EXHIBIT A

This document is not an offer of securities for sale in the United States. The notes being offered by Faurecia (the "Notes") may not be sold in the United States unless they are registered under the Securities Act or are exempt from registration. The offering of Notes described in this announcement has not been and will not be registered under the Securities Act, and accordingly any offer or sale of Notes may be made only in a transaction exempt from the registration requirements of the Securities Act.

It may be unlawful to distribute this document in certain jurisdictions. This document is not for distribution in Canada, Japan or Australia. The information in this document does not constitute an offer of securities for sale in Canada, Japan or Australia.

The offer and sale of the Notes will be made pursuant to an exemption under the Regulation EU 2017/1129 (the "Prospectus Regulation") from the requirement to produce a prospectus for offers of securities. This announcement does not constitute a prospectus within the meaning of the Prospectus Regulation or an offer to the public.

Promotion of the Notes in the United Kingdom is restricted by the Financial Services and Markets Act 2000 (the "FSMA"), and accordingly, the Notes are not being promoted to the general public in the United Kingdom. This announcement is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity within the meaning of section 21 of the FSMA in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This announcement is directed only at relevant persons and must not be acted on or relied on by anyone who is not a relevant person.

***MiFID II professionals/ECPs-only/No PRIIPs KID** – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in EEA.*

***MiFIR professionals/ECPs-only/No UK PRIIPs KID** – Manufacturer target market (UK MIFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No UK PRIIPs key information document (KID) has been prepared as the New Notes are not available to retail investors in the UK.*

Neither the content of Faurecia's website nor any website accessible by hyperlinks on Faurecia's website is incorporated in, or forms part of, this announcement. The distribution of this announcement into any jurisdiction may be restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, no money, securities or other consideration will be accepted.

CERTAIN DEFINITIONS

In this Offering Circular (except as otherwise defined in "*Terms and Conditions of the Notes*", for purposes of that section only, or in our audited consolidated financial statements, which have been incorporated by reference into this Offering Circular) the following terms shall have the meanings set out below:

- References to "**our Group**" or the "**Group**" are to Faurecia and its consolidated subsidiaries, whereas references to "**Faurecia**" or the "**Issuer**" or the "**Company**" are to Faurecia S.E. References to "**us**", "**we**" or "**our**" are to the Group or to Faurecia, as the context requires;
- "**2025 Notes**" refers to €1 billion in principal amount of 2.625% Senior Notes due 2025, comprising €700 million in principal amount of 2.625% Notes due 2025 which we issued on 8 March 2018 and the Additional 2025 Notes;
- "**2026 Notes**" refers to €750 million in principal amount of 3.125% Notes due 2026, comprising €500 million in principal amount of 3.125% Notes due 2026 which we issued on 27 March 2019 and the Additional 2026 Notes;
- "**2027 Notes**" refers to €890 million in principal amount of 2.375% Notes due 2027, comprising €700 million in principal amount of 2.375% Notes due 2027 which we issued on 27 November 2019 and the Additional 2027 Notes;
- "**2028 Notes**" refers to €700 million in principal amount of 3.750% Notes due 2028 which we issued on 31 July 2020;
- "**2029 Notes**" refers to €400 million in principal amount of 2.375% Notes due 2029 which we issued on 22 March 2021 and which are "Green Bonds";
- "**ADAS**" has the meaning ascribed to it in "*Summary – Our Company*";
- "**Additional 2025 Notes**" refers to €300 million in principal amount of 2.625% Notes due 2025 which we issued on 31 July 2020;
- "**Additional 2026 Notes**" refers to €250 million in principal amount of 3.125% Notes due 2026 which we issued on 31 October 2019;
- "**Additional 2027 Notes**" refers to €190 million in principal amount of 2.375% Notes due 2027 which we issued on 3 February 2021;
- "**Assurance Letter**" refers to an assurance letter from the External Verifier to the Issuer as to whether the Relevant Sustainability Performance Target has been met;
- "**Block Trade**" means the acquisition by Faurecia of 66,666,669 shares representing 60% of the share capital and voting rights of Hella from the Family Pool;
- "**Bridge Facilities**" refers to the €5.5 billion bridge facilities made available to Faurecia, as borrower, from various lenders, including Natixis and Société Générale as mandated lead arrangers, bookrunners and underwriters, dated 13 August 2021;
- "**Clarion**" refers to Clarion Co, Ltd.;
- "**Clarion Acquisition**" refers to our acquisition of Clarion completed in 2019;
- "**CO_2**" refers to carbon dioxide;
- "**Coagent Electronics**" refers to Jiangxi Coagent Electronics Co. Ltd;
- "**Cockpit of the Future**" refers to our development of products and technology for vehicle seating and interiors which are aligned with the increasing connectedness and autonomy of vehicles;

- "**Controlled Emissions**" means scope 3 emissions, excluding emissions of vehicles equipped with Faurecia products, but including emissions from upstream and downstream activities: purchases, lease, freight, travel, our use of products, waste and recycling;
- "**Combined Group**" means the Group and Hella and all its consolidated subsidiaries, following the completion of the Hella Acquisition;
- "**Existing Notes**" refers to the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes;
- "**External Verifier**" refers to a qualified provider of third-party assurance or attestation services appointed by the Issuer to review the Relevant Sustainability Performance Target and provide related assurance services to the Issuer;
- "**Family Pool**" means the family shareholders of Hella having concluded a pooling agreement between them and holding together 66,666,669 shares representing 60% of the share capital and voting rights of Hella;
- "**FCE**" refers to Faurecia Clarion Electronics, our new business group created in 2019 combining the businesses of Clarion, Parrot Automotive SAS and Coagent Electronics;
- "**FCE Europe**" refers to Faurecia Clarion Electronics Europe, formerly, Parrot Faurecia Automotive SAS;
- "**Fitch**" means Fitch Ratings Inc. or any successor to its rating business;
- "**g**" refers to the unit of mass, "gram";
- "**g/km**" refers to grams per kilometer;
- "**Hella**" means HELLA GmbH & Co KGaA, a limited partnership with shares (*Kommanditgesellschaft auf Aktien*) incorporated under the laws of Germany, registered with the Commercial Register (*Handelsregister*) of Paderborn under number HRB 6857, with its registered office at Rixbecker Straße 75, 59552 Lippstadt, Germany;
- "**Hella Acquisition**" means the Block Trade and the Public Tender Offer;
- "**Hella Acquisition Closing Date**" means the date on which the Block Trade will be completed, at the latest ten business days after the satisfaction or waiver of the last of the conditions precedent set forth in the Hella Acquisition Documents relating to, among other things, the approvals of the competent authorities in respect of merger control;
- "**Hella Acquisition Documents**" means:
    - the share purchase agreement between Faurecia Participations GmbH (formerly known as Blitz F21-441 GmbH), Faurecia and the Family Pool dated August 14, 2021, as amended by an amendment agreement dated September 23, 2021 (the "**Hella Acquisition Agreement**");
    - the investment agreement between Faurecia and the Family Pool dated August 14, 2021, as amended by an amendment agreement dated September 23, 2021 (the "**Investment Agreement**"); and
    - the business combination agreement between Hella, HELLA Geschäftsführungsgesellschaft mbH, Blitz F21-441 GmbH and Faurecia dated August 14, 2021 (the "**BCA**");
- "**Hella Acquisition Price**" means the sum of the price paid under the Block Trade and the price paid under the Public Tender Offer;
- "**HMI**" refers to human-machine interfaces;
- "**ICE**" has the meaning ascribed to it in "*Summary – Combining Faurecia and Hella*";

- “**Initial Purchasers**” refers to Société Générale, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Intesa Sanpaolo S.p.A., SMBC Nikko Capital Markets Europe GmbH, UniCredit Bank AG, Banco de Sabadell S.A., Crédit Industriel et Commercial S.A. and MUFG Securities (Europe) N.V.;
- “**IVI**” refers to in-vehicle-infotainment;
- “**Japanese Yen Term and Revolving Facilities Agreement**” means the JPY30 billion term and revolving facilities agreement among us as borrower and various lenders dated 7 February 2020 of which JPY20 billion has been drawn and remains outstanding as at the date of this Offering Circular;
- “**kg**” refers to the unit of mass, “kilogram”;
- “**km**” refers to the unit of distance, “kilometer”;
- “**KPI Confirmation Certificate**” has the meaning ascribed to it in “*Summary – Sustainability-Linked Bond Features*”;
- “**MaaS**” has the meaning ascribed to it in “*Summary – Our Competitive Strengths – Clear and focused strategy aligned with automotive megatrends – Shared mobility*”;
- “**Moody’s**” means Moody’s Investors’ Services Inc. or any successor to its rating business;
- “**OEMs**” refers to Original Equipment Manufacturers;
- “**Offering**” refers to the offering by the Issuer of the Notes;
- “**Proposed Share Capital Increase**” means our anticipated share capital increase with preferential subscription rights;
- “**Public Tender Offer**” means the public tender offer launched by Faurecia on 27 September 2021 pursuant to Section 29 (1) of the German Takeover Act (*Übernahmeangebot*) for all shares issued by Hella;
- “**Relevant Sustainability Performance Target**” means attaining the Issuer’s target set forth in the Sustainability-Linked Bond Framework to reduce Scope 1 and 2 GHG Emissions by 80% by 2025 from the Relevant Sustainability Performance Target Reference Base;
- “**Relevant Sustainability Performance Target Reference Base**” has the meaning ascribed to it under “*Terms and Conditions of the Notes—Definitions*”;
- “**S&P**” means Standard & Poor’s Rating Agency or any successor to its rating business;
- “**SAS**” refers to SAS Autosystemtechnik GmbH und Co., KG;
- “**Schuldschein**” refers to €700 million in principal of private placement under German law in multiple tranches maturing in December 2022, December 2023 and December 2024, which we issued in December 2018 and January 2019, and of which €226.5 million of the 2022 tranche has been repaid in June 2021 (for avoidance of doubt, “Schuldschein” in this Offering Circular does not reflect the private placement of the notes announced on 29 October 2021 described under “*Business—Recent Developments—New Private Placement of Notes*”);
- “**Scope 1 and 2 GHG Emissions**” means, for any period, the total aggregate amount of Scope 1 (direct emissions corresponding to consumption of the primary energy source (*i.e.,* natural gas, domestic heating oil, *etc.*) and Scope 2 emissions (indirect emissions corresponding to energy consumption (electricity, heat) that the Company uses but does not produce) as measured in metric tons of CO2e by us and calculated as per the GHG Protocol Corporate Accounting and Reporting Standard;
- “**Senior Credit Agreement**” means the €1,500 million senior credit agreement among us as borrower and various lenders, dated 15 December 2014, amended and restated on 24 June 2016 and 15 June 2018 and further amended and restated on 28 May 2021;

- "**Senior Credit Facility**" means the credit facility provided under the Senior Credit Agreement;
- "**Step-Up**" refers to the change in the interest rate payable on the Notes to % per annum unless the Issuer delivers a KPI Confirmation Certificate to the Trustee and the Principal Paying Agent at least 15 days prior to the Step-Up Date;
- "**Step-Up Date**" means 15 June 2026;
- "**Sustainability-Linked Bond Framework**" refers to the Sustainability-Linked Bond Framework adopted by the Issuer in October 2021, which can be found on our website at http://www.faurecia.com/en/investors (however the Sustainability-Linked Bond Framework does not form part of this Offering Circular);
- "**Sustainable Mobility**" refers to our development of products and processes which reduce CO_2 emissions, improve air quality, weight reduction, size reduction, energy recovery and the development of bio-sourced and renewable materials; and
- "**Target Observation Date**" refers to 31 December 2025.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Faurecia is the parent company of the Group. This Offering Circular includes (i) unaudited condensed consolidated financial statements of Faurecia as at and for the six months ended 30 June 2021 ("**2021 H1 Financial Statements**") and (ii) audited consolidated financial statements of Faurecia as at and for the years ended 31 December 2020 ("**2020 Consolidated Financial Statements**") and 2019 ("**2019 Consolidated Financial Statements**"). Our (i) 2021 H1 Financial Statements, (ii) 2020 Consolidated Financial Statements and (iii) 2019 Consolidated Financial Statements, incorporated by reference herein, also present comparable financial data for the six months ended 30 June 2020 and the year ended 31 December 2018, respectively. Our audited consolidated financial statements and unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union. Our (i) 2021 H1 Financial Statements, (ii) 2020 Consolidated Financial Statements and (iii) 2019 Consolidated Financial Statements, have been approved by our Board of Directors on 23 July 2021, 19 February 2021 and 14 February 2020, respectively. Our statutory auditors are Mazars and Ernst & Young Audit. Mazars replaced PricewaterhouseCoopers Audit as part of our standard audit rotation policy on 28 May 2019.

Other than as described under "—*Other Unaudited Pro Forma LTM Financial Data*" below, the unaudited financial information for the last twelve months ("**LTM**") ended 30 June 2021 presented in this Offering Circular has been derived by adding the audited financial information for the fiscal year ended 31 December 2020 to the corresponding unaudited financial information for the six months ended 30 June 2021 and subtracting the corresponding unaudited financial information for the six months ended 30 June 2020. Operating results for the LTM ended 30 June 2021 are not necessarily indicative of results for a full year or for any other period.

In this Offering Circular, references to "**euro**" and "**€**" refer to the lawful currency of the member states participating in the third stage of the Economic and Monetary Union under the Treaty Establishing the European Community, as amended from time to time.

We publish our audited and unaudited consolidated financial statements in euros. Some financial information in this Offering Circular has been rounded and, as a result, figures shown as totals in this Offering Circular may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Constant Basis Presentation and Other Non-IFRS Measures

Figures presented in this Offering Circular for the Issuer are calculated on an actual historical basis and, where noted, on a constant or "like-for-like" basis, which means that comparable items are presented using a constant consolidation scope but not using constant exchange rates, unless otherwise indicated. The percentage change from one period to another has generally been given on a "like-for-like" basis in order to eliminate the impact of changes in consolidation scope (that is, changes in the entities that we consolidate in our audited and unaudited consolidated financial statements due to acquisitions, divestures or mergers).

For comparison purposes, we restate sales to factor in acquisitions and joint ventures, which we refer to as "bolt-ons". Exchange rates are restated only for sales which are reported in a currency other than euro and where we compare by applying the previous year U. S. dollar/euro exchange rate to both the previous year and the current year sales. The scope is restated by calculating this year sales as at the last year perimeter.

In this Offering Circular, we present our estimated order book (calculated on a three-year rolling basis) as of 31 December 2020, 2019 and 2018. Our order book represents the sales that we expect to record when we receive firm production orders, under contracts for vehicle programs that we have been awarded but which are not yet in production. The value of our order book as of any given date is based on the estimated production volumes of vehicle programs as well as their estimated lifetime. We discount the production volumes indicated by our customers based on factors including our management's knowledge of such customer, our historical relationship with such customer and internal and external industry forecasts. We do not increase the estimated production volumes beyond those estimates provided to us by our customers.

In this Offering Circular, we present certain information relating to potential synergies which we believe may result from the proposed Hella Acquisition. These synergy estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. We have not included any estimate of the costs required to achieve these EBITDA and cost reduction synergies and the costs we incur in trying to realize these synergies may be substantially higher than our current estimates and may outweigh any benefit. The assumptions used in estimating these synergies are inherently uncertain and are subject to a variety of significant business, economic and competitive risks and uncertainties. We cannot assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the synergies or other benefits we believe are possible from the proposed Hella Acquisition.

In addition, this Offering Circular includes certain supplemental indicators of performance and liquidity that we use to monitor our operating performance and debt servicing ability. These indicators include EBITDA, net debt, net cash flow and the value of our order book. These measures are unaudited and we are not required to present them under IFRS. Such indicators have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for analysis of, related indicators derived in accordance with IFRS. We use these non-IFRS financial measures in this Offering Circular because we believe that they can assist investors in comparing our performance to that of other companies on a consistent basis. However, our computation of EBITDA, net debt, net cash flow, value added sales and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies. For example, depreciation and amortization can vary significantly among companies depending on accounting methods, particularly where acquisitions or non-operating factors including historical cost bases are involved. We believe that EBITDA, net debt and net cash flow, order book and the other non-IFRS financial measures, as we define them, are also useful because they enable investors to understand our performance over time, without the impact of various items that we believe do not durably affect our operating performance. However, investors should not consider these measures as alternatives to measures of financial performance, operating results or cash flows that are determined in accordance with IFRS.

Restatement of Comparative Financial Statements

Application of IFRS 16

We have applied IFRS 16 (*Leases*) with effect from 1 January 2019. We have applied IFRS 16 using the simplified retrospective method and, consequently we have not restated any of our consolidated financial statements for any prior period (including our audited consolidated financial statements as at and for the year ended 31 December 2018, which are included in our 2019 Consolidated Financial Statements for comparison purposes). As a result, our 2020 Consolidated Financial Statements, our 2019 Consolidated Financial Statements and our 2021 H1 Financial Statements may not be comparable to prior periods.

IFRS 16, which is applicable to accounting periods beginning on or after 1 January 2019, eliminates the classification of leases as either operating leases or finance leases, as required by International Accounting Standards ("**IAS**") 17, and, instead, introduces a single lease accounting model.

We have set out at note 1.B to our 2019 Consolidated Financial Statements (which is incorporated by reference into this Offering Circular) additional information relating to the adoption of IFRS 16, including transition measures, general principles and the main impact of the first application of IFRS 16 on the financial statements. See note 1.B to our 2019 Consolidated Financial Statements.

IFRS 5 - Discontinued Activities

Following the signature with Adler on 18 February 2021 of a Memorandum of Understanding (MoU) for the sale of the Acoustic Soft Trim business, all the conditions were met from an IFRS point of view to qualify the activity as discontinued, mainly regarding the criteria of being a major line of business and the highly probable character of the sale.

Since 1 February 2021, applying IFRS 5, the corresponding assets and liabilities have been isolated in dedicated lines as the net result of the corresponding discontinued activities. These assets have been presented separately on a line "Assets held for sale" in the consolidated balance sheet in the 2021 H1 Financial Statements and are valued at the lower of its carrying amount or fair value less costs linked to the disposal. The corresponding liabilities have been presented on a line "Liabilities linked to assets held for sale" in the consolidated balance sheet in the 2021 H1 Financial Statements.

The net income, other comprehensive income and cash flows items of discontinued operations are presented separately in the statement of financial position for all prior periods (including our unaudited consolidated financial statements as at and for the six-month period ended 30 June 2020, which are included in our 2021 H1

Financial Statements for comparison purposes). Assets and liabilities as held for sale are presented in the balance sheet without any restatement from the prior year. Inter-company transactions other than the ones linked to management fees remain eliminated. The classification of management fees for which the sale of the Acoustic Soft Trim division will have no impact has been maintained in operating income.

We have set out at note 1.B to our 2021 H1 Financial Statements (which is incorporated by reference into this Offering Circular) additional information relating to the modifications to the previously published consolidated financial statements. See note 1.B to our 2021 H1 Financial Statements.

Financial Information Relating to Hella

We have included in this Offering Circular certain financial information in relation to Hella for the years ended 31 May 2020 and 31 May 2021. The financial data relating to Hella has been extracted or derived from (i) Hella's published audited consolidated financial statements as at and for the year ended 31 May 2020 (the "**Hella 2019/20 Consolidated Financial Statements**"), (ii) Hella's published audited consolidated financial statements as at and for the year ended 31 May 2021 (the "**Hella 2020/21 Consolidated Financial Statements**"), (iii) Hella's condensed interim consolidated financial statements as at and for the half year ended 30 November 2019 (the "**Hella 2019/20 H1 Financial Statements**"), and (iv) Hella's condensed interim consolidated financial statements as at and for the half year ended 30 November 2020 (the "**Hella 2020/21 H1 Financial Statements**" and, together with the Hella 2019/20 Consolidated Financial Statements, the Hella 2020/21 Consolidated Financial Statements and the Hella 2019/20 H1 Financial Statements, the "**Hella Consolidated Financial Statements**"). Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data.

The Hella Consolidated Financial Statements were prepared and published by Hella in accordance with the rules, regulations and listing requirements applicable to it as a German partnership limited by shares (*Kommanditgesellschaft auf Aktien* or KGaA) publicly listed on the Frankfurt Stock Exchange. The Hella Consolidated Financial Statements are publicly available, including on Hella's website (at https://www.hella.com/hella-com/en/Quarterly-statements-and-reports-8741.html), which we refer to for information purposes only and the information on such website does not form any part of this Offering Circular and neither Hella's website nor the Hella Consolidated Financial Statements are incorporated by reference in this Offering Circular.

We confirm that financial data relating to Hella has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by Hella, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unaudited Pro Forma Consolidated Financial Information

We have included in this Offering Circular unaudited pro forma consolidated financial information, including unaudited pro forma consolidated income statements for the year ended 31 December 2020 and the six-month periods ended 30 June 2021, and an unaudited pro forma consolidated balance sheet as of 30 June 2021, in order to illustrate the effects of the proposed Hella Acquisition and the relating financing as if it had occurred on 1 January 2020 (with respect to the pro forma income statement for the year ended 31 December 2020 and for the six months ended 30 June 2021) or 30 June 2021 (with respect to the pro forma consolidated balance sheet as of 30 June 2021) (the "**Unaudited Pro Forma Consolidated Financial Information**").

The Unaudited Pro forma Consolidated Financial Information is presented for illustrative purposes only and is not indicative of the Group's profit and loss that would have been achieved if the proposed Hella Acquisition had been effectively completed on 1 January 2020 (with respect to the pro forma income statement for the year ended 31 December 2020 and for the six months ended 30 June 2021) and at 30 June 2021 (with respect to the pro forma consolidated balance sheet as of 30 June 2021), nor is it indicative of future performance.

The Unaudited Pro Forma Consolidated Financial Information was prepared using assumptions described therein and has also been derived from and should be read in conjunction with the following documents: (i) the 2020 Consolidated Financial Statements as of and for the year ended 31 December 2020, prepared in accordance with IFRS; (ii) the 2021 H1 Financial Statements, prepared in accordance with IFRS; and (iii) the Hella Condensed Financial Statements (which, as described under "—*Financial Information Relating to Hella*" above, are referred to for information purposes only and are not incorporated by reference in this Offering Circular).

The Unaudited Pro Forma Consolidated Financial Information combines the accounting periods of the Issuer and Hella. The Issuer and Hella have different fiscal year ends. The Unaudited Pro Forma Consolidated Financial Information has been prepared utilizing periods that differ by less than 93 days. The *pro forma* financial information with respect to the income statement for the six months ended 30 June 2021 has been prepared using: (i) information prepared by the Issuer for the period from 1 January 2021 through 30 June 2021 derived from the 2021 H1 Financial Statements, and (ii) information prepared by Hella for the period from 1 December 2020 through 31 May 2021 (*i.e.,* Hella's financial information for its full 2020/21 financial year derived from the Hella 2020/21 Consolidated Financial Statements, from which the first half-year derived from the Hella 2020/21 H1 Financial Statements were removed). The *pro forma* financial information with respect to the income statement for the year ended 31 December 2020 has been prepared using: (i) information prepared by the Issuer for the period from 1 January 2020 through 31 December 2020 derived from the 2021 H1 Financial Statements, and (ii) information prepared by Hella for the period from 1 December 2019 through 30 November 2020 (*i.e.,* Hella's financial information for the first half-year derived from the Hella 2020/21 H1 Financial Statements added to Hella's financial information for its full 2019/20 financial year derived from the Hella 2019/20 Consolidated Financial Statements, from which the first half-year derived from the Hella 2019/20 H1 Financial Statements were removed). The *pro forma* financial information with respect to the statement of financial position as of 30 June 2021 has been prepared using: (i) information prepared by the Issuer as of 30 June 2021 derived from the 2021 H1 Financial Statements, and (ii) information prepared by Hella as of 31 May 2021 derived from the Hella 2020/21 H1 Financial Statements.

All *pro forma* adjustments are directly attributable to Hella Acquisition and only adjustments that are factually supportable and that can be estimated reliably are taken into account. The Unaudited Pro Forma Consolidated Financial Information does not reflect any future restructuring expenses or integration costs that may be incurred in connection with the business combination nor does it reflect any cost savings potentially realizable from the elimination of certain expenses or from synergies.

The actual results may differ significantly from those reflected in the Unaudited Pro Forma Consolidated Financial Information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited pro forma consolidated financial information.

The pro forma adjustments are based on available information to date and certain assumptions and estimates that the Group considers as reasonable. For further information, see "*Unaudited Pro Forma Consolidated Financial Information*", included elsewhere in this Offering Circular.

The Unaudited Pro Forma Consolidated Financial Information has not been prepared in accordance with the requirements of Regulation S-X under the Exchange Act, the Prospectus Directive or any generally accepted accounting standards. Neither the adjustments nor the resulting Unaudited Pro Forma Consolidated Financial Information have been audited or reviewed in accordance with any generally accepted auditing standards. In evaluating the Unaudited Pro Forma Consolidated Financial Information, investors should carefully consider the consolidated financial statements included or incorporated by reference in this Offering Circular. See "*Risk Factors—Risks Relating to the proposed Hella Acquisition*".

Other Unaudited Pro Forma LTM Financial Data

We have also included in this Offering Circular other unaudited pro forma financial data as at 30 June 2021 and for the LTM ended 30 June 2021 in order to illustrate the effects of the proposed Hella Acquisition and the relating financing as if they had occurred on 30 June 2021 and 1 July 2020, respectively (the "**Other Unaudited Pro Forma LTM Financial Data**"). Other than as described below, the Other Unaudited Pro Forma LTM Financial Data has been prepared on a similar basis to the Unaudited Pro Forma Consolidated Information. For a discussion of procedures and methods used to prepare the Unaudited Pro Forma Consolidated Financial Information see "*Unaudited Pro Forma Consolidated Financial Information*" and "*—Unaudited Pro Forma Consolidated Information*".

The Other Unaudited Pro Forma LTM Financial Data is presented for illustrative purposes only and is not indicative of the Group's financial performance that would have been achieved if the proposed Hella Acquisition had been effectively completed on 30 June 2021 or 1 July 2020, nor is it indicative of future performance.

The Other Unaudited Pro Forma LTM Financial Data combines the accounting periods of the Issuer and Hella. The Issuer and Hella have different fiscal year ends. The Other Unaudited Pro Forma LTM Financial Data has been prepared utilizing periods that differ by less than 93 days. The Other Unaudited Pro Forma LTM Financial Data was prepared using (i) information prepared by the Issuer for the period from 1 July 2020 through 30 June 2021 by adding the audited financial information for the fiscal year ended 31 December 2020 to the corresponding unaudited financial information for the six months ended 30 June 2021 and subtracting the corresponding unaudited financial information for the six months ended 30 June 2020, and (ii) information prepared by Hella for its fiscal year ended 31 May 2021.

MARKET AND INDUSTRY DATA

Unless otherwise stated, the information provided in this Offering Circular relating to market position and the size of relevant markets and market segments for Faurecia Seating, Faurecia Clean Mobility, Faurecia Interiors or Faurecia Clarion Electronics is based on sales, solely determined on the basis of our own estimates, and is provided solely for illustrative purposes. We compile information on these markets through external sources including Accenture, IHS Markit Automotive, industry professionals, industry publications, annual reports from competitors, and market research from independent third parties. Our estimates of relative market position in each of our markets are based on this information. We compare our sales for each business group or region with the total market, which we calculate as the total number of passenger cars produced globally or for each region, multiplied by our estimate of the average value of the content we can supply per car. We believe that such data is useful in helping investors understand the industry in which we operate and our position within that industry. However, we do not have access to the data and assumptions underlying the data. Unless otherwise indicated, our estimates of market position provided in this Offering Circular are for the year ended 31 December 2020. Our estimates in relation to the addressable market for products in our Sustainable Mobility and Cockpit of the Future strategic priorities set out in "*Our Competitive Strengths – Clear and focused strategy aligned with automotive megatrends"* are based on management estimates.

The above-referenced estimates, which we consider reliable, have not been verified by independent experts. Neither we nor the Initial Purchasers guarantee that third parties using different methods to assemble, analyze or compute market data would obtain or generate the same results. In addition, our competitors may define their markets differently. To the extent the data relating to market size included in this Offering Circular is based solely on our own estimates, it does not constitute official data and should not be relied on. Moreover, any information regarding customer ranking, supplier percentages or similar data is based on total consolidated sales, rather than on number of units sold or value added sales, unless otherwise noted. Neither we nor the Initial Purchasers make any representation as to the accuracy of such information.

INFORMATION INCORPORATED BY REFERENCE

The information set out below, which has previously been published or is being published simultaneously with this Offering Circular and has been filed with Euronext Dublin, shall be deemed to be incorporated in, and to form part of, this Offering Circular.

Such documents will be made available, free of charge, during normal business hours on any business day at the specified office of the listing agent, unless such documents have been modified or superseded.

The following documents are incorporated by reference in this Offering Circular:

- the English translation of our 2021 Half-Year Results comprising (i) our 2021 H1 Financial Statements and (ii) the section headed "Business Review" (the "**2021 Half-Year Results**");
- the English translation of the section headed "Business Review" from our 2020 Annual Results (the "**2020 Annual Results**");
- section 1 (Financial statements) of the English translation of our 2020 Universal Registration Document ("**2020 Universal Registration Document**") including our 2020 Consolidated Financial Statements, which was filed with *Autorité des marchés financiers* on 11 March 2021; and
- section 1 (Financial statements) of the English translation of our 2019 Universal Registration Document ("**2019 Universal Registration Document**"), including our 2019 Consolidated Financial Statements, which was filed with the *Autorité des marchés financiers* on 30 April 2020.

Any statement contained in the 2021 Half-Year Results or the sections of the 2020 Annual Results, the 2020 Universal Registration Document or the 2019 Universal Registration Document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in this Offering Circular (including any statement in an excerpt from a more recent document that is incorporated by reference in this Offering Circular) modifies or supersedes such statement. Any statement that is modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Offering Circular. The 2021 Half-Year Results and the sections of the 2020 Annual Results, the 2020 Universal Registration Document and the 2019 Universal Registration Document incorporated by reference herein are important parts of this Offering Circular. All references herein to this Offering Circular include the 2021 Half-Year Results, the 2020 Annual Results, the 2020 Universal Registration Document and the 2019 Universal Registration Document hereto, as modified or superseded.

Any documents themselves incorporated by reference in the 2021 Half-Year Results, the 2020 Annual Results, the 2020 Universal Registration Document or the 2019 Universal Registration Document, or the sections of the 2021 Half-Year Results, the 2020 Annual Results, the 2020 Universal Registration Document or the 2019 Universal Registration Document that are not expressly incorporated by reference herein, shall not form part of this Offering Circular.

The 2021 Half-Year Results, the 2020 Annual Results, the 2020 Universal Registration Document and the 2019 Universal Registration Document contain, among other things, a description of the Group's results of operations. It is important that you read this Offering Circular in its entirety, including the documents incorporated by reference herein, before making an investment decision regarding the Notes.

Copies of the documents incorporated by reference in this Offering Circular are available for viewing on our website (http://www.faurecia.com). Except for the information specifically incorporated by reference in this Offering Circular, the information provided on such website is not part of this Offering Circular and is not incorporated by reference in it.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that reflect our current expectations with respect to future events and our financial performance. The words "*believe*", "*expect*", "*intend*", "*aim*", "*seek*", "*plan*", "*project*", "*anticipate*", "*estimate*", "*will*", "*may*", "*could*", "*should*", "*target*", "*ambition*", "*guidance*" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect our present expectations with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described in the forward-looking statements.

Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions given our knowledge of our industry, business and operations as at the date of this Offering Circular, we cannot give any assurance that these assumptions will prove to be correct, and we caution you not to place undue reliance on such statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or the industry's results, to be significantly different from any future results, performance or achievements expressed or implied in this Offering Circular. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Some of these factors are discussed under the section headed "*Risk Factors*" of this Offering Circular and include, among other things:

- risks related to the impact of Covid-19 on our business, sales, production and supply chains, employees and on business continuity;
- risks related to challenges associated with climate change and increasing environmental regulation on our reputation, business, financial condition and operations;
- risks related to the automotive sector and the commercial success of the models for which we supply components;
- risks related to the loss of key customers due to industry consolidation and risks that our customers could default on their financial obligations or enter bankruptcy;
- our dependence on suppliers to maintain production levels;
- risks relating to customers' demands and our ability to maintain product quality;
- risks relating to failure to identify risks when we tender for new contracts or appropriately monitor the performance of our programs;
- risks relating to any failure to attract key personnel;
- risks relating to difficulties integrating acquired businesses or achieving anticipated synergies;
- risks relating to incorrect assumptions about market trends and forecasted demand for our Cockpit of the Future and Sustainable Mobility Strategies;
- economic, political, tax, legal and other related risks relating to the international nature of our business;
- risks relating to the highly competitive automotive supply industry where customers can exert significant price pressure;
- risks relating to rises in interest rates which would increase the cost of servicing our debt;
- risks relating to liquidity and access to capital;
- risks relating to exchange rate fluctuations, primarily between the euro and other operating currencies;
- risks relating to information technology systems;
- risks relating to fluctuations in the prices of raw materials;

- litigation risks, including product liability, warranty and recall risk;
- insurance risks;
- intellectual and industrial property risks;
- industrial and environmental risks;
- risks related to negative incidents which affect our reputation;
- risks related to non-compliance with internal corporate governance requirements;
- risks related to the proposed Hella Acquisition not closing;
- risks related to Hella's performance and unforeseen liabilities;
- risks related to the integration of Hella's activities and the non-realization of the expected synergies;
- risks related to the triggering of change of control clauses;
- risks of loss or damage to our reputation from allegations relating to Hella's behaviour or its third-party business partners;
- risks related to the transition period between the announcement of the proposed Hella Acquisition and its completion during which we do not control Hella;
- risks related to the operating results and financial position presented in the *pro forma* financial information;
- risks related to our recording a significant goodwill;
- risks related to the financing of the Hella Acquisition;
- tax risks related to the Hella Acquisition;
- risks related to amendments made to the Hella Acquisition Agreement; and
- risks relating to changes to IFRS standards.

Our forward-looking statements speak only as at the date of this Offering Circular. We expressly disclaim any obligation or undertaking, and do not intend, to release publicly any updates or revisions to any forward-looking statements contained in this Offering Circular to reflect any change in our expectations or any change in events, conditions or circumstances, on which any forward-looking statement contained in this Offering Circular is based.

SUSTAINABILITY-LINKED BOND FRAMEWORK

In October 2021, we adopted our Sustainability-Linked Bond Framework (the "**Sustainability-Linked Bond Framework**"). Our Sustainability-Linked Bond Framework can be found on our website at http://www.faurecia.com/en/investors. The Sustainability-Linked Bond Framework does not form part of this Offering Circular. A second-party opinion on the alignment of our Sustainability-Linked Bond Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by ISS Corporate Solutions, Inc., and is available on our website at http://www.faurecia.com/en/investors (the "**Second-Party Opinion**"). The Second-Party Opinion does not form part of this Offering Circular and is only an opinion and not a statement of fact. Second-party opinion providers and providers of similar opinions and certifications (including the External Verifier) are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or verification is not, nor should be deemed to be, a recommendation by the Issuer, any other member of the Group, the Initial Purchasers, any second-party opinion providers, the External Verifier or any other person to buy, sell or hold any Notes. We intend to report annually on our performance with respect to the Relevant Sustainability Performance Target for the preceding calendar year in our Universal Registration Statement. This report will be separate from, and in addition to, the reporting required under the terms and conditions of the Notes.

SUMMARY

The following summary highlights selected information contained elsewhere in this Offering Circular. Accordingly, this summary may not contain all of the information that may be important to you. We urge you to carefully read and review this Offering Circular in full, including the documents incorporated by reference herein, in order to fully understand the Group. You should also read the "Risk Factors" section in this Offering Circular to determine whether an investment in the Notes is appropriate for you.

Our Company

We are a world leading automotive technology company focused on developing innovative solutions for Sustainable Mobility and the Cockpit of the Future. We have adopted a transformation strategy which is designed to benefit from the four major trends disrupting the automotive industry: connectivity, autonomy, ride-sharing and electrification. Through our Sustainable Mobility strategy, we are facilitating the transition to clean mobility by developing solutions for ultra-low and zero emissions mobility. Our Cockpit of the Future strategy provides solutions for a more connected, personalized and predictive cockpit, responding to the increasing trend for autonomous and connected vehicles. We have set an ambitious goal of being CO_2 neutral for our Controlled Emissions (as defined below) by 2030. We are investing in innovation to advance the sustainability of our business as we aim to both reduce our environmental impact and create long-term value across our entire supply chain.

The Company is organised in four business groups: Faurecia Clean Mobility, Faurecia Seating, Faurecia Interiors and Faurecia Clarion Electronics. We have leading market positions in three of our four business groups (Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors) and we are seeking to become a leader in cockpit electronics through our most recent business group, Faurecia Clarion Electronics. We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us. In July 2021, we announced the creation of a new business group division for sustainable materials to develop and manufacture cutting-edge sustainable and smart materials. The new division will benefit from Faurecia Interiors' and Faurecia Seating's leading market positions and unique portfolios in materials with ultra-low and negative CO_2 emissions, as well as materials integrating thermal, acoustic and bio-medical technologies. Leveraging our global footprint, the Sustainable Materials division will work across business groups and propose a full cockpit low CO_2 and even CO_2 negative materials approach to OEMs in order to support their sustainability objectives.

In August 2021 we announced our proposed business combination with Hella. The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry with a cutting-edge technology portfolio that addresses the major trends in the industry. We intend to acquire 66,666,669 shares representing 60% of the share capital and voting rights of Hella (the "**Block Trade**") that are held by family shareholders of Hella having concluded a pooling agreement between them (the "**Family Pool**") and launched a public tender offer on 27 September 2021 pursuant to Section 29 (1) of the German Takeover Act (*Übernahmeangebot*) for the remaining shares issued by Hella (the "**Public Tender Offer**" and, together with the Block Trade, the "**Hella Acquistion**"). We expect to complete the Hella Acquisition in the first quarter of 2022, subject to regulatory approvals and customary closing conditions. For a description of the proposed business combination see "*—Recent Developments—Combining Faurecia and Hella*" below.

Faurecia Clean Mobility. We design and produce hydrogen solutions for zero emission vehicles and solutions for ultra-low emission passenger vehicles, commercial vehicles and industrial vehicles including technologies for both battery electric and fuel cell electric vehicles to drive clean mobility solutions. We are seeking to become a leader in hydrogen mobility, for both hydrogen storage systems and distribution services, and fuel cell stack systems and services through our joint venture with Michelin. We estimate that we are currently the world's leading supplier of exhaust systems and components. In 2020, sales reached €3,823.4 million (26% of sales) and in the six months ended 30 June 2021, sales reached €2,040.0 million (26% of total sales). In addition, following the completion of the proposed Hella Acquisition expected in the first quarter of 2022, we expect the combined Group to develop a comprehensive offering for electric vehicles (hybrid electric vehicles ("**HEVs**"), plug-in electric vehicles ("**PHEVs**"), battery electric vehicles ("**BEVs**") and fuel cell electric vehicles ("**FCEVs**")), building on Hella's energy management portfolio, sensors and actuators related to BEVs, as well as Hella's offering of battery management systems, voltage converters from direct current to direct current ("**DC/DC converters**") and onboard charging systems.

