



FIRST SEMESTER 2020

NEWS CIE AUTOMOTIVE N.37



CIE Automotive

P.03 LETTER FROM THE CHIEF EXECUTIVE OFFICER

P.04 CIE AUTOMOTIVE INAUGURATES CIE PLÁSTICOS MÉXICO

P.05 CIE AUTOMOTIVE ACQUIRES THE ITALIAN COMPANY SOMASCHINI

P.06 CIE AUTOMETAL DIADEMA BEGINS PRODUCTION OF A NEW AUTOMATIC PAINT LINE

P.07 LAYING THE FOUNDATION STONE FOR A NEW PLANT AT AURANGABAD

P.08 IMPLEMENTATION OF SAP IN CIE GOLDE COMPANIES

CIE AUTOMETAL DIADEMA WILL PROVIDE THE ROOF RACK FOR THE NEW LAUNCH OF VOLKSWAGEN “NIVUS”

P.09 CIE PLASFIL PRESENTS CIE WIKI, ITS KNOWLEDGE PLATFORM

P.10 INVESTOR RELATIONS

P.11 VISIT OF THE LEHENDAKARI TO CIE INJECTAMETAL JORNADA ARABA 4.0.

P.12 CIE PLASFIL AND CIE STRATIS INAUGURATE THEIR OWN PHOTOVOLTAIC PARK

CIE PLASFIL SHOWS ITS RESPONSIBILITY WITH THE SOCIETY

P.13 AWARDS AND RECOGNITION

INDEX

OUR RESPONSIBILITY IN A DIFFICULT MOMENT

Dear friends,

The year 2020 will go down in history as being forever linked to the coronavirus pandemic that has shaken the world. A disease that we have all felt to be close, and which has directly affected us or our immediate environment. In addition to the personal drama it has meant for so many families, the virus has led to an economic and social crisis, the full extent of which we cannot yet calculate.

Our responsibility as a company is to minimise its impact. Firstly, from the point of view of the health and safety of all our employees and collaborators, for which the group took the appropriate measures with great agility from the outset. Secondly, from the continuity of our productive activity, an objective for which various contingency plans were set in motion at a global level. Our presence in the Chinese market has allowed us to transfer the

early lessons learned in China, the geographic origin of the pandemic, to the rest of the world.

In this first half of the year we have continued to achieve important milestones. In January, we completed the acquisition of the Italian company Somaschini, a transaction that strengthens our position as the world's top player in gear systems. In June, the new CIE Plásticos México plant began operations in the facilities that we inaugurated last November. At the end of this year we hope to begin operations at AEL's new plant in Aurangabad (India). Not to mention all the new projects successfully completed and the various initiatives underway throughout the group.

Meanwhile, we are not neglecting our commitment to the environment. A good example of this is the photovoltaic project that CIE Plasfil and CIE Stratis are undertaking in Figueira da Foz (Portugal).

In short, we are aware of the complicated scenario we are experiencing and that our stakeholders demand a reaction from CIE. We took up the challenge with all our strength and with the conviction that we are ready. We have always said that ours is a resilient business model, ready to cope with changes. We have proved this before, and we will prove it again.

Jesús María Herrera



CIE AUTOMOTIVE INAUGURATES CIE PLÁSTICOS MÉXICO

The plant, inaugurated in June 2020, is dedicated to molding, injection and assembly processes. A future investment in a plastic painting line is planned.

On November 14, 2019, the start-up of the new CIE Plásticos México plant was announced. That same day, an opening ceremony was held, attended by some of our main customers, as well as members of the management team of CIE Automotive. After seven months of intense work, CIE Plásticos México began its activity in June 2020.

The plant has been built over an area of 27,000 m2 by the company DAVISA and is located in the so-called Valle de Derramadero, Saltillo. It is dedicated to molding, injection

and assembly processes focused on the automotive industry.

In addition, future investment is planned in a line of plastic paint with high and low gloss technology for exterior parts, and soft touch for interior parts.

