CIE Automotive

NEWS N.45

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We beat our own records while helping to change the world

Dear friends,

We are starting 2024 by beating our own records. The first quarter was a historic one for CIE Automotive, with very strong organic growth of almost 5 points above the market and outstanding results: for the first time we achieved a 14% EBIT margin on sales and record quarterly net profit of €93 million, putting us on the podium of the most profitable companies in the sector.

These figures are proof of our unwavering commitment to profitable and sustainable growth, even in a challenging environment marked by geopolitical concerns and interest rates, among other factors. A commitment that we maintain thanks to the good outlook for the coming months, which brings us ever closer to the objectives of the 2025 Strategic Plan.

In a sector in constant transformation, our ability not only to adapt, but also to lead change, is essential. Electrification and digitalisation are reshaping our industry, while offering us new opportunities that are materialised in many of the different projects we have developed during this first half of the year.

Firstly, I would like to highlight that we have signed a EUR 36 million loan with the European Investment Bank (EIB) for research and development of advanced and sustainable technologies. This is our fourth financing in the last 15 years with the EIB, which is once again backing the efficiency, innovation and competitiveness of the Spanish automotive industry in a globalised sector. The financed investments will be carried out at our facilities in Spain, Germany, France and Italy and will contribute to the creation of high-value jobs in these countries.

We have also continued our collaboration with Basquevolt, an initiative promoted by the Basque Government for the production of solid-state batteries. We have granted them a €750,000 bridge loan convertible into shares, as part of a total equity loan of €12 million provided by their partners. We believe in the important role of Basquevolt, an initiative that not only aims to surpass the energy density of current batteries, but also aspires to become the European leader in this advanced technology.

Another milestone of these first months has been the recent meeting of SERNAUTO's Responsible Business Commission, during which more than twenty associated companies met at our facilities in Bilbao to learn about the advances in sustainability that we are implementing in our manufacturing processes. We shared with them our vision and progress in key areas such as decarbonisation and due diligence, which are essential both for our sector and for our own evolution.

On the other hand, I would like to highlight that last February we updated our Good Corporate Governance model in order to comply with the parameters proposed by Transparency International Spain in the areas of regulatory compliance, anti-corruption and good governance. A model of governance and transparency that has been widely recognised, recently by the Haz Foundation, which has renewed our seal in tax matters with the highest possible rating and once again recognises us as leaders in reliability and transparency in tax information and management.

We will continue to work to consolidate our financial success, without forgetting our day-to-day mission to have a positive impact on the environment. Our decisions and actions, always oriented towards profitable and sustainable growth, will continue to strengthen our position in the market.

I would like to thank all of us at CIE Automotive. Your excellence is the key to our successful business model and has made it possible for us to get this far. Let us continue to beat our own records.

Jesús María Herrera

THE EIB AND CIE AUTOMOTIVE SIGN A LOAN FOR RESEARCH AND DEVELOPMENT OF ADVANCED TECHNOLOGIES

The investments are aimed at driving CIE Automotive's innovation and developing more sustainable manufacturing technologies

CIE Automotive and the European Investment Bank (EIB) signed a € 36m loan in June to finance the company's research, development and innovation activities and their application in the manufacture of high value-added components for the automotive sector.

The funding will support CIE Automotive's investments in process optimisation through digitalisation and the development of more sustainable manufacturing technologies.

The planned investments will be carried out at CIE Automotive's facilities located in Spain, Germany, France and Italy, including some in cohesion regions.

Antonio Lorenzo, Head of the EIB's Corporate Finance Division in Spain, stressed that these loans are a reflection of the EIB's support for innovation and sustainability in the European automotive sector, providing the resources needed to strengthen the research and technological development of companies like CIE Automotive, which are crucial to preserving Europe's leading position in the automotive sector.

The relationship between CIE Automotive and the EIB dates back to 2009, during which time the EIB has significantly supported the company's research and development, enhancing its ability to compete globally.

Jesús María Herrera, our CEO, highlighted the importance of the recent loan agreement with the EIB, marking the fourth agreement between the two entities in the last 15 years. He stressed that this loan strengthens a strategic partnership that has been essential for boosting the efficiency, innovation and competitiveness of the Spanish automotive sector in a highly globalised context. He also explained that the loan forms part of CIE Automotive's structural financial diversification strategy, which complements the company's commercial and institutional sources of finance.