Faurecia Seating. We design and produce seat systems that optimize the comfort and safety of occupants while offering premium quality to our customers. We develop innovative solutions for thermal and postural comfort, health and wellness and advanced safety to meet current market requirements as well as satisfy our Cockpit of the Future strategy. We estimate that we are currently the world's leading supplier of seat frames and mechanisms and the number three supplier of complete seats. In 2020, sales reached €5,559.5 million (38% of sales) and in the six months ended 30 June 2021, sales reached €2,966.7 million (38% of sales).

Faurecia Interiors. We develop and produce full interior systems including instrument panels, door panels, centre consoles, as well as decoration, interior lighting and smart surfaces. On 18 February 2021, we signed a Memorandum of Understanding for the sale of our acoustic and soft trim business, to enable us to focus on our core product lines and the finalization of the sale is ongoing (see "*Recent Developments – Sale of Acoustics and Soft Trim Business*"). We have strong expertise in seamless integration of interior modules and incorporating functionalities such as haptic surfaces, ambient lighting and displays. We develop sustainable materials for automotive interiors in order to reduce their CO_2 footprint. Our acquisition of SAS in 2020 provides us with expertise in complex logistics and assembly and reinforces our systems integration offer to cover the full range of interior modules and functionalities. We estimate that we are currently one of the two global leaders in the supply of automotive interior systems. In 2020, sales reached €4,544.4 million (31% of sales) and in the six months ended 30 June 2021, sales reached €2,375.8 million (31% of sales).

Faurecia Clarion Electronics. We launched our fourth business group, Faurecia Clarion Electronics in April 2019. Headquartered in Japan, it brings together the software and electronics expertise of three acquired companies, Clarion, Parrot Automotive SAS, now known as FCE Europe and Coagent Electronics as well as other acquisitions such as CovaTech and Creo Dynamics. Faurecia Clarion Electronics is structured around three key product lines: cockpit electronics, display technologies and advanced driver assistance systems ("**ADAS**"). We believe that the business group's core competences in electronics and software, sensors and computer vision, Artificial Intelligence and connected solutions as well as display and systems integration will help strengthen our position as a leading developer of the Cockpit of the Future and ADAS. In 2020, sales reached €726.5 million (5% of sales) and in the six months ended 30 June 2021, sales reached €400 million (5% of sales). Following completion of the proposed Hella Acquisition expected in the first quarter of 2022 we expect to combine Faurecia Clarion Electronics with Hella Electronics and Software to create a strong global player supporting the next high-speed and low-speed ADAS convergence to be headquartered in Lippstadt, Germany. Radars, electric power steering, e-mirrors, 360° views and automated parking solutions are a few examples of the combined product and system offer. The new business group will operate 24 production sites and 21 R&D centers.

Lighting. Following completion of the proposed Hella Acquisition, we intend to establish in the Combined Group a fifth business group, Lighting, to be headquartered in Lippstadt, Germany.

Life Cycle Value Management. Following the Hella Acquisition, we also intend to establish in the Combined Group a sixth business group, Life Cycle Value Management, in line with environmental concerns and industry evolutions. Also to be headquartered in Lippstadt, the Group will include aftermarket, services and repairs, and special applications. Faurecia will be able to enhance the very well established Hella brands. It will allow to leverage potential business in eco-design products, sustainable materials and circular economy.

For the year ended 31 December 2020, our sales amounted to €14,653.8 million compared to €17,768.3 million in 2019 and our EBITDA amounted to €1,678.8 million compared to €2,404.3 million in 2019. For the six months ended 30 June 2021, our sales amounted to €7,782.5 million compared to €6,084.1 million in the six months ended 30 June 2020, and our EBITDA amounted to €1,108.9 million compared to €513.0 million in the six months ended 30 June 2020. As at 31 December 2020, we employed approximately 114,000 people (including temporary workers) in 35 countries.

As adjusted to give effect to the offering of the Notes and the proposed Hella Acquisition as if such transactions had occurred on 1 July 2020, we estimate that for the twelve-month period ended 30 June 2021 the Combined Group would have *pro forma* sales amounting to €22,493.6 million and *pro forma* EBITDA amounting to €3,199.0 million. See "*—Summary Financial and Operating Data—Other consolidated financial data*" and "*Unaudited Pro Forma Consolidated Financial Information*".

For the year ended 31 December 2020, our order book for sales (calculated on a three-year rolling basis) was €72 billion, a record level for us, compared to €68 billion at the end of 2019 and €63 billion at the end of 2018.

In the six months ended 30 June 2021, our order intake was €12 billion, of which €2.6 billion with the VW Group, €1.3 billion for Faurecia Clarion Electronics. China represented 25% of order intake, of which 67% from Chinese OEMs. BEVs represented over 20% of order intake.

Customers

We maintain close relationships with almost all of the world's leading car manufacturers and work closely with customers to develop the design and functionality of our products. Volkswagen, Ford, the Renault-Nissan-Mitsubishi alliance and Stellantis accounted for 61.9% or €4,820.3 million of our sales in the six months ended 30 June 2021. We believe the Hella Acquisition will open new sales opportunities for Hella by leveraging our privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs, and we believe that we and Hella will both benefit from complimentary strength with US-based OEMs (see "*—Recent Developments—Combining Faurecia and Hella*").

We are successfully developing and implementing customer vehicle production programs on a global scale. We have a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programs where the same car model is produced throughout several regions.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames.

The quality of our products is widely acknowledged among automakers. In 2020, we successfully launched over 219 programs, in 145 plants across 23 countries. In the first half of 2021 we launched 120 programmes. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of approximately 8,850 engineers and technicians who design products and develop technological solutions. This enables us to maintain very close relationships and to be strategic suppliers to many of our customers.

Our Competitive Strengths

One of the top three global players in Clean Mobility, Seating, and Interiors

Based on our estimates, we have leading market positions in three of our four business groups. In 2020, we estimated that Faurecia Seating was, globally, a leader in seating solutions and the leading supplier of frames and mechanisms for seats and the number three supplier of complete seats, Faurecia Interiors was one of the two leading suppliers of interior systems and Faurecia Clean Mobility was the leading supplier of clean mobility solutions.

Our market leadership in Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors, and our global platforms are significant strategic advantages as customers typically look to well-established suppliers when awarding new business.

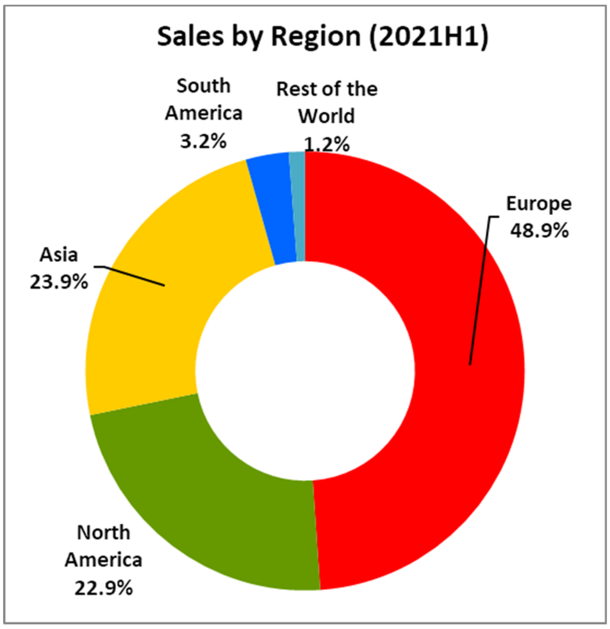
We believe that our market leadership in three of our four business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

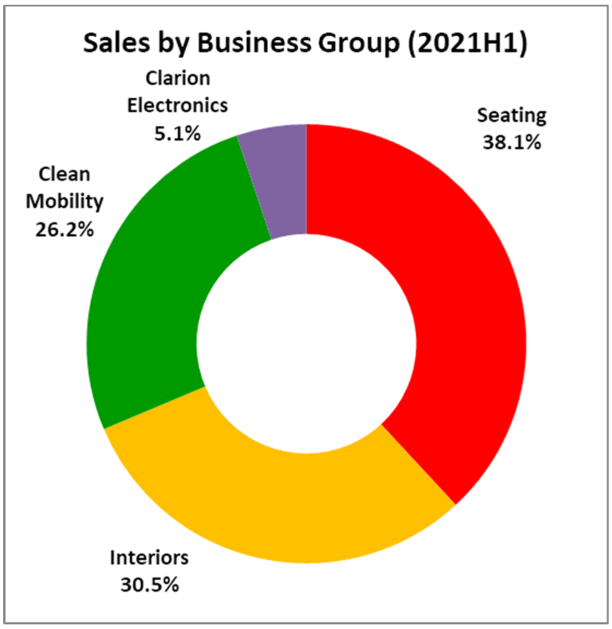
Following completion of the proposed Hella Acquisition in the first quarter of 2022 we expect to create two new business groups and combine Faurecia Clarion Electronics with Hella Electronics and Software so that three of our business groups will be headquartered in Lippstadt, Germany and three will remain headquartered in Nanterre, France.

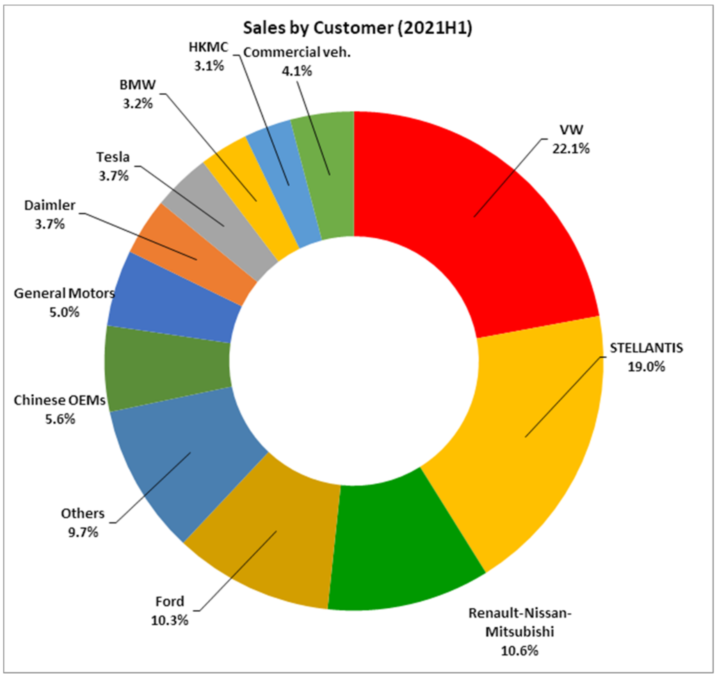
A key partner for a broad and diversified base of OEMs around the globe

We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limit our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our revenues and our profitability.

The following charts show our sales for the six months ended 30 June 2021 by region, business group and customer.







In recent years we have further increased our customer diversification. In 2020, our two largest customers accounted for 34% of sales compared to approximately 48% of total sales in 2008. We also further increased our geographic diversification by increasing the share of our North American and Asian sales. In 2020, sales in Europe, North America and Asia were 47.6%, 24.8% and 24.1% of sales, respectively compared to approximately 74%, 15% and 6% of total sales, respectively, in 2008. In the six months ended 30 June 2021, sales in Europe, North America, Asia and South America were 49%, 23%, 24% and 3%, respectively, compared to 49%, 24%, 24% and 2%, respectively in the six months ended 30 June 2020. This increased diversification reduces our exposure to a single geographic area, end-market, automaker or car model.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. We are present on most market segments, from entry-level models to premium and luxury cars, which make us less vulnerable to the parameters which may affect one particular segment. We also benefit from revenue visibility and stability, due to the inherent difficulties automakers face when changing suppliers in the midst of the development and production of a car model, and from a high renewal rate of our programs. We believe the Hella Acquisition will further improve our inroads with automakers and open new sales opportunities. We believe Hella's sales may improve by leveraging our privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs, and we believe that we and Hella will both benefit from complementary strength with US-based OEMs (see "*—Recent Developments—Combining Faurecia and Hella*").

Clear and focused strategy aligned with automotive megatrends

Significant global trends are impacting the automotive industry. Those global trends include: climate change, resource scarcity, growing and ageing populations, economic power shifting to Asia and urbanization. At the same time, technological developments continue to accelerate, transforming daily life and generating new business models. As a result of these technological developments, the evolving structure of society and global development challenges, we believe that the automotive industry is at a turning point. We believe that the consequence of these trends on the automotive industry is a radical increase in mobility which is becoming connected, autonomous, shared and electrified.

We have anticipated these trends and developed a strategy to benefit from them with our solutions for Sustainable Mobility and Cockpit of the Future. We estimate that the addressable market for Sustainable Mobility and the Cockpit of the Future will reach €120 billion by 2030.

We believe the proposed Hella Acquisition will further strengthen our position with regards to automotive megatrends. See "*—Recent Developments—Combining Faurecia and Hella*" for more information on the acquisition and its anticipated impact.

Connectedness

Vehicles with connected capabilities already exist and are becoming increasingly common. The trend for connected vehicles is driven by legislation for increasing safety, increasing customer expectations for infotainment and technological developments for autonomous cars. Connectivity will allow continuous monitoring of vehicles and passengers, the ability to upgrade software in vehicles and will provide passengers with access to a wide range of services, including for safety and on-board user experiences for comfort, well-being, productivity and entertainment. We believe that vehicles will become an integrated device in users' "connected lives" and consumers will demand the same level of service and convenience from their cars as from their smartphones or tablets. The introduction of mobile 5G will enhance connectivity through better quality network coverage and higher bandwidth. According to industry estimates, by 2025, 80% of vehicles will be connected to the internet.

Autonomous

Autonomous vehicles will provide drivers with the opportunity to engage in activities not previously possible while driving, such as relaxing, working and socializing. The level of autonomy in a vehicle is assessed from level 0 to level 5, where level 0 signifies no automation in a vehicle and level 5 is fully autonomous. Autonomous technology for level 3 and level 4 currently exists, however, we believe it is unlikely to see rapid deployment due to high cost and an undefined regulatory framework. We believe that robotaxis are likely to be the first mass application of autonomous vehicles with thousands of vehicles already on the road in pilot programs, while private cars are likely to remain focused on ADAS levels 1 and 2 systems for the foreseeable future. Accordingly, we expect the automotive industry will need to extend its value-proposition to deliver new user experiences. In this context, we expect vehicle interiors will undergo a significant development and the Cockpit of the Future will be connected, personalized and predictive. The recent acceleration of powertrain electrification is likely to result in a reduction in the level of investment available for autonomous driving, with automakers focusing on the incremental deployment of Level 2 and Level 3 driver assistance systems.

Shared mobility

Connectivity is also impacting the way users see mobility, as they begin to use new solutions, particularly in urban settings. Ride-sharing services and car-sharing services are experiencing significant growth, driven in particular by city strategies for improved mobility. The introduction of autonomous vehicles as robotaxis (which is an example of the concept of "mobility as a service" or "**MaaS**") should accelerate the shift by significantly reducing costs per kilometer. For MaaS operators to differentiate themselves, the quality of the user experience will be key. As a result, we believe that users of shared mobility will demand personalization of a vehicle's interior and digital continuity. Mobility operators will need to determine how to offer the best and smoothest customer journey integrating services and multimodal mobility. MaaS operators will therefore become strong vehicle, cockpit and interior specifiers, requesting specific capabilities and functionalities to support their services. In the short-term, ride-sharing services have suffered as a result of the Covid-19 pandemic, including as a result of lockdowns and economic crisis, as well as increasing health concerns. However, we anticipate that the rise of micromobility alternatives and a demand for electric vehicle car-share schemes in major urban areas is likely to drive a return to shared mobility in the mid-term.

Electrification

The powertrain mix is rapidly evolving towards electrification, due to environmental concerns and pressure from regulators and society. Whilst different countries are moving towards zero emissions at different speeds, we expect that as technologies mature, we will see a rapid increase in the number of hybrid vehicles and electric vehicles, including both battery electric vehicles ("**BEV**") and fuel cell electric vehicles ("**FCEV**"). As technologies mature and charging infrastructure is deployed, we believe that there will be a rapid increase in electric vehicles and that BEVs and FCEVs will co-exist as zero emissions alternatives. We believe that fuel cells are particularly adapted to commercial vehicles as they have a longer range and a faster re-fuelling time. This trend towards zero emissions depends on a co-ordinated ecosystem that includes infrastructure and power supply providers.

Electrification will accelerate as regulations and government incentives boost both offer and demand and as society becomes increasingly concerned about climate change. We believe that by 2030, 30% of vehicles will be fully electric vehicles, and 37% of vehicles will be hybrid. The significant investments being made in many countries in hydrogen as a clean energy source could be evolutionary for transportation and logistics.

Strategy aligned with automotive megatrends

As the trends for electrification, connectivity, autonomous driving and ride-sharing accelerate, there are increasing business development opportunities for us in relation to new products, new customers and new business models including the following:

<u>New Products</u>

- accelerating innovation for powertrain electrification and investing in zero and ultra-low emissions solutions, supported by inventives and regulatory push and responsive to an increase in global demand for mild hybrid and high voltage solutions;
- focusing on short time-to-market technology bricks for the Cockpit of the Future adaptable to autonomous driving, reflecting an increasing importance of software and higher willingness of customers to pay for automated driving features;
- offering new functionalities through integrated electronics as cars develop into "computers on wheels", driven in part by safety regulations; and
- with the completion of the proposed Hella Acquisition, we expect to increase our offering to include lifecycle value management, including aftermarket, services and repairs and special applications.

<u>New Customers</u>

- rising Asian OEMs developing vehicles adapted to Asian consumers;
- pure electric vehicle consumers;

- mobility operators, fleets and cities; and
- high horsepower engine manufacturers.

New Business Models

- increased role of personalized user experiences;
- upgradability, retrofit and connected services; and
- developing cybersecurity of connected products.

Pioneer in technological innovations based on a strong ecosystem of partners

We are a pioneer in technological innovations in the automotive sector and have a consistent track record of award winning innovations. We have based our strategy of innovation on a strong ecosystem of partners to accelerate time-to-market and to integrate key competences for our systems for Sustainable Mobility and Cockpit of the Future. We operate 39 research and development centers worldwide and employ approximately 8,850 engineers. In 2020, we filed 621 new patents, compared to 608 in 2019.

In 2020, we allocated €1,187 million to gross R&D costs and we also allocated €607 million over the last three years towards innovation. We currently plan on investing €1.1 billion in sustainable technologies between 2021 and 2025. In the six months ended 30 June 2021, gross expenditures for R&D totaled €608.5 million, or 7.8% of sales, compared to €590.9 million, or 9.7% of sales in the six months ended 30 June 2020.

Given the pace of technological change and the need for the efficient development of new products, we have developed an open innovation ecosystem to accelerate the integration of new competences and the time-to-market of our products. This innovative, collaborative ecosystem incorporates non-rival alliances with global industry leaders, investment in start-ups, collaboration with academic institutions and active participation in associations and think tanks for sustainable mobility.

Strategic and technology partnerships

To rapidly accelerate development in key areas, we have developed partnerships with other industrial or technology companies. In 2019, we entered into new partnerships with Spika SAS (Michelin Group) ("**Michelin**") for fuel cell systems, with Microsoft to develop more digital services for the Cockpit of the Future, with Aptoide S.A. ("**Aptoide**") to develop and operate Android app store solutions for the global automotive market and Allwinner Technology Co., Ltd ("**Allwinner**") for the Cockpit of the Future. In May 2020, we selected Schneider Electric as a preferred partner to support the Group in its commitment to reach CO_2 neutrality for scopes 1 and 2 by 2025. In March 2021, we entered into a six-year strategic partnership with Palantir Technologies Inc. ("**Palantir**") to accelerate our digital transformation and ambition to be CO_2 neutral. In September 2021, we selected ENGIE to become a partner, supporting us in our commitment to reach CO_2 neutrality for scopes 1 and 2 by 2025. For more information, see "*Sustainable Development – Ambition to be CO_2 neutral by 2030*".

We have also entered into a partnership with Accenture for Artificial Intelligence. Through our partnership with ZF Friedrichshafen AG ("**ZF**"), we are developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing. We have also entered into a partnership with Mahle to collaborate on technologies for the thermal management of the Cockpit of the Future. We have partnered with Mahle to work together to integrate and connect different interior and seating features to enhance the onboard experience and in November 2020 we also announced a strategic partnership with Hella for the development of innovative interior lighting solutions. Over time, we believe Artificial Intelligence and contextual analysis will enable the vehicle to anticipate user preferences.

Investment in start-ups and technology platforms

Faurecia has developed a worldwide scouting activity to detect and invest in start-ups with relevant technologies for Sustainable Mobility and Cockpit of the Future.

In 2019, we made initial investments in two start-ups: Outsight for sensors and GuardKnox for cybersecurity. In 2020, we acquired a Canadian start-up, IRYStec Software, to enhance user experience of cockpit display systems. In 2021, we acquired intellectual property assets of uMist Technologies Ltd., a Swedish startup specialized in biomimetic spray technology, to accelerated our technology leadership for commercial vehicles ultra-low emissions.

We collaborate with local start-up ecosystems, establishing strong connections in major innovation clusters, and to closely follow emerging trends and new technologies. The Group's platforms are located in Silicon Valley, Toronto, Shenzhen, Paris and Tel Aviv. The Tel Aviv platform was inaugurated in 2019 and concentrates on cyber security.

In April 2021, Faurecia, Groupe Renault, Knauf Industries, Simoldes, and Coşkunöz, in association with IBM, have signed a partnership contract for the deployment of XCEED (eXtended Compliance End-to-End Distributed), a blockchain based shared solution to trace the compliance of thousands of parts assembled in a vehicle in almost real time.

In June 2021, we acquired designLED, the Scotland-based company specialized in advanced backlighting technologies, will strengthen ours offer for display technologies and enrich the immersive experiences for the Cockpit of the Future.

Academic partnerships and collaborative innovation

We work with over 25 academic organizations in open innovation networks, to test, assess and develop prototypes in order to obtain the relevant information to position research for the Group. Important partnerships include those with École Centrale de Nantes for composites, the Collège de France and French Alternative Energies and Atomic Energy Commission (CEA) for polymers and fuel cell technologies, Technische Unversität Dortmund for metals, Supelec-Esigelec for mechatronics and the Indian Institute of Science for sensors.

Collaborative approach to promoting sustainable mobility solutions

Our CEO is one of the CEOs involved in the governance of Movin'On, an innovative and collaborative think tank aimed at defining mobility trends and setting up pre-competitive studies between the partners. Through its communities of interest Movin'On develops a common vision on specific topics and promotes collaborative intelligence to experiment new mobility solutions.

We are also part of the executive group of the Hydrogen Council. The Hydrogen Council is a global initiative of leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen to foster the energy transition. We also play a key role in the World Materials Forum in relation to sustainable mobility.

Our CEO is co-chair of the CNH (French National Hydrogen Council) which is aiming at implementing the French hydrogen strategy.

We are at the head of the FORCE consortium developing a low cost carbon fiber from natural resources.

Following the completion of the proposed Hella Acquisition, we anticipate the Combined Group will further promote sustainable mobility solutions by developing a strong and focused offer for electric mobility and expand innovation through a combined total of 18,500 highly talented and motivated engineers and specialist, including 3,000 software engineers, 24 production sites and 21 R&D centers in the new electronics business group combining Faurecia Clarion Electronics with Hella Electronics and Software. See "*—Recent Developments—Combining Faurecia and Hella*".

Strong operational excellence driven by Total Customer Satisfaction

Our Total Customer Satisfaction Program

We initiated our Total Customer Satisfaction program in 2018 and we believe that it is a key driver for operational excellence and a key factor in our commercial differentiation from competitors. The program aims at capturing a holistic picture of customer satisfaction and feedback, both in term of performance and perception of the overall value chain, from order taking to the start of production. Beyond traditional quality measures, customer feedback is collected immediately and transparently through a dedicated Customer Satisfaction digital application which allows for constant interaction with customers. This application is used by approximately 1,000 customers and we have received feedback on approximately 1,700 occasions giving us an average of 4.2 out of 5 for 2020. Based on this, we systematically implement action plans to improve customer satisfaction through the robustness of our launch performance and operational excellence to support sustained customer loyalty. The program was a key focus for us in 2020 and is an important element in our relationship with our customers as well as an integral part of our culture.

Our Total Customer Satisfaction program compromises initiatives such as: the Faurecia Excellence System, the Plant Ranking Initiative and our Digital Manufacturing initiatives.

The Faurecia Excellence System

The Faurecia Excellence System ("**FES**") is our core operations system governing the organization of our production and operations. It is designed to continuously improve quality, cost, delivery and safety and thereby sustain and improve the operational performance of our production sites around the world through common working methods and language. We believe that this approach is fundamental to enable us to deliver the same level of quality and service throughout the world. The FES complies with applicable quality, environmental and safety standards of the automotive industry (ISO/TS 16949, IATF 16949, ISO 14001, OHSAS 18001).

In 2019, we redesigned the Faurecia Excellence System to support our joint goals of Total Customer Satisfaction and sustainable operational performance and deployed it across our Group. Renamed "**FES X.0**", it provides a clearer, more pragmatic and comprehensive system approach designed to ensure that all employees understand their expected role. The redesigned system was launched through a major global communication and education program consisting of management workshops, multiple new digital learnings and reference documents (FES X.0 Handbook) and a global knowledge-embedding tool for our managers. We believe that FES contributes to the success of our Total Customer Satisfaction program and impacts our financial performance.

Plant Ranking Initiative

In 2018, we launched a plant ranking initiative which is based on a monthly assessment to promote comparative analysis between production sites. Using a specific tool, plant managers are able to compare their plant's performance with any other of our plants. The initiative is designed to encourage sharing of best practice, reduce performance gaps and promote competition between sites. In 2019, the plant ranking criteria was updated to provide greater weight to key performance indicators from our Total Customer Satisfaction program.

Digital Manufacturing

We have introduced digital technology to improve operational efficiency and transform working practices in our production facilities. In 2017, we deployed digital management tools as part of our Digital Enterprise strategy throughout our production processes and supply chain, including real-time information sharing, collaborative robots and autonomous guided vehicles, to optimize assembly automation, quality control and production efficiency. By the end of 2020, over 850 collaborative robots and over 1,100 automated guided vehicles had been installed at Faurecia production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Digital management tools and the use of "big data" to provide more control over manufacturing processes increases the potential to continue to improve the performance of our industrial assets. We have introduced artificial intelligence solutions for visual inspections of parts in order to improve quality and reduce process variability. We believe that the digitalization of the manufacturing system will strengthen plant performance.

Awards and New Order Intake

We believe that the numerous awards that we have received from our customers and our record order intake over the last few years demonstrates the confidence of our customers in our Total Customer Satisfaction strategy. We are a strategic partner of many of our major customers, receiving 40 customer recognition awards in 2020 for global performance, manufacturing excellence, cost savings and innovation. In particular, we received a General Motors Supplier of the Year Award, a Ford World Excellence Award and a Cummins Covid-19 outstanding supplier award.

In the first semester of 2021, our order intake was €12 billion, of which €2.6 billion with the VW Group, €1.3 billion for Faurecia Clarion Electronics, aligned with the target of €2.5 billion. China represented 25% of order intake, of which 67% from Chinese OEMs. BEVs represented over 20% of order intake.

Notable new business awarded to us in this first semester of 2021 included:

- VW Passat / Skoda Superb complete seat, instrument panel & door panel, over €1.5 billion;
- Chinese Chehejia LI X03 complete seat; and
- BMW Mini & X3/X4 Frames in China.

For the year ended 31 December 2020, our order book for sales was a record €72 billion (calculated on a three-year rolling basis) which is a new record for us. Notable new business awarded to us in 2020 included:

- Daimler E-Class and VW Transporter for complete seats;
- instrument panel businesses for the Audi Q5 and door panels for a GM platform covering different Chevrolet, Buick and Cadillac vehicles for premium interiors;
- clean mobility for VW Audi D-segment platform and PSA C&D segment platforms;
- major cockpit assembly awards for Skoda Fabia and Mercedes Vito; and
- interiors, cockpit assembly and seating businesses with a leading electric vehicle player in China, North America and Europe.

Among others, we also achieved the following recognition awards over the last two years:

- PACE award at the Automotive News magazine's PACE awards for developing the "Resonance Free Pipe™" (RFP™);
- supplier award at the General Motors' 2019 Supplier of the Year event;
- four "Winner" and two "Special Mention" awards at the 2020 German Innovation Award competition;
- outstanding program leadership award at the EcoVadis annual 2020 Sustainability Leadership Awards;
- supplier award at the 2019 Groupe Renault Supplier event for our operational performance;
- two innovation awards at the 2019 Shanghai Automotive Show for our Cockpit of the Future innovations;
- "Best Quality Mindset award" at the Groupe Renault Suppliers event for our Pitesti (Romania) plant in 2019;
- PACE finalist at the Automotive News magazine's PACE award for our Perceptual Display Platform Vision; and
- IRYStec named 2021 Automotive News magazine's PACE award winner.

Focus on profitability, financial discipline and resilience

Our profitability and financial discipline form an important foundation for our transformation and sustainable value creation. Over the past several years we have achieved significant improvements in our profitability. Our operating income increased from 3.5% of value added sales in 2013 to 7.2% of sales in 2019. Although our operating income decreased to -1.8% of sales in the first half of 2020 as a result of the significant impact of the Covid-19 pandemic and resulting economic crises, our operating income recovered strongly in the second half of 2020 to 6.2% of sales, resulting in our operating income decreasing to 2.8% of sales for the year ended 31 December 2020. In the six months ended 30 June 2021, our operating income increased to 6.6% of sales.

We maintained sufficient liquidity throughout 2020 and ended the year with €3,091.4 million of available cash as at 31 December 2020 and €1.2 billion of undrawn commitments under our Senior Credit Facility. We have been able to significantly reduce our net debt to €3,128 million as at 31 December 2020 in comparison to €4,034 million as at 30 June 2020 as a result of strong cash generation in the second half of 2020, which allowed us to repay €600 million that had been drawn under our Senior Credit Facility and €800 million under a club deal. As of 30 June 2021, the Group's net financial debt stood at €3,299.6 million compared to €3,128.1 million at December 31, 2020. The net debt evolution is mainly impacted by the positive net cash flow evolution of €290.4 million, the purchase of treasury shares for €128.7 million, dividends paid for €159.5 million, the net financial investments and other cash elements outflow of €80.4 million and the negative impact of €93.3 million related to IFRS16.

Structural actions and cost flexibility

We are also implementing structural changes to make our cost structure more flexible in order to increase our agility and resilience. We aim to rationalize and optimize our industrial footprint and tightly manage our direct and indirect headcount, in addition to other selling, general and administrative cost-cutting measures. These measures have become increasingly important to us in the post Covid-19 environment.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, whilst others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalized R&D requirements by seeking better capital expenditure allocation.

Two experienced governance bodies driving strategy and execution

We have two governance bodies, the Board of Directors and the Executive Committee, responsible for deciding and implementing our strategy.

The Board of Directors

The Board of Directors oversees our business, financial and economic strategies. This 12-member body, including 8 independent board members and 2 board members representing employees, meets at least four times a year. Three permanent committees are tasked with the preparation of discussions on specific topics: the Audit Committee, the Governance, Nominations and Sustainability Committee and the Compensation Committee. They make proposals and recommendations and give advice in their respective areas.

With their diverse backgrounds, experience and skills, our board members offer us their expertise, support in defining our strategy and tackling the challenges that we face within the context of our transformation and strategic direction.

The Executive Committee

Our executive functions are performed by an Executive Committee that meets monthly to review our results and oversees our operations and the deployment of our strategy. It discusses and prepares guidelines on important operational subjects, and its decisions are then deployed throughout the Group.

Experienced Management Team

Our management team has significant experience in the industry. Patrick Koller, our CEO, has been with the Group since 2006. Prior to becoming our CEO, he was Executive Vice President at our Faurecia Seating business group from 2006 to 2015. Michel Favre, our Chief Financial Officer, has been with the Group since 2013. Prior to becoming our Chief Financial Officer, he was Executive Vice President (Financial Controlling and Legal) at Rexel SA from 2009 to 2013, Chief Financial Officer at Casino Guichard-Perrachon SA from 2006 to 2009 and Chief Financial Officer of Altadis SA from 2001 to 2006. He also held a number of senior financial and operational roles with Valeo SA over a 13-year period including Vice President of the Lighting

Branch from 1999 to 2001. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. We believe that the experience, industry knowledge and leadership of our management team will help us implement our strategy described below and achieve further profitable growth.

Strategy

We have adopted a transformation strategy to benefit from the four major trends of connectivity, autonomous driving, new mobility solutions and electrification which are disrupting the automotive industry. Our strategy is to develop innovative solutions for Sustainable Mobility and the Cockpit of the Future.

We implement our strategy by: (a) making significant investment in innovation and accelerating the integration of new products into the market through a strong ecosystem of strategic and technology partnerships; (b) focusing on operational efficiency and resilience through our Total Customer Satisfaction programme and digital transformation program; and (c) maintaining a strong culture based on our core convictions and values.

Through our Sustainable Mobility strategy, we are facilitating the transition to clean mobility by developing solutions for fuel efficiency, zero emissions and air quality. Societal and political pressure on the automotive industry to reduce emissions has never been higher. As stringent new regulations are introduced around the world, and with demand for electrified vehicles consistently increasing, we have made sustainable mobility a strategic priority. We are addressing the major segments for internal combustion engines and electric vehicles by developing solutions for light vehicles, commercial vehicles and high horsepower engines.

Our Cockpit of the Future strategy provides solutions for a more connected, versatile and predictive environment, and responds to the increasing trend for autonomous and connected vehicles. The Cockpit of the Future will allow personalized consumer experiences combining functionalities such as infotainment, ambient lighting, postural and thermal comfort and immersive sound.

We believe that we are uniquely positioned to deliver solutions for Sustainable Mobility and Cockpit of the Future through our leading market positions in our Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors businesses and through the creation of Faurecia Clarion Electronics, our fourth business group.

The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry, with a cutting-edge technology portfolio that addresses the major trends in the industry, and to achieve the combination of two highly complementary companies focused on innovation, operational excellence, customer satisfaction and environmental, social and governance ("**ESG**"). For example, through the Hella Acquisition we anticipate bolstering the Combined Group's Cockpit of the Future strategy thanks to our complementary portfolios. See "*—Recent Developments—Combining Faurecia and Hella*".

Sustainable Mobility

Our strategic roadmap for Sustainable Mobility focuses on the following four areas:

- developing hydrogen solutions for zero emissions;
- developing solutions for ultra-low emission passenger vehicles;
- developing solutions for ultra-low emission commercial and industrial vehicles; and
- developing sustainable and smart materials.

Sustainable Mobility – Hydrogen solutions for zero emissions: We believe hydrogen mobility will accelerate rapidly and achieve significant adoption by 2030. Hydrogen can be produced from various energy sources and is a storable energy carrier that generates no CO_2 emissions or polluting gasses when used in vehicles.

We believe that hydrogen is very well suited to commercial, heavy-duty on- and off-road vehicles, as well as high-horsepower engines, giving it the potential to transform transportation and logistics. By 2030, it is estimated that three to five million vehicles equipped with fuel cell technology will be on the roads (*source: Hydrogen Council Discussion Paper 2018*). Since 2018, we have halved the cost of our fuel cell systems and our objective is to continue to reduce the cost significantly. We are developing the next generation of hydrogen systems for commercial and light vehicles, heavy-duty trucks and industrial applications. We currently have the ability to produce several thousands of hydrogen storage systems per year and we aim to significantly increase our production capacity.

Our ambition is to be a world leader in hydrogen mobility, and we have invested over €160 million in R&D, manufacturing, strategic partnerships and acquisitions over the past three years.

We aim to become a leader both in hydrogen storage systems and distribution services, which we develop in-house and for which we have created a centre of excellence in France, and in fuel cell stack systems and services produced by Symbio. We are well-positioned in both of these key elements of fuel cell systems, which we estimate represent 75% of the value chain.

We are aiming to expand our production capacity exponentially between now and 2025 to 100,000 tanks per year across three sites: a high-capacity site in France, another site also in France dedicated to low-volume programs, and a plant in Asia in order to better serve this key market for hydrogen mobility.

In line with this ambition, in 2020 we inaugurated our global center of expertise, which aims to develop lightweight and cost-competitive hydrogen storage systems. Located in Bavans, France, the center is dedicated to the design and tests of these systems. Our homologated tanks (350 / 700 bar) will also be produced at this new center. With this global center, we also aim to develop new industrial processes to accelerate production and develop innovative materials and smart tanks to reduce the cost of the systems and increase their safety, durability and recyclability.

In 2019, we set up a joint venture with Michelin, incorporating each of its fuel cell related activities, including its subsidiary Symbio, with our fuel cell related activities with the aim of creating a world leader in hydrogen fuel cell systems. Moreover, in 2020, we acquired Ullit for high-pressure tanks. We believe this acquisition with Ullit's patented technology for impermeable tank shells will help reinforce our unique hydrogen ecosystem. We recently acquired a majority share in CLD, one of China's largest high-pressure tank manufacturers. We are working with CLD to develop and manufacture type III and IV hydrogen storage tanks for the Chinese market.

Sustainable Mobility – Solutions for ultra-low emission passenger vehicles: The requirement for increasing content in the powertrain to meet emissions control regulations, as well as the need for significant reduction in CO_2 emissions, drive the need for several of our key technologies which we estimate will increase the overall value of the exhaust line by 20% by 2030. We supply post-treatment systems for internal combustion and hybrid powered engines in order to reduce emissions and noise levels and recover lost energy.

The key technologies for fuel economy and emissions reduction that are already in production or will be by 2025 are the Electric Heated Catalyst ("**EHC**") solutions including a pre-heating function that can give a near zero emissions vehicle, and a combined Exhaust Gas Recirculation ("**EGR**") / Exhaust Heat Recovery Systems ("**EHRS**") which can give over 3% CO_2 savings.

Electrification also drives demand for ultra-quiet vehicles and we have developed products to reduce engine noise through advanced exhaust line architecture, electric valves and resonance free pipes.

Sustainable Mobility – Solutions for ultra-low emission commercial and industrial vehicles: We are anticipating the ongoing emissionization of all commercial vehicles, particularly in growth markets like China and India, where regulations are converging towards European and North American standards. Technologies such as our heated doser contributes to ultra-low NOx emissions by operating efficiently even at lower temperatures and is compatible with current and future after treatment architectures.

In 2018, we acquired Hug Engineering, the European leader in complete exhaust gas purification systems for high horsepower engines. In 2020, stringent regulations were implemented in all regions both for stationary and marine applications. In order to adapt to stricter emission regulations and to improve air quality, we developed "Electric Heated Catalyst" technology that will enable the emission control system in vehicles to reach its maximum efficiency at a faster pace.

Sustainable and smart materials: we design products taking into account their entire life cycle, from the use of resources and raw materials to their eco-design and recyclability at the end of their life. We offer bio-sourced materials that reduce the weight of parts and their carbon footprint.

Cockpit of the Future

From our leading position in our Faurecia Seating and Faurecia Interiors business groups, we have undertaken a series of acquisitions and partnerships which gives us a unique position in interior modules and systems architecture. The creation of Faurecia Clarion Electronics, regrouping the complementary technologies of Clarion, FCE Europe and Coagent Electronics, technology companies CovaTech and Creo Dynamics, as well as an ecosystem of start-ups and partners, provides us with the electronics, software, computer vision and artificial intelligence competences to deliver on our vision of the Cockpit of the Future.