Primera Piedra Planta de



CIE Plásticos México

Sr. Jesús María Herrera Barandiaran
CEO CIE-Automotive

Derramadero, Coahuila
14 noviembre 2019



CIE AUTOMOTIVE ACQUIRES THE ITALIAN COMPANY SOMASCHINI



The company, whose integration was closed in January 2020, is specialized in the manufacture of gear systems and has plants in Italy and the United States.

CIE Automotive closed in January the acquisition of 100% of the share capital of Somaschini S.p.A. (hereinafter "Somaschini").

The value of the transaction (enterprise value) amounted to 79.6 million euros, equivalent to less than 5 times the EBITDA of the current year and was adjusted on the closing date based on its indebtedness, as performed regularly in this type of operation.

The transaction price has been paid by CIE Automotive in cash on the closing date and has been financed through available cash.

With nearly 300 employees and 2019 sales of approximately 70 million euros, Somaschini has three production plants: two in Bergamo (Italy) and one in Indiana (United States). The company is specialized in the manufacture of gear systems (gears), whose applications include

sectors such as transportation and automotive, in addition to industry or robotics.

According to Jesús María Herrera, CEO of CIE Automotive, "The integration of Somaschini with our Italian Metalcastello plant and our Indian gears division implies the creation of a top global gear systems player with a presence in three major markets - Europe, North America, Asia - and in various

segments - automotive, industrial vehicle, tractor, off road - which is currently a huge competitive advantage by offering global supply to our customers."



CIE AUTOMETAL DIADEMA BEGINS PRODUCTION OF A NEW AUTOMATIC PAINT LINE

The plant started the automatic paint line production in January 2020.

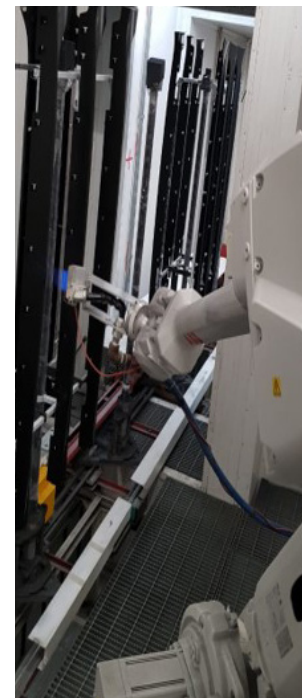
In January of this year, CIE Autometal Diadema started production of a new fully automated paint line, the project involved the participation of all departments, in addition to a team of specialists to work in development and construction.

The line has 6 robots (1 for flaming, 1 for primer, 2 for base coat and 2 for clear coat application), ionized air system, artificial vision poka-yoke system for racks and hangers (to avoid collision with the robot), air temperature and humidity control within the booth, automatic alarm control, double filtration system, new paint preparation area with automatic mixers, colour change system for 20 colours, with 11 quick changes and 9 for volumes of 60 litres, automatic line speed control, pinpointing monitoring of each rack by RFID system, a large hanger production envelop (2 x 0.8 Mts of wet area) and an exclusive laboratory.

The Technological Center of the plant is connected to the new line, and in this new model they use the built-in software to simulate the processes and the development of the racks, bars and brushings, optimizing the production process, and the quality and capability indexes.

The entire development of the line, was focused for painting body colour elements, such as aerodynamic profiles, rocker molding, rear door handles, railings and roof bars, among others with a high added value.

As complying all technical and environmental requirements, the new line is already approved by OEMs General Motors (CQI 12 approval), Renault, PSA and Volkswagen.



LAYING THE FOUNDATION STONE FOR A NEW PLANT AT AURANGABAD

The AEL Aluminium Aurangabad plant will be reconstructed.

The AEL Group has three plants in the city of Aurangabad (India). Plant 3 was inaugurated 29 years ago and during an audit carried out in 2019, some serious problems were observed in the structure of the plant.