With this operation, the EIB is not only boosting the European Union's competitiveness and reindustrialisation in a crucial sector being transformed by electrification and digitisation, but is also helping to preserve and create high value-added jobs in four EU countries.

European Investment Bank

CIE AUTOMOTIVE PLAYS HOST TO THE SERNAUTO RESPONSIBLE BUSINESS COMMISSION

Sernauto companies visited CIE Norma and learned about the progress in sustainability

On 1 February, the meeting of the Responsible Business Commission of SERNAUTO, the Spanish Association of Automotive Suppliers, was held at our CIE Automotive facilities.

The companies on the Committee visited CIE Norma and learned about the advances in sustainability being made in manufacturing.

After the visit to the factory, a meeting was held with the participation of representatives of more than twenty companies associated with SERNAUTO. The meeting reviewed the latest milestones and presented the Action Plan for 2024, which will continue the work carried out over the last four years with three fundamental objectives: to highlight the sector's contribution to sustainable development; to create spaces for synergies and networking among the members of the Commission; and to generate useful tools that will allow them to advance in the implementation of sustainability strategies and plans in their companies.

Following the presentation of the 2024 Plan, CIE Automotive's Engineering, Environment and Supply Chain team shared its vision, strategy, progress and lessons learned in the areas of decarbonisation and due diligence, two strategic areas for the sector in which all companies are making progress.

CIE AUTOMOTIVE RECOGNISED BY FUNDACIÓN HAZ

The Haz Foundation continues to recognise CIE Automotive's efforts by renewing its tax transparency seal with the highest rating (3 stars).

This distinction once again places the company as a leader in terms of reliability and transparency of both its tax information and management. With 100% compliance with all the parameters evaluated in this area by the Haz Foundation, CIE Automotive continues to guarantee its commitment to customers, public administrations, shareholders and employees, which is detailed year after year in the Tax Contribution Report.

UPDATING THE CORPORATE GOVERNANCE MODEL

In February 2024, the Board of Directors approved the update of the Good Corporate Governance model, which not only updated the Code of Professional Conduct and most of its corporate policies, but also approved new policies arising from the company's commitment and requirements.

The update is the result of a project carried out in collaboration with the law firm Cuatrecasas, where the following areas were reviewed and completed:

- Compliance Management System (including its organisational structure at all levels, as well as manuals, codes and protocols), as well as Corporate Governance policies.

- Internal system and channel at the Spanish level, adaptation to Law 2/2023 and proposals for possible improvements. In addition, a common body has been established for all the companies of the group, without prejudice to their establishing specifics via an annex.

- Criminal risk map and criminal risk prevention, fraud and anti-corruption policies.

- Creation of a new basic guideline on competition.

- Recommendations of several types regarding the prevention of various types of harassment.

All the aforementioned actions have enabled the company to comply with the parameters proposed by Transparency International Spain (a leading benchmark in the field) in the areas of regulatory compliance, anti-corruption and good governance.

The Good Corporate Governance model is available on the Group's corporate website:

https://cieautomotive.com/web/investors-website/gobierno-corporativo

INVESTOR RELATIONS

In terms of interaction with investors, two key activities were carried out during the first half of the year:

- We participated for the first time in investor conferences organised by internationally renowned brokers Berenberg and Jefferies. Although these brokers do not currently cover CIE Automotive shares, invitations to these conferences are often a first step towards initiating coverage, which could mean access to an even wider universe of investors, with the consequent benefits.

- In May we organised an international visit to our Mexican plants with investors, marking the first international visit in many years, thus meeting one of our departmental objectives for 2024.

In the first half of the year, up to June 28, our stock grew by 1%, in line with the Stoxx Auto index (0%) and below the Ibex 35 (+8%). Although these results are encouraging, the potential of our share is not yet fully reflected in its current value, according to the analysts' consensus, which has increased its valuation from 31.38 euros per share at the end of the year to 33.12 euros per share.

BASQUEVOLT LOAN

CIE Automotive has granted Basquevolt a bridge loan of €750,000 until the next round of financing in the coming months; this loan is in the form of a participating loan convertible into shares and is part of a total participating loan of €12 million granted by Basquevolt's partners.

