pillars:** • Purpose and culture. • Exceptional global talent. • High-performance organization. • Flexible organizational model.
Diversity policy and principle of equal opportunities	**5.1.** Antolin's Talent: epicenter of transformation	Recognition and integration of the multiple dimensions of diversity (age, gender, origin, culture, sexual orientation, social origin, etc.) when managing work teams; considering the people who make up the company in their various roles as a factor that sets the company apart and enables it to grow. Commitment to establishing and developing policies based on equal treatment and equal opportunity for men and women, without direct or indirect discrimination on the basis of gender, race, color, language, religion, opinion, origin or any other personal or social condition and/or circumstance.
Anti-harassment policy and protocol for preventing gender-based workplace harassment and violence at work	**5.1.** Antolin's Talent: epicenter of transformation	Procedure designed to prevent and adequately address situations and/or conducts that could amount to bullying or moral or sexual physical and/or psychological harassment, gender harassment and/or discrimination within the workplace. Corporate policy to prevent and adequately address harassment in the workplace. The company will not tolerate any form of harassment, whether by customers or suppliers or any business or professional associate. Furthermore, this policy should be used as an instrument for promoting awareness and for education, thereby preventing harassment in the workplace.
	4.2. Ethics and compliance (Fight against corruption and bribery)	**In keeping with this commitment, Antolin has established a procedure and proclaimed the following principles:** • Any form of harassment is contrary to the dignity of individuals. • Zero tolerance for any type of harassment. • All types of harassment are strictly forbidden. • The company protects victims of harassment. • All employees, especially middle and upper management, have the obligation to help ensure an adequate working environment where each employee feels safe.

Occupational Health and Safety Policy	**5.1.** Antolin's Talent: epicenter of transformation	Commitment to the Occupational Health and Safety of employees beyond mere compliance with prevailing legislation, in order to protect, promote and optimize the safety, health and well-being of the people who form part of the organization.
Geographical Mobility Policy	**5.1.** Antolin's Talent: epicenter of transformation	Regulation of social-labor conditions for personnel who are to be transferred to other Antolin companies for a period of time for organizational, technical, production or career development reasons, drawing a distinction between short- and long-term transfers.
People Management Model	**5.1.** Antolin's Talent: epicenter of transformation	Definition of the system followed for personnel management and to develop the corporate social commitment of all Antolin companies: analysis of positions and profiles required; recruitment and selection; hiring and onboarding; professional category; performance management; training and qualification; communication; remuneration; motivation and work environment; offboarding; occupational health and safety (Management System).
Knowledge Management Model	**5.1.** Antolin's Talent: epicenter of transformation	Definition of the company's knowledge management system so that the necessary resources are available to personnel, as well as the information needed to use them.
		Key knowledge: knowledge that sets Antolin apart and is essential for achieving its business goals and contributing to the professional development of its people.
		General knowledge: any activity conducted by Antolin entailing several associated items of knowledge which must be managed in order to bring them to the optimal state required by the company.
Modern Slavery and Human Trafficking Statement	**4.3.** Human rights: first step of decision-making	Every year Antolin renews its commitment to applying the processes and mechanisms that prevent situations linked to slavery and human trafficking in its operations and supply chain, no matter what the activity, size or geographical area. The 2021 commitment was approved by the Board of Directors in 2022.
	5.1. Antolin's Talent: epicenter of transformation	
Conflict minerals policy	**3.3.** Efficient and responsible supply chain	Commitment to the responsible supply of minerals and materials used in its products, obtaining them only from companies that share its values regarding working conditions, human rights, business ethics and environmental responsibility.
		Commitment to identifying and eliminating risks of potential adverse impacts on human rights in connection with the extraction, sale, handling and export of minerals from high-risk and conflict-affected areas.
		Antolin acknowledges its responsibility as a company to protect human rights and, therefore, not contribute directly or indirectly through its activity to financing or benefiting armed groups or conflicts.
	4.3. Human rights: first step of decision-making	The term "conflict minerals" refers to gold (Au) and the 3TGs, tantalum (Ta), tin (Sn) and tungsten (W), regardless of the location or source of the minerals or metal derivatives.
Compliance Master Plan 2024	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Roadmap that outlines the process for developing the organization's level of maturity in terms of compliance where it is able to proactively identify any potential risk and provide an appropriate response, significantly reducing its exposure.