In addition to these problems, the limitations of the plant in terms of expansion and provision for higher tonnage machines were added,

therefore, a new plant was built to replace the old plant 3.

The opening ceremony was held in December 2019 and the building is expected to be ready by the end of 2020. The new plant will consist of die-casting, machining, assembly, etc. facilities, including provision for HPDC machines of up to 2500T capacity.

Furthermore, the facilities of the Engineering and R&D center will also be newly built as an extension of P3C.



BILL FORGE DE MÉXICO & NEXTEER

Bill Forge de México was founded in 2016 as a forging plant. It currently produces 2 million pieces a year for the North American region.

The plant is specially dedicated to forged pieces; Tulips and steering knuckles for 2 years he has Nexteer as a client with whom he has collaborated in 1 project.

Currently, the plant, thanks to its good previous collaboration, has achieved the T1XX, C1XX project, in which it will manufacture the pieces of tulips and reeds for the client Nexteer USA. The project will last 5 years.

IMPLEMENTATION OF SAP IN CIE GOLDE COMPANIES

In September 2019, CIE Golde Group and Hande officially launched the SAP S4 HANA Cloud ERP Global Deployment Project. The objective of the project was to replace the old ERP system used by the Golde Group in a very short time period, which has been a great challenge for everyone.

On January 2, 2020, after 4 months of hard work, SAP S4 HANA Cloud was officially launched at the Golde Shanghai plant. The start-up was not easy, but the entire team made a great effort to guarantee the success of the project.

Just as the team was preparing to

begin deployment to the rest of the plants in China, the coronavirus crisis suddenly emerged, this unexpected situation disrupting the project plan.

Deployment did not resume until mid-February, but the team worked hard to catch up. Thanks to the

effort made, the implementation of the new system has been successfully carried out at the Golde Tianjin, Golde Yantai and Golde Changchun plants.

CIE AUTOMETAL DIADEMA WILL PROVIDE THE ROOF RACK FOR THE NEW LAUNCH OF VOLKSWAGEN "NIVUS"

The CIE Autometal Diadema plant will supply the luggage rack of the new Nivus from Volkswagen Brazil. The product was developed by the Technological Center of Autometal Diadema plant, together with Volkswagen engineering, through a

co-design process, which allowed the application of new concepts and added value to the product.

The Roof Rack's production process includes a 'Stretchbend' process, machined by robots,

electrostatic powder painting with nanotechnology and super durable resin application in two versions, Black and Silver Metallic. The work carried out, generated new business with Volkswagen Brazil, such as the appointment of two more roof bars

for the unit, increasing the market share of this product, in addition to establishing itself as the segment leader in South America.



CIE PLASFIL PRESENTS CIE WIKI, ITS KNOWLEDGE PLATFORM

CIE Plasfil presents its knowledge platform that is now deployed throughout the organization.

The objective of the new tool is to improve the operation of all the plants through the transfer of knowledge and experiences in each one of them. To do this, the platform allows you to share know-how regarding an innovation introduced in the context of a project or to find a solution to a specific technical problem in production. The tool has a registry of completed projects and allows the

user to carry out a segmented search according to the type of project that is of interest to them. In addition, CIE Wiki offers the possibility of interacting in a question and answer forum within each project, in which any user can participate.

CIE Plasfil and CIE Automotive's other division's plants have been using CIE Wiki for some time and it was

in this first half of 2020 when it was deployed to the other divisions.

CIE Wiki is an excellent platform both for carrying out internal benchmarks and for sharing initiatives with clients, suppliers and other stakeholders.



CIE Wiki

To access the platform, simply follow the link in the CIE Wiki section within the ASG dropdown on the CIE Automotive website or visit www.ciewiki.com and request user credentials.