Basquevolt is the Basque initiative for the production of solid-state batteries promoted by the Basque Government. The founding partners are Iberdrola, CIE Automotive, Enagás, EIT InnoEnergy and CIC energiGUNE, whose research work has facilitated the development of the initiative. Basquevolt's goal is to produce 10GWh by 2027 and one of the latest milestones it has reached is the start-up of a sample cell manufacturing plant (A-Sample) for next-generation batteries in June 2024. This prototype cell manufacturing line has managed to produce the first 20Ah cells and 80Ah cells are expected to be produced by the end of this year.

The promoters of Basquevolt realise that liquid electrolyte lithium batteries are reaching maturity and that the next technological breakthrough to really unlock the true potential of energy storage must come from the solid state. The new technology will allow the energy density of current storage solutions to be far exceeded. Thanks to its technology base, Basquevolt aims to become the European leader in solid-state batteries.

BASQUEVOLT
tech by CIC energiGUNE

NEW COMPLIANCE DAY HELD IN CHINA

Specific training day on Compliance and commitments acquired in the ESG 2025 Plan.

In May, the Compliance Department held a specific compliance training day in China, where it not only provided training and information on the company's current compliance obligations but also on the commitments undertaken in the ESG 2025 Plan (Environmental, Social and Governance).

The event analysed the material issues in this area for CIE Automotive and its stakeholders, as well as sustainability trends and commitments, with a special focus on the growing regulatory demands and increasing customer requirements.

The event was attended by more than 50 people from the management committees of all the plants in China, and the training was given by the Chief Compliance Officer, Susana Molinuevo, together with Iker Hernández and Tamara Martinez, also from the Compliance body.

As always at these conferences, the opportunity was taken to remind the participants of the importance of:

- Being rigorous in the non-financial information that is reported on any ESG matter, be it environmental, human resources, supply chain and/or social action.

- To count on the collaboration and support of the ESG Transversal Committee for any queries that may arise in this area in the organisation. For this purpose, the corporate email esg@cieautomotive.com is available.

- Use the corporate website and the Annual Report (www.informeanual.cieautomotive.com) to find out everything CIE Automotive has to offer in ESG matters.

- Be aware that there is an ethical channel for reporting any breach of the CIE Automotive Code of Professional Conduct: https://cieautomotive.com/canal-etico.

ULYSSES PROGRAMME

The Ulysses programme hosts young professionals in Brazil, Mexico, India and the Czech Republic

During the last quarter of 2023, the third edition of the Ulysses programme was launched, hosting young professionals from our plants in Brazil, Mexico, India, and the Czech Republic. The participants received training at the Leartiker technology centre, focusing on specific areas related to the technology employed at their respective plants, such as metallurgy, forging, casting and aluminium injection moulding, and have been doing internships at various CIE Automotive plants during the first half of the year, fostering knowledge sharing and networking.

This third edition of the programme came to a successful conclusion in May with a farewell event at which diplomas were awarded to all participants in recognition of their dedication and the knowledge acquired throughout the programme.

The fourth edition of the Ulysses programme will start in October this year, continuing our commitment to this initiative that combines mobility and talent attraction, thus achieving four fundamental goals: internalising the Group's values, facilitating future communication between countries, fostering intra-group relations and having highly trained personnel.

DESKAR2030 PROJECT

Decarbonization of the value chain of the steel, aluminum, foundry and forging sectors

Last June, the Net Zero Tech event was held in Barcelona, where the solutions proposed in the DESKAR2030 project were presented, as well as the results obtained with new technological solutions that promote the decarbonization of the value chain in the steel, aluminum, foundry and forging sectors.. Technological solutions that, on the one hand, improve the energy efficiency of their production processes and promote the circularity of materials and, on the other hand, serve to maintain or increase the competitive position of very important sectors within the industrial fabric. There was a debate on decarbonisation in the manufacture of components for the automotive, naval and energy sectors, considering the decarbonisation of the entire value chain and seeking comprehensive solutions.

CIE AUTOMOTIVE PARTICIPATES IN THE ANNIVERSARY OF AUTOREVISTA

In commemoration of its 65th anniversary, Autorevista held a day-long event with the sector's main players. Several round table discussions were organised, one of which was attended by CIE Automotive, represented by Lorea Aristizabal Abasolo, Director of Corporate Development, together with Frank Bloser, Head of Global Key Account Management at BASF's OEM Coatings Operating Division; Mireia Arroyo de la Parte, Director of Communication, Marketing and Institutional Relations at Gestamp; and Antonio Cebrián, Sales and Marketing Director at DS Smith - Tecnicarton.