In January 2020, we completed the acquisition of the remaining 50% of our joint venture with Continental Automotive GmbH on 30 January 2020, a project that was announced on 14 October 2019. SAS Autosystemtechnik GmbH und Co., KG ("**SAS**") is a leader in cockpit module assembly, logistics and Just-in-Time delivery. The acquisition provides us with expertise in complex logistics and assembly and reinforces our systems integration offer to cover the full range of interior modules. SAS has strong growth potential in North America and China and has also shown a very strong order intake in 2020.

Advanced Safety, Comfort and Wellness, Immersive Experiences Health and Wellness: Autonomous driving will lead to the development of new uses for the interior of vehicles. As occupant positions may no longer need to be fixed facing forward and upright, users will have more freedom to do other tasks during their journey. To ensure that passengers are safe in all seated positions, features such as airbags or the seatbelt can be integrated directly into the seat. This technology called the Advanced Versatile Structure ("**AVS**") allows occupants to drive, relax and work safely and efficiently. Smart kinematics effortlessly recline, lift, adjust and swivel the seat, and then return it smoothly and quickly back to the upright or driving position. Through our partnership with ZF, we are developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing.

We are also developing solutions that provide an optimal onboard experience and enhance wellness. Through close monitoring of the thermal and postural comfort of the occupants, the cockpit will learn each occupant's preferences over time and leverage artificial intelligence to make adjustments so that people feel better at the end of their journey.

In terms of personalized sound experiences, we are combining activated sound surfaces, smart headrests integrating local ANC, IP and telephony, and high-end premium sound, such as that provided through our partnership with Devialet.

Connected services: We are focused on developing "smart surfaces" for drivers' expecting greater intuitive interaction with their vehicles. "Smart surfaces" combine traditional vehicle interior surfaces, such as the dashboard, with digital displays that are able to control cockpit temperature, sound and lighting. Increased connectivity in vehicles will drive new business models for upgradability, retrofit and services across the vehicle lifetime. We have developed a number of partnerships for connected services: with Microsoft for cloud connectivity, with Accenture for digital services and with Aptoide for an automotive app store.

We have created a 50/50 joint venture with Aptoide, one of the largest independent Android app stores to develop and operate Android app store solutions for the global automotive market. This joint venture offers OEMs an affordable and secured automotive apps market, available worldwide with adaptable content per region. The Aptoide app store offers one million Android apps covering a variety of use cases such as gaming, navigation, content streaming services, point of interest recommendations or parking. Aptoide also offers an integrated secure payment mechanism supporting OEM strategies for service monetization, whilst securing the vehicle and occupants' data privacy.

Use of Proceeds

The proceeds of the Notes will be used to (i) fund part of the cash portion of the purchase price for the Hella Acquisition or, in case the Hella Acquisition is not consummated, to refinance, in whole or in part, one or more series of the Existing Notes or other long-term debt, including any related premiums, fees, costs and expenses, and (ii) pay fees and expenses incurred in connection with the issue of the Notes. We intend to leave such amount on our balance sheet until such time as the cash portion of the Hella Acquisition Price is due, or, if the Hella Acquisition is not consummated, such amount is used in such refinancing.

Sustainable Development

The political and societal drive towards climate change has now reached the forefront of the agenda in many countries and regions of the world. The Green Deal in Europe to reduce greenhouse gas emissions by 55% in 2030 and to have no net emissions in 2050 is a clear demonstration of this, as is the emphasis put on renewable energy in economic recovery plans. With transport accounting for around one quarter of global CO_2 emissions and passenger vehicles accounting for around 10%, the automotive industry has a strong responsibility to reduce greenhouse gas emissions and reduce its environmental impact. We believe these actions with respect to climate change present a number of opportunities for us. In September 2021, we joined *Entreprises pour l'Environnement* (EpE), a French association bringing together more than 60 French and international companies from all business sectors, willing to better include the environment in their strategy and business decisions.

Sustainable development is fully integrated into our transformation strategy and corporate culture. Within this cultural framework, we have defined six convictions and six values that guide our actions and behaviours. Our six convictions form the basis of our corporate social responsibility ("**CSR**") strategy, "Inspired to Care", and our CSR roadmap.

Our CSR roadmap is based on the following main projects:

- *Achieving carbon neutrality by 2025, 2030 and 2050.* We are aiming to achieve carbon neutrality for our scope 1, 2 and controlled scope 3 activities. This includes, in particular, the indirect footprint of our activities, including a majority of purchasing, freight, travel, waste products, buildings and product recycling operations. For more information, see "*– Ambition to be CO_2 neutral for Controlled Emissions by 2030*" below.

- *Developing more sustainable materials into our products.* We intend to use more sustainable and/or recyclable materials, reducing the amount used and extending their lifespan, to help reduce the overall environmental impact of our products. For example, we have introduced our "Seat for the Planet" and "Interiors for the Planet" innovation programs to advance use of sustainable, low carbon emission and/or recyclable materials in our products. Under our "Interiors for the Planet" program, we have launched the NAFILean™ and NFPP Family product lines. For more information, see "*Business – Our Industry – Sustainable development and use of raw materials*".

- *Innovating for Sustainable Mobility and Cockpit of the Future*. We intend on accelerating our transition towards clean mobility solutions through our investment in hydrogen technologies, such as our collaboration with Michelin via the Symbio joint venture. We believe our new Business Group, Faurecia Clarion Electronics will offer various growth opportunities for our Cockpit of the Future solutions. We have also partnered up with various industrial partners and invested in start-ups to accelerate innovation in our Sustainable Mobility and Cockpit of the Future strategies. For more information, see "*– Strategy – Sustainable Mobility*", "*– Strategy – Cockpit of the Future*" and "*Pioneer in technological innovations based on a strong ecosystem of partners*" above.

- *Committing to Total Customer Satisfaction*. We launched our Total Customer Satisfaction program in 2019. The program aims at capturing a holistic picture of customer satisfaction and feedback, both in term of performance and perception of the overall value chain, from order taking to the start of production. For more information, see "*– Our Competitive Strengths – Strong operational excellence driven by Total Customer Satisfaction*" above.

- *Engaging suppliers for sustainable procurement and supply chains*. Our purchasing policy is an integral part of our social and environmental responsibility. Our suppliers have to comply with our supply chain requirements to assist us in achieving our carbon neutrality goal. We rely on our partner, EcoVadis, in assessing our suppliers in terms of their social and environmental responsibility.

- *Developing an inclusive culture for hiring and retention of talent*. We have launched an inclusive management approach, with particular emphasis on gender diversity. Through this approach we aim to better understand and promote the contribution of diversity in our teams to increase creativity, positivity and better results amongst our employees. We aim to achieve this by focusing on three areas: training management teams developing future talents and recruiting high-potential candidates. In May 2021, we hosted a first-of-its-kind global event dedicated to diversity and inclusion. Two virtual sessions were organized to celebrate the many initiatives happening across the company. Focus was placed on gender diversity, an area where we are committed to progressing.

- *Promoting training and apprenticeships to prepare for the major changes of the future*. We provide training to our employees through our internal training universities to enable all employees to understand the fundamentals of their relevant business area, integrate technological developments and adapt to the changes in our external environment.

- *Committing to projects with a social impact*. In March 2020, we launched our corporate foundation to contribute to supporting and developing projects that promote education, mobility and the environment. In H2 2020, we initiated projects to promote these three areas in India, Mexico and Morocco and in 2021 eight more employee solidarity projects were supported in China, Europe and the Unites States.

Ambition to be CO_2 neutral for Controlled Emissions by 2030

We are committed to tackling climate change and have launched an ambitious programme to become CO_2 neutral for our Controlled Emissions by 2030. Through this program, we aim to both reduce our environmental impact and create long-term value across our entire supply chain. We are investing in innovation to advance the sustainability of our products and industrial processes across all of our businesses.

We have developed a plan in three stages to achieve this goal. Our action plan has been reviewed and validated by Science Based Targets initiative (“**SBTi**”).

- *By 2025: Internal Emissions*: we aim to be CO_2 neutral for our Scope 1 and 2 emissions across all of our over 250 sites. This will be achieved through using less energy and renewable energy either purchased or produced on sites. To reach our goals, we partner with experts and invest in energy-efficiency projects at our production facilities.

- By 2030: *Controlled Emissions*: we aim to be CO2 neutral for our scope 3 emissions, excluding emissions of vehicles equipped with Faurecia products (“**Controlled Emissions**”). Contolled Emissions include emissions from upstream and downstream activities: purchases, lease, freight, travel, our use of products, waste and recycling. This will be achieved through strong collaboration with our suppliers and the reorganization of our purchasing processes for low-carbon raw materials, in particular steel and plastics, product redesign and services such as transportation.

- *By 2050: Total Emissions*: we aim to be CO_2 neutral for our total emissions as the whole industry moves towards zero-emissions mobility and a circular economy.

We have also entered into a partnership with Schneider Electric to develop an action plan to optimize energy sourcing and to use less energy and clean energy across our over 250 sites. This will involve on-site renewable energy production and external renewable energy sourcing. The goal is to achieve fully decarbonized energy by 2025 and to invest €70 million for energy savings.

In July 2021, we selected KPMG as our partner for on-site power purchase agreements advisory services. Under this partnership, we will benefit from KPMG’s expertise to prepare, execute and implement our solar panel equipment program across all facilities, worldwide, which is a step on our CO_2 neutrality journey. We will delegate the installation and the operation of these renewable electricity production assets to third parties (“**developers**”), and KPMG will advise and support us to identify and contract the right developers.

In September 2021, we also selected a Swedish steel maker SSAB, to partner for fossil-free high strength steel for use in our Seating business. This partnership makes us the first automotive supplier to explore fossil-free steel with SSAB and marks a major milestone on our CO_2 neutrality journey. We aim to start equipping our seating structures with SSAB fossil-free steel from 2026 onwards. SSAB will provide us with the industry’s most ambitious and advanced fossil-free steel, using hydrogen and zero-carbon electricity instead of coking coal and other fossil fuels traditionally used to make steel. Under this partnership, we will develop, test, validate and industrialize ultra-low CO_2 seat structures.

While the long-term impact of the Covid-19 global pandemic on the automotive industry is still unclear, we believe that some trends are being accelerated, in particular powertrain electrification. We currently estimate that by 2030 approximately 30% of the market will be full electric vehicles and 37% of the market will be hybrid vehicles. We believe that our strategy is aligned with the needs of the automotive industry as we invest in fuel cell technology and our CO_2 neutral initiative.

Planet, Business and People

Guided by the United Nations Sustainable Development Goals, our CSR Strategy, "Inspired to Care", is structured around three pillars: Planet, Business and People.

- *Planet:* We are seeking to reduce the carbon footprint of our sites and activities through energy and transport purchases. We are also addressing the carbon footprint of our products by using more environmentally-friendly materials and processes. We have an ambition to be CO_2 neutral for our Controlled Emissions by 2030. Our emissions reduction targets have been approved by SBTi as compatible with the reduction required to limit global warming to 1.5°C. We have partnered with Schneider Electric to develop an action plan to optimize energy sourcing and to use less energy and clean energy across over 250 sites. For more information, see "*–Ambition to be CO_2 neutral for Controlled Emissions by 2030*" above.

- *Business:* We are seeking to innovate and develop solutions for increasingly clean mobility. With organizations being challenged to be increasingly agile and faster, we work towards being more vigilant and compliant with the highest ethical business standards. Our goal is to become the preferred reference partner of sustainable mobility in the market. We are part of the Executive Group of the Hydrogen Council, which is a global initiative by leading companies in the energy, transport and infrastructure industry. We are also part of the Movin'On think tank which is an innovative and collaborative think tank aimed at defining mobility trends and setting up pre-competitive studies between the partners.

- *People:* We are implementing stringent workplace safety and risk prevention policies. To prepare the teams for future changes, we provide many different types of training to as many employees as possible. To attract and develop talent, we favor a more inclusive culture. As a global company, our goal is to increase our role towards society by contributing to solving social issues.

In line with our convictions, we adhere to international initiatives for sustainable development. The Group is a signatory of Global Compact and respects the ambitions of the 17 Sustainable Development Goals of the United Nations. Amongst these the Group has identified those that are particularly relevant to our corporate social responsibility strategy. We are also a signatory of the French Business Climate pledge and have committed to following the recommendations of the Task Force on Climate Financial Disclosure.

The Impact of the Covid-19 pandemic

Unlike in 2020, our operations during the six months ended 30 June 2021 have not been significantly impacted by the sanitary crisis linked to Covid-19. However, significant uncertainty remains around the long-term impact of Covid-19, including in connection with its impact on supply-chains and the potential impact of any recent or future variants of the virus. See "*The Covid-19 pandemic has had a material adverse effect on our business, affecting sales, production and supply chains, and employees. Further, the spread of the Covid-19 pandemic has caused and may continue to cause severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues*" and "*Risk Factors – Risks Related to Our Operations – We are dependent on many suppliers to maintain production levels*".

2020 was strongly impacted by the global spread of the Covid-19 pandemic that heavily impacted the automotive industry and all sectors of the economy, especially during H1 2020. Worldwide automotive production decreased by 17.2% from 2019 to 2020, decreasing by 21.6% in Europe, 20.2% in North America, 31.4% in South America and by 13.0% in Asia (including a 6.9% decrease in China) (source: *IHS Markit Automotive Report February 2021*). Worldwide automotive production increased by 30.1% from the six months ended 30 June 2020 to the six months ended 30 June 2021. It increased in Europe (including Russia) by 28.4%, in North America by 32.0% and in Asia by 28.6% (source: *IHS Markit Automotive report July 2021*).

As a consequence of the temporary shutdown of most of our customers' production sites around the globe, especially during H1 2020, we also had to stop production in a large number of our sites during this period. Production activity in certain countries started to recover gradually before the end of H1 2020 and continued to recover during the second half of 2020.

In line with the rapid expansion of the Covid-19 pandemic in the different parts of the world during H1 2020, Asia (24% of Group sales in 2020) was the first region to be impacted with a low point for sales in February and a gradual recovery from March. Since May, our sales in China have increased compared to sales for the same period in 2019. Europe and the Americas (75% of Group sales in 2020) faced a low point for sales in April, with gradual recovery from May.

In light of this unprecedented situation, in March 2020 we immediately implemented a strong action plan with three priorities, to react to the pandemic:

- the first priority was the health and safety of all employees as well as creating the right conditions for a safe restart of production ("safer together program"), learning from our successful experience in China;
- the second priority was the close management of the Group's liquidity and the protection of a sound financial structure. To this end, we quickly implemented measures in H1 2020, to ensure that we had access to liquidity to manage the decrease in production. We drew down €600 million out of our €1.2 billion Senior Credit Facility, signed a club deal loan of €800 million which we drew down in full and extended our factoring program to the newly integrated SAS business. Beginning in the second half of 2020, we issued the Additional 2025 Notes and the 2028 Notes, in an aggregate principal amount of €1,000 million, on 31 July 2020. We used the issue proceeds of the Additional 2025 Notes and the 2028 Notes to repay the club deal loan of €800 million. We also repaid the €600 million drawn under our €1.2 billion Senior Credit Facility in September 2020. In addition, the Board of Directors took the decision, approved by shareholders at the Annual General Meeting on 26 June 2020, to cancel our 2020 dividend; and
- the third priority was to quickly deploy actions to further improve the Group's resilience, on top of the continuous improvement since mid-2018, in order to limit the impact of the sharp decrease in sales on our operating income.

From September 2020, the Group's sales returned to the same levels as in 2019, especially in Europe and North America and the Group's sales increased in China compared to the same period in 2019. In China, we saw an overall increase in sales which contributed to the Group sales for Q4 2020 decreasing by only 0.3% in comparison to the same period in 2019. In 2020, Group sales decreased by 19.6% at constant scope and currencies in comparison to 2019 predominantly as a result of the impact of Covid-19 on our H1 2020 sales, where sales decreased by 35.4% in comparison to H1 2019.

As a result of this efficient action plan, we succeeded in containing the decrease in our operating income to €877 million in comparison to the decrease in sales of €3,114 million. Through resilience actions such as flexibilization of direct and indirect labor cost (including making use of temporary government relief measures), flexibilization of manufacturing costs, reduction of R&D net expenses and strict control of selling, general and administrative expenses, we were able to generate savings of €601 million that mitigated the €1.4 billion impact estimated from lower sales volume on operating income. Our operating income amounted to €406 million in 2020, including €30 million from one-off Covid-related payments mainly linked to sanitary protection measures, the temporary administrative closure of an industrial site and the extra freight costs linked to supply chain disruptions, and €35 million linked to Chinese OEMs.

The swift recovery of the Group's activity during H2 2020 has enabled us to restore our working capital and decrease our net financial debt by €906 million in comparison to the six months ended 30 June 2020. As of 31 December 2020, our net financial debt amounted to €3,128.1 million (comprising gross debt of €6,222.1 million and cash and cash equivalents of €3,091.4 million).

Our impairment test conducted as of 31 December 2020 integrated updated market assumptions including the impact of the Covid-19 pandemic. The test did not result in any additional impairment to the €150 million impairment charge recorded in respect of Faurecia Clarion Electronics stated as of 30 June 2020, and no impairment was required for Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility.

Sustainability-Linked Bond Features

The following information should be read in accordance with the Issuer's Sustainability-Linked Bond Framework available on the Issuer's website, which gives more details on the points mentioned below. The Sustainability-Linked Bond Framework does not form part of the Offering Circular.

In October 2021, we adopted our Sustainability-Linked Bond Framework, which identifies the following as a sustainability performance target: reducing Scope 1 and 2 GHG Emissions by 80% by 2025 from the Relevant Sustainability Performance Target Reference Base (as defined under "*Terms and Conditions of the Notes—Definitions*") (the "**Relevant Sustainability Performance Target**"**)**. Following the closing of the proposed acquisition of Hella, the Relevant Sustainability Performance Target is expected to be recalculated to reflect the new perimeter and, as the case may be, will be submitted to SBTi for validation as compatible with the reduction required to limit global warming to 1.5°C and will be publicly communicated by Faurecia.

From and including the interest payment date with respect to the Notes falling on 15 June 2026 (the "**Step-Up Date**"), the interest rate payable on the Notes will increase by 0.25% per annum (a "**Step-Up**") unless the Issuer has delivered a certificate signed by two officers of the Issuer to the Trustee and Principal Paying Agent, at least 15 days prior to the Step-Up Date, certifying that the Relevant Sustainability Performance Target was achieved on 31 December 2025 (the "**Target Observation Date**"), which will also include a confirmation that the Issuer has received an Assurance Letter which supports, with the Issuer's certification, that it has attained the Relevant Sustainability Performance Target (a "**KPI Confirmation Certificate**"). For the avoidance of doubt the interest rate payable on the Notes shall not increase from and including the Step-Up Date if the Issuer has delivered a KPI Confirmation Certificate at least 15 days prior to the Step-Up Date.

The Trustee and Principal Paying Agent will be entitled to conclusively rely on any KPI Confirmation Certificate and shall have no duty to: inquire as to or confirm or investigate the accuracy of any KPI Confirmation Certificate or the facts, statements, opinions or conclusions stated therein; verify the attainment of the Relevant Sustainability Performance Target or receipt of the Assurance Letter; or make calculations, investigations or determinations with respect to the attainment of the Relevant Sustainability Performance Target or the failure to attain the Relevant Sustainability Performance Target. The Trustee and Principal Paying Agent shall have no liability to the Issuer, any Noteholder or any other Person in relying on any KPI Confirmation Certificate and the Trustee and the Principal Paying Agent shall be fully protected in acting on any KPI Confirmation Certificate.

We intend to report annually in our annual Universal Registration Statement on, among other things, (i) the performance of the Relevant Sustainable Performance Target for the reporting period and, when applicable, as of the Target Observation Date, (ii) any update in our sustainability strategy or any recent announcements, strategic decisions that might impact the achievement of the Relevant Sustainability Performance Target, and (iii) any re-assessment or statement of the Relevant Sustainable Performance Target. This report will be separate from, and in addition to, the reporting required under the terms and conditions of the Notes. Our Sustainability-Linked Bond Framework can be found on our website at http://www.faurecia.com/en/investors. A second-party opinion on the alignment of our Sustainability-Linked Bond Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by ISS Corporate Solutions, Inc., and is available on our website at http://www.faurecia.com/en/investors (the "**Second-Party Opinion**"). The Second-Party Opinion does not form part of this Offering Circular and is only an opinion and not a statement of fact. Second-party opinion providers and providers of similar opinions and certifications (including the External Verifier) are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or verification is not, nor should be deemed to be, a recommendation by the Issuer, any other member of the Group, the Initial Purchasers, any second-party opinion providers, the External Verifier or any other person to buy, sell or hold any Notes.

Holders have no recourse against the Issuer, any other member of the Group, any of the Initial Purchasers, any second-party opinion provider, the External Verifier or the provider of any opinion, certification or verification for the contents of any such opinion, certification or verification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or verification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or verification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

No assurance or representation is given by the Issuer, any other member of the Group, the Initial Purchasers, the Second-Party Opinion provider or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes or the Relevant Sustainability Performance Target to fulfill any social, sustainability, sustainability-linked and/or other criteria. See "*Risk Factors—Risks Related to the Notes—The Notes may not satisfy an investor's requirements or future standards for assets with sustainability characteristics*" and "*Risk Factors—Risks Related to the Notes—We may not satisfy the Relevant Sustainability Performance Target. Accordingly, there can be no assurances as to whether the interest rate in respect of the Notes will be subject to adjustment*."

Recent developments

2021 Guidance

The guidance set out below constitute forward-looking statements and reflect our present expectations with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described below. Although we believe that the expectations reflected in these statements are based on reasonable assumptions given our knowledge of our industry, business and operations as at the date of this Offering Circular, we cannot give any assurance that these assumptions will prove to be correct, and we caution you not to place undue reliance on such statements. For more information, see "Forward-looking Statements".

The below information is also based in part on preliminary results and estimates and is not intended to be a comprehensive statement of our financial or operational results. This information has been prepared by, and is the responsibility of, management. The preliminary results are based on a number of assumptions that are subject to inherent uncertainties and subject to change. While we believe these assumptions are reasonable, the year ending 31 December 2021 is not yet complete and our actual results may vary from the preliminary results and estimates below. These variations could be material. In addition, these results may not be indicative of future performance. As such, you should not place undue reliance on the preliminary information set forth below. See "Risk Factors" for a more complete discussion of the factors that could affect our future performance and results of operations.

The financial guidance for the year ended 31 December 2021 presented below has not been audited or reviewed by Mazars or Ernst & Young Audit, nor have any procedures been performed by them with respect thereto. Such information has been derived in part from management accounts and assumptions as to future performance and is preliminary.

The forecast for worldwide automotive production released on 16 September 2021 by IHS Markit reflected a strong reset of the expected figures for the six months ending 31 December 2021. This major revision is primarily attributable to a higher than expected impact from a semiconductor shortage that is creating high volatility in OEM programs.

Worldwide automotive production for the six months ending 31 December 2021 is now estimated by IHS Markit at:

- 34.5 million vehicles (of which 16.1 million are expected to be produced in the third quarter of 2021 and 18.4 million are expected to be produced in the fourth quarter of 2021) compared to 39.3 million vehicles in the previous forecast of IHS Markit released in August 2021 (of which 18.1 million were expected to be produced in the third quarter of 2021 and 21.2 million were expected to be produced in the fourth quarter of 2021),

as a result of which the full year 2021 worldwide automotive production is now estimated by IHS Markit at:

- 72 million vehicles, compared to 77 million vehicles in the previous forecast that IHS Markit released in August 2021.

Based on the assumption that worldwide automotive production should reach 72 million vehicles in the full year 2021, our 2021 targets for profitability and cash generation are adjusted as follows:

- sales of approximately €15.5 billion and production outperformance of over 600 bps above worldwide automotive production (vs. previous guidance of €16.5 billion and production outperformance of over 600 bps above worldwide automotive production). Our sales target of €15.5 billion is expressed at constant scope and currencies and reflects a negative effect of approximately €610 million, of which

€130 million is as a result of scope effect (a combination of the consolidation of SAS and divestment of the Acoustics and Soft Trim business) and €480 million a result of currency exchange rates;

- operating margin between 6.0% and 6.2% of sales (vs. previous guidance at approximately 7% of sales); and
- net cash flow of approximately €500 million, with a net-debt-to-EBITDA ratio equal to or less than 1.5x at the end of 2021 (vs. previous guidance of more than €500 million, with a net-debt-to-EBITDA ratio of less than 1.5x at the end of 2021).

Our financial targets are based on 2021 average currency rates of 1.20 for USD/€ and 7.73 for CNY/€.

Sale of Acoustics and Soft Trim Business

On 18 February 2021, we announced that we have signed a Memorandum of Understanding for the sale of Faurecia Interior's acoustics and soft trim business to the Adler Pelzer Group ("**APG**"). APG is a worldwide leader in automotive acoustic and thermal components and systems. The sale was finalised on 29 October 2021.

We believe the sale of this business will enable us to focus on our core product lines within Faurecia Interiors where we have a leading market position.

Our acoustics and soft trim business represented €385 million of sales in 2019 and employs approximately 1,820 employees in 8 plants and one R&D center, all of which are based in Europe.

Shortage of electronics components

In the first half of 2021, the automotive industry has been significantly impacted by the shortage of semiconductors. This situation was exacerbated by winter storms in Texas in February and a fire disaster at a plant of a major supplier in Japan in March 2021. The latest forecast for worldwide automotive production, released on 16 September 2021 by IHS Markit, anticipates a sharp reduction by 4.8 million vehicles to be produced in the second half of 2021 due primarily to a higher than expected impact from a semiconductor shortage that creates high volatility in OEM programs. This shortage is reflected in worldwide automotive production that was expected to reach 80.8 million vehicles at the beginning of the year, for the full year, up 14% year-on-year (according to IHS Markit forecast dated January 2021, vehicles segment in line with CAAM for China), and is now expected to reach 72.0 million vehicles (latest IHS Markit forecast dated September 2021), up 1.5% year-on-year.

Combining Faurecia and Hella

Our proposed combination with Hella marks a step in our ambition to accelerate our strategic transformation, investing in fast-growing segments with leading positions. The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry, with a cutting-edge technology portfolio that addresses the major trends in the industry, and to achieve the combination of two highly complementary companies focused on innovation, operational excellence, customer satisfaction and environmental, social and governance ("**ESG**").

The Hella Acquisition represents an estimated total enterprise value of €6.7 billion for 100% of Hella.

As part of our proposed combination with Hella, and following discussions with Hella and the members of the Family Pool, we concluded the following agreements:

- the BCA, under the terms of which we undertake, among other things, to launch the Public Tender Offer for all of Hella's shares at a price of €60.00 per share, amounting to total consideration of €60.96 (which includes a dividend of €0.96 according to a resolution by the Hella shareholders at their annual general meeting on 30 September 2021 and to be paid by Hella to all its shareholders before the Hella Acquisition Closing Date), which corresponds to a premium of 33% compared to the latest unaffected share price of €45.8 and of 24% compared to the unaffected 3-month volume weighted average price ("**VWAP**") of €49.10, and
- the Hella Acquisition Agreement, and the Investment Agreement, under the terms of which we undertake to acquire the entire stake held by the Family Pool, representing 60% of the share capital and

voting rights of Hella, at a price of €60.00 per share, paid through a combination of €3.4 billion of cash and up to 13,571,428 of our ordinary shares (such shares are to be issued in accordance with the existing capital increase authorizations granted by our shareholders at their meeting on 31 May 2021; 13,571,428 is based on a reference price of €42.06 per share, whereas the final exchange ratio will be determined on the basis of the trading price of our shares immediately before the date of the consummation of the Hella Acquisition (with a floor of €37.85 per Faurecia share)).

As a result, the Family Pool will become our shareholder with up to 9% share of capital, subject to an 18-month lock-up agreement. A Family Pool representative may also join our Board of Directors, emphasizing the Family Pool's strong commitment to the Combined Group.

The Hella Acquisition has been unanimously approved by our Board of Directors at a meeting held on 9 August 2021, and received the support of Hella's management. The Combined Group will focus on four growth areas, fully aligned with automotive key trends:

- Electric Mobility (including hydrogen solutions),
- ADAS & Autonomous Driving,
- Cockpit of the Future, and
- Lifecycle Value Management.

We believe that the Combined Group would become a major technological player in the automotive electronics and software fields, with approximately 3,000 software engineers.

We view the strategic rationale for the proposed Hella Acquisition as follows:

(1) *Combining Faurecia with Hella's strong identity, businesses and employees*. We value the technology and innovations of Hella and we intend to further enhance and globalize their activities. We plan to accelerate the multi-pillar business strategy of Hella with a focus not only on automotive original equipment (Lighting and Electronics), but also on additional market segments (Aftermarket, Services and Special Applications). Hella's headquarters in Lippstadt, Germany will continue to play a major role and will be the headquarters of three activities of the Combined Group: Electronics, Lighting and Lifecyle Value Management. The management of these three activities will be based in Lippstadt, Germany. Our objective is to leverage Hella's talents to achieve profitable growth for the Combined Group. We believe that stability in Hella's management and their continued involvement will be a key factor in integrating successfully into one Combined Group. Senior management roles in the Combined Group will be held by Hella executives. An integration committee to be composed of equal-numbers of members of our management and Hella's management will supervise the integration project. Positions in the Combined Group will be staffed according to best in-class principle. We are willing to continue the constructive dialogue with all of Hella's workforce constituencies and to stand by its current works council and collective bargaining agreements.

(2) *Aiming to create the seventh largest global automotive technology supplier focused on fast-growing automotive technologies, with leading positions and with a significantly increased 'powertrain-agnostic' share of revenues by*:

- *Developing a strong and focused offer for Electric Mobility (BEV and FCEV).* The Combined Group aims to develop a comprehensive offer for electric vehicles (HEVs, PHEVs, BEVs and FCEVs), building on Hella's energy management portfolio, sensors and actuators related to BEVs, as well as our hydrogen system solutions (FCEV) and hybrid systems. The Combined Group's product offering, which remains under consideration, may include, for instance, Hella's battery management systems, DC/DC converters, onboard charging systems combined with our battery pack systems, hydrogen storage systems and stack systems. With such a portfolio of solutions, the Combined Group plans to be uniquely positioned to benefit from the zero emissions mobility market transition, in particular with a view to decreasing internal-combustion engine ("**ICE**") sales exposure from 25% in 2020 to less than 20% at the Hella Acquisition Closing Date and down to approximately 10% in 2025.

- *Becoming a major player in Electronics and Software solutions to accelerate in ADAS & Autonomous Driving*. In ADAS & Autonomous Driving systems, we aim to create a strong global player supporting the next high-speed and low-speed ADAS convergence with the combination of Faurecia Clarion Electronics with Hella Electronics and Software. The Combined Group's products on offer may include, for instance, radars, electric power steering (including fail operational systems features, meaning the device can operate even in case of failure), e-mirrors, 360° views and automated parking solutions. The Combined Group is expected to operate 24 production sites and 21 R&D centers in the new electronics business group combining Faurecia Clarion Electronics with Hella Electronics and Software. The ambition of the Combined Group, with orders already significantly booked, is to grow sales to approximately €7 billion in 2025.

- *Boosting Faurecia's Cockpit of the Future strategy thanks to complementary portfolios.* Our leading positions in Seating and Interiors (including SAS) combined with Hella's leading position in Interior Lighting and both companies' Electronics should significantly strengthen our Cockpit of the Future strategy. Hella's interior HMI (Human Machine Interface) solution capabilities, its portfolio of body electronics (access, comfort, seat), sensors and actuators will support value creation through new customer experiences.

- *Creating a Lifecycle Value Management activity, in line with environmental concerns and industry evolutions.* The Hella Acquisition will bring opportunities to build a real lifecycle value offer, including Aftermarket, Services & Repairs and Special Applications. We believe it will be able to enhance well-established Hella brands. It will allow to leverage potential business in eco-design products, sustainable materials and circular economy.

(3) *Accelerating innovation with strong R&D capabilities*. Following the Hella Acquisition, we expect the Combined Group will expand innovation and R&D projects through a combined total of 18,500 highly talented and motivated engineers and specialists, including 3,000 software engineers, 24 production sites and 21 R&D centers in the new electronics business group combining Faurecia Clarion Electronics with Hella Electronics and Software.

(4) *Capitalizing on complementary customer portfolios across all geographies and leveraging Faurecia's strong position in Asia, particularly in China*. The Hella Acquisition will bring together two companies with established and complementary positions. It will open new sales opportunities for Hella by leveraging our privileged access to key Chinese and Japanese OEMs. We believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs. We believe that we and Hella will both benefit from complimentary strength with US-based OEMs.

(5) *Generating significant synergies to drive profitability and cash generation improvement.* We estimate that cost synergies and optimization, including procurement, selling, general and administrative ("**SG&A**") expenses and other operating expenses, should generate more than €200 million EBITDA estimated run-rate cost savings, with an 80% income statement impact to be achieved in 2024, although we also anticipate integration and implementation costs of €250 million. Management believes that the profit and loss impact should gradually ramp up from 2023 through 2025 and for sales synergies to generate between €300 million and €400 million of estimated sales starting in approximately 2025, capitalizing on our strong footprint in China, Japan and the Americas to sell the Hella brand and on Hella's position with German OEMs to enhance our market share. In addition to these synergies, estimated cash flow optimization by approximately €200 million per year on average from 2022 to 2025 will be generated mainly through working capital and capital expenditures.

(6) *Leveraging common ESG commitments and priorities.* Both companies share strong values, including ESG approaches involving ambitious CO_2 neutrality roadmaps. The Combined Group will be a driving force in the decarbonation and sustainability of mobility.

We secured the financing for the cash portion of the Hella Acquisition Price through €5.5 billion Bridge Facilities signed with a syndicate of international banks that can be drawn as necessary. A bridge to equity component of €800 million will be refinanced partially or fully through a capital increase with preferential subscription rights (the "**Proposed Share Capital Increase**"), with respect to which Peugeot 1810 and Bpifrance, each an existing shareholder of ours, have expressed their intention to participate in the amount of their prevailing shareholding in us, subject to the final terms of the Proposed Share Capital Increase. As of June 30, 2021, we had ample liquidity of €4.5 billion, including €3.0 billion of available cash and €1.5 billion from our fully undrawn Secured Credit Facility.

We, through our subsidiary, Faurecia Participations GmbH, launched the Public Tender Offer for all Hella shares on September 27, 2021. For more on the Public Tender Offer see "—*Public Tender Offer*" below.

The Hella Acquisition is expected to close in the first quarter of 2022, with its completion (including the settlement of the Public Tender Offer) and its timing subject to receipt of approvals by the relevant regulatory authorities and customary closing conditions.

The Public Tender Offer

On August 14, 2021 we announced the Hella Acquisition, including: (i) our intent to acquire a majority stake in Hella through the Block Trade with the Family Pool for 66,666,669 shares representing 60% of the share capital and voting rights of Hella and (ii) our intent to launch the Public Tender Offer to acquire up to all of the remaining shares issued by Hella.

We, through our subsidiary, Faurecia Participations GmbH, launched the Public Tender Offer for all Hella shares on September 27, 2021 (the "**Public Tender Offer Launch Date**"). The definite terms and conditions of the Public Tender Offer, as well as further provisions concerning this offer, are included in the offering document in relation thereto, which was approved by the German financial markets authority, *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"), on September 24, 2021. Following its approval by BaFin, the offer document was published, and the initial acceptance period commenced on the Public Tender Offer Launch Date. The offer document and all other information about the Public Tender Offer were published on the following website: www.faurecia-offer.com (such website is referred to for informational purposes only and neither it nor the offering document relating to the Public Tender Offer are incorporated by reference into this Offering Circular).

The initial period for Hella's shareholders to tender their shares in the Public Tender Offer started with the publication of the offering document on the Public Tender Offer Launch Date and expired on October 25, 2021, at midnight Central European Time. Hella's shareholders who did not tender their shares during such initial period may still do so under the German Takeover Act (*Übernahmeangebot*) within two weeks after we publish the results. We announced on 28 October 2021 that as of 25 October 2021 the total amount of shares in Hella that have been tendered by shareholders in the Public Tender Offer, plus the shares in Hella subject to the Block Trade, amounts to 81,596,038 shares in Hella, corresponding to approximately 73.44% of the share capital and the voting rights of Hella as of 25 October 2021. Pursuant to the German Takeover Act (*Übernahmeangebot*), all shareholders of Hella who had not tendered their shares in Hella in the Public Tender Offer at the time of 28 October 2021 announcement, may still tender such shares within two weeks of such announcement, *i.e.,* until 11 November 2021, at midnight Central European Time. We have published such announcement and the results of the Public Tender Offer on a weekly basis at https://www.faurecia-offer.com and expect to publish the final results on such website following the expiration of the additional period.

The settlement of the Public Tender Offer is expected in the first quarter of 2022 and remains subject to several closing conditions (see "*—Closing Conditions of the Hella Acquisition*" and "*Risk Factors—Risks Rleated to the Proposed Hella Acquisition—The completion of the Hella Acquisition remains subject to the satisfaction or waiver of several conditions precedent, and the non-fulfilment or late fulfilment of these conditions could have an adverse impact on us.*").

Closing Conditions of the Hella Acquisition

The Hella Acquisition is subject to regulatory approvals and customary closing conditions, including among other things, to the approval (i) of the competition and regulatory authorities in a number of jurisdictions, including in particular the authorities of the European Union, the United States and China, and (ii) under the foreign investment control procedures in Germany, New Zealand and the United States. The relevant authorities may impose measures or conditions, such as the sale of (potentially significant) assets or businesses of ours and/or Hella.

Since the announcement of the Hella Acquisition in August 2021, we have satisfied a number of closing conditions, including the receipt of regulatory approvals from the Turkish Competition Board, the Russian Federal Antimonopoly Service and the Committee on Foreign Investment in the United States. In addition, the waiting periods pursuant to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 of the merger control clearance in the United States of America have expired without the US Department of Justice and/or the US Federal Trade Commission having taken any action.

We currently expect to receive the remaining approvals and for consummation of the Hella Acquisition to occur in the first quarter of 2022. However, there can be no guarantee that we will receive the requisite approvals within this time frame or at all. See "*Risk Factors—Risks Rleated to the Proposed Hella Acquisition—The completion of the Hella Acquisition remains subject to the satisfaction or waiver of several conditions precedent, and the non-fulfilment or late fulfilment of these conditions could have an adverse impact on us.*" Pursuant to the terms of the Hella Acquisition Documents, the Hella Acquisition is expected to close ten business days after we announce the satisfaction or waiver of all of the requisite closing conditions, unless otherwise agreed.