Contact: webmaster@ciewiki.com





RELACIÓN CON INVERSORES

During this first semester of 2020 the headline was, of course, the coronavirus. Both the global economy directly and the automotive sector indirectly have suffered a state of hibernation for much of this semester, with the wave of the virus reaching different countries in different stages. The reopening of the economies following the impact of the virus has also occurred gradually and above all, with different intensity, with China being the country with the highest degree of recovery to date.

Obviously, this pandemic context has had an impact on CIE Automotive, but this impact has not prevented us from achieving record results in the first quarter (and for the 25th consecutive quarter). The second quarter will undoubtedly be more significantly impacted considering that the crisis reached regions such as India, Europe, North America and Brazil throughout the month of March, and that since then it has

been severely affecting these key regions for CIE Automotive.

Once again, the resilience shown by CIE Automotive compared to the sector average (which is already seeing companies fail) seems not to be correctly valued by the financial markets, since the evolution of CIE Automotive's share until 30th of June was only slightly better (- 26%) than the Stoxx Auto index (- 23%) and the Ibex 35 as a whole (- 24%).

Our focus during this first half of the year has been on addressing the concerns of our investors, which can be summarized as follows:

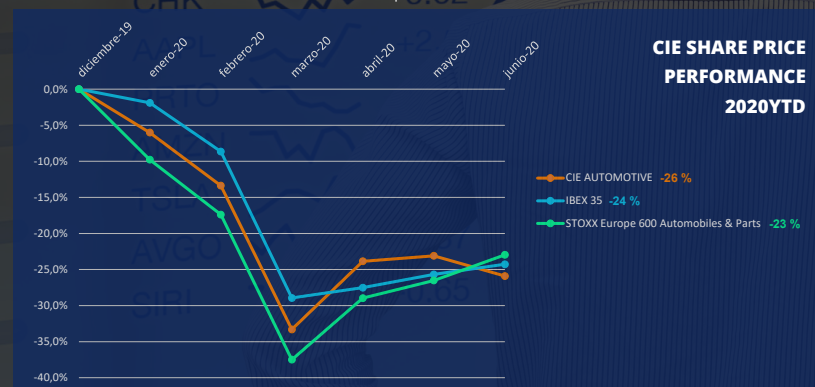
- Leverage and liquidity reserve at the beginning of the year and evolution.
- Flexibility of the income statement, level of fixed costs, level of break-even, etc.
- Visibility on the future of the sector in the short / medium term, volumes,

changes in the megatrends, etc.

It is noteworthy that for much of this semester, due to the coronavirus, the IR department, like other CIE Automotive departments, has had to work in telework mode, which has not prevented us from continuing to service our investors.

The most relevant change has been the transformation of in-person conferences and roadshows into virtual events, leveraging on existing technologies on the market, which has allowed us to keep

the activity planned in the 2020 agenda. During this first semester we have participated in a total of 7 conferences, 13 roadshows and numerous phone calls with investors, which has meant the contact with more than 300 investors from 19 different countries.



VISIT OF THE LEHENDAKARI TO CIE INJECTAMETAL

On Thursday, January 23, CIE Inyectametal received the visit of the Lehendakari, Basque Prime Minister, Iñigo Urkullu.



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the Management Committee of CIE Automotive and of the Aluminum Division and the plant manager, Andoni Zabala.

The Lehendakari, the Minister for Economic Development and Infrastructure and the Deputy Minister for Industry were accompanied during the visit by Antón Pradera, President of the company, and Jesús María Herrera, CEO, as well as by the members of

CIE Inyectametal is a plant of the CIE Automotive group located in Abadiño, specialized in the production of auto parts by means of high-pressure aluminum injection and other complementary processes.

JORNADA ARABA 4.0

The Araba 4.0 Conference “Industry 4.0 at your fingertips” took place on November 15, 2019.



On November 15, 2019, the Araba 4.0 Conference “Industry 4.0 at your fingertips” was held, in which CIE Automotive participated to talk about the incorporation of enabling technologies for Industry 4.0. Jon Ezkerra was the representative of the company and spoke about the Cybersecurity challenge in forging, carried out at CIE Galfor and CIE Legazpi, with the company Jakincode.