Corporate Compliance Policy	**4.2.** Ethics and compliance (Fight against corruption and bribery)	The company's commitment to establishing and implementing a cross-cutting system that provides an adequate framework for defining, detecting and effectively assessing the risks faced by Antolin in the event of a regulatory breach. A requirement of the compliance management system, which serves as a tool to adopt a culture of compliance and respect for legislation through raising awareness.
Anti-corruption Policy	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Zero tolerance of conducts that are likely to be considered acts of corruption, fraud or bribery, whether in the public or the private domain. Consequently, Antolin undertakes to combat fraud and corruption in all their forms, including extortion and bribery, and develop a series of specific policies on this issue.
Gifts and Hospitality Policy	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Express prohibition to promise, offer, receive or grant, personally or through an intermediary, to executives, directors, employees or collaborators of a commercial undertaking or company, association, foundation or organization, an unjustified benefit or advantage of any nature that favors them or a third party over others, breaching their obligations in the purchase or sale of merchandise, the contracting of services or in commercial relationships.
Conflicts of Interest Policy	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Express declaration that ensures the absence of any conflict of interest in its commercial and professional relationships. A conflict of interest is understood to be any situation where it could be understood that a personal interest or benefit of an Antolin employee may influence their professional decisions in respect of compliance with their obligations at the company, where this personal interest or benefit is contrary to the company's interests.
Compliance guides: Donations and contributions	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Indicative guideline that describes what the purpose of a donation or contribution by Antolin should be: to help its respective activity sector or support communities and associations by providing project subsidies or sponsorship. It includes recommendations and examples of actions.
Compliance guides: Anti-corruption and bribery	**4.2.** Ethics and compliance (Fight against corruption and bribery)	Indicative guideline that establishes recommendations, warnings and conducts, by way of illustration, that may contravene the commitments set out in the global scope of the Code of Ethics and Conduct and specifically in the Anti-corruption Policy.
Telematic Conduct Guide	**4.2.** Ethics and compliance	Indicative guideline that establishes recommendations, warnings and conducts. To that end a series of general rules of use and prohibitions are identified and are common to all the company's telematic tools, together with the particular and specific conditions for each of them. These include reminders of the consequences of improper use or abuse of these tools and the regulation of certain control procedures.
Corporate Privacy Policy	**4.2.** Ethics and compliance	The company's principles and commitments in relation to personal data treatment and protection in accordance with applicable data protection laws and internal procedures.
		The company is aware of the importance of privacy and personal data protection in all the domains where it operates. From this perspective, we are committed to the highest ethical and data protection standards in its activities, reiterating the company's commitment to uphold this policy in strict compliance with privacy regulations, implementing programs and procedures that will maintain the trust of employees and stakeholders in how the company handles and respects their privacy and data.
Due diligence procedure	**4.2.** Ethics and compliance	Establishment, implementation and management of due diligences that are common for all Antolin employees, including people in exposed positions, as well as for third parties.