Third-quarter 2021 sales

	For the three months ended 30 September			For the nine months ended 30 September		
	2020*	**2021**	**% Change**	**2020***	**2021**	**% Change**
SALES (in € millions, except %)	3,823	3,426	(10.4)	9,907	11,208	13.1
At constant scope and currencies			(11.4)			15.1
Worldwide automotive production** (in thousands of vehicles)	*19,510*	*15,762*	*(19.2)*	*48,283*	*53,203*	*10.2*

* 2020 sales figures restated for IFRS 5 (see in Appendix)

** IHS Markit forecast dated October 2021, as usually restated *i.e.,* vehicles segment in line with CAAM for China

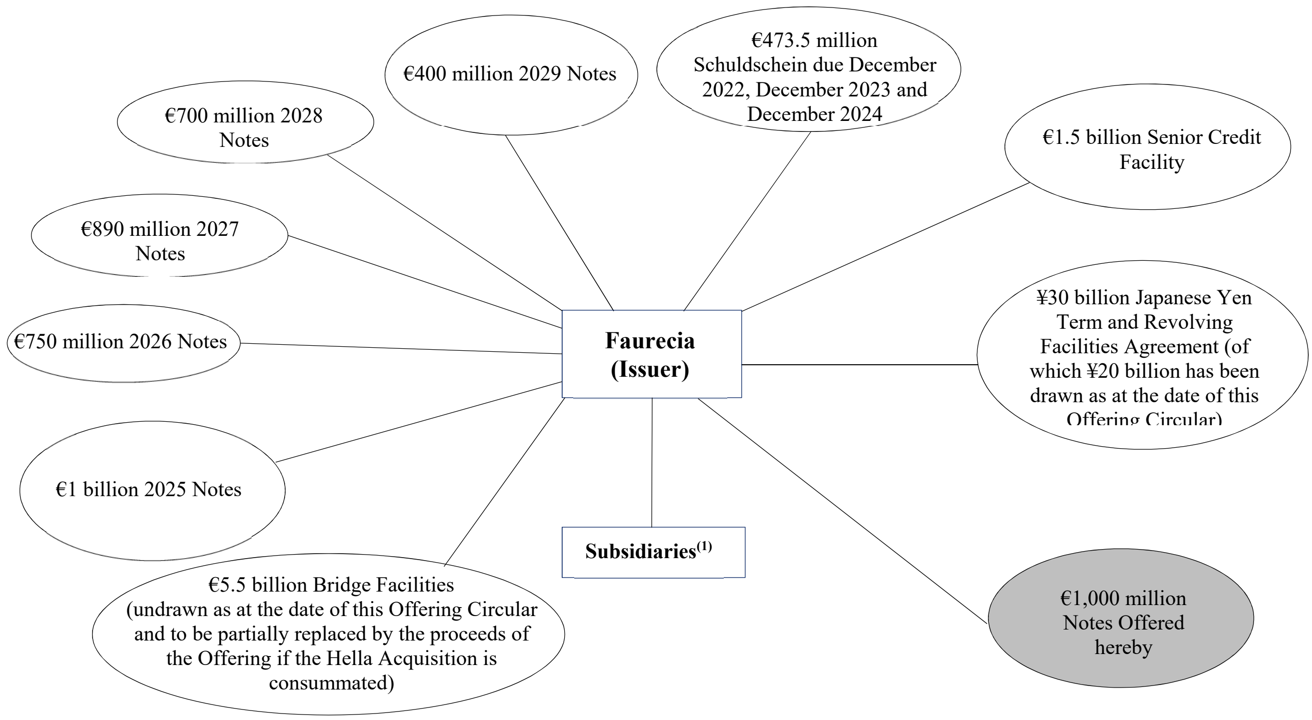
Our sales in the three months ended 30 September 2021 amounted to €3.4 billion, outperforming IHS' regional production forecast from October 2021 (vehicles segment in line with CAAM for China) by 780 basis points, in a market that continued to be severely impacted by semiconductor shortage and consequent stop-and-gos. All of our business groups and geographic regions posted outperformance compared to such IHS regional production forecast. Clarion Electronics and Asia posted organic sales growth of 7.3% and 6.5% respectively.

New Private Placement of Notes

On 29 October 2021 we announced a new offering of sustainability-linked notes in a private placement under German law (a *Schuldschein* transaction) for an anticipated principal amount yet to be determined. The new offering is expected to close in December 2021 and would likely be denominated in U.S. dollars and euros. The net proceeds from the offering are expected to be used for the Hella Acquisition in place of a drawdown under the Bridge Facilities. We announced that Commerzbank Aktiengesellschaft and Landesbank Hessen-Thüringen Girozentraleare are lead arrangers and bookrunners of that offering and that ANZ, Bankinter, Intesa Sanpaolo S.p.A., and Raifeissen Bank International are co-arrangers.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure after giving effect to the Offering, but does not give effect to the Hella Acquisition. This structure chart excludes certain financing arrangements and indebtedness borrowed by our Group, some of which is at the subsidiary level, including bank loans, overdrafts, factoring arrangements and finance lease obligations. For more information on our capitalization, see "*Capitalization*" and "*Description of Other Indebtedness*".



(1) As at 30 June 2021, our subsidiaries had €1,297 million of gross financial debt to third parties, of which leases accounted for €969 million and a net cash position of €1,606 million. Such indebtedness will be structurally senior to the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities Agreement, the Schuldschein, the 2025 Notes, the 2026 Notes, 2027 Notes, the 2028 Notes, the 2029 Notes and the Notes.

THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "*Terms and Conditions of the Notes*" section of this Offering Circular for a more detailed description of the terms and conditions of the Notes.

Issuer	Faurecia, *société européenne*, a company with limited liability, *societas europaea* incorporated under the laws of the Republic of France.
Notes Offered	€1,000,000,000 aggregate principal amount of % sustainability-linked senior notes (the "**Notes**").
Maturity Date	15 February 2027.
Issue Date	2021.
Issue Price	%.
Interest Rate	The Notes will bear interest at % *per annum* on the basis of a 360-day year consisting of twelve 30-day months.
Subsequent Rate of Interest ..	From and including 15 June 2026 (the "**Step-Up Date**"), the interest rate payable on the Notes shall increase by 0.25% per annum (a "**Step-Up**") unless the Issuer has certified that the Relevant Sustainability Performance Target has been achieved on 31 December 2025 (the "**Target Observation Date**").
Interest Payment Dates	Semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2022. Interest will accrue from the issue date of the Notes, and will be computed on the basis of a 360- day year comprised of twelve 30-day months.
Denomination	€100,000 and integral multiples of €1,000 in excess thereof.
Ranking	The Notes will be senior unsecured and unguaranteed obligations of the Issuer and will: • rank equally in right of payment among themselves and with all existing and future unsecured senior indebtedness of the Issuer, including indebtedness under the Senior Credit Facility, the Schuldschein, the Japanese Yen Term and Revolving Facilities Agreement, the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes, the 2029 Notes and the Bridge Facilities; • rank senior in right of payment to any existing and future subordinated obligations of the Issuer; • rank effectively junior to all existing and future secured indebtedness of the Issuer to the extent of the value of the assets securing such indebtedness; and rank structurally junior to all existing and future indebtedness, liabilities and commitments (including trade payables and lease obligations) of the Issuer's subsidiaries. As the Issuer is a holding company with no trading operations of its own, substantially all of the Group's trade payables are incurred by our subsidiaries. As at 30 June 2021, the Issuer's Subsidiaries had €1,297 million of indebtedness outstanding and our consolidated trade payables amounted to €6,188.1 million. See "*Risk Factors – Risk Factors Related to the Notes – The Notes are solely obligations of the Issuer and*

will be structurally subordinated to all of the claims of the creditors of the Issuer's subsidiaries".

Optional Redemption	At any time prior to 15 February 2024, the Issuer may, at its option, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, plus the applicable "make-whole" premium set forth in "*Terms and Conditions of the Notes – Condition 3: Optional Redemption*". At any time on or after 15 February 2024, the Issuer may, at its option, redeem the Notes, in whole or in part, at redemption prices that vary by year, as set forth in "*Terms and Conditions of the Notes – Condition 3: Optional Redemption*", plus accrued and unpaid interest, if any, to the redemption date. At any time prior to 15 February 2024, the Issuer may, at its option, redeem up to 40% of the aggregate principal amount of the Notes using the net proceeds from one or more specified equity offerings, at a redemption price equal to % of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date.
Additional Amounts	Any payments made by the Issuer with respect to the Notes will be made without withholding or deducting for taxes in any relevant taxing jurisdiction, unless required by law. If the Issuer is required by law to withhold or deduct for such taxes with respect to a payment to the holders of the Notes, the Issuer will pay the additional amounts necessary (subject to certain exceptions) so that the net amount received by the holders of the Notes after the withholding is not less than the amount they would have received in the absence of the withholding subject to certain exceptions. See "*Terms and Conditions of the Notes – Condition 4: Taxation*".
Tax Redemption.....................	The Issuer may, but is not required to, redeem the Notes at any time in whole, but not in part, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, in the event the Issuer has become or would become obligated to pay "additional amounts" with respect to the Notes as a result of certain changes in tax laws or their interpretation. See "*Terms and Conditions of the Notes – Condition 4: Taxation*".
Change of Control	Upon the occurrence of certain specified changes of control, the holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See "*Terms and Conditions of the Notes – Condition 5: Change of Control*".
Covenants	The trust deed dated on or about the issue date of the Notes offered hereby (the " **Trust Deed**") will, among other things, limit the ability of the Issuer and its Subsidiaries (as that term is defined below under "*Terms and Conditions of the Notes – Condition 21: Definitions*") to: • incur or guarantee additional indebtedness; • create liens; and • merge or consolidate with other entities.

	Each of the covenants is subject to a number of important exceptions and qualifications. See "*Terms and Conditions of the Notes – Condition 6: Covenants*".
	Certain of the above covenants will be suspended upon achievement and during maintenance of investment grade status for the Notes, in the event that the Notes have been assigned at least two of the following ratings: (i) BBB- or higher by S&P, (ii) Baa3 or higher by Moody's, or (iii) BBB- or higher by Fitch. See "*Terms and Conditions of the Notes – Condition 7: Suspension of Covenants During Achievement of Investment Grade Status*".
Form of Notes.........................	The Notes will be represented on issue by a global note which will be delivered through Euroclear Bank SA/NV, and Clearstream Banking S.A. Interests in the global note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See "*Book-Entry, Delivery and Form*".
Transfer Restrictions............	The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold to investors outside the United States in reliance on Regulation S under the Securities Act. See "*Subscription and Sale of the Notes*".
No Prior Market	The Notes will be new securities. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained. See "*Risk Factors – Risks Related to the Notes – There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes*".
Use of Proceeds	The proceeds of the Notes will be used to (i) fund part of the cash portion of the purchase price for the Hella Acquisition or, in case the Hella Acquisition is not consummated, to refinance, in whole or in part, one or more of the Existing Notes or other long-term debt, including any related premiums, fees, costs and expenses, and (ii) pay fees and expenses incurred in connection with the issue of the Notes. See "*Use of Proceeds*" and "*Capitalization*".
Listing	Application will be made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market. Currently there is no public market for the Notes.
Trustee	Citibank, N.A., London Branch.
Principal Paying Agent..........	Citibank, N.A., London Branch.
Registrar	Citibank Europe Plc
Listing Agent	Walkers Listing Services Limited.
Governing Law of the Notes and the Trust Deed	England and Wales.
Risk Factors............................	You should refer to "*Risk Factors*" of this Offering Circular for a description of certain risks involved in investing in the Notes.

SUMMARY FINANCIAL AND OPERATING DATA

The following tables set forth our summary financial and operating data for the six months ended and the years ended and as at the dates indicated below. Our summary financial information as at and for (i) the six months ended 30 June 2020 and 2021 has been derived from the 2021 H1 Financial Statements; (ii) the LTM ended 30 June 2021 has been derived by adding the audited financial information for the fiscal year ended 31 December 2020 to the corresponding unaudited financial information for the six months ended 30 June 2021 and subtracting the corresponding unaudited financial information for the six months ended 30 June 2020; (iii) the years ended 31 December 2018, 2019 and 2020 has been derived from the 2019 Consolidated Financial Statements and the 2020 Consolidated Financial Statements (except as restated by our 2021 H1 Financial Statements, see "Presentation of Financial and Other Information—Restatement of Comparative Financial Statements—IFRS 5 - Discontinued Activities"), English translations of which are incorporated by reference in this Offering Circular. The consolidated financial statements of the Issuer incorporated by reference in this Offering Circular have been prepared in accordance with IFRS as adopted by EU.Adoption of IFRS 16 has resulted in certain numbers presented in this Offering Circular as at and for the year ended 31 December 2019 not being directly comparable with numbers reported in similar line items as at prior reporting dates or for prior reporting periods (including as at and for the year ended 31 December 2018).

The following information should be read in conjunction with the section headed "Business Review" contained in the 2020 Annual Results incorporated by reference herein, "Presentation of Financial and Other Information" and our consolidated financial statements and the related notes thereto, an English translation of which is incorporated by reference in this Offering Circular. Our historical results do not necessarily indicate results that may be expected for any future period.

Certain information contained in this summary is adjusted to give effect to the Hella Acquisition. The financial data relating to Hella used in the preparation of such adjustments has been extracted or derived from publicly available information regarding Hella, including Hella's audited consolidated financial statements and Hella's condensed interim consolidated financial statements. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. See "Presentation of Financial and Other Information—Financial Information Relating to Hella." Information adjusted to give effect to the Hella Acquisition should be read together with the sections entitled "Unaudited Pro Forma Consolidated Financial Information" and "Risk Factors—Risks Related to the Proposed Hella Acquisition—Risks related to the operating results and financial position presented in the pro forma financial information" as well as "Presentation of Financial and Other Information—Financial Information Relating to Hella," "Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information" and "Presentation of Financial and Other Information—Other Unaudited Pro Forma LTM Financial Data."

Summary consolidated income statement data

	For the year ended 31 December			For the six months ended 30 June		For the LTM ended 30 June
	2018*	**2019**	**2020****	**2020****	**2021**	**2021****
			(in € millions)			
SALES	**17,524.7**	**17,768.3**	**14,444.6**	**6,084.1**	**7,782.5**	**16,143.0**
Cost of sales	(15,248.8)	(15,286.5)	(12,971.6)	(5,648.0)	(6,738.4)	(14,062.0)
Research and development costs	(298.8)	(420.0)	(341.7)	(181.7)	(181.2)	(341.2)
Selling and administrative expenses	(703.2)	(778.5)	(712.9)	(354.0)	(353.1)	(712.0)
OPERATING INCOME	**1,273.9**	**1,283.3**	**418.4**	**(99.6)**	**509.8**	**1,027.8**
Amortization of intangible assets acquired in business combinations	(10.9)	(56.4)	(91.7)	(45.6)	(44.5)	(90.6)
Other non-operating income and expenses	(147.3)	(213.8)	(276.5)	(73.3)	(51.5)	(254.7)
Income from loans, cash investments and marketable securities	9.6	18.7	20.9	12.7	22.4	30.6
Finance costs	(117.7)	(197.7)	(202.7)	(96.9)	(116.8)	(222.6)
Other financial income and expenses	(55.7)	(40.4)	(36.3)	(21.4)	(11.2)	(26.1)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**951.9**	**793.7**	**(167.9)**	**(324.1)**	**308.2**	**464.4**
Taxes	(190.0)	(166.8)	(122.3)	(66.8)	(81.9)	(137.4)
of which deferred taxes	112.7	76.5	57.6	1.1	41.4	97.9
NET INCOME OF FULLY CONSOLIDATED COMPANIES	**761.9**	**626.9**	**(290.2)**	**(390.9)**	**226.3**	**327.0**
Share of net income of associates	31.4	37.8	(12.8)	(12.0)	(7.8)	(8.6)
NET INCOME FROM CONTINUED OPERATIONS	**793.3**	**664.7**	**(303.0)**	**(402.9)**	**218.5**	**318.4**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	—	—	**(18.5)**	**(17.1)**	**(30.7)**	**(32.1)**
Consolidated Net Income	**793.3**	**664.7**	**(321.5)**	**(420.0)**	**187.8**	**286.3**
Attributable to owners of the parent	700.8	589.7	(378.8)	(432.6)	145.8	199.6
Attributable to minority interests from continued operations	92.5	75.0	57.3	12.6	42.0	86.7

* Financial information only reflects the implementation of IFRS 16 from January 2019.

** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

Summary consolidated cash flow statement data

	For the year ended 31 December			For the six months ended 30 June		For the LTM ended 30 June
	2018*	**2019**	**2020****	**2020****	**2021**	**2021****
			(in € millions)			
Net cash provided (used) by:						
Operating activities..........................	1,642.6	1,782.8	1,105.7	(463.7)	768.6	2,337.9
Of which from discontinued activities	*0.0*	*0.0*	*14.3*	*(8.7)*	*(32.7)*	*(9.7)*
Investing activities...........................	(1,356.1)	(2,272.6)	(1,362.7)	(808.1)	(570.9)	(1,125.5)
Of which from discontinued activities	*0.0*	*0.0*	*(21.2)*	*(9.6)*	*(8.5)*	*(20.1)*
Financing activities..........................	276.2	699.2	1,125.4	1,531.6	(338.0)	(744.2)
Of which from discontinued activities	*0.0*	*0.0*	*(4.0)*	*(1.5)*	*(2.1)*	*(4.6)*

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* Financial information only reflects the implementation of IFRS 16 from January 2019.

** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

Summary consolidated balance sheet data

	As at 31 December			As at 30 June
	2018*	**2019**	**2020****	**2021****
		(in € millions)		
Assets				
TOTAL NON-CURRENT ASSETS	**6,933.9**	**9,482.3**	**9,472.3**	**9,464.5**
of which intangible assets	1,959.4	2,550.9	2,668.0	2,677.7
of which property, plant and equipment	2,784.6	2,997.4	2,813.3	2,732.3
TOTAL CURRENT ASSETS	**6,460.8**	**7,682.5**	**9,230.2**	**9,498.9**
of which inventories, net	1,431.7	1,423.8	1,431.3	1,591.2
of which trade accounts receivables	1,947.5	2,608.9	3,237.1	3,091.3
of which cash and cash equivalents	2,105.3	2,319.4	3,091.4	2,997.6
of which assets held for sale	0.0	0.0	0.0	184.9
TOTAL ASSETS	**13,394.7**	**17,164.8**	**18,702.5**	**19,148.3**

* Financial information only reflects the implementation of IFRS 16 from January 2019.
** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

	As at 31 December			As at 30 June
	2018*	**2019**	**2020****	**2021****
		(in € millions)		
Liabilities				
Equity attributable to owners of the parent	3,709.7	4,135.0	3,395.7	3,406.3
Total shareholders' equity	4,071.3	4,461.8	3,727.1	3,770.2
Total non-current liabilities	2,292.3	4,327.5	5,616.0	5,834.2
Total current liabilities	7,031.1	8,375.5	9,359.4	9,428.6
Liabilities linked to assets held for sale	0.0	0.0	0.0	115.3
TOTAL EQUITY AND LIABILITIES	**13,394.7**	**17,164.8**	**18,702.5**	**19,148.3**

* Financial information only reflects the implementation of IFRS 16 from January 2019.
** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

Other consolidated financial data

	As at and for the year ended 31 December			As at and for the LTM ended 30 June
	2018*	2019	2020**	2021**
	(in € millions, except ratios)			
Sales	17,524.7	17,768.3	14,444.6	16,143.0
EBITDA[(1)]	2,140.6	2,404.3	1,669.2	2,265.1
Gross cash interest expenses	(117.7)	(197.7)	(202.7)	(222.6)
Total capital expenditure[(2)]	(673.3)	(685.2)	(464.4)	(452.3)
Capitalised development costs	(592.7)	(681.2)	(612.9)	(620.5)
Net debt[(3)]	477.7	2,524.0	3,128.1	3,299.6
Ratio of net debt to EBITDA[(4)]	0.2x	1.0x	1.9x	1.5x
Ratio of EBITDA to gross cash interest expenses[(5)]	18.2x	12.2x	8.2x	10.2x
Adjusted for the Offering				
As adjusted net debt, as adjusted for the Offering[(6)(7)]				3,309.6
Ratio of as adjusted net debt to EBITDA[(8)]				1.5x
Ratio of EBITDA to as adjusted gross cash interest expenses[(9)]				x
Adjusted for the Offering and the Hella Acquisition				
Pro forma Sales[(10)]				22,493.6
Pro forma EBITDA[(11)]				3,199.0
Pro forma net debt, as adjusted for the Offering and the Hella Acquisition[(6)(12)]				8,813.8
Ratio of *pro forma* net debt to *pro forma* EBITDA[(13)]				2.8x

* Financial information only reflects the implementation of IFRS 16 from January 2019.
** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

	For the year ended 31 December			For the six months ended		For the LTM ended 30 June
	2018*	2019	2020**	2020**	2021	2021**
	(in € millions)					
Operating income / (loss)	**1,273.9**	**1,283.3**	**418.4**	**(99.6)**	**509.8**	**1,027.8**
Depreciation and amortizations of assets	866.7	1,121.0	1,250.8	612.6	599.1	1,237.3
EBITDA	**2,140.6**	**2,404.3**	**1,669.2**	**513.0**	**1,108.9**	**2,265.1**

* Financial information only reflects the implementation of IFRS 16 from January 2019.
** Restated according to IFRS 5 for the disposal of Acoustics and Soft Trim to Adler Pelzer.

(1) EBITDA is a non-IFRS measure, which represents operating income before depreciation, amortisation and provision for impairment of property, plant and equipment and capitalised R&D expenditures. It should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate EBITDA differently than us. See "*Presentation of Financial and Other Information*".

(2) Total Capital Expenditures include Property, Plant & Equipment and Intangibles.

(3) Net debt represents total non-current and current financial liabilities, less derivatives classified under non-current and current assets, less cash and cash equivalents, as reported.

(4) Net debt to EBITDA represents net debt divided by EBITDA.

(5) EBITDA to gross cash interest expenses represents EBITDA divided by gross cash interest expenses.

(6) As adjusted net debt, as adjusted for the Offering and *pro forma* net debt, as further adjusted for the Hella Acquistion, have been adjusted from net debt as follows, which is intended for illustrative purposes as the financing of the Hella Acquisition depends on a variety of factors, many of which are outside our control, and so the actual financing of the Hella Acquisition may differ (for a discussion of procedures and methods used to prepare *pro forma* net debt on a similar basis, see "*Unaudited Pro Forma Consolidated Financial Information"*):

	As at and for the LTM ended 30 June 2021
Net debt	**3,299.6**
Notes offered hereby	1,000.0
Net proceeds from the Offering held as cash and cash equivalents[(a)]	(990.0)
As adjusted net debt, adjusted for the Offering	**3,309.6**
Use of net proceeds from the Offering for the Hella Acquisition[(b)]	990.0
Additional cash used for the Hella Acquisition[(c)]	646.0
Term loan[(d)]	500.0
Other debt financing for the Hella Acquisiton[(e)]	3,200.0
Hella net debt[(f)]	201.0
Additional cash available as a result of the debt financing for the Hella Acquisition[(g)]	(32.8)
***Pro forma* net debt, adjusted for the Offering and the Hella Acquisition**	**8,813.8**

(a) Represents the proceeds of the Offering minus the estimated fees and expenses thereof. We intend to leave such amount on our balance sheet until such time as the cash portion of the Hella Acquisition Price is due, or, if the Hella Acquisition is not consummated, such amount is used in such refinancing. See "*Use of Proceeds*".

(b) Represents the use of net proceeds of the Offering for the Hella Acquisition as part of the agreed net cash consideration for the Hella Acquisition of up to €6.7 billion, which assumes that all of Hella's remaining shares are tendered in the Public Tender Offer.

(c) Represents additional cash from our balance sheet that we intend to use as part of financing of the Hella Acquisition of up to €6.7 billion, which assumes that all of Hella's remaining shares are tendered in the Public Tender Offer.

(d) Represents debt financing in the amount of the Term Loan A Bridge Facility (as defined in "*Description of Other Indebtedness—Bridge Facilities*"), which may take the form of a drawdown thereunder or any other debt intended for use as part of the agreed net cash consideration for the Hella Acquisition of up to €6.7 billion, which assumes that all of Hella's remaining shares are tendered in the Public Tender Offer.

(e) Represents funding in the amount of the Term Loan B Bridge Facility (as defined in "*Description of Other Indebtedness—Bridge Facilities*"), which may take the form of a drawdown thereunder or any other debt, less €1 billion, which represents the principal amount of the Notes offered hereby, intended for use as part of the agreed net cash consideration for the Hella Acquisition of up to €6.7 billion, which assumes that all of Hella's remaining shares are tendered in the Public Tender Offer, with €32.8 million assumed to be retained as cash and cash equivalents on our balance sheet. Such "Other debt financing for the Hella Acquisition" does not reflect any debt related to the portion of the price of the Hella Acquisition to be financed by equity, hence assumes no bridge-to-equity debt financing in the amount of the Term Loan C Bridge Facility (as defined in "*Description of Other Indebtedness—Bridge Facilities*").

(f) Represents Hella's net debt, derived from Hella's 2020/21 Consolidated Financial Statements, as adjusted for presentation purposes in accordance with our accounting policies and methods. For a discussion of procedure and methods used to adjust the financial information of Hella in accordance with our accounting policies and methods on a similar basis, see note 2.5 (*Other considerations*) under "*Unaudited Pro Forma Consolidated Financial Information"*.

(g) Represents €32.8 million that we assume will remain as cash and cash equivalents on our balance sheet following the Hella Acquisition (see footnote (d) above).

(7) As adjusted net debt as of 30 June 2021 is based on our net debt as of 30 June 2021, as defined above, and as adjusted to give effect to the offering of the Notes offered hereby as if such transaction had occurred on 30 June 2021; as adjusted net debt has been presented for illustrative purposes only and does not purport to represent what our net debt would have actually been had the issuance of the Notes offered hereby occurred on the date assumed.

(8) Ratio of as adjusted net debt, as adjusted for the Offering, to EBITDA for the last twelve months ended 30 June 2021 is the raio of our as adjusted net debt, as adjusted for the Offering, to our EBITDA, as defined in footnotes (3) and (1) above, respectively.

(9) Ratio of EBITDA to as adjusted gross cash interest expense for the last twelve months ended 30 June 2021 is the ratio of our EBITDA, as defined in footnote (1) above, to our as adjusted gross cash interest expense, which is based our cash interest expense for twelve months ended 30 June 2021, as adjusted to give effect to the issuance of the Notes as it occurred as at 1 July 2020; as adjusted gross cash interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the issuance of the Notes offered hereby occurred on the date assumed, nor does it purport to project our interest expenses for any future period or our financial condition at any future date.

(10) *Pro forma* Sales for the last twelve months ended 30 June 2021 is based on our sales for the twelve months ended 30 June 2021, as adjusted to give effect to the Hella Acquisition as if such transaction had occurred on 1 July 2020; *pro forma* Sales has been presented for illustrative purposes only and does not purport to represent what the Combined Group's sales would have actually been had the Hella Acquisition occurred on the date assumed, nor does it purport to project our sales for any future period or our financial condition at any future date. *Pro forma* Sales has been derived from the financial information of the Company and Hella by the application of *pro forma* adjustments to our historical financial information and to that of Hella. For an overview of procedure and methods used to apply *pro forma* adjustments on a similar basis, see "*Unaudited Pro Forma Consolidated Financial Information*" and "*Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information*"; see also "*Risk Factors— Risks Related to the Proposed Hella Acquisition—Risks related to the operating results and financial position presented in the pro forma financial information*".

(11) *Pro forma* EBITDA for the last twelve months ended 30 June 2021 is based on our EBITDA for twelve months ended 30 June 2021, as defined above, as adjusted to give effect to the offering of the Notes hereby and the Hella Acquisition as if such transactions had occurred on 1 July 2020; *pro forma* EBITDA has been presented for illustrative purposes only and does not purport to represent what the Combined Group's EBITDA would have actually been had the issuance of the Notes offered hereby or the Hella Acquisition occurred on the date assumed, nor does it purport to project our EBITDA for any future period or our financial condition at any future date. *Pro forma* EBITDA has been derived from the financial information of the Company and Hella by the application of *pro forma* adjustments to our historical financial information and to that of Hella. For

an overview of procedure and methods used to apply *pro forma* adjustments on a similar basis, see "*Unaudited Pro Forma Consolidated Financial Information*" and "*Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information*"; see also "*Risk Factors— Risks Related to the Proposed Hella Acquisition—Risks related to the operating results and financial position presented in the pro forma financial information*".

(12) *Pro forma* net debt as of 30 June 2021 is based on our net debt as of 30 June 2021, as defined above, and as further adjusted to give effect to the offering of the Notes offered hereby and the Hella Acquisition as if such transactions had occurred on 30 June 2021; *pro forma* net debt has been presented for illustrative purposes only and does not purport to represent what our net debt would have actually been had the issuance of the Notes offered hereby or the Hella Acquisition occurred on the date assumed, nor does it purport to project the Combined Group's net debt for any future period or our financial condition at any future date. *Pro forma* net debt has been derived from the financial information of the Company and Hella by the application of *pro forma* adjustments to our historical financial information and to that of Hella. For an overview of procedure and methods used to apply *pro forma* adjustments on a similar basis, see "*Unaudited Pro Forma Consolidated Financial Information*" and "*Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information*"; see also "*Risk Factors— Risks Related to the Proposed Hella Acquisition—Risks related to the operating results and financial position presented in the pro forma financial information*".

(13) Ratio of *pro forma* net debt to *pro forma* EBITDA for the last twelve months ended 30 June 2021 is the ratio of the Combined Group's *pro forma* net debt to Combined Group's *pro forma* EBITDA, as defined in footnotes (8) and (7) above, respectively.

Summary Unaudited Pro Forma Consolidated Financial Information

The unaudited *pro forma* consolidated financial information has been prepared for illustrative purposes only to illustrate the effects of the Hella Acquisition as if it had occurred on:

- 1 January 2020 for purposes of the income statements for the year ended 31 December 2020 and the six-months ended 30 June 2021; and
- 30 June 2021 for purposes of the statement of financial position.

The unaudited *pro forma* consolidated financial information of the Issuer for the year ended 31 December 2020 and as of and for the six-month period ended 30 June 2021 presented below is for illustrative purposes only. This *pro forma* financial information should not be considered indicative of the Group's profit and loss that would have been achieved if the Hella Acquisition had been effectively completed on 1 January 2020 or 30 June 2021, nor it is indicative of future performance. The actual results may differ significantly from those reflected in the unaudited *pro forma* consolidated financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited *pro forma* consolidated financial information.

The unaudited *pro forma* consolidated financial information has not been prepared in accordance with the requirements of Regulation S-X under the Exchange Act, the Prospectus Directive or any generally accepted accounting standards. The unaudited *pro forma* consolidated financial information is based upon available information and certain assumptions that we believe to be reasonable and give effect to events that are directly attributable to the Hella Acquisition described therein and are factually supportable. Neither the assumptions underlying the *pro forma* adjustments, nor the resulting *pro forma* financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

The unaudited pro forma consolidated financial information should be read in conjunction with the information included elsewhere in this Offering Circular under the captions *"Unaudited Pro Forma Consolidated Financial Information"* and *"Risk Factors—Risks Related to the Proposed Hella Acquisition—Risks related to the operating results and financial position presented in the pro forma financial information"* as well as *"Presentation of Financial and Other Information—Financial Information Relating to Hella"* and *"Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information."*

The financial data relating to Hella used in the preparation of the unaudited pro forma consolidated financial information has been extracted or derived from publicly available information regarding Hella, including Hella's audited consolidated financial statements and Hella's condensed interim consolidated financial statements. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. See "*Presentation of Financial and Other Information—Financial Information Relating to Hella*."

The notes referred to in the tables below can be found under the caption *"Unaudited Pro Forma Consolidated Financial Information"* elsewhere in this Offering Circular.

Pro forma Combined Group – Income statement for the year ended 31 December 2020

(in € million)	**Faurecia**	**Hella** **For the year end 30 November 2020** *(Note 2.2)*	*Reciprocal transactions (Note 2.4)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	**Faurecia** ***pro forma*** **2020**
SALES	**14,444.6**	**5,616.8**	**(25.3)**			**20,036.1**
Cost of sales	(12,971.6)	(4,623.2)	25.3			(17,569.5)
Research and development costs	(341.7)	(586.6)				(928.3)
Selling and administrative expenses	(712.9)	(211.4)				(924.3)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**418.4**	**195.6**	**–**	**–**	**–**	**614.0**
Amortization of intangible assets acquired in business combinations	(91.7)	(15.5)				(107.2)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**326.7**	**180.1**	**–**	**–**	**–**	**506.8**
Other non-recurring operating income	180.7	76.6				257.3
Other non-recurring operating expense	(457.2)	(741.7)			(31.0)	(1 229.9)
Finance costs	(202.7)	(34.1)		(152.7)		(389.5)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**(167.9)**	**(519.1)**	**–**	**(152.7)**	**(31.0)**	**(870.7)**
Taxes	(122.3)	(15.6)		39.7	8.1	(90.2)
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**(290.2)**	**(534.7)**	**–**	**(113.0)**	**(22.9)**	**(960.8)**
Share of net income of associates	(12.8)	7.3				(5.5)
NET INCOME FROM CONTINUED OPERATIONS	**(303.0)**	**(527.4)**	**–**	**(113.0)**	**(22.9)**	**(966.4)**
NET INCOME FROM DISCONTINUED OPERATIONS	**(18.5)**	**–**				**(18.5)**
CONSOLIDATED NET INCOME (LOSS)	**(321.5)**	**(527.4)**	**–**	**(113.0)**	**(22.9)**	**(984.8)**
Attributable to owners of the parent	**(378.8)**	**(527.0)**	**–**	**–**	**–**	**(905.8)**
Attributable to minority interests from continued operations	57.3	(0.5)				56.8
Attributable to minority interests from discontinued operations	–					–

(*): As published as at 30 June 2021, restated for IFRS 5 impact

The items in Hella's income statement have been allocated to the equivalent lines in Faurecia's income statement, on the basis of information published by Hella.

Pro forma Combined Group – Income statement for the six months ended 30 June 2021

(in € million)	**Faurecia**	**Hella** **For the six months ended May 2021** *(Note 2.2)*	*Reciprocal transactions (Note 2.4)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	**Faurecia** ***pro forma*** **30 June 2021**
SALES	**7,782.5**	**3,279.4**	**(16.5)**	**,**	**,**	**11,045.4**
Cost of sales	(6,738.4)	(2,675.2)	16.5			(9,397.1)
Research and development costs	(181.2)	(232.0)				(413.2)
Selling and administrative expenses	(353.1)	(87.8)				(440.9)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**509.8**	**284.3**	**–**	**–**	**–**	**794.1**
Amortization of intangible assets acquired in business combinations	(44.5)	(7.8)				(52.3)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**465.3**	**276.5**	**–**	**–**	**–**	**741.8**
Other non-recurring operating income	6.7	6.3				13.0
Other non-recurring operating expense	(58.2)	(71.5)			–	(129.7)
Finance costs	(116.8)	136.9		(45.9)		(25.7)
S410T - Total interest expense	*(94.4)*					*(94.4)*
S410T16 - Total interest expense IFRS16	*(22.4)*					*(22.4)*
Other financial income and expense	(11.2)	,				(11.2)
S620T - Other Financial Revenues and Expenses	–					–
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**308.2**	**348.3**	**–**	**(45.9)**	**–**	**610.6**
Taxes	(81.9)	(66.4)		11.9	–	(136.4)
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**226.3**	**281.9**	**–**	**(33.9)**	**–**	**474.3**
Share of net income of associates	(7.8)	11.5				3.7
NET INCOME FROM CONTINUED OPERATIONS	**218.5**	**293.4**	**–**	**(33.9)**	**–**	**478.0**
NET INCOME FROM DISCONTINUED OPERATIONS	**(30.7)**	**–**				**(30.7)**
CONSOLIDATED NET INCOME (LOSS)	**187.8**	**293.4**	**–**	**(33.9)**	**–**	**447.3**
Attributable to owners of the parent	**145.8**	**292.6**	**–**	**–**	**–**	**438.4**
Attributable to minority interests from continued operations	42.0	0.8				42.8
Attributable to minority interests from discontinued operations	–					–

The items in Hella's income statement have been allocated to the equivalent lines in Faurecia's income statement, on the basis of information published by Hella.

Pro forma Combined Group – Balance sheet

ASSETS

(in € million)	**Faurecia** 31 December 2020	**Faurecia** 30 June 2021	**Hella** 31 May 2021 *(Note 2.2)*	*Reciprocal operations* — *Reciprocal operations (Note 2.4)*	*Business combination (Note 2.7)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	*Impact identified due to Change of Control clauses (Note 2.3)*	**Faurecia** ***pro forma* 30 June 2021**
Goodwill	2,195.9	2,240.7	5.2		4,209.2				6,455.1
Intangible assets	2,668.0	2,677.7	306.0						2,983.7
Property, plant and equipment	2,813.3	2,732.3	1,606.4						4,338.7
Right-of-use assets	913.3	895.8	105.1						1,000.9
Investments in associates	177.4	17–	199.2						369.2
Other equity interests	53.8	71.3	36.9						108.1
Other non-current financial assets	104.7	107.8	27.0						134.8
Other non-current assets	70.5	96.7	94.5						191.2
Deferred tax assets	475.4	472.1	128.8						601.0
TOTAL NON-CURRENT ASSETS	**9,472.3**	**9,464.5**	**2,508.9**	**–**	**4,209.2**	**–**	**–**	**–**	**16,182.6**
Inventories, net	1,431.3	1,591.2	900.4						2,491.6
Contract assets	248.0	321.5	72.2						393.7
Trade accounts receivables	3,237.1	3,091.3	958.5	(4.1)					4,045.7
Other operating receivables	363.4	559.6	–						559.6
Other receivables	856.4	937.6	196.3						1,133.9
Other current financial assets	2.6	0.1	442.4						442.5
Cash and cash equivalents	3,091.4	2,997.6	979.5			(646.0)			3,331.0
TOTAL CURRENT ASSETS	**9,230.2**	**9,498.9**	**3,549.3**	**(4.1)**	**–**	**(646.0)**	**–**	**–**	**12,398.1**
Assets held for sale	N/A	184.9	–						184.9
TOTAL ASSETS	**18,702.5**	**19,148.3**	**6,058.2**	**(4.1)**	**4,209.2**	**(646.0)**	**–**	**–**	**28,765.6**

LIABILITIES

(in € million)	**Faurecia** 31 December 2020	**Faurecia** 30 June 2021	**Hella** 31 May 2021 *(Note 2.2)*	*Reciprocal operations* — *Reciprocal operations (Note 2.4)*	*Business combination (Note 2.7)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	*Impact identified due to Change of Control clauses (Note 2.3)*	**Faurecia** ***pro forma* 30 June 2021**
EQUITY									
Capital	966.3	966.3	222.2		(222.2)	228.1			1,194.4
Additional paid-in capital	632.8	632.8	–		–	1,126.7			1,759.5
Treasury stock	(19.1)	(147.8)	–		–				(147.8)
Retained earnings	2,449.2	1,958.4	1,995.5		(1,995.5)				1,958.4
Translation adjustments	(254.7)	(149.2)	(112.2)		112.2				(149.2)
Net income (loss)	(378.8)	145.8	353.3		(353.3)				145.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	**3,395.7**	**3,406.3**	**2,458.8**	**–**	**(2,458.8)**	**1,354.8**	**–**	**–**	**4,761.1**
Minority interests	331.4	364.0	1.8						365.7
TOTAL SHAREHOLDERS' EQUITY	**3,727.1**	**3,770.2**	**2,460.6**	**–**	**(2,458.8)**	**1,354.8**	**–**	**–**	**5,126.8**
Non-current provisions	515.3	454.1	456.8						910.9
Non-current financial liabilities	4,222.8	4,558.8	1,256.0			4,667.2		(798.1)	9,683.8
Non-current lease liabilities	794.0	778.9	103.9						882.8
Other non-current liabilities	1.9	1.9	–						1.9
Deferred tax liabilities	82.0	40.5	9.4						49.9
TOTAL NON-CURRENT LIABILITIES	**5,616.0**	**5,834.2**	**1,826.1**	**–**	**–**	**4,667.2**	**–**	**(798.1)**	**11,529.4**
Current provisions	315.4	247.3	197.5						444.8
Current financial liabilities	1,023.1	769.4	233.4					798.1	1,800.9
Current portion of lease liabilities	182.2	190.2	29.6						219.8
Prepayments on customers contracts	605.7	826.5	94.9						921.4
Trade payables	6,016.4	6,188.1	939.8	(4.1)					7,123.8
Accrued taxes and payroll costs	771.9	811.9	276.3						1,088.2
Sundry payables	444.7	395.2	–						395.2
TOTAL CURRENT LIABILITIES	**9,359.4**	**9,428.6**	**1,771.5**	**(4.1)**	**–**	**–**	**–**	**798.1**	**11,994.1**
Liabilities linked to assets held for sale	NA	115.3	–						115.3
TOTAL EQUITY AND LIABILITIES	**18,702.5**	**19,148.3**	**6,058.2**	**(4.1)**	**(2,458.8)**	**6,022.0**	**–**	**–**	**28,765.6**

The items in Hella's balance sheet have been allocated to the equivalent lines in Faurecia's balance sheet, on the basis of information published by Hella.