The goal of the project was to check the level of security of the plants in order to guarantee that the communications in the production process of the products were comprehensive, confidential and available to produce at any time. 500 audits were carried out through which they obtained the diagnosis they were seeking to detect possible risks and the actions to be carried out at the cybersecurity level.

CIE PLASFIL AND CIE STRATIS INAUGURATE THEIR OWN PHOTOVOLTAIC PARK

In order to reduce the economic and environmental costs of electrical energy, CIE Plasil and CIE Stratis have decided to create their own photovoltaic park.

Conventional fuels have a negative social, environmental and economic impact that is accumulating and, therefore, the Portuguese plants of the CIE Automotive group, dedicated to plastic injection, have set themselves the objective of building a photovoltaic park to reduce the consumption of electrical energy network, reducing not only the bill of

electricity, but also the CO2 footprint, which is so important today.

The plants expect to cover 19% of their needs with energy from the photovoltaic park throughout 2020, even with production running 24 hours a day. The focus on minimizing their energy consumption makes this project significantly relevant to the company's objective with the environment as they expect a reduction of CO2 emissions by 845t per year



CIE PLASFIL SHOWS ITS RESPONSIBILITY WITH THE SOCIETY

CIE Plasil has partially sponsored a 29kW photovoltaic system that was installed in a local school in the municipality of Figueira da Foz, a project to which the Municipality Council immediately joined, sponsoring it and becoming the first in the country with a public school with considerable photovoltaic system. In this way not only does it contribute

to reducing the impact on the environment, but CIE Plasil shows a great responsibility with society since they are teaching new generations that there is no need to use / buy electricity from the network originating from polluting sources.



PREMIOS Y RECONOCIMIENTOS

CIE AUTOMOTIVE HAS OBTAINED A RECOGNITION IN THE AECA AWARD FOR BEST INTEGRATED REPORT

In the XIX Edition of the AECA Award for Business Transparency, CIE Automotive has obtained mention as the company with the best Integrated Report. This recognition, awarded by the Spanish Association of Accounting and Business Administration (AECA), has the sponsorship of BDO; the collaboration of the Institute of Internal Auditors and Grupo Zubizarreta; and the institutional support of the National Commission of the Stock Market (CNMV), the Bank of Spain and Registrars of Spain, in addition to the official media, Consejeros magazine and Cinco Días newspaper, all of them represented on the jury that has recognized the effort of CIE Automotive in preparing its 2019 Annual Report. Congratulations!



SIEMENS LIMITED "GOLD AWARD" RECEIVED BY MCIE GEARS DIVISION

MCIE Gears Division has been awarded for its effort for the Zero Defects Quality Culture and has obtained the "Gold Award" from Siemens Limited that has recognized its Excellence in Quality and Performance of supply for the third consecutive year. Congratulations to the whole team!



ACS SHANGHAI SHORT NEWS

In early May, BV auditors implemented IATF 16949 Surveillance Audit at ACS Shanghai; the audit was closed with 1 minor non-compliance for improvement.

Furthermore, the plant obtained the ISO14001 and ISO45001 certificate by BVCH SAS UK BRANCH in April, which helps to evaluate the company's security management in the area.

ACS Shanghai also won the subsidies in the stable position assessment organized by the government. Well done team, congratulations!



RECOGNITION OF CDTI AS GOOD PRACTICES TO THE “CIEN SPAIN 2017” PROJECT IN WHICH CIE MECAUTO PARTICIPATED

In 2014, the CDTI launched a new financing line aimed at supporting and incentivizing R&D projects of companies throughout the national territory. These projects, called “CIEN Strategic Projects”, are large R&D projects in strategic areas with a future and international projection, developed in a cooperative way, through the constitution of business groups in which CIE Mecauto participated.