		The company is committed to ethical conduct and compliance with the law, based on the values described in the Code of Ethics and Conduct that are mandatory for its employees. Furthermore, in our links and/or associations with external entities or people, their conduct is required to be in line with those values.
		From this perspective, knowing the conduct of those wishing to be associated with the organization is a minimum business precaution.
		Due diligence procedures are key in any Compliance Management System as they guarantee that the will of the organization in enforcing its values is applied in its relations with customers, suppliers and third parties in general (external) as well as with employees or members of the organization (internal).
Escalation, investigation and remediation procedure for compliance breaches	**4.2.** Ethics and compliance	Principles and protocols to follow to ensure the immediate escalation of all serious incidents or breaches which could have a significant impact on Antolin.
Anti-trust Policy	**4.2.** Ethics and compliance	Framework for action to prevent any employee, collaborator or third party that represents or trades with the company from engaging in anti-competitive practices, effectively ensuring fair competition in those markets and territories where it operates; promoting the establishment of a culture of compliance, safeguarding our reputation and defending the values incorporated into its Code of Ethics and Conduct.
Sustainable Contribution Model	**5.2.** Driver of social development	A method of interaction with its stakeholders as a potential agent of change of the environments in which it builds a space of shared prosperity from an economic, social and environmental perspective based on ethics, transparency and professionalism.
Vision and values	**5.1.** Antolin's Talent: epicenter of transformation	People Value, the key to success: Recognize achievements: everyone contributes to success; build a climate of trust; be tolerant with mistakes; listen; communicate; act transparently; work as a team.
	4.2. Ethics and compliance	Family Spirit Value: be humble; act honestly; honestly; respect others and deal with issues fairly.
	5.2. Driver of social development	Contribution Value: contribution to the development of society: be committed to your environment; represent the company's values in society.
Supplier Manual	**3.3.** Efficient and responsible supply chain	It guarantees that the suppliers meet the standards required by Grupo Antolin, thus obtaining the full satisfaction of customers and main stakeholders. The manual establishes the requirements and the modus operandi that will be applied through the Antolin-Supplier relationship.
Sustainable procurement policy	**3.3.** Efficient and responsible supply chain	Details the sustainability requirements included in the purchasing procedures.
Internal Information System Policy	**4.2.** Ethics and compliance	Antolin promotes and protects any person who, in a professional or labor context, has obtained information on alleged infringements, including employees and collaborators, shareholders, people belonging to the company's governing, management or supervisory body, and any person working for contractors, subcontractors and suppliers. The scope of the protection extends to related people or those who have assisted and supported the reporting person.

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Economic aspects				
GRI 3: Material topics				
3-3	Management of material topics	3.3 4.1 5.1	53 60-69 91-92	
GRI 201: Economic performance				
201-1	Direct economic value generated and distributed	7.2	125-130	
GRI 204: Procurement practices				
204-1	Proportion of spending on local suppliers	7.3	136	
GRI 205: Anti-corruption				
205-1	Operations assessed for risks related to corruption	4.2	73	
205-2	Communication and training on anti-corruption policies and procedures	4.2	72	
205-3	Confirmed incidents of corruption and actions taken	4.2	73	
GRI 206: Anti-competitive behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	4.2	75	
Environmental aspects				
GRI 3: Material topics				
3-3	Management of material topics	6.1 6.2 6.3 6.4	112-113 114 117 121	
GRI 301: Materials				
301-1	Materials used by weight or volume	6.3 7.3	120 132	
GRI 302: Energy				
302-1	Energy consumption within the organization	7.3	131-132	
302-2	Energy consumption outside the organization	7.3	131-132	
302-3	Energy intensity	7.3	131-132	
GRI 303: Water				
303-5	Water consumption	6.3	132	
GRI 304: Biodiversity				
304-2	Significant impacts of activities, products and services on biodiversity	2.2	32	
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	7.3	131-132	