RISK FACTORS

Potential investors should carefully read and consider the risk factors described below and the other information contained in this Offering Circular before they make a decision about acquiring the Notes. The realization of one or more of these risks could individually or together with other circumstances adversely affect our business, financial condition and results of operations. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investment. The risks described below may not be the only risks we face. Additional risks that are presently not known to us or that are currently considered immaterial could also adversely affect our operations and have material adverse effects on our business, financial condition and results of operations. The sequence in which the risks factors are presented below is not indicative of their importance, their likelihood of occurrence or the scope of their financial consequences.

Risks Related to Our Operations

The Covid-19 pandemic has had a material adverse effect on our business, affecting sales, production and supply chains, and employees. Further, the spread of the Covid-19 pandemic has caused and may continue to cause severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues.

The Group is present in many countries particularly affected by the Covid-19 pandemic and is monitoring the situation with great attention while implementing the necessary measures to protect its employees, its suppliers and subcontractors, while also trying to reduce the economic and financial impacts of this extraordinary crisis.

The effects of the Covid-19 pandemic have had and may continue to have a material adverse effect on our business and results of operations, including as a result of:

- the temporary or lasting disruption of production chains in the various countries affected by the epidemic;
- the health impacts on the wellbeing and activity of the Group's employees and service providers; and
- the resurgence of the pandemic with variants of the Covid-19 virus,

the consequences of which has included, and may continue to include, the partial or total shutdown of production sites, which has led, and may continue to lead, to delays in the execution of contracts, or the postponement of decisions regarding the placing of orders, or even their cancellation. The effects of Covid-19 have also materially impacted our sales in the year ended 31 December 2020, and may continue to have a material adverse impact on sales. See "*Business—The Impact of the Covid-19 pandemic*".

In this context, the Group's sites and its suppliers have had to reduce or cease their activities and we cannot exclude that they may in the future be forced to do so again, in particular in the event of new waves occurring in the countries where the Group operates.

It remains difficult to estimate production levels in coming months as they depend on many external parameters, such as government regulations and the pace of resolution of the pandemic in different countries, and also on our customers' effective restart of production as well as consumer demand, and therefore the global impact of this crisis cannot be evaluated at this stage. Moreover, a similar pandemic to the current Covid-19 pandemic may occur in the future (either as a result of a new strain of virus or a new wave of the Covid-19 pandemic), and the impact of such a pandemic cannot be predicted.

The extent of the impact of the Covid-19 pandemic, or any such similar pandemic in the future, on our business and financial performance, including our ability to execute our near-term and long-term operational, strategic and capital structure initiatives, will depend on future developments, including the duration and severity of the pandemic, which are uncertain and cannot be predicted.

We face challenges associated with climate change and increasing environmental regulation could have a significant impact on our reputation, business, financial condition and operations.

The political and societal drive towards action against climate change has now reached the forefront of the political agenda in many countries and regions of the world. The Green Deal in Europe to reduce greenhouse gas emissions by 55% in 2030 and to have no net emissions in 2050 is a clear demonstration of this, as is the emphasis put on renewable energy in economic recovery plans. With transport accounting for around one quarter of global CO_2 emissions and passenger vehicles accounting for around 10%, the automotive industry has a strong responsibility to reduce greenhouse gas emissions and reduce its environmental impact. Climate change, and businesses' response to its emerging threats, are under increasing scrutiny by governments, regulators and the public alike. We face various risks associated with climate change including increasing levels of regulation, changes in consumer behaviour and the potential impact of increases in extreme weather events.

The automotive sector is subject to increasing regulatory constrains related to CO_2 emissions including, in particular, European Regulation 2019/631, which provides for additional reductions in CO_2 emissions of passenger vehicles by 37.5% from 2021 to 2030. In addition, the automotive sector may be strongly impacted in the future by the introduction of stricter regulations on climate issues, particularly in the area of vehicle life cycle analysis. Regulations on the life cycle carbon footprint of vehicles would have a direct impact on the products and solutions that we provide. In addition, a more extensive implementation of regulations aimed at reducing emissions of NOx in urban areas and reducing global CO_2 emissions could lead to an increase in demand for zero emission vehicles. Consumer behaviour may change as a result of greater environmental awareness, encouraging new models of mobility and vehicle ownership as well as greener vehicles. Extreme weather-related events (such as floods, cyclones and storms) may impact production facilities located near rivers or basins, disrupting production which can lead to customer delays and, potentially, loss of business.

Our reputation, business, financial condition and results of operations may be materially and adversely affected if we fail to anticipate, identify and manage risks associated with climate change.

Our business is dependent on the automotive sector and the commercial success of the models for which we supply components.

Given that we specialize in the manufacture of original equipment for our automaker customers, our business is directly related to vehicle production levels of these customers in their markets. The cyclical nature that characterizes our customers' businesses can have a significant impact on our sales and results. The level of sales and production for each of our customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of participants in that market; buyers' ability to access credit for vehicle purchases; and in some cases governmental aid programs (such as the financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

Therefore, our sales are directly linked to the performance of the automotive industry in the major geographic regions where we and our customers operate (see note 4.5 to our 2020 Consolidated Financial Statements), especially in Europe (which constituted 47% of our sales in 2020), North America (which constituted 25% of our sales in 2020) and Asia (which constituted 24% of our sales in 2020).

Moreover, our sales are related to the commercial success of the models for which we produce components and modules. At the end of a vehicle's life cycle, there is significant uncertainty around whether our products will be taken up again for the replacement model. In addition, orders placed with us are open orders without any guarantees of minimum volumes and are generally based on the life of the vehicle model concerned. A shift in market share away from the vehicles for which we produce components and modules could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the loss of key customers due to industry consolidation, and by the risk that our customers could default on their financial obligations or enter bankruptcy.

Given the economic context in the automotive sector, we cannot rule out the possibility that one or more of our customers may not be able to honor certain contracts or may suffer financial difficulties. Furthermore, changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which we produce equipment. Our major customers could also face a slowdown in activity, including as a result of the potential impact of increased regulatory scrutiny of emissions tests, among other factors.

In 2020, our five largest customers accounted for 64% of sales, as follows: Volkswagen (20.9%), Ford (13.1%), PSA Peugeot Citroën group (12.0%), Renault-Nissan-Mitsubishi group (11.7%) and Fiat Chrysler Automobiles (6.3%).

The occurrence of one or more of these events could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on many suppliers to maintain production levels.

We use a large number of suppliers based in different countries for its raw materials and basic parts supplies. In 2020, the Group made purchases consumed (*i.e.,* goods purchased that have been consumed during the production cycle, such as raw materials and parts, and indirectly, excluding purchases of monoliths) of €8.4 billion from approximately 19,000 suppliers.

If one or more of our main suppliers were to go bankrupt, or experience an unforeseen stock-out, quality problems, social unrest, a strike or any other incident disrupting the supplies for which it is committed to us, this could negatively impact our image or production output or lead to additional costs, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Given its business, the Group has been and may be impacted in the event of supplier failures, for example, following a major disaster impacting a supplier's production sites, a health crisis, production quality issues or delivery of less than required quantities, or even a shortage of certain raw materials or components, such as electronic components.

The Group is subject to disruptions to suppliers in the global value chain. The global value chain has in the past experienced disruptions as the result of a general lack of production capacity for certain raw materials or components, such as the current shortage of semiconductors, which shortages can be further exacerbated by external factors, such as the current Covid-19 health crisis, or climatic events, such as the winter storms in Texas and fire in Japan that disrupted production of semiconductors, as well as by global economic recoveries, such as the current recovery from the impact of the Covid-19 health crisis, that have created and may continue to create pressure on demand for such raw materials or components. As a result, production further down the global value chain can be disrupted. For example, the latest forecast for worldwide automotive production, released on 16 September 2021 by IHS Markit, anticipates a sharp reduction by 4.8 million vehicles to be produced in the second half of 2021 due primarily to a higher than expected impact from the semiconductor shortage.

If the Group were no longer able to purchase such raw materials or components in sufficient quantities, or at sufficiently affordable prices, to meet existing customer orders (as well as possible compensation related to the difficulty of continuing current projects), possible disruptions in supply chains or a decline in the volume of vehicles produced by global carmakers as a result of tension in supply and logistics chains, would have a material adverse effect on the Group's business, turnover, sales, financial situation, financial results, outlook and share price.

We may not always be able to satisfy our customers' demands or maintain the quality of our products.

As a components producer and components and systems assembler for the automotive industry, and given the high volumes that our customers order, we constantly have to adapt our business activity to our customers' demands in terms of their supply chain, production operations, services and R&D.

Should we, or one of our suppliers or service providers, default at any stage of the manufacturing process, we could be held liable for failure to fulfil our contractual obligations or for any technical problems that may arise.

In addition, any actual or alleged instances of inferior product quality, or of damage caused or allegedly caused by our products, could damage our reputation and brand and could lead to new or existing customers becoming less willing to conduct business with us.

Our gross margins may be adversely affected if we fail to identify risks when we tender for new contracts or appropriately monitor the performance of our programs.

The contracts which we enter into are awarded after a complex equipment supply bidding process by our customers. Each contract with our customer is a program with a lifespan of up to ten years from the development phase through to the production phase. As part of the tender process, we carry out a detailed risk assessment to ensure that we identify and manage the nature and level or risks that we may be exposed to and, during the life of the program, we monitor the program in order to ensure operational and financial performance.

If we fail to identify and manage risks in connection with the bidding for and establishment of new programs, or fail to appropriately monitor our operational and financial performance, our gross margins could be adversely affected, which could also have a material adverse effect on our business, financial condition and results of operations.

If we fail to attract and retain key personnel could adversely affect our business.

Our success depends to a large degree on the services of our senior management team and key personnel with particular expertise. In particular, the loss or unavailability of our senior management team for an extended period of time could have an adverse effect on our operations. In addition, we must compete with other companies for suitably qualified personnel, including technical and engineering personnel. Our inability to attract and retain key personnel could have a material adverse effect on our business, financial condition and results of operations.

We may experience difficulties integrating acquired businesses or achieving anticipated synergies.

As part of our external growth policy, we have made, and may make in the future, acquisitions of varying sizes, some of which have been, and may yet be, significant to us.

These acquisitions entail risks, such as:

- the assumptions of the business plans on which valuations are made may prove incorrect, especially concerning synergies and assessments of market demand, trend and forecasts;
- we may not have appropriately assessed associated risks related to the acquisitions, in particular in the course of performing our due diligence investigations;
- we may not succeed in integrating the acquired companies, their technologies, product ranges and employees;
- we may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- we may be forced or wish to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- we may increase our debt with a view to financing these acquisitions or refinancing the debt of the acquired companies.

As a result, the benefits expected from future acquisitions or those already made may not be confirmed within the expected time frames or to the extent anticipated, which could have a material adverse effect on our business, financial conditions and results of operations.

The international nature of our business exposes us to a variety of economic, political, tax, legal and other related risks.

Due to the international nature of our business activities, we are exposed to economic, political, fiscal, legal and other types of risks.

Our sales are mostly generated in Europe, North America and Asia. Our international business activities, notably in emerging countries, and following the Clarion Acquisition, in Japan, are exposed to certain risks inherent in any activity carried out overseas, including:

- any potential legislative or regulatory changes such as commercial, monetary or fiscal policies applied in some foreign countries and, in particular, risks of expropriation and nationalization;
- customs regulations, monetary control policies, investment restrictions or requirements or any other constraints such as levies or other forms of taxation on settlements and other payment terms adopted by subsidiaries; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

Our business is affected by general economic conditions and macroeconomic trends which can impact overall demand for our products and the markets in which we operate including, for example, trade tensions between the EU and the US and between the US and China. Furthermore, any weakening in economic conditions may affect the automotive supply industry globally and negative economic conditions in one or more regions may affect the automotive supply industry in other regions. Our business, financial condition and results of operations may be materially and adversely affected by an economic downturn on a global scale or in significant markets in which we operate.

We operate in the highly competitive automotive supply industry where customers can exert significant price pressure.

The global automotive supply sector is highly competitive. Competition is based mainly on price, global presence, technology, quality, delivery, design and engineering capabilities, new product innovation and customer service as a whole. There are no guarantees that our products will be able to compete successfully with those of our competitors. Supply contracts are mostly awarded through competitive bids, and are often subject to renewed bidding when their terms expire. Although the overall number of competitors has decreased due to on-going industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve. We cannot assure you that we will be able to continue to compete favorably in these competitive markets or that increased competition will not have a material adverse effect on our business, financial condition and results of operation by reducing our ability to increase or maintain sales and profit margins.

The failure to obtain new business projects on new models, or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition and results of operations. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult for us to adequately manage the execution of a program from development to launch, adequately respond to any deterioration in the profitability of a program or to obtain new revenues in the short-term to replace any unexpected decline in the sale of existing products.

A rise in interest rates would increase the cost of servicing our debt.

Before taking into account the impact of interest rate hedges, 28.8% of our borrowings were at variable rates as at 31 December 2020 and 30.4% of our borrowings were at variable rates as at 31 December

2019. Our variable rate financial debt mainly relates to the Senior Credit Facility, when drawn, as well as our short-term debt. Our main fixed rate debt consists of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes, the 2029 Notes and the Schuldschein.

We manage hedging of interest rate risks centrally. This management is handled by our Finance and Treasury Department, which reports to our General Management. Interest rate hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Since a significant part of our borrowings are at variable rates, the aim of our interest rate hedging policy is to reduce the impact of short-term rate changes on earnings. Our hedges primarily comprise euro-denominated interest rate swaps. They hedge a part of our interest payable in 2019 and 2020 against a rise in interest rates. Our interest rate position with respect to the different types of financial instruments used is detailed in note 30.3 to our audited 2020 Consolidated Financial Statements.

We rely on capital markets to provide liquidity to operate and grow our business.

The capital and credit markets provide us with liquidity to operate and grow our business beyond the liquidity that operating cash flows provide. A worldwide economic downturn and/or disruption of the credit markets could reduce our access to capital necessary for our operations and executing our strategic plan. If our access to capital were to become constrained significantly, or if costs of capital increased significantly, due to lowered credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, our financial condition, results of operations and cash flows could be adversely affected.

We are subject to fluctuations in exchange rates, primarily between the euro and other operating currencies.

We are exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of our production sites, as well as the fact that certain subsidiaries purchase raw materials and other supplies or sell their products in a currency other than their functional currency.

See note 30.1 of our audited 2020 Consolidated Financial Statements for more information on changes in exchange rates of transaction currencies (other than their functional currency) used by our subsidiaries (with all other variables remaining constant).

We centrally manage currency risks relating to the commercial transactions of our subsidiaries, mainly using forward purchase and sale contracts and options as well as foreign currency financing. We manage foreign exchange risks centrally, through our Finance and Treasury Department, which reports to our General Management.

Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis. Currency risks on forecast transactions are hedged based on estimated cash flows determined in forecasts validated by our General Management. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies IFRS 9 financial instruments: recognition and measurement (which outlines the requirements for the recognition and measurement of financial assets) ("**IFRS 9**") criteria.

Subsidiaries whose functional currency is not the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in the consolidation of our audited consolidated financial statements, they contribute to our currency risk exposure and are therefore hedged through swaps.

Details of net balance sheet positions and hedges by currency are provided in note 30.2 to our audited 2020 Consolidated Financial Statements.

A failure of our information technology ("IT") and data protection and security infrastructure could adversely impact our business, operations and reputation.

We rely upon the capacity, reliability and security of our IT and data protection and security infrastructure, as well as our ability to expand and update this infrastructure in response to the changing needs of our business.

If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades and/or new system implementations, the resulting disruptions could have an adverse effect on our business. We implement security measures in relation to our IT systems but we, like other companies, are vulnerable to damage from computer viruses, natural disasters, unauthorized access, cyber-attacks and other similar disruptions.

In particular, our implementation of digital services and storage have made our computer systems important for our day-to-day operations and as a result we faced with risks that could compromise (i) the availability and proper functioning of computer equipment used in plant production, (ii) the confidentiality of personal data, as well as, more generally, (iii) the integrity and availability of information systems, particularly those contributing to business processes related to ordering, supply and invoicing or to marketed digital products and services.

We collect, store, process, transmit and use certain personal information and other user data belonging to our employees, customers and suppliers in our business. We must ensure that any processing, collection, use, storage, dissemination, transfer and disposal of data for which we are responsible complies with relevant data protection and privacy laws, including the European Union General Data Protection Regulation ("**GDPR**"). Non-compliance with the EU General Data Protection Regulation can lead to legal consequences, including fines, as well as reputational damage.

As a result, any system failure, accident, security breach or delivery of flawed digital product or service could result in disruptions to our operations. A material network breach in the security of our IT systems could result in the theft of our intellectual property, trade secrets, customer or supplier information, human resources information or other confidential information. To the extent that any disruptions or security breach result in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer or supplier information, it could cause significant damage to our reputation, affect our relationships with our customers or suppliers, lead to claims against us and ultimately harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

We are subject to fluctuations in the prices of raw materials.

We are exposed to commodity risk through our direct purchases of raw materials and indirectly through components purchased from our suppliers. The proportion of our direct purchases of raw materials, mainly steel and plastics, represented approximately 18% of purchases in 2020. Our operating and net income can be adversely affected by changes in the prices of the raw materials we use, notably steel and plastics.

To the extent that our sales contracts with customers do not include price indexation clauses linked to the price of raw materials, we are exposed to risks related to unfavorable fluctuations in commodity prices. We do not use derivatives to hedge our purchases of raw materials or energy. In addition, the Covid-19 pandemic has added pressure on raw materials supplies with a potential impact on their prices.

If commodity prices were to rise steeply, we may not be able to pass on all such price increases to our customers, which could have an unfavorable impact on our sales, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We face litigation risks, including product liability, warranty and recall risk.

We are currently and may in the future become subject to legal proceedings and commercial or contractual disputes. These are typically lawsuits, claims and proceedings that arise in the normal course of business including, without limitation, claims pertaining to product liability, product safety, environmental, safety and health, intellectual property, employment, commercial and contractual matters and various other matters. We are also subject to investigations by competition authorities relating to alleged anti-competitive practices in certain jurisdictions. See "*Business – Litigation*" for further information.

The outcome of such lawsuits, investigations, claims or proceedings cannot be predicted with certainty. There exists the possibility that such claims may have an adverse impact on our results of operations that is greater than we anticipate, and/or negatively affect our reputation.

We are also subject to a risk of product liability or warranty claims if our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in bodily injury and/or property damage. While we maintain reasonable limits of insurance coverage to appropriately respond to such exposures, large product liability claims, if made, could exceed our insurance coverage limits and further insurance may not continue to be available on commercially acceptable terms, if at all. We may incur significant costs to defend these claims or experience product liability losses in the future. In addition, if any of our designed products are, or are alleged to be, defective, we may be required to participate in recalls and exchanges of such products. The future cost associated with providing product warranties and/or bearing the cost of repair or replacement of our products could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all the risks we may face and it may be difficult to obtain replacement insurance on acceptable terms or at all.

Our production plants, equipment and other assets are insured for property damage and business interruption risks, and we carry insurance for products liability risks. Our insurance policies are subject to deductibles and other coverage limitations and we cannot ensure you that we are fully insured against all potential hazards incident to our business, including losses resulting from risks of war or terrorist acts, certain natural hazards (such as earthquakes), environmental damage or all potential losses, including damage to our reputation. We have entered into liability insurance which includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents.

However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. Should such loss or damage occur, this could have a material adverse effect on our business, financial conditions and results of operations.

If we incur a significant liability for which we are not fully insured or if premiums and deductibles for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, this could have a material adverse effect on our business, financial condition and results of operations.

We face risks related to the intellectual and industrial property we use.

We consider that we either own or may validly use all the intellectual and industrial property rights required for our business operations and that we have taken all reasonable measures to protect our rights or obtain guarantees from the owners of third party rights. However, we cannot rule out the risk that our intellectual and/or industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France, we cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in France.

Industrial and environmental risks could disrupt our business and a have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing sites are subject to risks associated with fire, explosion, natural disaster (including extreme weather events), systems failure, accidental pollution and non-compliance with current or future regulations. These various risks may result in us incurring additional costs. These additional costs could have a material adverse effect on our business, financial condition and results of operations. The occurrence of any natural disaster could cause the total or partial destruction of a plant and thus prevent us from supplying products to our customers, causing further disruption at their plants for an indeterminate period of time, which in turn could have a material adverse effect on our business, financial condition and results of operation.

Our reputation is critical to our business

Our results of operations depend on maintaining a positive reputation with customers. Any negative incident could significantly affect our reputation and damage our business.

We may be adversely affected by any negative publicity, regardless of its accuracy, including without limitation with respect to:

- the quality of our products;
- damage to the environment (including our carbon footprint and impact on climate change);
- employee or customer injury;
- failure of our information technology (IT) and data security infrastructure, including security breaches of confidential customer or employee information;
- employment-related claims relating to alleged employment discrimination, wages and hours;
- violations of law or regulations;
- labor standards or healthcare and benefits issues; or
- our brand being affected globally for reasons outside of our control.

While we try to ensure that our suppliers maintain the reputation of our brand, suppliers may take actions that adversely affect our reputation. In addition, through the increased use of social media, individuals and non-governmental organizations have the ability to disseminate their opinions regarding the safety of our products, and our business, to an increasingly wide audience at a faster pace. Any failure to effectively respond to any negative opinions or publicity in a timely manner could harm the perception of our brand and products and damage our reputation, regardless of the validity of the statements against us and ultimately harm our business.

Non-compliance with internal corporate governance requirements and anti-corruption regulations

We have a number of company-wide policies and measures, including our “Code of Ethics”, which addresses the latest requirements of applicable French anti-corruption legislation, our management code and other measures such as our Code of Conduct for the Prevention of Corruption and our Guide to Good Practice in Combating Anti-Competitive Practices, which put into practice many of the principles set out in the Code of Ethics. There can be no assurance that violations of our internal corporate governance requirements will not occur. In the event violations do occur, they could harm our reputation and result in fines, which could in turn have a material adverse effect on our business, financial condition and results of operations and therefore on our ability to fulfil our obligations under the Notes.

Furthermore, we are a decentralized Group operating in over 34 countries, and each of these countries may have anti-corruption legislation which is potentially extra-territorial in scope. This is in particular the case with regard to the Sapin II Law in France, the Bribery Act in the United Kingdom and also Foreign Corrupt Practices Act in the United States. The Group is exposed to sanctions in the event of any non-compliance with any such regulations. In addition, given the specific nature of the automotive sector (in particular, the presence of a reduced number of stakeholders in certain markets), the Group may also be exposed to antitrust risks (for example, cartel arrangements). There can be no assurance that violations of such regulations will not occur. In the event violations do occur, they could harm our reputation and result in fines, which could in turn have a material adverse effect on our business, financial condition and results of operations and therefore on our ability to fulfil our obligations under the Notes.

We are subject to changes in financial reporting standards or policies which could materially adversely affect our reported results of operations and financial condition

Our consolidated financial statements are prepared in accordance with IFRS, which is periodically revised or expanded. Accordingly, from time to time we are required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board ("**IASB**"). It is possible that future accounting standards which we are required to adopt, or as a result of choices we make, could change the current accounting treatment that applies to our consolidated financial statements and that such changes could have a material adverse effect on our reported results of operations and financial condition and may have a corresponding impact on capital ratios. As a result, our credit ratings and perceived financial condition might be negatively affected, which as a result could negatively impact our ability to access the capital markets for funding purposes.

Risks Related to the Proposed Hella Acquisition

The proposed Hella Acquisition may not close.

If the proposed Hella Acquisition is not completed for any reason, and in particular if the various conditions precedent in the Hella Acquisition Agreement are not satisfied (see "*Business—Recent Developments—Combining Faurecia and Hella*"), our ongoing business could be materially and adversely affected and we would be exposed to a number of risks, including:

- having incurred and continuing to incur significant costs and expenses in connection with the proposed Hella Acquisition (which will be "at a loss" if the Hella Acquisition is not completed); see "*Unaudited Pro Forma Consolidated Financial Information*" for the estimated amounts of such fees and costs to be incurred by us;
- experiencing the effects of an adverse reaction from the financial markets, and in particular an adverse effect on our share price, which may have gone up in anticipation of the proposed Hella Acquisition's expected benefits;
- experiencing negative reactions from customers, regulation authorities and employees; and
- having dedicated significant time and resources to issues relating to the Hella Acquisition that could otherwise have been allocated to day-to-day transactions and other opportunities from which we could have benefited.

In addition, we could be subject to litigation as a result of the failure to complete the Hella Acquisition, in particular if such failure is a result of us having breached, or alleged to have breached, one of our contractual obligations under the Hella Acquisition Documents. If the Hella Acquisition does not occur, the occurrence of these risks could have a material adverse effect on our activities, financial position, financial results and prospects. In addition, legal claims and disputes may arise in connection with the Hella Acquisition, which could delay or prevent the completion of the Hella Acquisition, or could arise after the completion of the Hella Acquisition and in either case may have a material adverse effect on our financial position, results or prospects.

Furthermore, the Offering is not conditional on the completion of the Hella Acquisition and the net proceeds from the issuance of the Notes will not be deposited into escrow and may be used for purposes other than the Hella Acquisition. See "*Use of Proceeds*". Holders of the Notes will decide to invest in the Notes at the time of purchase thereof and will not be able to rescind their decision to invest in the Notes, including in the event of changes in our financial condition, the terms of the Hella Acquisition, or the Offering and the use of proceeds therefrom.

The completion of the Hella Acquisition remains subject to the satisfaction or waiver of several conditions precedent, and the non-fulfilment or late fulfilment of these conditions could have an adverse impact on us

The completion of the Hella Acquisition, including the Block Trade, is subject to several conditions precedent, some of which are outside of our control. No guarantee can be given that the conditions precedent of the Hella Acquisition will be fulfilled or waived in the anticipated time, if they are fulfilled or waived at all. Any failure or any delay in the completion of the conditions precedent could delay the completion of the Hella Acquisition which would reduce the synergies and benefits we expect to obtain from the Hella Acquisition and the integration of Hella's activities.

The Hella Acquisition is subject, among other things, to the approval (i) of the competition and regulatory authorities in a number of jurisdictions, including in particular the authorities of the European Union, the United States and China, and (ii) under the foreign investment control procedures in Germany, New Zealand and the United States. The relevant authorities may impose measures or conditions, such as the sale of (potentially significant) assets or businesses of ours and/or Hella, which we and/or Hella may not be able to satisfy. No assurance can be given that we will obtain the necessary agreements, decisions and approvals from these authorities. In any event, any conditions and disposals required by these authorities (as well as the financial and other terms of such disposals) could have a material adverse effect on our business, operating results, financial condition, synergies from the Hella Acquisition, prospects and stock price.

Risks related to Hella's performance and unforeseen liabilities

Hella's performance and operating indicators could deteriorate from the level reached in the first quarter of 2021/2022 and in 2020/2021 or in previous years, particularly in the current context of continuing volatility due to the persistence of the Covid-19 pandemic and financial, legal and commercial factors, many of which are outside of our or Hella's control.

We have conducted limited due diligence of Hella, and we are not able to guarantee that the documents and information provided by Hella as part of the due diligence process were complete, adequate or accurate and, as a result, that the due diligence has identified or assessed all potential material issues, risks or liabilities within Hella. As a result, following completion of the Hella Acquisition, unanticipated operational difficulties and/or significant unanticipated liabilities of Hella may arise and have an adverse effect on our profitability, operating results, financial position, capitalisation, and share price, which difficulties and/or liabilities might have been identified by us if more exhaustive diligence had been conducted. Similarly, operating difficulties or other risks identified in due diligence such as the pension provisions amounting to approximately €376 million as of 31 May 2021, could ultimately prove to be insufficiently provisioned or be more significant than initially anticipated, or we may not be in a position to remedy such difficulties, which could have a material adverse effect on the Group's results, cash flows, profitability, financial position and reputation.

Risks related to the integration of Hella's activities and the non-realization of the expected synergies

We present herein certain information relating to potential synergies which we believe may result from the Hella Acquisition. These synergy estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. We have included an estimate of the costs required to achieve these EBITDA and cost reduction synergies, however the costs we incur in trying to realize these synergies may be substantially higher than our current estimates and may outweigh any benefit. The assumptions used in estimating these synergies are inherently uncertain and are subject to a variety of significant business, economic and competitive risks and uncertainties. We cannot assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the synergies or other benefits we believe are possible from the Hella Acquisition.

The expected benefits of the proposed Hella Acquisition will partly depend upon the successful integration of Hella's activities into the Group's. The Hella Acquisition involves the integration of two significantly sized complex groups that are currently conducting a vast range of activities and operate independently. The companies could face significant difficulties when implementing an integration plan, some of which may have been unforeseeable or outside of our control or the control of Hella, notably with respect to differences in norms, controls, procedures and rules, corporate culture, the history of technological investments and the organization of the Group and Hella, and the need to integrate and harmonize the various operating systems and procedures that are specific to each group, such as financial and accounting systems and other IT systems.

In that regard, we could have difficulties retaining some of our key employees or those of Hella. In connection with the integration process, we will have to resolve problems inherent to the management and integration of a large number of employees with different experience, backgrounds, compensation structures, and cultures, which could disrupt Hella's ability to manage its business as expected.

In addition, the integration process will be long and complex and will require significant time and resources. Integration efforts may also lead to significant costs, which could have a material adverse effect on our financial position, operating results and share price. Any expected failure of the integration could have an adverse effect on our business, financial position, profitability and prospects. Due to antitrust constraints, the integration work cannot begin until the Hella Acquisition has been completed, which increases the current risk of complications and delays in the process. In addition, our acquisition of control of Hella could have a negative impact on our and/or Hella's relationships with its customers or could result in the cancellation of certain orders placed with either entity due to a desire for diversification on the part of clients.

Finally, although we expect the Hella Acquisition to create significant value through the synergies achieved in the medium and long term and significant cost synergies, there can be no assurance of the existence or achievement of the synergies within the expected time frames, as the achievement and extent of any synergies depend on a number of factors and assumptions, many of which are outside our control or the control of Hella. Any delay in completing the Hella Acquisition, as well as the ongoing public health crisis linked to Covid-19 and the current worldwide supply issues of certain raw materials or components, are likely, may have an adverse effect on expected synergies. In addition, costs incurred to achieve these synergies may be higher than expected or we may incur additional unexpected costs that may even exceed the value of the expected synergies. The failure to achieve expected synergies and/or an increase in the costs incurred in this regard could decrease our return on our investment and diminish the Hella Acquisition's value creation and, more generally, have a material adverse impact on our activities, operating results, financial position, and prospects.

Risks related to the triggering of change of control clauses

Hella is party to contracts (with customers, suppliers, partners in joint ventures or consortia and financing agreements), some of which include change of control clauses. Some of these clauses could be triggered by the Hella Acquisition to the extent that control of Hella and certain of its subsidiaries will be acquired by us upon completion of the Hella Acquisition. The triggering of these provisions could result in a loss of contractual rights and benefits, or could lead to the triggering of other provisions, such as call options and/or put options relating to shares held by Hella, or to the termination or renegotiation of agreements. As a result of the Hella Acquisition, Hella could therefore lose the benefit of some of these contracts if the relevant counterparties were to terminate them or negotiate more onerous financial terms in order to grant their consent. This could have a material adverse effect on the Group's financial position, operating results and prospects.

Allegations relating to Hella's behaviour or its third-party business partners could expose us to a risk of loss or damage to its reputation.

In connection with the valuation of the Block Trade and the Public Tender Offer, in particular the determination of the Hella Acquisition Price, the Group performed due diligence work in order to identify the relevant elements relating to Hella, in particular any material risks or liabilities. However, the Group cannot guarantee that the documents and information provided by Hella in the context of the due diligence process were complete, appropriate or accurate and, therefore, that the due diligence work identified or assessed all possible problems, risks or significant liabilities within Hella. In particular, the Group cannot guarantee that the due diligence work has made it possible to identify or anticipate all the risks linked to past, present or future litigation and disputes, or all the risks linked to possible breaches by Hella or the companies of Hella's group, their managers or their employees of the applicable laws and regulations, in particular with regard to taxation or the fight against corruption and money laundering. If the Group had not been able to correctly identify or assess certain risks, it could be exposed to significant undisclosed liabilities of the acquired businesses and could be required to write down or write off assets, restructure its operations or incur other costs, which could result in losses that may not be compensated under the Hella Acquisition Documents due to limitations on indemnification undertakings under the Hella Acquisition Documents.

Global enforcement of anti-corruption laws has increased significantly in recent years, with numerous large-scale extraterritorial investigations and proceedings by governmental authorities, some of which have resulted in the imposition of significant fines and sanctions against companies and individuals. The nature of our and Hella's business, like any comparable business, and more generally the world of automotive suppliers, is characterized by a small number of customers and a potentially large volume of business with each of them. In addition, the Combined Group will be decentralized and established in a large number of countries, and each of these countries may have anti-corruption legislation that could have an extraterritorial impact. This is the case in particular with the Sapin II law in France, the Bribery Act in the United Kingdom and the Foreign Corrupt Practices Act in the United States. These regulations, some of which are recent, and the specificities of the sector expose the Combined Group to sanctions in the event of non-compliance.

Risks related to the transition period between the announcement of the proposed Hella Acquisition and its completion during which we do not control Hella

During the transition period between the announcement and the completion of the proposed Hella Acquisition, the Hella Acquisition will be subject to uncertainty as to its completion that could have an adverse effect on our or Hella's relationships with certain customers (and in particular with potential customers in connection with calls for tenders), strategic partners, and employees. Some strategic partners, suppliers, or customers may decide to delay operational or strategic decisions pending greater certainty as to whether the Hella Acquisition will be completed. Such adverse effects on companies' relationships could have an adverse effect on our revenue, profits, and cash flows from operating activities.

We do not currently control Hella and we will not own at least a majority of the shares of Hella, and thus obtain control of Hella until completion of the Hella Acquisition. Hella's current management or its shareholders may not operate the business of Hella during the interim period in the same way that we would. Furthermore, the information contained in this Offering Circular on Hella has been derived from third parties, including from Hella's management, its shareholders and from industry publications and from surveys or studies conducted by third-party sources, and we have relied on such information supplied to us in the preparation of this Offering Circular.

Any of the foregoing events or circumstances may have a material adverse effect on our financial condition, liquidity, and results of operations. In addition, prior to the Hella Acquisition Closing Date, Hella will not be subject to the covenants described in "*Terms and Conditions of the Notes*." As such, we cannot assure you that, prior to such date, Hella will not take actions that would otherwise have been prohibited by the terms and conditions of the Notes had such covenants been applicable, including paying further dividends, incurring debt or making investments. Holders of the Notes will not be able to rescind their decision to invest in the Notes, including in the event of changes in the financial condition of Hella and the terms of the proposed Hella Acquisition.

Risks related to the operating results and financial position presented in the pro forma financial information

The unaudited pro forma financial information as of and for the period ended 31 December 2020 and 30 June 2021 set forth in this Offering Circular have been prepared to illustrate the impact of the Hella

Acquisition and the related financing transactions as if they had occurred on 1 January 2020 (with respect to the pro forma income statement for the year ended 31 December 2020 and for the six months ended 30 June 2021) or 30 June 2021 (with respect to the pro forma consolidated balance sheet as of 30 June 2021).

This unaudited pro forma financial information is based on preliminary estimates and assumptions that we believe are reasonable and that are provided for illustrative purposes only. The estimates and assumptions used to prepare the unaudited pro forma financial information set forth in this Offering Circular may differ substantially from the Group's current and future results of operations. As a result, the unaudited pro forma financial information included in this Offering Circular are not intended to indicate the results of operations that would actually have been achieved if the transactions had been completed on the assumed date or during the periods presented, or that may be recorded in the future. In addition, the unaudited pro forma financial information does not follow any events other than those mentioned in the unaudited pro forma financial information and its notes.

Moreover, by definition, the unaudited pro forma information included in this Offering Circular covers only information of an accounting nature, excluding information of a non-accounting nature, such as the "order book". Differences in our methodology for calculating this indicator from Hella's methology could result in downward adjustments to the indicators retained by Hella after the Hella Acquisition.

Similarly, there may be differences between the accounting methods used by Hella and our own. We and Hella have not been able to share the relevant information necessary to make reliable estimates and are not in a position to identify, estimate and record all relevant adjustments in the unaudited *pro forma* condensed financial information. Financial data related to Hella has been derived from publicly available data and accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. Due to the nature of the transaction—*i.e.*, an acquisition of a listed company, involving several antitrust review processes—we had access to public financial information only, not allowing to carry out a detailed review of Hella's financial statements.

The notes to Hella's half-year accounts do not always provide the same level of detail as the annual accounts, including for some line items that were useful in preparing the Unaudited Pro Forma Consolidated Financial Information. For example, there is no specific information on the amount of lease liabilities, which are included into current and non-current financial debt. Therefore, we had to use some default assumptions.

Each of the Unaudited Pro Forma Consolidated Financial Information and the Other Unaudited Pro Forma LTM Financial Data combines the accounting periods of the Issuer and Hella. The Issuer and Hella have different fiscal year ends. Each of the Unaudited Pro Forma Consolidated Financial Information and the Other Unaudited Pro Forma LTM Financial Data has been prepared utilizing periods that differ by less than 93 days. See "*Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information*" and "*Presentation of Financial and Other Information—Other Unaudited Pro Forma LTM Financial Data*" for an overview of the periods presented for each of the Issuer and Hella and how such information was derived.

Furthermore, the *pro forma* and other information presented in this Offering Circular relating to the Hella Acquisition or derived from the Hella Consolidated Financial Statements assumes that we would own 100% of Hella's shares. Our final shareholding in Hella may be less than 100% or we may not complete the acquisition at all.