During this meeting, the speakers discussed topics such as the historical footprint and progress of their respective companies, highlighting their contribution to building a competitive and sustainable automotive industry and mobility over the last decades.

DAY ON SUSTAINABILITY

Susana Molinuevo, Director of Compliance and ESG at CIE Automotive, participated in a conference on "The 2024 sustainability agenda in the transport, maritime and logistics sector", organised by Deusto Business Alumni. During the event, Susana emphasised the need to integrate sustainability, transversality, dual materiality, climate risks and their financial impact, among others, into the company's strategy, and to transfer them to the value chain. All of this was based on her experience and work at CIE Automotive.

SUPPLY CHAIN MANAGEMENT STRATEGY CONFERENCE

Last April, CIE Automotive participated in a Supply Chain Management Strategy conference organised by ACICAE, in collaboration with several Basque industrial companies.

At the event, CIE Automotive presented its corporate strategy and supply chain management in two of its 7 key technologies: forging and aluminium. In addition to the operational strategy, CIE Automotive also shared its ESG strategy, highlighting the importance of compliance in the supply chain. The roadmap regarding the commitment to achieve zero emission neutrality by 2050 was announced, highlighting the crucial role played by the supply chain in this goal.

PARTICIPATION IN IESE MOBILITY

Our colleague Lorea Aristizabal Abasolo, Director of Corporate Development, participated last May in the IESE Mobility on behalf of SERNAUTO, specifically in the panel "Industry Transformation: challenges and financing", together with Natalia Turón (SEAT S.A. & CUPRA) and José Ignacio Moya (FACONAUTO).

They discussed, among other current issues, industry perspectives, challenges in the different segments of the value chain, transformation axes and financing needs.

INNOVATION AND ENVIRONMENT

In January, the conference "Industrial challenges, environmental innovation and green taxonomy" was held, an event focused on Innovation and Environment organised by PwC Spain and BIRZIPLASTIK.
Iñigo Loizaga, our Director of Engineering, Quality and Environment, participated in the round table, presenting real cases on environmental issues.
This event delved into the environmental challenges faced by industry and explored how innovation can be key to overcoming them.

NEWS IN BRIEF

CIE AUTOMOTIVE ORGANISES FOOD COLLECTION CAMPAIGN

In May, CIE Automotive organised a food collection campaign at its plants and offices in Bizkaia, Araba and Gipuzkoa in collaboration with the food banks in each province. Over five days, 1.5 tons of food were collected.

Many of the plants also contributed by matching the amount collected by the workers.

This excellent initiative demonstrates our commitment to helping others.

SUPPORT FOR DALECANDELA

Jaime Lafita, from DalecandELA, made an expedition of more than 650 km by bike in 8 stages through the Death Valley desert, to raise awareness of ALS and the Valley of Death (the period between the research stage and the release of a new medicine on the market), to insist on the need for research as the only solution, and as a tribute to all the people who are researching to end ALS.

CIE's US team more directly and all of CIE Automotive joins in supporting this enormous challenge.

GOLDE PUEBLA IS COMMITTED TO ITS COMMUNITY

At Golde Puebla, we celebrated women's empowerment with workshops on gender equality, celebrated Children's Day with an exciting field trip and supported our senior citizens with fundraising campaigns. We also promoted mental health and reflection on masculinity, strengthening our commitment to education, equality and community wellbeing.

AWARDS AND RECOGNITIONS

CIE AUTOMOTIVE FINALIST IN THE COMPLIANCE EXPANSION AWARDS

CIE Automotive was a finalist in all three categories in the fifth edition of the Expansión Compliance Awards. The three awards for which it was eligible were: most brilliant company in the use of disruptive technologies, best international project and best practice firm.

The awards ceremony, which recognises best practices in the field of regulatory compliance and was sponsored by Deloitte Legal and Aenor, with Esade as academic collaborator, brought together more than a hundred of the most prominent national professionals in this field, both in large companies and in SMEs and other institutions, on Thursday 11 April.

Compliance has become one of the fastest growing legal areas in recent years. Its progress at a global level does not stop in companies, where the design and implementation of compliance systems is a clear competitive advantage and an intangible asset valued by all stakeholders.

The ceremony was attended by Tamara Martinez and Iker Hernández, members of CIE Automotive's Compliance Committee.