305-2	Energy indirect (Scope 2) GHG emissions	7.3	131-132	
305-3	Other indirect (Scope 3) GHG emissions	7.3	131-132	
305-4	GHG emissions intensity	7.3	131-132	
GRI 306: Waste				
306-2	Waste by type and disposal method	7.3	132	
GRI 307: Environmental compliance				
307-1	Non-compliance with environmental laws and regulations	4.2	79	
GRI 308: Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	7.3	136	
Social aspects				
GRI 3: Material topics				
3-3	Management of material topics	3.3 5.1 5.2	53 91 104	
GRI 403: Occupational health and safety				
403-1	Occupational health and safety management system	5.1	99-101	
403-2	Hazard identification, risk assessment and incident investigation	5.1	99-100	
403-5	Worker training on occupational health and safety	5.1	99-101	
403-6	Promotion of worker health	5.1	99-101	
GRI 404: Training and Education				
404-1	Average hours of training per year per employee	5.1	95	
404-2	Programs aimed at improving employees' skills and transition help programs	5.1	95-96	
GRI 405: Diversity and equal opportunity				
405-1	Diversity on governance bodies and employees	4.1 5.1	61, 66 97	
GRI 413: Local communities				
413-1	Operations with the participation of the local community, impact assessments and development programs	5.2	105-109	
GRI 414: Supplier social assessment				
414-1	New suppliers that were screened using social criteria	3.3	136	

07.8 Table of contents SDG

SDGS IMPACTED	PURPOSE	HEADING	2030 AMBITION: BUSINESS REFERENCE
1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING	Eradicating poverty and hunger, ensuring health and well-being	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.1** Antolin in the new value chain **5. People** **7. Appendices** **7.3** Sustainability balance sheet	
4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Supporting the generation of development opportunities through inclusive education and decent work	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.1** Antolin in the new value chain **5. People** **7. Appendices** **7.3** Sustainability balance sheet	• Equal remuneration for work of equal value • 100% of professionals throughout the organization are paid a living wage
5 GENDER EQUALITY 10 REDUCED INEQUALITIES	Reducing inequalities in the world, especially gender inequalities	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.1** Antolin in the new value chain **4. Conscious leadership** **4.2** Ethics and compliance: The value of being an example **4.3** Human rights: First step of decision-making **5. People** **7. Appendices** **7.3** Sustainability balance sheet	• Equal remuneration for work of equal value
6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY	Universalizing access to basic services, such as water, sanitation and sustainable energy	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.1** Antolin in the new value chain **6. Planet** **6.1** Environmental strategy and ambition **6.2** Towards carbon neutrality **6.3** A circular company **7. Appendices** **7.3** Sustainability balance sheet	

	Promoting innovation and resilient infrastructure by creating communities and cities capable of producing and consuming sustainably	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.1** Antolin in the new value chain **5. People** **7. Appendices** **7.3** Sustainability balance sheet	• 100% Sustainable inputs of renewable, recyclable or reusable materials • Zero discharge of hazardous pollutants and chemicals • Zero waste to landfill and incineration
	Caring for the environment by combating climate change and protecting the oceans and terrestrial ecosystems	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **3. Value chain** **3.3** Efficient and responsible supply chain **6. Planet** **6.1** Environmental strategy and ambition **6.2** Towards carbon neutrality **6.3** A circular company **6.4** Partnerships for the planet **7. Appendices** **7.3** Sustainability balance sheet	• Science-based emission reductions in line with a 1.5°C trajectory • Zero discharge of hazardous pollutants and chemicals • Zero waste to landfill and incineration • 100% resource recovery, all materials and products are recovered and recycled or reused at the end of their life
	Promoting collaboration between different social actors to create an environment of peace and sustainable development	**2. Strategy and creation of value** **2.3** Creation of value and business model: solid foundations **4. Conscious leadership** **4.1** Corporate governance: guiding Antolin's vision **4.2** Ethics and compliance: The value of being an example **3. Value chain** **3.2** A customer-centric culture **5. People** **6. Planet** **6.4** Partnerships for the planet	• Zero incidences of bribery

07.9 Table of contents Global Compact

07.10 Explanatory notes

People management in figures

Explanatory note 1

(1) People management in figures: There are two reporting scopes:

Employment I: The scope of the data reported in this section encompasses all the plants in which Antolin holds an investment, including equity-accounted companies. Therefore, with regard to the Company's total headcount, the figures in the "Employment I" section cover 100% of the workforce at both December 31, 2021 and 2022 in respect of the scope of the financial perimeter.