Prospective investors are therefore cautioned against placing undue reliance on the unaudited pro forma financial information set forth in this Offering Circular, which, beyond their illustrative nature, may not accurately reflect the current or future performance of the combined entity. See "*Unaudited Pro Forma Consolidated Financial Information*".

Risks related to our recording a significant goodwill

Goodwill represents the difference between the sum of the consideration transferred, which may be increased by the value of non-controlling interests, and the fair value of Hella. The Hella Acquisition will result in our recording significant goodwill based on the excess of the acquisition cost of Hella over the fair value of the net assets at the acquisition date. For purposes of the unaudited pro forma financial information as of June 30, 2021, provisional goodwill of €4,209.2 million has been recorded following the closing of the Hella Acquisition. This amount is provisional and the final amount will need to be determined at its fair value at the acquisition date. The final amount of goodwill recognized in our's next consolidated financial statements could be significantly different. See note 4 to the unaudited pro forma financial information as of June 30, 2021 (included in "*Unaudited Pro Forma Consolidated Financial Information*").

In addition, after the final goodwill amount has been calculated, we may subsequently encounter unforeseen problems with the acquired business or market conditions may deteriorate, which could adversely affect the expected returns from the business or the value of the intangible assets and lead to an impairment of the calculated goodwill and recoverable intangible assets for a given business.

Goodwill is assessed for impairment annually or when changes in circumstances indicate that its carrying amount may not be recoverable. The impairment test consists in comparing the recoverable amount of a fixed asset (or cash-generating unit) with its net book value. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is considered to be representative of the recoverable amount. Value in use is determined by discounting its future cash flows, using cash flow projections over the next three years consistent with the Group's internal plan, an extrapolation of the following two years and the most recent forecasts prepared by the Group. If the recoverable amount of an asset or cash-generating unit (CGU) is less than its carrying amount, an impairment loss is recognized as an expense in the income statement. If management's projections or assumptions (such as post-tax discount rate, long-term growth rate and terminal year adjusted operating income margin rate) change, the estimate of the recoverable amount of the goodwill or asset could decline significantly and result in an impairment loss. Although an impairment loss would not affect deferred cash flows, the decline in the estimated recoverable amount and the associated accounting charge to the income statement could have a material adverse effect on the Group's operating results, financial position and share price.

Risks related to the financing of the Hella Acquisition

We secured the financing for the cash portion of the Hella Acquisition Price through €5.5 billion Bridge Facilities signed with a syndicate of international banks. We are planning to finance the Hella Acquisition with a capital increase with preferential subscription rights and one or more additional debt issues either after or before the closing of the Hella Acquisition. In the event that we would not carry out such financing transactions (*i.e.,* the Proposed Share Capital Increase and planned debt issuances in addition to this Offering) before the closing of the Hella Acquisition (*e.g.,* market conditions, execution windows, *etc*.), we would have to draw down the Bridge Facilities in order to pay for Hella's shares in cash, which would increase financing risk and introduce the refinancing risk of the Bridge Facilities.

Tax risks related to the Hella Acquisition

The completion of the Hella Acquisition and the implementation of subsequent reorganization transactions could result in adverse tax consequences.

The purchase of Hella's shares could have adverse tax effects on our group (for example, (i) the payment of stamp duty or property transfer tax, (ii) a loss or limitation of the right to use certain tax attributes such as fiscal deficit, and/or (iii) taxation of certain capital gains).

More generally, the organization of our group following the combination and the reorganization operations that may be implemented in order to streamline the organization of the Combined Group and facilitate the integration of our activities and those of Hella may give rise to tax inefficiencies and/or additional tax costs (for example, tax costs related to the reorganizations that would be implemented in order to facilitate the integration, the inability to implement or delay in implementing local tax consolidations between Faurecia and Hella entities in certain countries, transfer pricing policies, etc.).

These various factors could lead to an increase in our tax expenses and have an adverse effect on our effective tax rate, its results and/or our financial position.

Amendments made to the Hella Acquisition Agreement may have adverse consequences for holders of the Notes.

The Acquisition is expected to be consummated in accordance with the terms of the Hellas Acquisition Agreement. However, the Hellas Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto, without the consent of holders of the Notes. Furthermore, any amendments made to the Hellas Acquisition Agreement may make the Hellas Acquisition less attractive. Any amendment made to the Hellas Acquisition Agreement may be materially adverse to holders of the Notes, which, in turn, may have an adverse effect on the return the holders expect to receive on the Notes. See "*Business—Recent Developments—Combining Faurecia and Hella*."

Risks Related to the Notes

The Notes are solely obligations of the Issuer and will be structurally subordinated to all of the claims of creditors of the Issuer's subsidiaries.

None of the Issuer's subsidiaries will guarantee the Notes. You will therefore not have any direct claim on the cash flows or assets of the Issuer's subsidiaries, and the Issuer's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments.

Generally, claims of creditors of a subsidiary, including lenders and trade creditors, will effectively have priority with respect to the assets and earnings of the subsidiary over the rights of its ordinary shareholders, including the Issuer. Accordingly, claims of creditors of a subsidiary will also effectively have priority over the claims of creditors of the Issuer, including claims of holders of the Notes. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Issuer. The Notes, therefore, will be effectively junior and structurally subordinated to all debt and other liabilities of our subsidiaries, including liabilities owed to trade creditors. As at 31 December 2020, the subsidiaries of the Issuer had €1,339.2 million of gross financial debt to third parties and a net cash position of €1,455.2 million. In addition, as at 31 December 2020, our consolidated trade payables amounted to €6,016.4 million, substantially all of which was incurred by our subsidiaries. Pursuant to the Trust Deed governing the Notes, our subsidiaries will be permitted to incur additional indebtedness, which will rank structurally ahead of the Notes. See "*Terms and Conditions of the Notes – Condition 6.1: Limitation on Indebtedness*".

We will rely on payments from our subsidiaries to pay our obligations under the Notes.

The Issuer is primarily a holding company, with business operations principally located at the level of our subsidiaries. Accordingly, we will have to rely largely on dividends and other distributions from our subsidiaries to make payments under the Notes. We cannot be certain that the earnings from, or other available assets of, these operating subsidiaries will be sufficient to enable us to pay principal or interest on the Notes when due.

The payment of dividends and the making of loans and advances to us by our subsidiaries are subject to various restrictions, including:

- restrictions under applicable company law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;

- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its own shares or the shares of any of its holding companies;

- statutory or other legal obligations that affect the ability of our subsidiaries to make payments to us on account of intercompany loans; and

- existing or future agreements governing our or our subsidiaries' debt may prohibit or restrict the payment of dividends or the making of loans or advances to us.

If we are not able to obtain sufficient funds from our subsidiaries, we will not be able to make payments on the Notes.

We may not have the ability to repay the Notes.

We may not be able to repay the Notes at maturity. Moreover, we may be required to repay all or part of the Notes prior to their scheduled maturity upon an event of default. If you were to require us to repay the Notes following an event of default, we cannot guarantee that we would be able to pay the required amount in full. Our ability to repay the Notes will depend, in particular, on our financial condition at the time of the required repayment, and may be limited by applicable law, or by the terms of our indebtedness and the terms of new facilities outstanding on such date, which may replace, increase or amend the terms of our existing or future indebtedness.

Our other creditors, in particular the lenders under the loans and creditors under factoring arrangements and other indebtedness described in "*Description of Other Indebtedness*", would be able to accelerate their loans or claims if certain events occur, such as breach of certain financial covenants that would not permit the acceleration of the Notes. Such an event would have a significant impact on our ability to repay the Notes. Furthermore, our failure to repay the Notes could result in a cross-default under other indebtedness.

A substantial amount of our indebtedness will mature before the Notes, and we may not be able to repay this indebtedness or refinance this indebtedness at maturity on favorable terms, or at all.

Substantially all of our indebtedness will mature prior to the maturity of the Notes.

Our ability to service our current debt obligations and to repay or refinance our existing debt will depend in part on a combination of generation of cash flow from our operations and cash produced by the disposal of selected assets, as well as on our ability to obtain financing. There can be no assurance that we will continue to generate sufficient cash flow in the future to service our current debt obligations and our other operating costs and capital expenditures, particularly if global or regional economies were to experience another significant economic downturn. Further, there can be no assurance that we will be able to consummate such disposals or, if consummated, that the terms of such transactions will be advantageous to us.

In addition, our ability to refinance our indebtedness, on favorable terms, or at all, will depend in part on our financial condition at the time of any contemplated refinancing. Any refinancing of our indebtedness could be at higher interest rates than our current debt and we may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition, results of operations and prospects and the value of the Notes. We cannot assure you that we will be able to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional financing, dispose of certain assets, reduce or delay capital investments or seek to raise additional capital.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay the Notes in such an event.

Restrictions imposed by the Senior Credit Facility, the Japanese Yen Term and Revolving Facility, the Schuldschein, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes limit our ability to take certain actions.

The Senior Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldschein, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes limit our flexibility to operate our business. For example, certain of these agreements restrict or will restrict, our and certain of our subsidiaries' ability to, among other things:

- borrow money;
- create certain liens;
- guarantee indebtedness; or
- merge, consolidate or sell, lease or transfer all or substantially all of our assets.

In addition, the Senior Credit Facility limits, among other things, our ability and our subsidiaries' ability to pay dividends or make other distributions, make certain asset dispositions, make certain loans or investments, issue or sell share capital of our subsidiaries or enter into transactions with affiliates. The operating and/or financial restrictions and/or covenants in the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldschein, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes may adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. In addition to limiting our flexibility in operating our business, a breach of the covenants in the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldschein, the Trust Deed or the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes could cause a default under the terms of each of those agreements, causing all the debt under those agreements to be accelerated. If this were to occur, we may not have sufficient assets to repay our debt.

We may be unable to raise funds necessary to finance any change of control repurchase offers required by the Notes.

If we experience a change of control, pursuant to the Trust Deed, each holder of the Notes will have the right to require that we purchase all or any of the outstanding Notes of such holder at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. Additionally, a change of control under the Senior Credit Facility, or the Schuldschein, unless waived by a lender, would result in cancellation of such lender's commitments under such facility and all amounts outstanding under such facility owed to such lender would become immediately due and payable. In addition, a change of control under the 2025 Notes, the 2026 Notes, 2027 Notes, 2028 Notes, the 2029 Notes or the Notes would give bondholders the option to have their respective bonds repurchased at par or 101% of the principal amount thereof, respectively, in each case plus accrued and unpaid interest.

We may not have the resources to finance the repurchase of the Notes, the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2029 Notes or the early repayment of certain of our indebtedness following a change of control. Therefore, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot give any assurances that we would be able to obtain such financing. Our failure to effect a change of control offer when required would constitute an event of default under the Trust Deed.

In addition, the change of control provision in the Notes may not necessarily afford investors protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transactions involving our Group that may adversely affect holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Terms and Conditions of the Notes.

The Notes are not necessarily suitable for all investors.

Investors must have sufficient knowledge and experience in financial markets and familiarity with our Group to evaluate the benefits and risks of investing in the Notes, as well as knowledge and access to analytical tools in order to assess these benefits and risks in the context of their financial situation. The Notes are not suitable for investors who are not familiar with concepts such as optional redemption, covenants, events of default or other financial terms governing these types of securities.

Investors must also be sure that they have sufficient financial resources to bear the risks inherent in the purchase of Notes and that an investment in this type of security is appropriate in the context of their financial situation.

Exchange rate risks exist for certain holders of the Notes.

We will make all payments under the Notes in euros. Any holder of the Notes who conducts its financial activities mainly in a currency other than the euro should take into consideration the risk that the rates of exchange could fluctuate and the risk that the authorities of the countries of the relevant currencies could modify any exchange controls. An appreciation of the value of the currency of the holder of the Notes compared to the euro would decrease, in the currency of the holder of the Notes, the value of payments (interest and principal) received under the terms of the Notes, the market value of the Notes, and thus the return of the Notes for such holder of the Notes.

Moreover, governments and monetary authorities could impose (as some have done in the past) exchange controls that could affect the applicable exchange rate. In such a case, holders of the Notes could receive principal or interest in amounts lower than expected, or even no principal or interest.

There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes.

The Notes will be new securities for which there currently is no market. Application has been made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk of not being able to sell Notes at any time at fair market prices or at all.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, results of operations and prospects, as well as recommendations of securities analysts. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on investors in the Notes, regardless of our financial condition, results of operations and prospects.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates and the level of demand for the Notes and for high yield securities generally, as well as our financial condition, results of operations and prospects. The Notes may thus trade at prices that are lower than their initial purchase price. The holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the holders sell the Notes prior to the final maturity.

The Notes may not become, or remain, listed on Euronext Dublin.

Although the Issuer has, pursuant to the Trust Deed, agreed to use its commercially reasonable efforts to have the Notes listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market thereof and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain, listed. If the Issuer cannot maintain the listing on the Official List of Euronext Dublin and the admission to trading on the Global Exchange Market or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of Euronext Dublin, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another recognized stock exchange in Europe, although there can be no assurance that the Issuer will be able to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on the Official List of Euronext Dublin or another recognized stock exchange in Europe in accordance with the Trust Deed, failure to be approved for listing or the delisting of the Notes from the Official List of Euronext Dublin or another listing exchange in accordance with the Trust Deed may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

The market value of the Notes could decrease if our creditworthiness worsens.

The market value of the Notes will suffer if the market perceives us to be less likely to fully perform all our obligations under the Notes, which could occur, for example, because of the materialization of any of the risks listed above regarding our Group. Even if the likelihood that we will be in position to fully perform all our obligations under the Notes has not actually decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes will decrease.

The rights of holders of the Notes will be limited so long as the Notes are issued in book-entry interests.

Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear or Clearstream, or their nominees, will be the sole holders of the Notes.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made by the Issuer to the Trustee or the Principal Paying Agent, which will make payments to the clearing system. Thereafter, such payments will be credited to the clearing system participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to the clearing system, neither we, nor the Trustee nor the Principal Paying Agent, will have any responsibility or liability for any aspect of the records relating to, or payments of, interest, principal or other amounts to the clearing system, or to owners of book-entry interests.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions for holders of the Notes. Instead, holders of the Notes may be entitled to act only to the extent that they have received appropriate proxies to do so from the clearing system or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Early redemption of the Notes may reduce an investor's expected yield.

The Notes may be redeemed at our option at the principal amount of the Notes plus accrued and unpaid interest, if any, to the date fixed for redemption as more fully described in "*Terms and Conditions of the Notes – Condition 6.1: Limitation on Indebtedness*". In the event that we exercise the option to redeem the Notes, you may suffer a lower than expected yield on your investment in the Notes and may not be able to reinvest the funds on the same terms.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

Because the Notes have not been, or will not be, and are not required to be, registered under the Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, and may only be sold outside the United States or to, or for the account or benefit of, U.S. Persons, in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "*Subscription and Sale of the Notes*".

French insolvency laws may not be as favorable to you as the insolvency laws of the United States or other countries.

French insolvency laws apply to us. Under French insolvency law, in the case of the opening in France of court-administered insolvency proceedings (being accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), safeguard proceedings (procédure de sauvegarde), judicial reorganization proceedings (*procédure de redressement judiciaire*) and judicial liquidation proceedings (*procédure de liquidation judiciaire*)) in respect of us, our creditors (including holders of Notes) must file their proof of claims with the creditors' representative (*mandataire judiciaire*) or liquidator (*liquidateur*), as the case may be, within two months (or within four months in the case of creditors domiciled outside metropolitan France) of the publication of the commencement judgment of the relevant proceedings in the BODACC (*Bulletin officiel des annonces civiles et commerciales*).

As part of safeguard proceedings or judicial reorganization proceedings, the affected parties (being creditors and equity holders whose rights are affected by the proposed restructuring plan(s)) may be grouped into classes of affected parties, each reflecting a sufficient commonality of economic interest based on objective verifiable criteria, for the purpose of being consulted on the proposed restructuring plan(s). Such class of affected parties shall be formed when the debtor company (together with its subsidiaries) meet, at the date of the application for the commencement of proceedings, either of the following thresholds: (i) 250 employees and a net turnover of €20 million or (ii) a net turnover of €40 million. As part of accelerated safeguard proceedings, the consultation of affected parties through the class-based consultation would be mandatory irrespective of the thresholds.

The allocation of affected parties among classes is carried out by the court-appointed judicial administrator (*administrateur judiciaire*). In this context and should they be directly affected by the proposed restructuring plan(s), holders of Notes would be members of a class of affected parties (the "**Relevant Class of Affected Parties**"), potentially along with other affected parties. Although holders of Notes should in principle be grouped within the same class for the purpose of court-administered proceedings affecting the Issuer, it cannot be ruled out that holders of the Notes would be grouped into different classes due to objective and ascertainable criteria that would then prevail.

In addition, holders of Notes should be aware that the judicial administrator is required to comply with subordination agreements that shall have been brought to its attention when allocating affected parties into classes. The judicial administrator must disclose the method of allocation of affected parties into classes and the computation of voting rights thereof and any affected party, the debtor, the judicial administrator, the creditors' representative or the public prosecutor may dispute the same before the court-appointed supervisory judge (*juge commissaire*).

The Relevant Class of Affected Parties will vote on each proposed safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or draft judicial reorganization plan (*projet de plan de redressement*), as applicable, and may agree in this context to:

- increase the liabilities (charges) of the relevant affected parties (including the holders of Notes) by rescheduling due payments and/or partially or totally writing off claims including receivables in the form of debt securities;

- establish a differentiated treatment between affected parties as appropriate under the relevant circumstances; and/or

- convert debt claims (including the Notes) into shares or securities that give or may give rights to share capital.

Each Relevant Class of Affected Parties would vote on each proposed plan at a two-thirds majority (calculated as a proportion of the relevant claims or rights held by affected parties of the Relevant Class of Affected Parties expressing a vote).

However, a restructuring plan may be also adopted despite the negative vote of a Relevant Class of Affected Parties on the proposed plan through a court-imposed cross-class cram-down. In order for the court to impose a cross-class cram-down on dissenting parties, various conditions must be met, including the following conditions:

- the debtor has consented to the cross-class cram-down if the proposed plan has been submitted as part of accelerated safeguard proceedings or safeguard proceedings. As part of a judicial reorganization proceedings any affected party would be entitled to request the application of a cross-class cram-down on dissenting parties (in addition to the debtor or the judicial administrator with the approval of the debtor);

- the "best interests of creditors" test is complied with (according to which any dissenting party should not be in a less favorable situation than it would have been in the event of a judicial liquidation, a court-ordered disposal plan or a better alternative solution);

- the proposed plan has been approved by a majority of classes (provided that at least one of those classes is a class of secured creditors or a class ranking senior to the class of ordinary unsecured creditors) or, failing that, by at least one class (other than a class of equity holders or any other class which is likely to be "out of the money" (as determined pursuant to the French Commercial Code provisions));

- the "absolute priority rule" is complied with (according to which the claims of a dissenting class must be fully discharged (by identical or equivalent means) when a junior class is entitled to a payment or retain an interest under the proposed plan). The court may, however, waive this rule under certain conditions;

- affected parties, which are sharing a sufficient commonality of interest within the same class, benefit from an equal treatment and are treated in proportion to their claim or right;

- no class of affected parties is entitled under the proposed plan to receive or retain more than the full amount of their claims or interest; and

- provided that new financings are necessary to implement the proposed plan, these would not entail excessive harm to the interests of the affected parties.

In judicial reorganization proceedings, in case no plan is adopted through the class-based consultation, creditors will be consulted on a new proposed plan through the standard consultation procedure. As part of such standard consultation, the court has the possibility to impose a debt term out on dissenting creditors (including a holder of Notes) which may be up to 10 years.

More generally, provisions related to French insolvency proceedings would govern the common rights, interests and representation of the holders of Notes in this context. Holders of Notes should be aware that they would generally have limited ability to influence the outcome of any accelerated safeguard proceedings, safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings involving us in France.

The commencement of insolvency proceedings against the Issuer may have a material adverse effect on the market value of Notes issued by us. The vote of the Relevant Class of Affected Parties or other classes of affected parties, as the case may be, could substantially impact the holders of Notes and even cause them to lose all or part of their investment, should they not be able to recover amounts due to them from us.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest incurred in France on our indebtedness, thus reducing the cash flow available to service our indebtedness.

Under article 212 bis of the French General Tax Code (Code Général des Impôts – "**FTC**"), for financial years opened as from 1 January 2019, the net financial expenses ("**NFE**") are deductible up to the highest of €3,000,000 per financial year and 30% of the borrower's taxable result before tax, interest, depreciation and amortization (EBITDA).

The NFE are defined as the excess, if any, of the financial expenses of the borrower over its financial income. If the borrower belongs to a consolidated group, and its ratio of own funds to aggregated assets is equal to or higher than the corresponding ratio of the group, then 75% of any non-deducted NFE, under the above rule, becomes deductible.

If the borrower has a ratio of affiliated debts to own funds which exceeds 1.5, it is viewed as thinly capitalized, and the deduction of the NFE is governed by the following specific limitations: the portion of the NFE related to the affiliated debts which exceeds 1.5 times the own funds is deductible up to the highest of the pro-rated €1,000,000 per financial year and 10% of the pro-rated EBITDA; the portion of the NFE related to the non-affiliated debts, and to the affiliated debts which do not exceed 1.5 times the own funds, is deductible up to the highest of the pro-rated €3,000,000 per financial year and 30% of the pro-rated EBITDA. These specific limitations do not apply if the ratio of affiliated debts to own funds of the borrower is lower or equal to the corresponding ratio of the consolidated group to which it belongs.

The portion of the NFE which is non-deductible, in respect of a given financial year, may be carried forward indefinitely and deducted from the subsequent financial years subject to the same limitations (in case of thinly capitalized entities, only one third of the NFE may be carried forward). Also if a portion of a deductibility capacity, in respect of a given financial year, is not fully used by the borrower (other than a thinly capitalized one), it may be carried forward to the next 5 financial years.

Special rules apply to the NFE related to public infra structure projects, and to French tax groupings.

Under article 212 I – a of the FTC, any interest paid by a borrower to an affiliated creditor is deductible up to the highest of the maximum interest rate defined under article 39 1 3e of the FTC and the interest rate which may be obtained from independent financial institutions under similar conditions.

The French Finance Bill for 2020 has introduced, from 1 January 2020 and as per the application of the relevant EU directives, new rules on the tax treatment of hybrid instruments which may result in the non-deductibility of certain financial expenses.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted.

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common Financial Transaction Tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

In a common declaration dated 8 December 2015, the Participating Member States, excluding Estonia which ultimately indicated its withdrawal from the enhanced cooperation in March 2016, confirmed their intention to make decisions regarding the outstanding issues related to the FTT before the end of June 2016.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

At the Economic and Financial Affairs Council ("**ECOFIN**") meeting of 14 June 2019, a state of play of the work on the FTT was presented on the basis of a note prepared by Germany on 7 June 2019 indicating a consensus among the Participating Member States (excluding Estonia) to continue negotiations on the basis of a joint French-German proposal based on the French financial transactions tax model which in principle would only concern shares of listed companies whose head office is in a Member State of the European Union. However, such proposal is still subject to change until a final approval.

However, the Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The Notes may not satisfy an investor's requirements or future standards for assets with sustainability characteristics.

Although the interest rate in respect of the Notes is subject to upward adjustment unless we certify, at least 15 days prior to the Step-Up Date, to the Trustee and the Principal Paying Agent that we have satisfied the Relevant Sustainability Performance Target in respect of the year ended 31 December 2025, the Notes may not satisfy an investor's requirements or any future legal or quasi-legal standards for investment in assets with sustainability characteristics. The Notes are not, and are not being marketed as, "green bonds." We intend to use the net proceeds from this offering as described under "*Use of Proceeds*". Therefore we do not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria or to be subject to any other limitations associated with "green bonds."

Although the Notes are designated as "sustainability-linked notes," investors should be aware that there is no commonly understood definition of this term and that the Notes may lack certain features contained in other similarly-designated debt securities. In addition, the definition of the Relevant Sustainability Performance Target may be inconsistent with investor requirements or expectations or other relevant definitions.

Moreover, key performance indicators on which our Sustainability Performance Target is based are calculated internally by us based on broadly accepted industry standards. These standards and guidelines may change over time, which may affect the way in which we calculate our key performance indicators and may impact our ability to meet our Relevant Sustainability Performance Target. The standards and guidelines continue to be reviewed by expert groups and include contributions from industry bodies, which may change going forward. Any change to our organic business development, the methodology and/or data sources used for calculating key performance indicators may result in a significant change in the Relevant Sustainability Performance Target, key performance indicators and/or baseline. In such case, we will recalculate, in good faith, the levels of the relevant baseline, Relevant Sustainability Performance Target and/or key performance indicators to reflect such changes.

We may not satisfy the Relevant Sustainability Performance Target. Accordingly, there can be no assurances as to whether the interest rate in respect of the Notes will be subject to adjustment.

Although we intend to satisfy the Relevant Sustainability Performance Target in respect of the year ended 31 December 2025 by the Target Observation Date, there can be no assurance that we will be successful in doing so by that date, or ever, or that any future investments we make in furtherance of such targets will meet (i) any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations, or (ii) investor expectations, by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments we make in furtherance of the Relevant Sustainability Performance Target, and such investments may become controversial or criticized by activist groups or other stakeholders. It will not be an event of default under the Notes nor will we be required to repurchase or redeem the Notes if we fail to satisfy the Relevant Sustainability Performance Target in respect of the year ended 31 December 2025.

Should we satisfy the Relevant Sustainability Performance Target and certify the same to the Trustee and the Principal Paying Agent, holders of Notes will not be entitled to an increase in the interest rate on the Notes on account of the applicable target or targets. Further, should we fail to satisfy the Relevant Sustainability Performance Target we will be required to pay an increased interest rate on the Notes, which may have an adverse impact on our liquidity and financial position. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion of any third party (whether or not solicited by us) that may be made available in connection with our Sustainability-Linked Bond Framework or the Notes. For the avoidance of doubt, any such opinion is not and shall not be deemed to be incorporated into and/or form part of this Offering Circular. Any such opinion is not, nor should be deemed to be, a recommendation by us or any initial purchaser, or any other person to buy, sell or hold the Notes. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Notes. Currently, the providers of such opinions are not subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or any additional opinion or statement that we are not complying in whole or in part with any matters to which such opinion relates may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

USE OF PROCEEDS

The proceeds of the Notes will be used to (i) fund part of the cash portion of the purchase price for the Hella Acquisition or, in case the Hella Acquisition is not consummated, to refinance, in whole or in part, one or more series of the Existing Notes or other long-term debt, including any related premiums, fees, costs and expenses, and (ii) pay fees and expenses incurred in connection with the issue of the Notes.

The Offering is expected to be consummated on the issue date of the Notes and the Initial Purchasers will transfer the net proceeds of the Offering in accordance with the instructions provided by us on the issue date of the Notes, which will occur prior to the expected completion of the proposed Hella Acquisition. Pending the consummation of the proposed Hella Acquisition on the Hella Acquisition Closing Date, we intend for the net proceeds of this Offering to be left on our balance sheet. For the avoidance of doubt, escrow procedures will not apply. If the Hella Acquisition is not consummated, the proceeds from the issue of the Notes will be used to refinance, in whole or in part, one or more series of the Existing Notes or other long-term debt, including any related premiums, fees, costs and expenses. See "*Risk Factors—Risks Related to the Proposed Hella Acquisition—The proposed Hella Acquisition may not close.*"

The following table illustrates the sources and uses of funds relating to the issuance of the Notes and the expected use of the proceeds therefrom. Actual amounts will vary from estimated amounts depending on several factors, including the issue price of the Notes offered hereby and differences from our estimates of transaction fees and expenses.

Sources of funds		**Uses of funds**	
(in € millions)		*(in € millions)*	
New Notes offered hereby	1,000	Hella Acquisition[1]	990
		Estimated fees and expenses	10
Total	**1,000**	**Total**	**1,000**

(1) Represents part of the agreed net cash consideration for the Hella Acquisition of up to €6.7 billion, which assumes that all of Hella's remaining shares are tendered in the Public Tender Offer. If the Hella Acquisition is not consummated, the proceeds from the issue of the Notes will be used to refinance, in whole or in part, one or more series of the Existing Notes or other long-term debt, including any related premiums, fees, costs and expenses. We intend to leave such amount on our balance sheet until such time as the cash portion of the Hella Acquisition Price is due, or, if the Hella Acquisition is not consummated, such amount is used in such refinancing.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, financial liabilities and total capitalization as at 30 June 2021, on a historical basis, and as adjusted to reflect the completion of the Offering.

You should read this table in conjunction with the section headed "Business Review" contained in the 2020 Annual Results, "*Presentation of Financial and Other Information*" and our consolidated financial statements and the related notes thereto (an English translation of which is incorporated by reference into this Offering Circular). Our historical results do not necessarily indicate results that may be expected for any future period.

	As at 30 June 2021		
	Historical (Reported)	**Adjustments for the Offering**	**As adjusted**
		(in € million)	
Cash and cash equivalents	2,997.6	990	3,987.6
Other current financial assets included in net debt	0.1	—	0.1
Total cash and cash equivalents	**2,997.7**	**990**	**3,987.7**
Short-term borrowings	705.7	—	705.7
Other current financial liabilities[1]	253.9	—	253.9
Total current financial liabilities	**959.6**	**—**	**959.6**
Senior Credit Facility	0.0	—	0.0
2025 Notes	1,000.0	—	1,000
2026 Notes	750.0	—	750.0
2027 Notes	890.0	—	890.0
2028 Notes	700.0	—	700.0
2029 Notes	400.0	—	400.0
Schuldschein	473.5	—	473.5
Japanese Yen Term and Revolving Facilities[2]	152.2	—	152.2
Bank borrowings & other long-term debt	972.0	—	972.0
Notes offered hereby	—	1,000	1,000
Total long-term financial liabilities	**5,337.7**	**1,000**	**6,337.7**
Total financial liabilities (gross)	**6,297.3**	**1,000**	**7,297.3**
Total financial liabilities (net)[3]	**3,299.6**	**10**	**3,309.6**
Minority interests	364.0	—	364.0
Equity attributed to owners of the parent	3,406.3	—	3,406.3
Total shareholders' equity	**3,770.2**	**—**	**3,770.2**
Total capitalization	**10,067.5**	**1,000**	**11,067.5**

(1) Including current portion of long-term debt

(2) ¥20 billion of the Japanese Yen Term and Revolving Facilities has been drawn as at the date of this Offering Circular which has been translated from Japanese Yen into euros at a rate of ¥131.43 per €1.00 which was the rate of Japanese Yen per euro as published by the European Central Bank as of 30 June 2021.

(3) For a reconciliation of our as adjusted net debt, as adjusted for the Offering, to our *pro forma* net debt, as adjusted for the Offering and the Hella Acquisition, see "*Summary—Other consolidated financial data*".

Since 30 June 2021, except as set forth above, there have been no other material changes to our capitalization.

BUSINESS

Our Company

We are a world leading automotive technology company focused on developing innovative solutions for Sustainable Mobility and the Cockpit of the Future. We have adopted a transformation strategy which is designed to benefit from the four major trends disrupting the automotive industry: connectivity, autonomy, ride-sharing and electrification. Through our Sustainable Mobility strategy, we are facilitating the transition to clean mobility by developing solutions for ultra-low and zero emissions mobility. Our Cockpit of the Future strategy provides solutions for a more connected, personalized and predictive cockpit, responding to the increasing trend for autonomous and connected vehicles. We have set an ambitious goal of being CO_2 neutral for our Controlled Emissions by 2030. We are investing in innovation to advance the sustainability of our business as we aim to both reduce our environmental impact and create long-term value across our entire supply chain.

The Company is organised in four business groups: Faurecia Clean Mobility, Faurecia Seating, Faurecia Interiors and Faurecia Clarion Electronics. We have leading market positions in three of our four business groups (Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors) and we are seeking to become a leader in cockpit electronics through our most recent business group, Faurecia Clarion Electronics. We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us. In July 2021, we announced the creation of a new business group division for sustainable materials to develop and manufacture cutting-edge sustainable and smart materials. The new division will benefit from Faurecia Interiors' and Faurecia Seating's leading market positions and unique portfolios in materials with ultra-low and negative CO_2 emissions, as well as materials integrating thermal, acoustic and bio-medical technologies. Leveraging our global footprint, the Sustainable Materials division will work across business groups and propose a full cockpit low CO_2 and even CO_2 negative materials approach to OEMs in order to support their sustainability objectives.

In August 2021 we announced our proposed business combination with Hella. The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry with a cutting-edge technology portfolio that addresses the major trends in the industry. We intend to acquire 66,666,669 shares representing 60% of the share capital and voting rights of Hella (the "**Block Trade**") that are held by family shareholders of Hella having concluded a pooling agreement between them (the "**Family Pool**") and launched a public tender offer on 27 September 2021 pursuant to Section 29 (1) of the German Takeover Act (*Übernahmeangebot*) for the remaining shares issued by Hella (the "**Public Tender Offer**" and, together with the Block Trade, the "**Hella Acquistion**"). We expect to complete the Hella Acquisition in the first quarter of 2022, subject to regulatory approvals and customary closing conditions. For a description of the proposed business combination see "*—Recent Developments—Combining Faurecia and Hella*" below.

Faurecia Clean Mobility. We design and produce hydrogen solutions for zero emission vehicles and solutions for ultra-low emission passenger vehicles, commercial vehicles and industrial vehicles including technologies for both battery electric and fuel cell electric vehicles to drive clean mobility solutions. We are seeking to become a leader in hydrogen mobility, for both hydrogen storage systems and distribution services, and fuel cell stack systems and services through our joint venture with Michelin. We estimate that we are currently the world's leading supplier of exhaust systems and components. In 2020, sales reached €3,823.4 million (26% of sales) and in the six months ended 30 June 2021, sales reached €2,040.0 million (26% of total sales). In addition, following the completion of the proposed Hella Acquisition expected in the first quarter of 2022, we expect the combined Group to develop a comprehensive offering for electric vehicles (hybrid electric vehicles ("**HEVs**"), plug-in electric vehicles ("**PHEVs**"), battery electric vehicles ("**BEVs**") and fuel cell electric vehicles ("**FCEVs**")), building on Hella's energy management portfolio, sensors and actuators related to BEVs, as well as Hella's offering of battery management systems, voltage converters from direct current to direct current ("**DC/DC converters**") and onboard charging systems.

Faurecia Seating. We design and produce seat systems that optimize the comfort and safety of occupants while offering premium quality to our customers. We develop innovative solutions for thermal and postural comfort, health and wellness and advanced safety to meet current market requirements as well as satisfy our Cockpit of the Future strategy. We estimate that we are currently the world's leading supplier of seat frames and mechanisms and the number three supplier of complete seats. In 2020, sales reached €5,559.5 million (38% of sales) and in the six months ended 30 June 2021, sales reached €2,966.7 million (38% of sales).

Faurecia Interiors. We develop and produce full interior systems including instrument panels, door panels, centre consoles, as well as decoration, interior lighting and smart surfaces. On 18 February 2021, we signed a Memorandum of Understanding for the sale of our acoustic and soft trim business, to enable us to focus on our core product lines and the finalization of the sale is ongoing (see "*Recent Developments – Sale of Acoustics and Soft Trim Business*"). We have strong expertise in seamless integration of interior modules and incorporating functionalities such as haptic surfaces, ambient lighting and displays. We develop sustainable materials for automotive interiors in order to reduce their CO_2 footprint. Our acquisition of SAS in 2020 provides us with expertise in complex logistics and assembly and reinforces our systems integration offer to cover the full range of interior modules and functionalities. We estimate that we are currently one of the two global leaders in the supply of automotive interior systems. In 2020, sales reached €4,544.4 million (31% of sales) and in the six months ended 30 June 2021, sales reached €2,375.8 million (31% of sales).

Faurecia Clarion Electronics. We launched our fourth business group, Faurecia Clarion Electronics in April 2019. Headquartered in Japan, it brings together the software and electronics expertise of three acquired companies, Clarion, Parrot Automotive SAS, now known as FCE Europe and Coagent Electronics as well as other acquisitions such as CovaTech and Creo Dynamics. Faurecia Clarion Electronics is structured around three key product lines: cockpit electronics, display technologies and advanced driver assistance systems ("**ADAS**"). We believe that the business group's core competences in electronics and software, sensors and computer vision, Artificial Intelligence and connected solutions as well as display and systems integration will help strengthen our position as a leading developer of the Cockpit of the Future and ADAS. In 2020, sales reached €726.5 million (5% of sales) and in the six months ended 30 June 2021, sales reached €400 million (5% of sales). Following completion of the proposed Hella Acquisition expected in the first quarter of 2022 we expect to combine Faurecia Clarion Electronics with Hella Electronics and Software to create a strong global player supporting the next high-speed and low-speed ADAS convergence to be headquartered in Lippstadt, Germany. Radars, electric power steering, e-mirrors, 360° views and automated parking solutions are a few examples of the combined product and system offer. The new Business Group will operate 24 production sites and 21 R&D centers in the new electronics business group combining Faurecia Clarion Electronics with Hella Electronics and Software.

Lighting. Following completion of the proposed Hella Acquisition, we intend to establish in the Combined Group a fifth business group, Lighting, to be headquartered in Lippstadt, Germany.

Life Cycle Value Management. Following the Hella Acquisition, we also intend to establish in the Combined Group a sixth business group, Life Cycle Value Management, in line with environmental concerns and industry evolutions. Also to be headquartered in Lippstadt, the Group will include aftermarket, services and repairs, and special applications. Faurecia will be able to enhance the very well established Hella brands. It will allow to leverage potential business in eco-design products, sustainable materials and circular economy.

For the year ended 31 December 2020, our sales amounted to €14,653.8 million compared to €17,768.3 million in 2019 and our EBITDA amounted to €1,678.8 million compared to €2,404.3 million in 2019. For the six months ended 30 June 2021, our sales amounted to €7,782.5 million compared to €6,084.1 million in the six months ended 30 June 2020, and our EBITDA amounted to €1,108.9 million compared to €513.0 million in the six months ended 30 June 2020. As at 31 December 2020, we employed approximately 114,000 people (including temporary workers) in 35 countries.

As adjusted to give effect to the offering of the Notes and the proposed Hella Acquisition as if such transactions had occurred on 1 July 2020, we estimate that for the twelve-month period ended 30 June 2021 the Combined Group would have *pro forma* sales amounting to €22,493.6 million and *pro forma* EBITDA amounting to €3,199.0 million. See "*Summary—Summary Financial and Operating Data—Other consolidated financial data*" and "*Unaudited Pro Forma Consolidated Financial Information*".

For the year ended 31 December 2020, our order book for sales (calculated on a three-year rolling basis) was €72 billion, a record level for us, compared to €68 billion at the end of 2019 and €63 billion at the end of 2018. In the six months ended 30 June 2021, our order intake was €12 billion, of which €2.6 billion with the VW Group, €1.3 billion for Faurecia Clarion Electronics. China represented 25% of order intake, of which 67% from Chinese OEMs. BEVs represented over 20% of order intake.