CIE AUTOMOTIVE FINALIST IN THE ASCOM COMPLIANCE AWARDS

CIE Automotive is once again a finalist for a national Compliance award. On this occasion, the Spanish Compliance Association ASCOM, recognised the group for its major project to roll out its international criminal compliance model and its use of disruptive technologies (process mining).

ASCOM is a non-profit association and is aimed at Compliance professionals from all economic sectors and all types of organisations. The Gala was held on 4 July in Madrid and was attended by Susana Molinuevo, Chief Compliance Officer, and Iker Hernández.

AWARDS AND RECOGNITIONS

CIE AUTOMETAL DIADEMA FINALIST IN THE VW "THE ONE" AWARDS

After 11 years Volkswagen rewards suppliers once again. The event called THE ONE awarded the best Volkswagen suppliers in South America in 14 categories. On the same evening Volkswagen also celebrated 70 years of presence in Brazil (first plant outside Germany).

CIE Autometal Diadema was a finalist in the category NEW PRODUCT LAUNCH due to the great development work on the latest Luggage Carrier projects (Nivus and localisation of the T-Cross), supported by Plant Manager Mr. Amable Martinez-Conde Barrasa who reinforces: "Being one of the finalists consolidates our strategy and commitment to our customers in the region". Congratulations!

GOLDE SHANGHAI AWARDED BY GM

Golde Shanghai has been awarded the 2023 GM Supplier Quality Excellence Award (SQEA). GM has recognised that Golde Shanghai meets the criteria for high quality performance.

Congratulations!

CIE NAKAYONE NOMINATED BY VW FOR BEST SUPPLIER

Nakayone was nominated by Volkswagen as one of the best suppliers of stamping products. Our director, Mr. Valdir Pereira da Silva, thanks all Nakayone employees for their dedicated commitment.

CIE FORGINGS IN INDIA AWARDED BY MARUTI SUZUKI

Award presented by Maruti Suzuki to CIE Forgings in India for special support in surpassing the 2 Million vehicle mark in the fiscal year. Sunil Narke (CEO of Forgings Division at CIE India Ltd) receives the award during the Supplier Day held in Turkey.Congratulations!

BASQUEVOLT, WINNER OF THE ENERGY GLOBE AWARD 2023

Basquevolt, the Basque solid-state battery production initiative in which CIE Automotive is a founding shareholder, wins the Energy Globe Award 2023 in Spain for the best energy efficiency initiative.

AWARDS AND RECOGNITIONS

M&M RECOGNISES CIE AUTOMOTIVE INDIA LIMITED WITH TWO AWARDS

M&M has honoured CIE Automotive India Limited with two prestigious awards. The first is the "Special Recognition for ScorpioN" awarded to the Gear Division for the development of Fully Finished Transmission Gears . The second award is the "Special Appreciation for NOVO Platform", awarded to the Gears & Forging Division for the development of TREM IV Critical Gears and the Mass Balancer Shaft. In addition , Golde Pune also won the "Special Recognition for ScorpioN" award. This ceremony was held during Mahindra & Mahindra's Annual Supplier Conference in Mumbai on February 20.

Congratulations to the entire CIE Automotive India team!

CIE BILL FORGE AWARDED BY JIPM

CIE Bill Forge has been awarded with the JIPM Excellence Category-A Award during the JIPM annual conference, held on 20 March 2024 at the International Conference Centre in Kyoto, Japan. We are pleased to share that our journey with Total Productive Maintenance (TPM) programme started in 2014, in collaboration with the Bajaj team. This effort culminated in winning the BAL TPM Award in 2016 and the BAL Excellence Award in 2018. Building on these achievements, we deepened our commitment to TPM by forming a partnership with CII, whose effort was recognised by passing the IIC Health Check Assessment in December 2022. Our Managing Director, Mr C J Sunny, who recently retired after 37 years of dedication to the company, was the outstanding leader of this initiative. Mr Sunny joined CIE Bill Forge as a machinist in 1987 and, at the time of his retirement, managed our four motorbike product plants. Congratulations to all involved!

CIE NEWCOR RGI AWARDED BY GM

general motors

Supplier Quality Excellence Award 2023

Presented to:
006008288

ROCHESTER GEAR INC

For your outstanding **2023 performance to General Motors.**
Thank You.

CIE Newcor Rochester Gear has been awarded with the GM Supplier Quality Excellence Award 2023 in recognition of meeting and exceeding stringent quality performance criteria and providing cross-functional support and collaboration for the GM organisation. Rochester Gear has maintained BQIS Level 5 since 2022.