Employment II: The scope of the data reported in this section excludes the equity-accounted companies. Therefore, with regard to the Company's total headcount, the figures in the "Employment II" section cover in 2022 100% of the total workforce at December 31, 2022 and 100% of the total workforce at December 31, 2023, which is 96.77% in respect of the specific scope for the NFIS.

Data tables referring to data management do not include the company Wuhan Antolin Auto Parts Co., Ltd., which consisted of three people at the end of the financial year, two from DL and one from IL. Including Wuhan Antolin Auto Parts Co., Ltd., the headcount at December 31, 2023, amounted to 22,027 people and the average headcount was of 23,092 people in 2023.

Explanatory note 2

(1) Professional category: Criteria used in the calculation of the workforce that regularly provides services in all the industrial companies and technical-sales offices for Antolin:

Direct labor - DL force: Workers who have remained registered at an Antolin company for a period of time, assigned to the production process, performing direct work on the product in accordance with an established work method.

Indirect labor - IL force: Workers who have been employed at an Antolin company for a period of time, who perform activities to support the production process and are assigned to the Maintenance, Logistics, Quality, Engineering and Production departments, according to table I.

Table I

IL Indirect Labor	**FACTORY**	**Maintenance**	· Head of Maintenance · Maintenance personnel
		Production	· Line managers · Shift managers · Elementary working unit leaders · Machine preparers (tool changes, plastic mixing room, etc.)
		Logistics	· Forklift operators · Warehouse staff, supply of lines · Movement of containers
		Quality	· Factory quality checkers (excluding line) · Reworkers at factories · Quality firewalls at customer's organizations · Reworkers at supplier's organizations
	OFFICE	**Engineering**	· Manager and personnel from the Engineering department
		Quality	· Manager and personnel from the Quality department
		Logistics	· Manager and personnel from the Logistics department
		Production	· Manager and office personnel from the Production department

Structural Labor - SL force:

Technical-sales offices and headquarters staff: all employees of the technical-sales offices and the Antolin-Irausa and Antolin-Ingeniería are included.

Factory structure: workers that have been employed by an Antolin Group company over a period of time, who carry out support activities of the production process, according to table II.

Table II

SL Structural Labor	**FACTORY**	**Temporary structure**	· Young engineers, Black Belts, · Six Sigma, Improvement
		Development/ Prototypes	· Manager and personnel from the Development department · Personnel employed to make prototypes
		Cleaning, Security and Canteen	· Personnel providing services in these areas who are directly employed by the Company
		Expatriates	· Personnel on secondment from a company A to a company B, where company A assumes certain costs of this personnel
		Administration	· Manager and personnel of the Finance department
		IT	· Coordinator and personnel from the Systems department
		Human Resources	· Manager and personnel from the Quality department
		Purchasers	· Manager and personnel from the Purchasing department
		Logistics	· Manager and personnel from the Logistics department
		Production	· Personnel from the Human Resources department · Medical service · Reception personnel
		STAs	· STA (Suppliers Technical Assistant) personnel
		Management	· Factory manager · Secretary to the manager · Regional manager · Secretary to the regional manager
		Sales personnel	· Manager and sales personnel

Explanatory note 3

Professional category based on type of post assigned to each employee in the SAP system: managerial profile, middle management and other personnel according to table III.