Customers

We maintain close relationships with almost all of the world's leading car manufacturers and work closely with customers to develop the design and functionality of our products. Volkswagen, Ford, the Renault-Nissan-Mitsubishi alliance and Stellantis accounted for 61.9% or €4,820.3 million of our sales in the six months ended 30 June 2021. We believe the Hella Acquisition will open new sales opportunities for Hella by leveraging our privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs, and we believe that we and Hella will both benefit from complimentary strength with US-based OEMs (see "*—Recent Developments—Combining Faurecia and Hella*").

We are successfully developing and implementing customer vehicle production programs on a global scale. We have a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programs where the same car model is produced throughout several regions.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames.

The quality of our products is widely acknowledged among automakers. In 2020, we successfully launched over 219 programs, in 145 plants across 23 countries. In the first half of 2021 we launched 120 programmes. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of approximately 8,850 engineers and technicians who design products and develop technological solutions. This enables us to maintain very close relationships and to be strategic suppliers to many of our customers.

Our Competitive Strengths

One of the top three global players in Clean Mobility, Seating, and Interiors

Based on our estimates, we have leading market positions in three of our four business groups. In 2020, we estimated that Faurecia Seating was, globally, a leader in seating solutions and the leading supplier of frames and mechanisms for seats and the number three supplier of complete seats, Faurecia Interiors was one of the two leading suppliers of interior systems and Faurecia Clean Mobility was the leading supplier of clean mobility solutions.

Our market leadership in Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors, and our global platforms are significant strategic advantages as customers typically look to well-established suppliers when awarding new business.

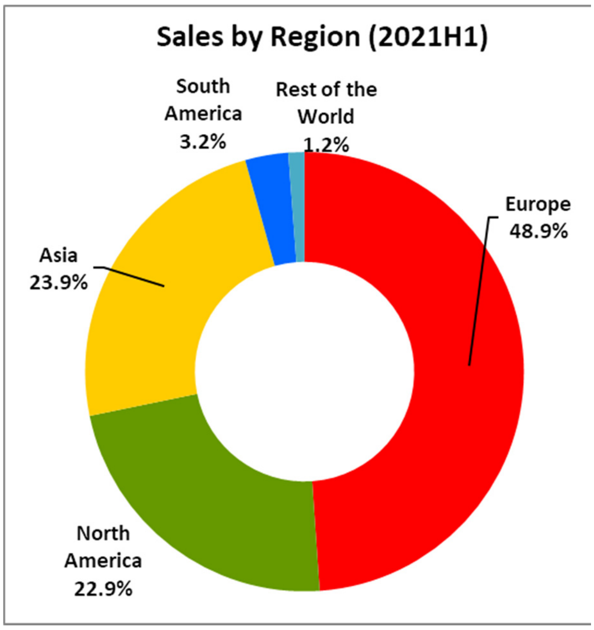
We believe that our market leadership in three of our four business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

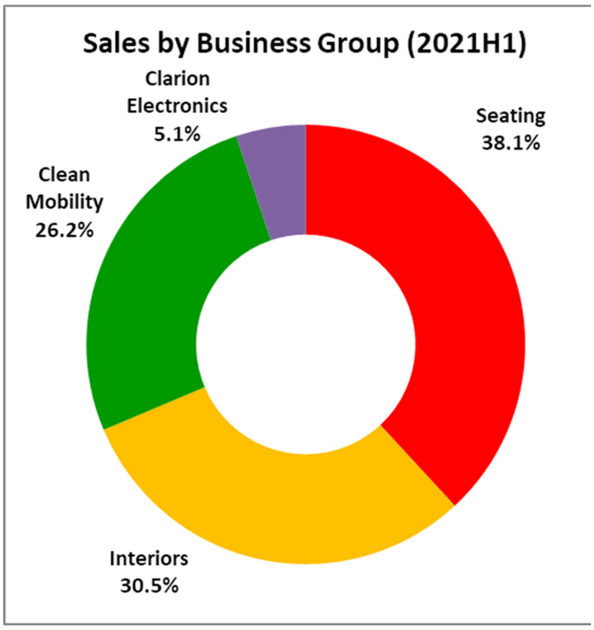
Following completion of the proposed Hella Acquisition in the first quarter of 2022 we expect to create two new business groups and combine Faurecia Clarion Electronics with Hella Electronics and Software so that three of our business groups will be headquartered in Lippstadt, Germany and three will remain headquartered in Nanterre, France.

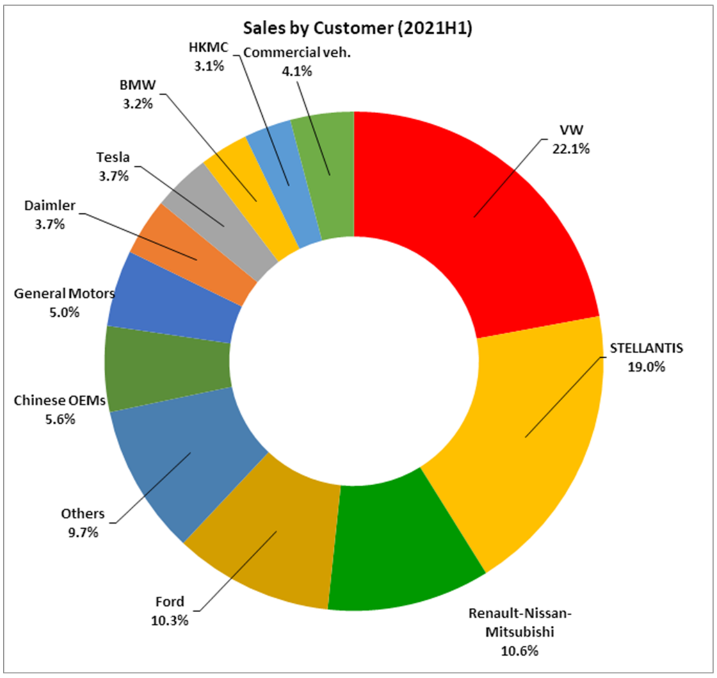
A key partner for a broad and diversified base of OEMs around the globe

We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limit our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our revenues and our profitability.

The following charts show our sales for the six months ended 30 June 2021 by region, business group and customer.







In recent years we have further increased our customer diversification. In 2020, our two largest customers accounted for 34% of sales compared to approximately 48% of total sales in 2008. We also further increased our geographic diversification by increasing the share of our North American and Asian sales. In 2020, sales in Europe, North America and Asia were 47.6%, 24.8% and 24.1% of sales, respectively compared to approximately 74%, 15% and 6% of total sales, respectively, in 2008. In the six months ended 30 June 2021, sales in Europe, North America, Asia and South America were 49%, 23%, 24% and 3%, respectively, compared to 49%, 24%, 24% and 2%, respectively in the six months ended 30 June 2020. This increased diversification reduces our exposure to a single geographic area, end-market, automaker or car model.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. We are present on most market segments, from entry-level models to premium and luxury cars, which make us less vulnerable to the parameters which may affect one particular segment. We also benefit from revenue visibility and stability, due to the inherent difficulties automakers face when changing suppliers in the midst of the development and production of a car model, and from a high renewal rate of our programs. We believe the Hella Acquisition will further improve our inroads with automakers and open new sales opportunities. We believe Hella's sales may improve by leveraging our privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs, and we believe that we and Hella will both benefit from complementary strength with US-based OEMs (see "*—Recent Developments—Combining Faurecia and Hella*").

Clear and focused strategy aligned with automotive megatrends

Significant global trends are impacting the automotive industry. Those global trends include: climate change, resource scarcity, growing and ageing populations, economic power shifting to Asia and urbanization. At the same time, technological developments continue to accelerate, transforming daily life and generating new business models. As a result of these technological developments, the evolving structure of society and global development challenges, we believe that the automotive industry is at a turning point. We believe that the consequence of these trends on the automotive industry is a radical increase in mobility which is becoming connected, autonomous, shared and electrified.

We have anticipated these trends and developed a strategy to benefit from them with our solutions for Sustainable Mobility and Cockpit of the Future. We estimate that the addressable market for Sustainable Mobility and the Cockpit of the Future will reach €120 billion by 2030.

We believe the proposed Hella Acquisition will further strengthen our position with regards to automotive megatrends. See "*—Recent Developments—Combining Faurecia and Hella*" for more information on the acquisition and its anticipated impact.

Connectedness

Vehicles with connected capabilities already exist and are becoming increasingly common. The trend for connected vehicles is driven by legislation for increasing safety, increasing customer expectations for infotainment and technological developments for autonomous cars. Connectivity will allow continuous monitoring of vehicles and passengers, the ability to upgrade software in vehicles and will provide passengers with access to a wide range of services, including for safety and on-board user experiences for comfort, well-being, productivity and entertainment. We believe that vehicles will become an integrated device in users' "connected lives" and consumers will demand the same level of service and convenience from their cars as from their smartphones or tablets. The introduction of mobile 5G will enhance connectivity through better quality network coverage and higher bandwidth. According to industry estimates, by 2025, 80% of vehicles will be connected to the internet.

Autonomous

Autonomous vehicles will provide drivers with the opportunity to engage in activities not previously possible while driving, such as relaxing, working and socializing. The level of autonomy in a vehicle is assessed from level 0 to level 5, where level 0 signifies no automation in a vehicle and level 5 is fully autonomous. Autonomous technology for level 3 and level 4 currently exists, however, we believe it is unlikely to see rapid deployment due to high cost and an undefined regulatory framework. We believe that robotaxis are likely to be the first mass application of autonomous vehicles with thousands of vehicles already on the road in pilot programs, while private cars are likely to remain focused on ADAS levels 1 and 2 systems for the foreseeable future. Accordingly, we expect the automotive industry will need to extend its value-proposition to deliver new user experiences. In this context, we expect vehicle interiors will undergo a significant development and the Cockpit of the Future will be connected, personalized and predictive. The recent acceleration of powertrain electrification is likely to result in a reduction in the level of investment available for autonomous driving, with automakers focusing on the incremental deployment of Level 2 and Level 3 driver assistance systems.

Shared mobility

Connectivity is also impacting the way users see mobility, as they begin to use new solutions, particularly in urban settings. Ride-sharing services and car-sharing services are experiencing significant growth, driven in particular by city strategies for improved mobility. The introduction of autonomous vehicles as robotaxis (which is an example of the concept of "mobility as a service" or "**MaaS**") should accelerate the shift by significantly reducing costs per kilometer. For MaaS operators to differentiate themselves, the quality of the user experience will be key. As a result, we believe that users of shared mobility will demand personalization of a vehicle's interior and digital continuity. Mobility operators will need to determine how to offer the best and smoothest customer journey integrating services and multimodal mobility. MaaS operators will therefore become strong vehicle, cockpit and interior specifiers, requesting specific capabilities and functionalities to support their services. In the short-term, ride-sharing services have suffered as a result of the Covid-19 pandemic, including as a result of lockdowns and economic crisis, as well as increasing health concerns. However, we anticipate that the rise of micromobility alternatives and a demand for electric vehicle car-share schemes in major urban areas is likely to drive a return to shared mobility in the mid-term.

Electrification

The powertrain mix is rapidly evolving towards electrification, due to environmental concerns and pressure from regulators and society. Whilst different countries are moving towards zero emissions at different speeds, we expect that as technologies mature, we will see a rapid increase in the number of hybrid vehicles and electric vehicles, including both battery electric vehicles ("**BEV**") and fuel cell electric vehicles ("**FCEV**"). As technologies mature and charging infrastructure is deployed, we believe that there will be a rapid increase in electric vehicles and that BEVs and FCEVs will co-exist as zero emissions alternatives. We believe that fuel cells are particularly adapted to commercial vehicles as they have a longer range and a faster re-fuelling time. This trend towards zero emissions depends on a co-ordinated ecosystem that includes infrastructure and power supply providers.

Electrification will accelerate as regulations and government incentives boost both offer and demand and as society becomes increasingly concerned about climate change. We believe that by 2030, 30% of vehicles will be fully electric vehicles, and 37% of vehicles will be hybrid. The significant investments being made in many countries in hydrogen as a clean energy source could be evolutionary for transportation and logistics.

Strategy aligned with automotive megatrends

As the trends for electrification, connectivity, autonomous driving and ride-sharing accelerate, there are increasing business development opportunities for us in relation to new products, new customers and new business models including the following:

<u>New Products</u>

- accelerating innovation for powertrain electrification and investing in zero and ultra-low emissions solutions, supported by inventives and regulatory push and responsive to an increase in global demand for mild hybrid and high voltage solutions;
- focusing on short time-to-market technology bricks for the Cockpit of the Future adaptable to autonomous driving, reflecting an increasing importance of software and higher willingness of customers to pay for automated driving features;
- offering new functionalities through integrated electronics as cars develop into "computers on wheels", driven in part by safety regulations; and
- with the completion of the proposed Hella Acquisition, we expect to increase our offering to include lifecycle value management, including aftermarket, services and repairs and special applications.

<u>New Customers</u>

- rising Asian OEMs developing vehicles adapted to Asian consumers;
- pure electric vehicle consumers;
- mobility operators, fleets and cities; and
- high horsepower engine manufacturers.

<u>New Business Models</u>

- increased role of personalized user experiences;
- upgradability, retrofit and connected services; and
- developing cybersecurity of connected products.

Pioneer in technological innovations based on a strong ecosystem of partners

We are a pioneer in technological innovations in the automotive sector and have a consistent track record of award winning innovations. We have based our strategy of innovation on a strong ecosystem of partners to accelerate time-to-market and to integrate key competences for our systems for Sustainable Mobility and Cockpit of the Future. We operate 39 research and development centers worldwide and employ approximately 8,850 engineers. In 2020, we filed 621 new patents, compared to 608 in 2019.

In 2020, we allocated €1,187 million to gross R&D costs and we also allocated €607 million over the last three years towards innovation. We currently plan on investing €1.1 billion in sustainable technologies between 2021 and 2025. In the six months ended 30 June 2021, gross expenditures for R&D totaled €608.5 million, or 7.8% of sales, compared to €590.9 million, or 9.7% of sales in the six months ended 30 June 2020.

Given the pace of technological change and the need for the efficient development of new products, we have developed an open innovation ecosystem to accelerate the integration of new competences and the time-to-market of our products. This innovative, collaborative ecosystem incorporates non-rival alliances with global industry leaders, investment in start-ups, collaboration with academic institutions and active participation in associations and think tanks for sustainable mobility.

Strategic and technology partnerships

To rapidly accelerate development in key areas, we have developed partnerships with other industrial or technology companies. In 2019, we entered into new partnerships with Spika SAS (Michelin Group) ("**Michelin**") for fuel cell systems, with Microsoft to develop more digital services for the Cockpit of the Future, with Aptoide S.A. ("**Aptoide**") to develop and operate Android app store solutions for the global automotive market and Allwinner Technology Co., Ltd ("**Allwinner**") for the Cockpit of the Future. In May 2020, we selected Schneider Electric as a preferred partner to support the Group in its commitment to reach CO_2 neutrality for scopes 1 and 2 by 2025. In March 2021, we entered into a six-year strategic partnership with Palantir Technologies Inc. ("**Palantir**") to accelerate our digital transformation and ambition to be CO_2 neutral. In September 2021, we selected ENGIE to become a partner, supporting us in our commitment to reach CO_2 neutrality for scopes 1 and 2 by 2025. For more information, see "*Sustainable Development – Ambition to be CO_2 neutral by 2030*".

We have also entered into a partnership with Accenture for Artificial Intelligence. Through our partnership with ZF Friedrichshafen AG ("**ZF**"), we are developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing. We have also entered into a partnership with Mahle to collaborate on technologies for the thermal management of the Cockpit of the Future. We have partnered with Mahle to work together to integrate and connect different interior and seating features to enhance the onboard experience and in November 2020 we also announced a strategic partnership with Hella for the development of innovative interior lighting solutions. Over time, we believe Artificial Intelligence and contextual analysis will enable the vehicle to anticipate user preferences.

Investment in start-ups and technology platforms

Faurecia has developed a worldwide scouting activity to detect and invest in start-ups with relevant technologies for Sustainable Mobility and Cockpit of the Future.

In 2019, we made initial investments in two start-ups: Outsight for sensors and GuardKnox for cybersecurity. In 2020, we acquired a Canadian start-up, IRYStec Software, to enhance user experience of cockpit display systems. In 2021, we acquired intellectual property assets of uMist Technologies Ltd., a Swedish startup specialized in biomimetic spray technology, to accelerated our technology leadership for commercial vehicles ultra-low emissions.

We collaborate with local start-up ecosystems , establishing strong connections in major innovation clusters, and to closely follow emerging trends and new technologies. The Group's platforms are located in Silicon Valley, Toronto, Shenzhen, Paris and Tel Aviv. The Tel Aviv platform was inaugurated in 2019 and concentrates on cyber security.

In April 2021, Faurecia, Groupe Renault, Knauf Industries, Simoldes, and Coşkunöz, in association with IBM, have signed a partnership contract for the deployment of XCEED (eXtended Compliance End-to-End Distributed), a blockchain based shared solution to trace the compliance of thousands of parts assembled in a vehicle in almost real time.

In June 2021, we acquired designLED, the Scotland-based company specialized in advanced backlighting technologies, will strengthen ours offer for display technologies and enrich the immersive experiences for the Cockpit of the Future.

Academic partnerships and collaborative innovation

We work with over 25 academic organizations in open innovation networks, to test, assess and develop prototypes in order to obtain the relevant information to position research for the Group. Important partnerships include those with École Centrale de Nantes for composites, the Collège de France and French Alternative Energies and Atomic Energy Commission (CEA) for polymers and fuel cell technologies, Technische Unversität Dortmund for metals, Supelec-Esigelec for mechatronics and the Indian Institute of Science for sensors.

Collaborative approach to promoting sustainable mobility solutions

Our CEO is one of the CEOs involved in the governance of Movin'On, an innovative and collaborative think tank aimed at defining mobility trends and setting up pre-competitive studies between the partners. Through its communities of interest Movin'On develops a common vision on specific topics and promotes collaborative intelligence to experiment new mobility solutions.

We are also part of the executive group of the Hydrogen Council. The Hydrogen Council is a global initiative of leading energy, transport and industry companies with a united vision and long-term ambition for hydrogen to foster the energy transition. We also play a key role in the World Materials Forum in relation to sustainable mobility.

Our CEO is co-chair of the CNH (French National Hydrogen Council) which is aiming at implementing the French hydrogen strategy.

We are at the head of the FORCE consortium developing a low cost carbon fiber from natural resources.

Following the completion of the proposed Hella Acquisition, we anticipate the Combined Group will further promote sustainable mobility solutions by developing a strong and focused offer for electric mobility and expand innovation through a combined total of 18,500 highly talented and motivated engineers and specialist, including 3,000 software engineers, 24 production sites and 21 R&D centers in the new electronics business group combining Faurecia Clarion Electronics with Hella Electronics and Software. See "*—Recent Developments—Combining Faurecia and Hella*".

Strong operational excellence driven by Total Customer Satisfaction

Our Total Customer Satisfaction Program

We initiated our Total Customer Satisfaction program in 2018 and we believe that it is a key driver for operational excellence and a key factor in our commercial differentiation from competitors. The program aims at capturing a holistic picture of customer satisfaction and feedback, both in term of performance and perception of the overall value chain, from order taking to the start of production. Beyond traditional quality measures, customer feedback is collected immediately and transparently through a dedicated Customer Satisfaction digital application which allows for constant interaction with customers. This application is used by approximately 1,000 customers and we have received feedback on approximately 1,700 occasions giving us an average of 4.2 out of 5 for 2020. Based on this, we systematically implement action plans to improve customer satisfaction through the robustness of our launch performance and operational excellence to support sustained customer loyalty. The program was a key focus for us in 2020 and is an important element in our relationship with our customers as well as an integral part of our culture.

Our Total Customer Satisfaction program compromises initiatives such as: the Faurecia Excellence System, the Plant Ranking Initiative and our Digital Manufacturing initiatives.

The Faurecia Excellence System

The Faurecia Excellence System ("**FES**") is our core operations system governing the organization of our production and operations. It is designed to continuously improve quality, cost, delivery and safety and thereby sustain and improve the operational performance of our production sites around the world through common working methods and language. We believe that this approach is fundamental to enable us to deliver the same level of quality and service throughout the world. The FES complies with applicable quality, environmental and safety standards of the automotive industry (ISO/TS 16949, IATF 16949, ISO 14001, OHSAS 18001).

In 2019, we redesigned the Faurecia Excellence System to support our joint goals of Total Customer Satisfaction and sustainable operational performance and deployed it across our Group. Renamed "**FES X.0**", it provides a clearer, more pragmatic and comprehensive system approach designed to ensure that all employees understand their expected role. The redesigned system was launched through a major global communication and education program consisting of management workshops, multiple new digital learnings and reference documents (FES X.0 Handbook) and a global knowledge-embedding tool for our managers. We believe that FES contributes to the success of our Total Customer Satisfaction program and impacts our financial performance.

Plant Ranking Initiative

In 2018, we launched a plant ranking initiative which is based on a monthly assessment to promote comparative analysis between production sites. Using a specific tool, plant managers are able to compare their plant's performance with any other of our plants. The initiative is designed to encourage sharing of best practice, reduce performance gaps and promote competition between sites. In 2019, the plant ranking criteria was updated to provide greater weight to key performance indicators from our Total Customer Satisfaction program.

Digital Manufacturing

We have introduced digital technology to improve operational efficiency and transform working practices in our production facilities. In 2017, we deployed digital management tools as part of our Digital Enterprise strategy throughout our production processes and supply chain, including real-time information sharing, collaborative robots and autonomous guided vehicles, to optimize assembly automation, quality control and production efficiency. By the end of 2020, over 850 collaborative robots and over 1,100 automated guided vehicles had been installed at Faurecia production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Digital management tools and the use of "big data" to provide more control over manufacturing processes increases the potential to continue to improve the performance of our industrial assets. We have introduced artificial intelligence solutions for visual inspections of parts in order to improve quality and reduce process variability. We believe that the digitalization of the manufacturing system will strengthen plant performance.

Awards and New Order Intake

We believe that the numerous awards that we have received from our customers and our record order intake over the last few years demonstrates the confidence of our customers in our Total Customer Satisfaction strategy. We are a strategic partner of many of our major customers, receiving 40 customer recognition awards in 2020 for global performance, manufacturing excellence, cost savings and innovation. In particular, we received a General Motors Supplier of the Year Award, a Ford World Excellence Award and a Cummins Covid-19 outstanding supplier award.

In the first semester of 2021, our order intake was €12 billion, of which €2.6 billion with the VW Group, €1.3 billion for Faurecia Clarion Electronics, aligned with the target of €2.5 billion. China represented 25% of order intake, of which 67% from Chinese OEMs. BEVs represented over 20% of order intake.

Notable new business awarded to us in this first semester of 2021 included:

- VW Passat / Skoda Superb complete seat, instrument panel & door panel, over €1.5 billion;
- Chinese Chehejia LI X03 complete seat; and
- BMW Mini & X3/X4 Frames in China.

For the year ended 31 December 2020, our order book for sales was a record €72 billion (calculated on a three-year rolling basis) which is a new record for us. Notable new business awarded to us in 2020 included:

- Daimler E-Class and VW Transporter for complete seats;
- instrument panel businesses for the Audi Q5 and door panels for a GM platform covering different Chevrolet, Buick and Cadillac vehicles for premium interiors;
- clean mobility for VW Audi D-segment platform and PSA C&D segment platforms;
- major cockpit assembly awards for Skoda Fabia and Mercedes Vito; and
- interiors, cockpit assembly and seating businesses with a leading electric vehicle player in China, North America and Europe.

Among others, we also achieved the following recognition awards over the last two years:

- PACE award at the Automotive News magazine's PACE awards for developing the "Resonance Free Pipe™" (RFP™);
- supplier award at the General Motors' 2019 Supplier of the Year event;
- four "Winner" and two "Special Mention" awards at the 2020 German Innovation Award competition;
- outstanding program leadership award at the EcoVadis annual 2020 Sustainability Leadership Awards;
- supplier award at the 2019 Groupe Renault Supplier event for our operational performance;
- two innovation awards at the 2019 Shanghai Automotive Show for our Cockpit of the Future innovations;
- "Best Quality Mindset award" at the Groupe Renault Suppliers event for our Pitesti (Romania) plant in 2019;
- PACE finalist at the Automotive News magazine's PACE award for our Perceptual Display Platform Vision; and
- IRYStec named 2021 Automotive News magazine's PACE award winner.

Focus on profitability, financial discipline and resilience

Our profitability and financial discipline form an important foundation for our transformation and sustainable value creation. Over the past several years we have achieved significant improvements in our profitability. Our operating income increased from 3.5% of value added sales in 2013 to 7.2% of sales in 2019. Although our operating income decreased to -1.8% of sales in the first half of 2020 as a result of the significant impact of the Covid-19 pandemic and resulting economic crises, our operating income recovered strongly in the second half of 2020 to 6.2% of sales, resulting in our operating income decreasing to 2.8% of sales for the year ended 31 December 2020. In the six months ended 30 June 2021, our operating income increased to 6.6% of sales.

We maintained sufficient liquidity throughout 2020 and ended the year with €3,091.4 million of available cash as at 31 December 2020 and €1.2 billion of undrawn commitments under our Senior Credit Facility. We have been able to significantly reduce our net debt to €3,128 million as at 31 December 2020 in comparison to €4,034 million as at 30 June 2020 as a result of strong cash generation in the second half of 2020, which allowed us to repay €600 million that had been drawn under our Senior Credit Facility and €800 million under a club deal. As of 30 June 2021, the Group's net financial debt stood at €3,299.6 million compared to €3,128.1 million at December 31, 2020. The net debt evolution is mainly impacted by the positive net cash flow evolution of €290.4 million, the purchase of treasury shares for €128.7 million, dividends paid for €159.5 million, the net financial investments and other cash elements outflow of €80.4 million and the negative impact of €93.3 million related to IFRS16.

Structural actions and cost flexibility

We are also implementing structural changes to make our cost structure more flexible in order to increase our agility and resilience. We aim to rationalize and optimize our industrial footprint and tightly manage our direct and indirect headcount, in addition to other selling, general and administrative cost-cutting measures. These measures have become increasingly important to us in the post Covid-19 environment.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, whilst others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalized R&D requirements by seeking better capital expenditure allocation.

Two experienced governance bodies driving strategy and execution

We have two governance bodies, the Board of Directors and the Executive Committee, responsible for deciding and implementing our strategy.

The Board of Directors

The Board of Directors oversees our business, financial and economic strategies. This 12-member body, including 8 independent board members and 2 board members representing employees, meets at least four times a year. Three permanent committees are tasked with the preparation of discussions on specific topics: the Audit Committee, the Governance, Nominations and Sustainability Committee and the Compensation Committee. They make proposals and recommendations and give advice in their respective areas.

With their diverse backgrounds, experience and skills, our board members offer us their expertise, support in defining our strategy and tackling the challenges that we face within the context of our transformation and strategic direction.

The Executive Committee

Our executive functions are performed by an Executive Committee that meets monthly to review our results and oversees our operations and the deployment of our strategy. It discusses and prepares guidelines on important operational subjects, and its decisions are then deployed throughout the Group.

Experienced Management Team

Our management team has significant experience in the industry. Patrick Koller, our CEO, has been with the Group since 2006. Prior to becoming our CEO, he was Executive Vice President at our Faurecia Seating business group from 2006 to 2015. Michel Favre, our Chief Financial Officer, has been with the Group since 2013. Prior to becoming our Chief Financial Officer, he was Executive Vice President (Financial Controlling and Legal) at Rexel SA from 2009 to 2013, Chief Financial Officer at Casino Guichard-Perrachon SA from 2006 to 2009 and Chief Financial Officer of Altadis SA from 2001 to 2006. He also held a number of senior financial and operational roles with Valeo SA over a 13-year period including Vice President of the Lighting Branch from 1999 to 2001. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. We believe that the experience, industry knowledge and leadership of our management team will help us implement our strategy described below and achieve further profitable growth.

Strategy

We have adopted a transformation strategy to benefit from the four major trends of connectivity, autonomous driving, new mobility solutions and electrification which are disrupting the automotive industry. Our strategy is to develop innovative solutions for Sustainable Mobility and the Cockpit of the Future.

We implement our strategy by: (a) making significant investment in innovation and accelerating the integration of new products into the market through a strong ecosystem of strategic and technology partnerships; (b) focusing on operational efficiency and resilience through our Total Customer Satisfaction programme and digital transformation program; and (c) maintaining a strong culture based on our core convictions and values.

Through our Sustainable Mobility strategy, we are facilitating the transition to clean mobility by developing solutions for fuel efficiency, zero emissions and air quality. Societal and political pressure on the automotive industry to reduce emissions has never been higher. As stringent new regulations are introduced around the world, and with demand for electrified vehicles consistently increasing, we have made sustainable mobility a strategic priority. We are addressing the major segments for internal combustion engines and electric vehicles by developing solutions for light vehicles, commercial vehicles and high horsepower engines.

Our Cockpit of the Future strategy provides solutions for a more connected, versatile and predictive environment, and responds to the increasing trend for autonomous and connected vehicles. The Cockpit of the Future will allow personalized consumer experiences combining functionalities such as infotainment, ambient lighting, postural and thermal comfort and immersive sound.

We believe that we are uniquely positioned to deliver solutions for Sustainable Mobility and Cockpit of the Future through our leading market positions in our Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors businesses and through the creation of Faurecia Clarion Electronics, our fourth business group.

The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry, with a cutting-edge technology portfolio that addresses the major trends in the industry, and to achieve the combination of two highly complementary companies focused on innovation, operational excellence, customer satisfaction and environmental, social and governance ("**ESG**"). For example, through the Hella Acquisition we anticipate bolstering the Combined Group's Cockpit of the Future strategy thanks to our complementary portfolios. See "—*Recent Developments—Combining Faurecia and Hella*".

Sustainable Mobility

Our strategic roadmap for Sustainable Mobility focuses on the following four areas:

- developing hydrogen solutions for zero emissions;
- developing solutions for ultra-low emission passenger vehicles;
- developing solutions for ultra-low emission commercial and industrial vehicles; and
- developing sustainable and smart materials.

Sustainable Mobility – Hydrogen solutions for zero emissions: We believe hydrogen mobility will accelerate rapidly and achieve significant adoption by 2030. Hydrogen can be produced from various energy sources and is a storable energy carrier that generates no CO_2 emissions or polluting gasses when used in vehicles.

We believe that hydrogen is very well suited to commercial, heavy-duty on- and off-road vehicles, as well as high-horsepower engines, giving it the potential to transform transportation and logistics. By 2030, it is estimated that three to five million vehicles equipped with fuel cell technology will be on the roads (*source: Hydrogen Council Discussion Paper 2018*). Since 2018, we have halved the cost of our fuel cell systems and our objective is to continue to reduce the cost significantly. We are developing the next generation of hydrogen systems for commercial and light vehicles, heavy-duty trucks and industrial applications. We currently have the ability to produce several thousands of hydrogen storage systems per year and we aim to significantly increase our production capacity.

Our ambition is to be a world leader in hydrogen mobility, and we have invested over €160 million in R&D, manufacturing, strategic partnerships and acquisitions over the past three years.

We aim to become a leader both in hydrogen storage systems and distribution services, which we develop in-house and for which we have created a centre of excellence in France, and in fuel cell stack systems and services produced by Symbio. We are well-positioned in both of these key elements of fuel cell systems, which we estimate represent 75% of the value chain.

We are aiming to expand our production capacity exponentially between now and 2025 to 100,000 tanks per year across three sites: a high-capacity site in France, another site also in France dedicated to low-volume programs, and a plant in Asia in order to better serve this key market for hydrogen mobility.

In line with this ambition, in 2020 we inaugurated our global center of expertise, which aims to develop lightweight and cost-competitive hydrogen storage systems. Located in Bavans, France, the center is dedicated to the design and tests of these systems. Our homologated tanks (350 / 700 bar) will also be produced at this new center. With this global center, we also aim to develop new industrial processes to accelerate production and develop innovative materials and smart tanks to reduce the cost of the systems and increase their safety, durability and recyclability.

In 2019, we set up a joint venture with Michelin, incorporating each of its fuel cell related activities, including its subsidiary Symbio, with our fuel cell related activities with the aim of creating a world leader in hydrogen fuel cell systems. Moreover, in 2020, we acquired Ullit for high-pressure tanks. We believe this acquisition with Ullit's patented technology for impermeable tank shells will help reinforce our unique hydrogen ecosystem. We recently acquired a majority share in CLD, one of China's largest high-pressure tank manufacturers. We are working with CLD to develop and manufacture type III and IV hydrogen storage tanks for the Chinese market.

Sustainable Mobility – Solutions for ultra-low emission passenger vehicles: The requirement for increasing content in the powertrain to meet emissions control regulations, as well as the need for significant reduction in CO_2 emissions, drive the need for several of our key technologies which we estimate will increase the overall value of the exhaust line by 20% by 2030. We supply post-treatment systems for internal combustion and hybrid powered engines in order to reduce emissions and noise levels and recover lost energy.

The key technologies for fuel economy and emissions reduction that are already in production or will be by 2025 are the Electric Heated Catalyst ("**EHC**") solutions including a pre-heating function that can give a near zero emissions vehicle, and a combined Exhaust Gas Recirculation ("**EGR**") / Exhaust Heat Recovery Systems ("**EHRS**") which can give over 3% CO_2 savings.

Electrification also drives demand for ultra-quiet vehicles and we have developed products to reduce engine noise through advanced exhaust line architecture, electric valves and resonance free pipes.

Sustainable Mobility – Solutions for ultra-low emission commercial and industrial vehicles: We are anticipating the ongoing emissionization of all commercial vehicles, particularly in growth markets like China and India, where regulations are converging towards European and North American standards. Technologies such as our heated doser contributes to ultra-low NOx emissions by operating efficiently even at lower temperatures and is compatible with current and future after treatment architectures.

In 2018, we acquired Hug Engineering, the European leader in complete exhaust gas purification systems for high horsepower engines. In 2020, stringent regulations were implemented in all regions both for stationary and marine applications. In order to adapt to stricter emission regulations and to improve air quality, we developed "Electric Heated Catalyst" technology that will enable the emission control system in vehicles to reach its maximum efficiency at a faster pace.

Sustainable and smart materials: we design products taking into account their entire life cycle, from the use of resources and raw materials to their eco-design and recyclability at the end of their life. We offer bio-sourced materials that reduce the weight of parts and their carbon footprint.

Cockpit of the Future

From our leading position in our Faurecia Seating and Faurecia Interiors business groups, we have undertaken a series of acquisitions and partnerships which gives us a unique position in interior modules and systems architecture. The creation of Faurecia Clarion Electronics, regrouping the complementary technologies of Clarion, FCE Europe and Coagent Electronics, technology companies CovaTech and Creo Dynamics, as well as an ecosystem of start-ups and partners, provides us with the electronics, software, computer vision and artificial intelligence competences to deliver on our vision of the Cockpit of the Future.

In January 2020, we completed the acquisition of the remaining 50% of our joint venture with Continental Automotive GmbH on 30 January 2020, a project that was announced on 14 October 2019. SAS Autosystemtechnik GmbH und Co., KG ("**SAS**") is a leader in cockpit module assembly, logistics and Just-in-Time delivery. The acquisition provides us with expertise in complex logistics and assembly and reinforces our systems integration offer to cover the full range of interior modules. SAS has strong growth potential in North America and China and has also shown a very strong order intake in 2020.

Advanced Safety, Comfort and Wellness, Immersive Experiences Health and Wellness: Autonomous driving will lead to the development of new uses for the interior of vehicles. As occupant positions may no longer need to be fixed facing forward and upright, users will have more freedom to do other tasks during their journey. To ensure that passengers are safe in all seated positions, features such as airbags or the seatbelt can be integrated directly into the seat. This technology called the Advanced Versatile Structure ("**AVS**") allows occupants to drive, relax and work safely and efficiently. Smart kinematics effortlessly recline, lift, adjust and swivel the seat, and then return it smoothly and quickly back to the upright or driving position. Through our partnership with ZF, we are developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing.

We are also developing solutions that provide an optimal onboard experience and enhance wellness. Through close monitoring of the thermal and postural comfort of the occupants, the cockpit will learn each occupant's preferences over time and leverage artificial intelligence to make adjustments so that people feel better at the end of their journey.

In terms of personalized sound experiences, we are combining activated sound surfaces, smart headrests integrating local ANC, IP and telephony, and high-end premium sound, such as that provided through our partnership with Devialet.

Connected services: We are focused on developing "smart surfaces" for drivers' expecting greater intuitive interaction with their vehicles. "Smart surfaces" combine traditional vehicle interior surfaces, such as the dashboard, with digital displays that are able to control cockpit temperature, sound and lighting. Increased connectivity in vehicles will drive new business models for upgradability, retrofit and services across the vehicle lifetime. We have developed a number of partnerships for connected services: with Microsoft for cloud connectivity, with Accenture for digital services and with Aptoide for an automotive app store.

We have created a 50/50 joint venture with Aptoide, one of the largest independent Android app stores to develop and operate Android app store solutions for the global automotive market. This joint venture offers OEMs an affordable and secured automotive apps market, available worldwide with adaptable content per region. The Aptoide app store offers one million Android apps covering a variety of use cases such as gaming, navigation, content streaming services, point of interest recommendations or parking. Aptoide also offers an integrated secure payment mechanism supporting OEM strategies for service monetization, whilst securing the vehicle and occupants' data privacy.

Sustainable Development

The political and societal drive towards climate change has now reached the forefront of the agenda in many countries and regions of the world. The Green Deal in Europe to reduce greenhouse gas emissions by 55% in 2030 and to have no net emissions in 2050 is a clear demonstration of this, as is the emphasis put on renewable energy in economic recovery plans. With transport accounting for around one quarter of global CO_2 emissions and passenger vehicles accounting for around 10%, the automotive industry has a strong responsibility to reduce greenhouse gas emissions and reduce its environmental impact. We believe these actions with respect to climate change present a number of opportunities for us. In September 2021, we joined *Entreprises pour l'Environnement* (EpE), a French association bringing together more than 60 French and international companies from all business sectors, willing to better include the environment in their strategy and business decisions.

Sustainable development is fully integrated into our transformation strategy and corporate culture. Within this cultural framework, we have defined six convictions and six values that guide our actions and behaviours. Our six convictions form the basis of our corporate social responsibility ("**CSR**") strategy, "Inspired to Care", and our CSR roadmap.

Our CSR roadmap is based on the following main projects:

- *Achieving carbon neutrality by 2025, 2030 and 2050.* We are aiming to achieve carbon neutrality for our scope 1, 2 and controlled scope 3 activities. This includes, in particular, the indirect footprint of our activities, including a majority of purchasing, freight, travel, waste products, buildings and product recycling operations. For more information, see "*– Ambition to be CO_2 neutral for Controlled Emissions by 2030*" below.

- *Developing more sustainable materials into our products.* We intend to use more sustainable and/or recyclable materials, reducing the amount used and extending their lifespan, to help reduce the overall environmental impact of our products. For example, we have introduced our

"Seat for the Planet" and "Interiors for the Planet" innovation programs to advance use of sustainable, low carbon emission and/or recyclable materials in our products. Under our "Interiors for the Planet" program, we have launched the NAFILean™ and NFPP Family product lines. For more information, see "*Business – Our Industry – Sustainable development and use of raw materials*".