CIE Mecauto was responsible for studying the available technologies and designing a new fuel injection system for the engine and for recovery of heat recovery from the vehicle's exhaust gases. For this reason, the plant has obtained the recognition of Good Practices in its participation in said project.



THE AEL GROUP HAS BEEN RECOGNIZED IN THE TPM AWARDS BY JIPM

The Japanese Plant Maintenance Institute (JIPM) annually performs the TPM awards in which a true commitment is created with the entire company with excellence in production. In January 2020, AEL's Aurangabad plant won the TPM JIPM Excellence award and the Pantnagar plant the TPM JIPM Consistency award. Furthermore, it is important to note that the Pantnagar plant has already obtained the TPM JIPM Excellence Award. The objective of these awards is based on strengthening companies and contributing to the development of the industry, for this, they try to promote the modernization and development of technologies for plant maintenance.

We want to highlight that in February 2020, the Vice President of the AEL Pune plant in HR and Business Excellence, Mr. Saumen Majumdar, was honored with the “Lifetime Achievement Award” by one of the main universities in the country, the Savitribai Phule University Pune.

Congratulations to the entire AEL Group, you are doing a great job!



3RD ANNUAL AEL-GROUP CONVENTION

On December 19 in Aurangabad the 3rd edition of the Annual AEL Convention was held, attended by around 200 group employees. The objective of the convention was to set the group's strategy and the path to follow towards excellence in 4 Zero business.



AWARD TO NANJING AUTOMOTIVE FORGING

Nanjing Automotive Forging has been recognized as the first-class international forging supplier with "May 1 Labour Award" in Jiangsu Province. In addition, the plant has obtained the following acknowledgments: 2019 Shanghai GM Supply chain smart collaboration Award and 2019 Shanghai GM Supplier Quality Award. Congratulations to all of your workers!



GENERAL MOTORS " 2019 QUALITY EXCELLENCE AWARD " RECEIVED BY CIE CELAYA AND BILL FORGE INDIA

General Motors has recognized the CIE Celaya and Bill Forge India plants for their excellence in quality throughout the year 2019. Congratulations to the teams at both plants!

GOLDE PUEBLA PRODUCES A MANUAL FOR A SAFE RETURN TO WORK AFTER THE PANDEMIC COVID 19

Golde Puebla has developed a protocol manual for a safe return after the COVID 19 pandemic with which they are committed to the health and safety of their employees.

It is a document that is constantly updated due to the changing situation worldwide with which they seek to help the rest of the plants when they return to the workplace and prevent the spread of COVID 19 within the company.

For those plants that want to know more about this internal Manual and / or contribute their own ideas or best practices, they can send their requests / suggestions to:

vperez@ciegolde.com

CIE AUTOMOTIVE AROUND THE WORLD

NORTH AMERICA

USA

★ R&D
Plastic
Machining
Roof Systems

MEXICO

★ R&D
Aluminium
Forging
Stamping & Tube forming
Machining
Plastic
Roof Systems

SOUTH AMERICA

BRAZIL

★ R&D
Forging
Stamping & Tube forming
Aluminium
Machining
Plastic
Casting

CENTRAL EAST EUROPE

CZECH REP

Stamping & Tube forming
Machining
Plastic
Cold Forging

LITHUANIA

Forging

ROMANIA

Aluminium
Roof Systems

SLOVAKIA

★ R&D
Machining
Roof Systems

RUSSIA

Aluminium

AFRICA

MOROCCO

Plastic

ASIA & OCEANIA

CHINA

★ R&D
Forging
Stamping & Tube forming
Machining
Roof Systems

INDIA

★ R&D
Aluminium
Forging
Stamping & Tube forming
Machining
Casting
Composites

WEST EUROPE

SPAIN

Headquarters
★ R&D
Aluminium
Forging
Stamping & Tube forming
Machining
Plastic
Roof Systems

ITALY

Machining
★ R&D
Forging
Roof Systems

PORTUGAL

★ R&D
Plastic

FRANCE

★ R&D
Machining
Roof Systems