Table III

TYPE OF POST	FUNCTION
Corporate director	Management
Director of staff	
Factory manager	
Project Leader	Middle management
Head of department	
Section head	
Engineer/Graduate	Operating personnel
Graduate personnel	
Secondary education personnel	
Secretary/PA to	
Management/Driver	
Driver	
Receptionist	
Operator	Rest of employees
Multidisciplinary employee	
Specialist employee	
Expatriates	

Public Liability Insurance

Antolin's public liability insurance covers the following contingencies:

a) Soil, water and atmospheric contamination, provided it is accidental, sudden and unforeseen, except in the following cases:

- Claims for continuous, slow and recurrent contamination
- Non-compliance with laws, orders, rules, administrative provisions or regulations of competent authorities related to the environment
- Environmental damage derived from installations or premises of the insured party used exclusively for the processing, treatment, management, storage, use, dumping or disposal of waste, residue or debris
- Damages due to emissions, immissions or disposals derived from normal operations (regular emissions or disposals)
- Installations which continuously or recurrently exceed the emission or immission caps authorized or installations in a poor state of repair and maintenance
- Genetic damage to persons or animals
- Claims for environmental liability based on Law 26/2007 October 23, 2007, on Environmental Liability and the implementing regulations thereof, which are required or enforceable by the public authorities
- Claims originating in the USA and Canada, countries which for these purposes are outside the territorial scope of environmental damage coverage. Therefore, any liability arising from damage occurring and/or claimed in those countries as a result of any damage to the environment is not covered
- In addition, as a preventive guarantee measure against this last exclusion, a specific environmental policy has been taken out to cover sudden and accidental pollution for Antolin's plants in the USA (excess of $120,000 and a compensation limit per claim and annual aggregate limit of $5,000,000)
- The scope of this cover is set at €35,000,000 per claim per insurance period, with an excess of €15,000

b) Antolin's Environmental Liability that may result from the activity under Law 26 /2007 of October 23, 2007, on Environmental Liability.

The scope of this cover includes the cause of environmental damage or the existence of an imminent threat of causing such damage limited to the European Union, covering the costs and expenses of prevention, avoidance and repair considering a limit of €2.5 million per claim and insured period, with an excess of €60,000.

ANTOLIN
Intelligent. Integrated. Inside.

SIGNATURES OF THE DIRECTORS

The Directors of Grupo Antolin-Irausa, S.A.U. hereby sign these Consolidated Annual Financial Statements and Directors' Report for the year ended 31 December 2023, which precede this page, signed, in acceptance, by all the Directors.

In Burgos, on 22 March 2024

Ernesto Antolín Arribas (for and on behalf of CANEA, S.L)	Emma Antolín Granet (for and on behalf of INJAT, S.L)
Miguel Ángel Vicente García (for and on behalf of AMPABER, S.L.U)	José Antolín Granet (for and on behalf of SANTA JULITA, S.L)
Cristina Blanco Santo Tomás	Pablo Ruiz Ferreiro (Non-director Secretary)

Grupo Antolín-Irausa, S.A.U. and subsidiaries

Independent Assurance Report on the Consolidated Non-Financial Information Statement (NFIS)

31 Decembre 2023

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails)

KPMG Auditores, S.L.
P.º de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Grupo Antolín-Irausa, S.A.U. and subsidiaries for 2023

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails)

To the Sole Shareholder of Grupo Antolín-Irausa, S.A.U.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) of Grupo Antolín-Irausa, S.A.U. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2023, which forms part of the consolidated Directors' Report of the Group for 2023.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in the "*7.6. Table of contents Law 11/2028*" table included in the accompanying consolidated NFIS.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "7.6. Table of contents Law 11/2028" table included in the aforementioned NFIS.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management (ISQC) 1, which requires us to design, implement and operate a system of quality management including documented policies and

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procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the Report, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2023 based on the materiality analysis performed by the Group and described in the "2.2. Leading mobility from inside the vehicle" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2023.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2023.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Grupo Antolín-Irausa, S.A.U. and subsidiaries for the year ended 31 December 2023 has not been prepared, in all material aspects, in accordance with

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prevailing mercantile legislation and the selected GRI Standards based on each subject area in the "*7.6. Table of contents Law 11/2028*" table included in the aforementioned NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

15 April 2024