CIE AUTOMOTIVE AND QUUM COMUNICACIÓN FINALISTS IN THE DIRCOM AWARDS

Proud to know that CIE Automotive and Quum Comunicación have been selected as finalists in the Dircom Ramón del Corral 2024 Awards in the "ESG - Non-financial Information" category with our 2023 Annual Report "CIE Automotive: Making a Difference". Congratulations to all for the good work!

CIE Automotive

NORTH AMERICA

USA
R&D ★
- Plastic
- Machining
- Roof Systems

MEXICO
R&D ★
- Aluminium Die Casting
- Forging
- Metal Stamping & Tube Forming
- Plastic
- Machining
- Roof Systems

SOUTH AMERICA

BRAZIL
R&D ★
- Forging
- Metal Stamping & Tube Forming
- Aluminium Die Casting
- Plastic
- Machining
- Iron Casting

WEST EUROPE

SPAIN
Headquarters
R&D ★
-Aluminium Die Casting
-Forging
-Metal Stamping & Tube Forming
-Plastic
-Machining
-Roof Systems

FRANCE
R&D ★
Machining
Roof Systems

ITALY
Machining

GERMANY
R&D ★
Roof Systems

PORTUGAL
R&D ★
Plastic

CENTRAL EAST EUROPE

CZECH REP
-Metal Stamping & Tube Forming
-Machining
-Plastic
-Cold Forging

LITHUANIA
-Forging

HUNGARY
-Roof Systems

ROMANIA
-Aluminium Die Casting
-Roof Systems

SLOVAKIA
R&D ★
-Machining
-Roof Systems

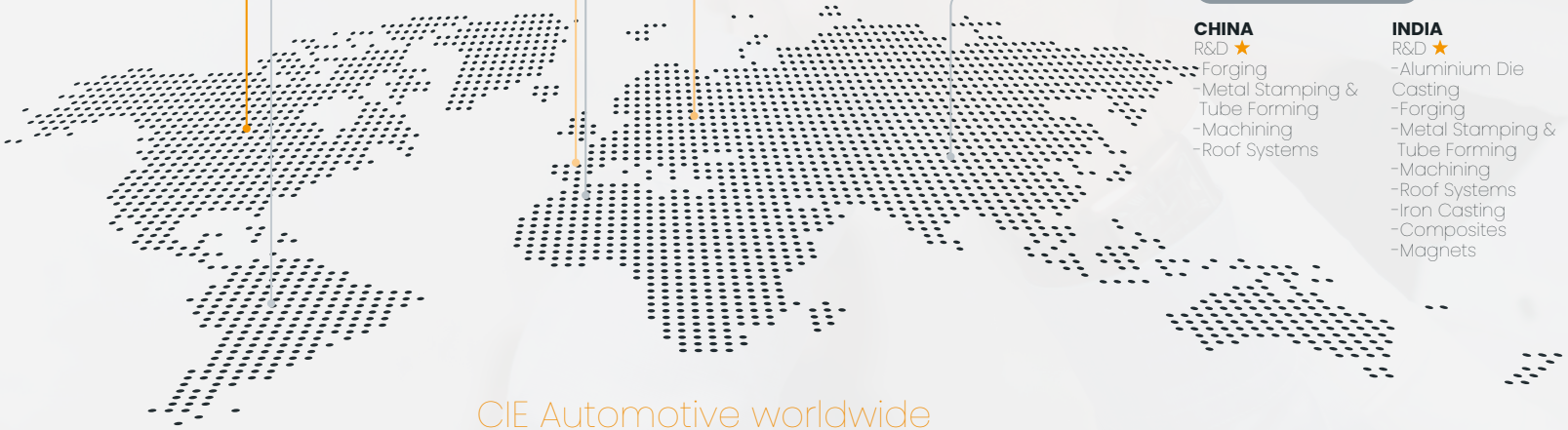
AFRICA

MOROCCO
Plastic

ASIA & OCEANIA

CHINA
R&D ★
-Forging
-Metal Stamping & Tube Forming
-Machining
-Roof Systems

INDIA
R&D ★
-Aluminium Die Casting
-Forging
-Metal Stamping & Tube Forming
-Machining
-Roof Systems
-Iron Casting
-Composites
-Magnets



CIE Automotive worldwide