- *Innovating for Sustainable Mobility and Cockpit of the Future*. We intend on accelerating our transition towards clean mobility solutions through our investment in hydrogen technologies, such as our collaboration with Michelin via the Symbio joint venture. We believe our new Business Group, Faurecia Clarion Electronics will offer various growth opportunities for our Cockpit of the Future solutions. We have also partnered up with various industrial partners and invested in start-ups to accelerate innovation in our Sustainable Mobility and Cockpit of the Future strategies. For more information, see "*– Strategy – Sustainable Mobility*", "*– Strategy – Cockpit of the Future*" and "*Pioneer in technological innovations based on a strong ecosystem of partners*" above.

- *Committing to Total Customer Satisfaction*. We launched our Total Customer Satisfaction program in 2019. The program aims at capturing a holistic picture of customer satisfaction and feedback, both in term of performance and perception of the overall value chain, from order taking to the start of production. For more information, see "*– Our Competitive Strengths – Strong operational excellence driven by Total Customer Satisfaction*" above.

- *Engaging suppliers for sustainable procurement and supply chains*. Our purchasing policy is an integral part of our social and environmental responsibility. Our suppliers have to comply with our supply chain requirements to assist us in achieving our carbon neutrality goal. We rely on our partner, EcoVadis, in assessing our suppliers in terms of their social and environmental responsibility.

- *Developing an inclusive culture for hiring and retention of talent*. We have launched an inclusive management approach, with particular emphasis on gender diversity. Through this approach we aim to better understand and promote the contribution of diversity in our teams to increase creativity, positivity and better results amongst our employees. We aim to achieve this by focusing on three areas: training management teams developing future talents and recruiting high-potential candidates. In May 2021, we hosted a first-of-its-kind global event dedicated to diversity and inclusion. Two virtual sessions were organized to celebrate the many initiatives happening across the company. Focus was placed on gender diversity, an area where we are committed to progressing.

- *Promoting training and apprenticeships to prepare for the major changes of the future*. We provide training to our employees through our internal training universities to enable all employees to understand the fundamentals of their relevant business area, integrate technological developments and adapt to the changes in our external environment.

- *Committing to projects with a social impact*. In March 2020, we launched our corporate foundation to contribute to supporting and developing projects that promote education, mobility and the environment. In H2 2020, we initiated projects to promote these three areas in India, Mexico and Morocco and in 2021 eight more employee solidarity projects were supported in China, Europe and the Unites States.

Ambition to be CO_2 for Controlled Emissions neutral by 2030

We are committed to tackling climate change and have launched an ambitious programme to become CO_2 neutral for Controlled Emissions by 2030. Through this program, we aim to both reduce our environmental impact and create long-term value across our entire supply chain. We are investing in innovation to advance the sustainability of our products and industrial processes across all of our businesses.

We have developed a plan in three stages to achieve this goal. Our action plan has been reviewed and validated by Science Based Targets initiative ("**SBTi**").

- *By 2025: Internal Emissions*: we aim to be CO_2 neutral for our Scope 1 and 2 emissions across all of our over 250 sites. This will be achieved through using less energy and renewable energy either purchased or produced on sites. To reach our goals, we partner with experts and invest in energy-efficiency projects at our production facilities.

- *By 2030: Controlled Emissions:* we aim to be CO2 neutral for our scope 3 emissions, excluding emissions of vehicles equipped with Faurecia products ("**Controlled Emissions**"). Contolled Emissions include emissions from upstream and downstream activities: purchases, lease, freight, travel, our use of products, waste and recycling. This will be achieved through strong collaboration with our suppliers and the reorganization of our purchasing processes for low-carbon raw materials, in particular steel and plastics, product redesign and services such as transportation.

- *By 2050: Total Emissions*: we aim to be CO_2 neutral for our total emissions as the whole industry moves towards zero-emissions mobility and a circular economy.

We have also entered into a partnership with Schneider Electric to develop an action plan to optimize energy sourcing and to use less energy and clean energy across our over 250 sites. This will involve on-site renewable energy production and external renewable energy sourcing. The goal is to achieve fully decarbonized energy by 2025 and to invest €70 million for energy savings.

In July 2021, we selected KPMG as our partner for on-site power purchase agreements advisory services. Under this partnership, we will benefit from KPMG's expertise to prepare, execute and implement our solar panel equipment program across all facilities, worldwide, which is a step on our CO_2 neutrality journey. We will delegate the installation and the operation of these renewable electricity production assets to third parties ("**developers**"), and KPMG will advise and support us to identify and contract the right developers.

In September 2021, we also selected a Swedish steel maker SSAB, to partner for fossil-free high strength steel for use in our Seating business. This partnership makes us the first automotive supplier to explore fossil-free steel with SSAB and marks a major milestone on our CO_2 neutrality journey. We aim to start equipping our seating structures with SSAB fossil-free steel from 2026 onwards. SSAB will provide us with the industry's most ambitious and advanced fossil-free steel, using hydrogen and zero-carbon electricity instead of coking coal and other fossil fuels traditionally used to make steel. Under this partnership, we will develop, test, validate and industrialize ultra-low CO_2 seat structures.

While the long-term impact of the Covid-19 global pandemic on the automotive industry is still unclear, we believe that some trends are being accelerated, in particular powertrain electrification. We currently estimate that by 2030 approximately 30% of the market will be full electric vehicles and 37% of the market will be hybrid vehicles. We believe that our strategy is aligned with the needs of the automotive industry as we invest in fuel cell technology and our CO_2 neutral initiative.

Planet, Business and People

Guided by the United Nations Sustainable Development Goals, our CSR Strategy, "Inspired to Care", is structured around three pillars: Planet, Business and People.

- *Planet:* We are seeking to reduce the carbon footprint of our sites and activities through energy and transport purchases. We are also addressing the carbon footprint of our products by using more environmentally-friendly materials and processes. We have an ambition to be CO_2 neutral for our Controlled Emissions by 2030. Our emissions reduction targets have been approved by SBTi as compatible with the reduction required to limit global warming to 1.5°C. We have partnered with Schneider Electric to develop an action plan to optimize energy sourcing and to use less energy and clean energy across over 250 sites. For more information, see "*–Ambition to be CO_2 neutral for Controlled Emissions by 2030*" above.

- *Business:* We are seeking to innovate and develop solutions for increasingly clean mobility. With organizations being challenged to be increasingly agile and faster, we work towards being more vigilant and compliant with the highest ethical business standards. Our goal is to become the preferred reference partner of sustainable mobility in the market. We are part of the Executive Group of the Hydrogen Council, which is a global initiative by leading companies in the energy, transport and infrastructure industry. We are also part of the Movin'On think tank which is an innovative and collaborative think tank aimed at defining mobility trends and setting up pre-competitive studies between the partners.

- *People:* We are implementing stringent workplace safety and risk prevention policies. To prepare the teams for future changes, we provide many different types of training to as many employees as possible. To attract and develop talent, we favor a more inclusive culture. As a global company, our goal is to increase our role towards society by contributing to solving social issues.

In line with our convictions, we adhere to international initiatives for sustainable development. The Group is a signatory of Global Compact and respects the ambitions of the 17 Sustainable Development Goals of the United Nations. Amongst these the Group has identified those that are particularly relevant to our corporate social responsibility strategy. We are also a signatory of the French Business Climate pledge and have committed to following the recommendations of the Task Force on Climate Financial Disclosure.

The Impact of the Covid-19 pandemic

Unlike in 2020, our operations during the six months ended 30 June 2021 have not been significantly impacted by the sanitary crisis linked to Covid-19. However, significant uncertainty remains around the long-term impact of Covid-19, including in connection with its impact on supply-chains and the potential impact of any recent or future variants of the virus. See "*The Covid-19 pandemic has had a material adverse effect on our business, affecting sales, production and supply chains, and employees. Further, the spread of the Covid-19 pandemic has caused and may continue to cause severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues*" and "*Risk Factors – Risks Related to Our Operations – We are dependent on many suppliers to maintain production levels*".

2020 was strongly impacted by the global spread of the Covid-19 pandemic that heavily impacted the automotive industry and all sectors of the economy, especially during H1 2020. Worldwide automotive production decreased by 17.2% from 2019 to 2020, decreasing by 21.6% in Europe, 20.2% in North America, 31.4% in South America and by 13.0% in Asia (including a 6.9% decrease in China) (source: *IHS Markit Automotive Report February 2021*). Worldwide automotive production increased by 30.1% from the six months ended 30 June 2020 to the six months ended 30 June 2021. It increased in Europe (including Russia) by 28.4%, in North America by 32.0% and in Asia by 28.6% (source: *IHS Markit Automotive report July 2021*).

As a consequence of the temporary shutdown of most of our customers' production sites around the globe, especially during H1 2020, we also had to stop production in a large number of our sites during this period. Production activity in certain countries started to recover gradually before the end of H1 2020 and continued to recover during the second half of 2020.

In line with the rapid expansion of the Covid-19 pandemic in the different parts of the world during H1 2020, Asia (24% of Group sales in 2020) was the first region to be impacted with a low point for sales in February and a gradual recovery from March. Since May, our sales in China have increased compared to sales for the same period in 2019. Europe and the Americas (75% of Group sales in 2020) faced a low point for sales in April, with gradual recovery from May.

In light of this unprecedented situation, in March 2020 we immediately implemented a strong action plan with three priorities, to react to the pandemic:

- the first priority was the health and safety of all employees as well as creating the right conditions for a safe restart of production ("safer together program"), learning from our successful experience in China;
- the second priority was the close management of the Group's liquidity and the protection of a sound financial structure. To this end, we quickly implemented measures in H1 2020, to ensure that we had access to liquidity to manage the decrease in production. We drew down €600 million out of our €1.2 billion Senior Credit Facility, signed a club deal loan of €800 million which we drew down in full and extended our factoring program to the newly integrated SAS business. Beginning in the second half of 2020, we issued the Additional 2025 Notes and the 2028 Notes, in an aggregate principal amount of €1,000 million, on 31 July 2020. We used the issue proceeds of the Additional 2025 Notes and the 2028 Notes to repay the club deal loan of €800 million. We also repaid the €600 million drawn under our €1.2 billion Senior Credit Facility in September 2020. In addition, the Board of Directors took the decision, approved by shareholders at the Annual General Meeting on 26 June 2020, to cancel our 2020 dividend; and
- the third priority was to quickly deploy actions to further improve the Group's resilience, on top of the continuous improvement since mid-2018, in order to limit the impact of the sharp decrease in sales on our operating income.

From September 2020, the Group's sales returned to the same levels as in 2019, especially in Europe and North America and the Group's sales increased in China compared to the same period in 2019. In China, we saw an overall increase in sales which contributed to the Group sales for Q4 2020 decreasing by only 0.3% in comparison to the same period in 2019. In 2020, Group sales decreased by 19.6% at constant scope and currencies in comparison to 2019 predominantly as a result of the impact of Covid-19 on our H1 2020 sales, where sales decreased by 35.4% in comparison to H1 2019.

As a result of this efficient action plan, we succeeded in containing the decrease in our operating income to €877 million in comparison to the decrease in sales of €3,114 million. Through resilience actions such as flexibilization of direct and indirect labor cost (including making use of temporary government relief measures), flexibilization of manufacturing costs, reduction of R&D net expenses and strict control of selling, general and administrative expenses, we were able to generate savings of €601 million that mitigated the €1.4 billion impact estimated from lower sales volume on operating income. Our operating income amounted to €406 million in 2020, including €30 million from one-off Covid-related payments mainly linked to sanitary protection measures, the temporary administrative closure of an industrial site and the extra freight costs linked to supply chain disruptions, and €35 million linked to Chinese OEMs.

The swift recovery of the Group's activity during H2 2020 has enabled us to restore our working capital and decrease our net financial debt by €906 million in comparison to the six months ended 30 June 2020. As of 31 December 2020, our net financial debt amounted to €3,128.1 million (comprising gross debt of €6,222.1 million and cash and cash equivalents of €3,091.4 million).

Our impairment test conducted as of 31 December 2020 integrated updated market assumptions including the impact of the Covid-19 pandemic. The test did not result in any additional impairment to the €150 million impairment charge recorded in respect of Faurecia Clarion Electronics stated as of 30 June 2020, and no impairment was required for Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility.

Sustainability-Linked Bond Features

The following information should be read in accordance with the Issuer's Sustainability-Linked Bond Framework available on the Issuer's website, which gives more details on the points mentioned below. The Sustainability-Linked Bond Framework does not form part of the Offering Circular.

In October 2021, we adopted our Sustainability-Linked Bond Framework, which identifies the following as a sustainability performance target: reducing Scope 1 and 2 GHG Emissions by 80% by 2025 from the Relevant Sustainability Performance Target Reference Base (as defined under "*Terms and Conditions of the Notes—Definitions*") (the "**Relevant Sustainability Performance Target**"). Following the effective acquisition of Hella, the Relevant Sustainability Performance Target will be recalculated to reflect the new perimeter and, as the case may be, will be submitted to SBTi for validation as compatible with the reduction required to limit global warming to 1.5°C and will be publicly communicated by Faurecia.

From and including the interest payment date with respect to the Notes falling on 15 June 2026 (the "**Step-Up Date**"), the interest rate payable on the Notes will increase by 0.25% per annum (a "**Step-Up**") unless the Issuer has delivered a certificate signed by two officers of the Issuer to the Trustee and Principal Paying Agent, at least 15 days prior to the Step-Up Date, certifying that the Relevant Sustainability Performance Target was achieved on 31 December 2025 (the "**Target Observation Date**"), which will also include a confirmation that the Issuer has received an Assurance Letter which supports, with the Issuer's certification, that it has attained the Relevant Sustainability Performance Target (a "**KPI Confirmation Certificate**"). For the avoidance of doubt the interest rate payable on the Notes shall not increase from and including the Step-Up Date if the Issuer has delivered a KPI Confirmation Certificate at least 15 days prior to the Step-Up Date.

The Trustee and Principal Paying Agent will be entitled to conclusively rely on any KPI Confirmation Certificate and shall have no duty to: inquire as to or confirm or investigate the accuracy of any KPI Confirmation Certificate or the facts, statements, opinions or conclusions stated therein; verify the attainment of the Relevant Sustainability Performance Target or receipt of the Assurance Letter; or make calculations, investigations or determinations with respect to the attainment of the Relevant Sustainability Performance Target or the failure to attain the Relevant Sustainability Performance Target. The Trustee and Principal Paying Agent shall have no liability to the Issuer, any Noteholder or any other Person in relying on any KPI Confirmation Certificate and the Trustee and the Principal Paying Agent shall be fully protected in acting on any KPI Confirmation Certificate.

We intend to report annually in our annual Universal Registration Statement on, among other things, (i) the performance of the Relevant Sustainable Performance Target for the reporting period and, when applicable, as of the Target Observation Date, (ii) any update in our sustainability strategy or any recent announcements, strategic decisions that might impact the achievement of the Relevant Sustainability Performance Target, and (iii) any re-assessment or statement of the Relevant Sustainable Performance Target. This report will be separate from, and in addition to, the reporting required under the terms and conditions of the Notes. Our Sustainability-Linked Bond Framework can be found on our website at http://www.faurecia.com/en/investors. A second-party opinion on the alignment of our Sustainability-Linked Bond Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by ISS Corporate Solutions, Inc., and is available on our website at http://www.faurecia.com/en/investors (the "**Second-Party Opinion**"). The Second-Party Opinion does not form part of this Offering Circular and is only an opinion and not a statement of fact. Second-party opinion providers and providers of similar opinions and certifications (including the External Verifier) are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or verification is not, nor should be deemed to be, a recommendation by the Issuer, any other member of the Group, the Initial Purchasers, any second-party opinion providers, the External Verifier or any other person to buy, sell or hold any Notes.

Holders have no recourse against the Issuer, any other member of the Group, any of the Initial Purchasers, any second-party opinion provider, the External Verifier or the provider of any opinion, certification or verification for the contents of any such opinion, certification or verification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or verification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or verification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

No assurance or representation is given by the Issuer, any other member of the Group, the Initial Purchasers, the Second-Party Opinion provider or the External Verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes or the Relevant Sustainability Performance Target to fulfill any social, sustainability, sustainability-linked and/or other criteria. See "*Risk Factors—Risks Related to the Notes—The Notes may not satisfy an investor's requirements or future standards for assets with sustainability characteristics*" and "*Risk Factors—Risks Related to the Notes—We may not satisfy the Relevant Sustainability Performance Target. Accordingly, there can be no assurances as to whether the interest rate in respect of the Notes will be subject to adjustment*."

Recent developments

2021 Guidance

The guidance and targets set out below constitute forward-looking statements and reflect our present expectations with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described below.

Although we believe that the expectations reflected in these statements are based on reasonable assumptions given our knowledge of our industry, business and operations as at the date of this Offering Circular, we cannot give any assurance that these assumptions will prove to be correct, and we caution you not to place undue reliance on such statements. For more information, see "Forward-looking Statements".

The forecast for worldwide automotive production released on 16 September 2021 by IHS Markit reflected a strong reset of the expected figures for the six months ending 31 December 2021. This major revision is primarily attributable to a higher than expected impact from a semiconductor shortage that is creating high volatility in OEM programs.

Worldwide automotive production for the six months ending 31 December 2021 is now estimated by IHS Markit at:

- 34.5 million vehicles (of which 16.1 million are expected to be produced in the third quarter of 2021 and 18.4 million are expected to be produced in the fourth quarter of 2021) compared to 39.3 million vehicles in the previous forecast of IHS Markit released in August 2021 (of which 18.1 million were expected to be produced in the third quarter of 2021 and 21.2 million were expected to be produced in the fourth quarter of 2021),

as a result of which the full year 2021 worldwide automotive production is now estimated by IHS Market at:

- 72 million vehicles, compared to 77 million vehicles in the previous forecast that IHS Markit released in August 2021.

Based on the assumption that worldwide automotive production should reach 72 million vehicles in the full year 2021, our 2021 targets for profitability and cash generation are adjusted as follows:

- sales of approximately €15.5 billion and production outperformance of over 600 bps above worldwide automotive production (vs. previous guidance of €16.5 billion and production outperformance of over 600 bps above worldwide automotive production). Our sales target of €15.5 billion is expressed at constant scope and currencies and reflects a negative effect of approximately €610 million, of which €130 million is as a result of scope effect (a combination of the consolidation of SAS and divestment of the Acoustics and Soft Trim business) and €480 million a result of currency exchange rates;

- operating margin between 6.0% and 6.2% of sales (vs. previous guidance at approximately 7% of sales); and
- net cash flow of approximately €500 million, with a net-debt-to-EBITDA ratio equal to or less than 1.5x at the end of 2021 (vs. previous guidance of more than €500 million, with a net-debt-to-EBITDA ratio of less than 1.5x at the end of 2021).

Our financial targets are based on 2021 average currency rates of 1.20 for USD/€ and 7.73 for CNY/€.

Sale of Acoustics and Soft Trim Business

On 18 February 2021, we announced that we have signed a Memorandum of Understanding for the sale of Faurecia Interior's acoustics and soft trim business to the Adler Pelzer Group ("**APG**"). APG is a worldwide leader in automotive acoustic and thermal components and systems. The sale was finalised on 29 October 2021.

We believe the sale of this business will enable us to focus on our core product lines within Faurecia Interiors where we have a leading market position.

Our acoustics and soft trim business represented €385 million of sales in 2019 and employs approximately 1,820 employees in 8 plants and one R&D center, all of which are based in Europe.

Shortage of electronics components

In the first half of 2021, the automotive industry has been significantly impacted by the shortage of semiconductors. This situation was exacerbated by winter storms in Texas in February and a fire disaster at a plant of a major supplier in Japan in March 2021. The latest forecast for worldwide automotive production, released on 16 September 2021 by IHS Markit, anticipates a sharp reduction by 4.8 million vehicles to be produced in the second half of 2021 due primarily to a higher than expected impact from a semiconductor shortage that creates high volatility in OEM programs. This shortage is reflected in worldwide automotive production that was expected to reach 80.8 million vehicles at the beginning of the year, for the full year, up 14% year-on-year (according to IHS Markit forecast dated January 2021, vehicles segment in line with CAAM for China), and is now expected to reach 72.0 million vehicles (latest IHS Markit forecast dated September 2021), up 1.5% year-on-year.

Combining Faurecia and Hella

Our proposed combination with Hella marks a step in our ambition to accelerate our strategic transformation, investing in fast-growing segments with leading positions. The acquisition of Hella is a strategic opportunity for us, enabling us to create the world's seventh largest supplier to the automotive industry, with a cutting-edge technology portfolio that addresses the major trends in the industry, and to achieve the combination of two highly complementary companies focused on innovation, operational excellence, customer satisfaction and environmental, social and governance ("**ESG**").

The Hella Acquisition represents an estimated total enterprise value of €6.7 billion for 100% of Hella.

As part of our proposed combination with Hella, and following discussions with Hella and the members of the Family Pool, we concluded the following agreements:

- the BCA, under the terms of which we undertake, among other things, to launch the Public Tender Offer for all of Hella's shares at a price of €60.00 per share, amounting to total consideration of €60.96 (which includes a dividend of €0.96 according to a resolution by the Hella shareholders at their annual general meeting on 30 September 2021 and to be paid by Hella to all its shareholders before the Hella Acquisition Closing Date), which corresponds to a premium of 33% compared to the latest unaffected share price of €45.8 and of 24% compared to the unaffected 3-month volume weighted average price ("**VWAP**") of €49.10, and

- the Hella Acquisition Agreement, and the Investment Agreement, under the terms of which we undertake to acquire the entire stake held by the Family Pool, representing 60% of the share capital and voting rights of Hella, at a price of €60.00 per share, paid through a combination of €3.4 billion of cash and up to 13,571,428 of our ordinary shares (such shares are to be issued in accordance with the existing capital increase authorizations granted by our shareholders at their meeting on 31 May 2021; 13,571,428 is based on a reference price of €42.06 per share, whereas the final exchange ratio will be determined on the basis of the trading price of our shares immediately before the date of the consummation of the Hella Acquisition (with a floor of €37.85 per Faurecia share)).

As a result, the Family Pool will become our shareholder with up to 9% share of capital, subject to an 18-month lock-up agreement. A Family Pool representative may also join our Board of Directors, emphasizing the Family Pool's strong commitment to the Combined Group.

The Hella Acquisition has been unanimously approved by our Board of Directors at a meeting held on 9 August 2021, and received the support of Hella's management. The Combined Group will focus on four growth areas, fully aligned with automotive key trends:

- Electric Mobility (including hydrogen solutions),
- ADAS & Autonomous Driving,
- Cockpit of the Future, and
- Lifecycle Value Management.

We believe that the Combined Group would become a major technological player in the automotive electronics and software fields, with approximately 3,000 software engineers.

We view the strategic rationale for the proposed Hella Acquisition as follows:

(1) *Combining Faurecia with Hella's strong identity, businesses and employees*. We value the technology and innovations of Hella and we intend to further enhance and globalize their activities. We plan to accelerate the multi-pillar business strategy of Hella with a focus not only on automotive original equipment (Lighting and Electronics), but also on additional market segments (Aftermarket, Services and Special Applications). Hella's headquarters in Lippstadt, Germany will continue to play a major role and will be the headquarters of three activities of the Combined Group: Electronics, Lighting and Lifecyle Value Management. The management of these three activities will be based in Lippstadt, Germany. Our objective is to leverage Hella's talents to achieve profitable growth for the Combined Group. We believe that stability in Hella's management and their continued involvement will be a key factor in integrating successfully into one Combined Group. Senior management roles in the Combined Group will be held by Hella executives. An integration committee to be composed of equal-numbers of members of our management and Hella's management will supervise the integration project. Positions in the Combined Group will be staffed according to best in-class principle. We are willing to continue the constructive dialogue with all of Hella's workforce constituencies and to stand by its current works council and collective bargaining agreements.

(2) *Aiming to create the seventh largest global automotive technology supplier focused on fast-growing automotive technologies, with leading positions and with a significantly increased 'powertrain-agnostic' share of revenues by*:

    - *Developing a strong and focused offer for Electric Mobility (BEV and FCEV).* The Combined Group aims to develop a comprehensive offer for electric vehicles (HEVs, PHEVs, BEVs and FCEVs), building on Hella's energy management portfolio, sensors and actuators related to BEVs, as well as our hydrogen system solutions (FCEV) and hybrid systems. The Combined Group's product offering, which remains under consideration, may include, for instance, Hella's battery management systems, DC/DC converters, onboard charging systems combined with our battery pack systems, hydrogen storage systems and stack systems. With such a portfolio of solutions, the Combined Group plans to be uniquely positioned to benefit from the zero emissions mobility market transition, in particular with a view to decreasing internal-combustion engine ("**ICE**") sales exposure from 25% in 2020 to less than 20% at the Hella Acquisition Closing Date and down to approximately 10% in 2025.

- *Becoming a major player in Electronics and Software solutions to accelerate in ADAS & Autonomous Driving*. In ADAS & Autonomous Driving systems, we aim to create a strong global player supporting the next high-speed and low-speed ADAS convergence with the combination of Faurecia Clarion Electronics with Hella Electronics and Software. The Combined Group's products on offer may include, for instance, radars, electric power steering (including fail operational systems features, meaning the device can operate even in case of failure), e-mirrors, 360° views and automated parking solutions. The Combined Group is expected to operate 24 production sites and 21 R&D centers. The ambition of the Combined Group, with orders already significantly booked, is to grow sales to approximately €7 billion in 2025.

- *Boosting Faurecia's Cockpit of the Future strategy thanks to complementary portfolios.* Our leading positions in Seating and Interiors (including SAS) combined with Hella's leading position in Interior Lighting and both companies' Electronics should significantly strengthen our Cockpit of the Future strategy. Hella's interior HMI (Human Machine Interface) solution capabilities, its portfolio of body electronics (access, comfort, seat), sensors and actuators will support value creation through new customer experiences.

- *Creating a Lifecycle Value Management activity, in line with environmental concerns and industry evolutions.* The Hella Acquisition will bring opportunities to build a real lifecycle value offer, including Aftermarket, Services & Repairs and Special Applications. We believe it will be able to enhance well-established Hella brands. It will allow to leverage potential business in eco-design products, sustainable materials and circular economy.

(3) *Accelerating innovation with strong R&D capabilities*. Following the Hella Acquisition, we expect the Combined Group will expand innovation and R&D projects through a combined total of 18,500 highly talented and motivated engineers and specialists, including 3,000 software engineers, 24 production sites and 21 R&D centers.

(4) *Capitalizing on complementary customer portfolios across all geographies and leveraging Faurecia's strong position in Asia, particularly in China*. The Hella Acquisition will bring together two companies with established and complementary positions. It will open new sales opportunities for Hella by leveraging our privileged access to key Chinese and Japanese OEMs. We believe Hella's position with German OEMs will contribute to improving our inroads with German OEMs. We believe that we and Hella will both benefit from complimentary strength with US-based OEMs.

(5) *Generating significant synergies to drive profitability and cash generation improvement.* We estimate that cost synergies and optimization, including procurement, selling, general and administrative ("**SG&A**") expenses and other operating expenses, should generate more than €200 million EBITDA estimated run-rate cost savings, with an 80% income statement impact to be achieved in 2024, although we also anticipate integration and implementation costs of €250 million. Management believes that the profit and loss impact should gradually ramp up from 2023 through 2025 and for sales synergies to generate between €300 million and €400 million of estimated sales starting in approximately 2025, capitalizing on our strong footprint

in China, Japan and the Americas to sell the Hella brand and on Hella's position with German OEMs to enhance our market share. In addition to these synergies, estimated cash flow optimization by approximately €200 million per year on average from 2022 to 2025 will be generated mainly through working capital and capital expenditures.

(6) *Leveraging common ESG commitments and priorities.* Both companies share strong values, including ESG approaches involving ambitious CO_2 neutrality roadmaps. The Combined Group will be a driving force in the decarbonation and sustainability of mobility.

We secured the financing for the cash portion of the Hella Acquisition Price through €5.5 billion Bridge Facilities signed with a syndicate of international banks that can be drawn as necessary. A bridge to equity component of €800 million will be refinanced partially or fully through a capital increase with preferential subscription rights (the "**Proposed Share Capital Increase**"), with respect to which Peugeot 1810 and Bpifrance, each an existing shareholder of ours, have expressed their intention to participate in the amount of their prevailing shareholding in us, subject to the final terms of the Proposed Share Capital Increase. As of June 30, 2021, we had ample liquidity of €4.5 billion, including €3.0 billion of available cash and €1.5 billion from our fully undrawn Secured Credit Facility.

We, through our subsidiary, Faurecia Participations GmbH, launched the Public Tender Offer for all Hella shares on September 27, 2021. For more on the Public Tender Offer see "*—Public Tender Offer*" below.

The Hella Acquisition is expected to close in the first quarter of 2022, with its completion (including the settlement of the Public Tender Offer) and its timing subject to receipt of approvals by the relevant regulatory authorities and customary closing conditions.

The Public Tender Offer

On August 14, 2021 we announced the Hella Acquisition, including: (i) our intent to acquire a majority stake in Hella through the Block Trade with the Family Pool for 66,666,669 shares representing 60% of the share capital and voting rights of Hella and (ii) our intent to launch the Public Tender Offer to acquire up to all of the remaining shares issued by Hella.

We, through our subsidiary, Faurecia Participations GmbH, launched the Public Tender Offer for all Hella shares on September 27, 2021 (the "**Public Tender Offer Launch Date**"). The definite terms and conditions of the Public Tender Offer, as well as further provisions concerning this offer, are included in the offering document in relation thereto, which was approved by the German financial markets authority, *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"), on September 24, 2021. Following its approval by BaFin, the offer document was published, and the initial acceptance period commenced on the Public Tender Offer Launch Date. The offer document and all other information about the Public Tender Offer were published on the following website: www.faurecia-offer.com (such website is referred to for informational purposes only and neither it nor the offering document relating to the Public Tender Offer are incorporated by reference into this Offering Circular).

The initial period for Hella's shareholders to tender their shares in the Public Tender Offer started with the publication of the offering document on the Public Tender Offer Launch Date and expired on October 25, 2021, at midnight Central European Time. Hella's shareholders who did not tender their shares during such initial period may still do so under the German Takeover Act (*Übernahmeangebot*) within two weeks after we publish the results. We announced on 28 October 2021 that as of 25 October 2021 the total amount of shares in Hella that have been tendered by shareholders in the Public Tender Offer, plus the shares in Hella subject to the Block Trade, amounts to 81,596,038 shares in Hella, corresponding to approximately 73.44% of the share capital and the voting rights of Hella as of 25 October 2021. Pursuant to the German Takeover Act (*Übernahmeangebot*), all shareholders of Hella who had not tendered their shares in Hella in the Public Tender Offer at the time of 28 October 2021 announcement, may still tender such shares within two weeks of such announcement, *i.e.,* until 11 November 2021, at midnight Central European Time. We have published such announcement and the results of the Public Tender Offer on a weekly basis at https://www.faurecia-offer.com and expect to publish the final results on such website following the expiration of the additional period.

The settlement of the Public Tender Offer is expected in the first quarter of 2022 and remains subject to several closing conditions (see "*—Closing Conditions of the Hella Acquisition*" and "*Risk Factors—Risks Rleated to the Proposed Hella Acquisition—The completion of the Hella Acquisition remains subject to the satisfaction or waiver of several conditions precedent, and the non-fulfilment or late fulfilment of these conditions could have an adverse impact on us.*").

Closing Conditions of the Hella Acquisition

The Hella Acquisition is subject to regulatory approvals and customary closing conditions, including among other things, to the approval (i) of the competition and regulatory authorities in a number of jurisdictions, including in particular the authorities of the European Union, the United States and China, and (ii) under the foreign investment control procedures in Germany, New Zealand and the United States. The relevant authorities may impose measures or conditions, such as the sale of (potentially significant) assets or businesses of ours and/or Hella.

Since the announcement of the Hella Acquisition in August 2021, we have satisfied a number of closing conditions, including the receipt of regulatory approvals from the Turkish Competition Board, the Russian Federal Antimonopoly Service and the Committee on Foreign Investment in the United States. In addition, the waiting periods pursuant to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 of the merger control clearance in the United States of America have expired without the US Department of Justice and/or the US Federal Trade Commission having taken any action.

We currently expect to receive the remaining approvals and for consummation of the Hella Acquisition to occur in the first quarter of 2022. However, there can be no guarantee that we will receive the requisite approvals within this time frame or at all. See "*Risk Factors—Risks Rleated to the Proposed Hella Acquisition—The completion of the Hella Acquisition remains subject to the satisfaction or waiver of several conditions precedent, and the non-fulfilment or late fulfilment of these conditions could have an adverse impact on us.*" Pursuant to the terms of the Hella Acquisition Documents, the Hella Acquisition is expected to close ten business days after we announce the satisfaction or waiver of all of the requisite closing conditions, unless otherwise agreed.

Third-quarter 2021 sales

	For the three months ended 30 September			**For the nine months ended 30 September**		
	2020*	**2021**	**% Change**	**2020***	**2021**	**% Change**
SALES (in € millions, except %)	3,823	3,426	(10.4)	9,907	11,208	13.1
At constant scope and currencies			(11.4)			15.1
Worldwide automotive production** (in thousands of vehicles)	*19,510*	*15,762*	*(19.2)*	*48,283*	*53,203*	*10.2*

* 2020 sales figures restated for IFRS 5 (see in Appendix)

** IHS Markit forecast dated October 2021, as usually restated *i.e.,* vehicles segment in line with CAAM for China

Our sales in the three months ended 30 September 2021 amounted to €3.4 billion, outperforming IHS' regional production forecast from October 2021 (vehicles segment in line with CAAM for China) by 780 basis points, in a market that continued to be severely impacted by semiconductor shortage and consequent stop-and-gos. All of our business groups and geographic regions posted outperformance compared to such IHS regional production forecast. Clarion Electronics and Asia posted organic sales growth of 7.3% and 6.5% respectively.

New Private Placement of Notes

On 29 October 2021 we announced a new offering of sustainability-linked notes in a private placement under German law (a *Schuldschein* transaction) for an anticipated principal amount yet to be determined. The new offering is expected to close in December 2021 and would likely be denominated in U.S. dollars and euros. The net proceeds from the offering are expected to be used for the Hella Acquisition in place of a drawdown under the Bridge Facilities. We announced that Commerzbank Aktiengesellschaft and Landesbank Hessen-Thüringen Girozentraleare are lead arrangers and bookrunners of that offering and that ANZ, Bankinter, Intesa Sanpaolo S.p.A., and Raifeissen Bank International are co-arrangers.

History and Development

We have been a major automotive equipment supplier for decades and trace our history back to 1914. We have grown in tandem with technological and industrial advancements to reach our current position as a market leader in three of our four business groups. The following are key milestones and acquisitions in our development.

1997-1999. Ecia (*Équipements et Composants pour l'Industrie Automobile*), the PSA Peugeot Citroën group's specialist automotive equipment subsidiary, launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in this group to 99%. The acquisition leads to our formation in 1998 with the underlying aim of focusing on the automotive equipment business. Ecia and Bertrand Faure merge, resulting in the PSA Peugeot Citroën group holding a 52.6% stake in our company by the end of 1999. At that time, we report sales of over €4 billion, with a workforce of 32,000 employees.

2002-2005. We acquired a 49% stake in the South Korean catalytic converter maker Daeki Industrial (specializing in exhaust systems for Hyundai), number two in its market, and subsequently increased our stake to 100%. We also purchased the South Korean exhaust systems company Chang Heung Precision, which holds market share of over 20%.

2009. We agreed to acquire Emcon Technologies, becoming the world leader in the exhaust systems market. Following completion of the all-equity deal, One Equity Partners (JP Morgan Chase & Co's private equity arm) took a 17.3% stake in our company (fully divested in October 2010) and the PSA Peugeot Citroën group's interest was reduced to 57.4%. In India, we bought out joint-venture partner Tata to become the sole owner of Taco Faurecia Design Centre, which was renamed Faurecia Automotive Engineering India and became our development center in India.

2012. On 3 May 2012, we announced our acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). On 30 August 2012, we announced the acquisition of Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler). We acquired the automotive business of Sora Composites and signed a partnership agreement with Mitsubishi Chemical to co-develop and produce bio-plastics for the automotive industry.

2013. Our Faurecia Clean Mobility business group entered into a joint-venture agreement with Suzhou PowerGreen Emission System Solution Co. Ltd, to jointly manufacture clean mobility solutions in Shanghai. Our Interiors business group also entered into a joint-venture agreement with Chinese automaker Chang'an Automobile Group, one of China's largest automakers to produce and deliver automotive interior equipment to Ford and PSA Peugeot Citroën group for its DS premium range and also enters into a cooperation agreement with Magneti Marelli for the design, development and manufacture of advanced human-machine interface vehicle interior products. Our Faurecia Seating business group entered into an agreement to establish a joint-venture with Thailand-based equipment manufacturer Summit Auto Seats to support Ford's growth strategy in Southeast Asia, especially in Thailand.

2014. Our Faurecia Interiors business group entered into a joint-venture with Interval, a major French agricultural cooperative to develop the use of natural fiber-based materials for the automotive industry, and also entered into a joint-venture with the Japanese equipment supplier Howa for the production of interior systems for the Renault-Nissan-Mitsubishi group in Mexico.

2016. On 29 July 2016, we completed the sale of Faurecia Automotive Exteriors to Compagnie Plastic Omnium for an enterprise value of €665 million. The sale of Faurecia Automotive Exteriors represented an important step in balancing our business model as it enabled us to accelerate our investment in higher value-added technologies within our remaining 3 divisions and to rebalance our geographical and customer portfolio. For example, part of the proceeds from the sale of Faurecia Automotive Exteriors were used for our investments in Parrot Automotive SAS, Amminex Emissions Technology A/S ("**Amminex**") and Coagent Electronics. On 6 December 2016, we announced that we had entered into exclusive talks with FCE Europe, one of the leaders in connectivity and infotainment solutions for the automotive industry, with the aim of developing applications and platforms for connected vehicles. On 13 December 2016, we announced that we had increased our stake in Danish company Amminex from 42% to 91.5% through a share purchase agreement.

2017. On 24 March 2017, we completed our strategic partnership with Parrot Automotive SAS (subsequently renamed FCE Europe) by taking a 20% stake and subscribing to a convertible bond allowing us to increase our stake to 50.01% from 1 January 2019. On 17 November 2017, we acquire a 50.1% stake in Coagent Electronics in order to develop HMI and in-vehicle-infotainment such as displays, voice recognition, radio and navigation and smartphone applications.

2018. In March, we completed our acquisition of Hug Engineering, a leader in gas purification systems for high horsepower engines. We also announce our investment in French start-up Enogia, a specialist for energy recovery. In April, we announced the opening of a new technology center in Yokohama. In June, we signed a strategic partnership framework agreement with FAW Group to develop Cockpit of the Future technologies and Sustainable Mobility solutions. In October, we announced our full acquisition of FCE Europe. We also announced a new joint venture with Liuzhou Wuling, Faurecia Liuzhou Emissions Control Technologies. We also announced the Clarion Acquisition. In November 2020, we announced a strategic partnership with HELLA for the development of innovative interior lighting solutions. In December, we announced an investment in ESP Consulting, which uses cognitive science to optimize human well-being and performance in different situations.

2019. In February, we signed a partnership with Japan Display Inc. ("**JDI**") to enhance user experience inside the cockpit. In March, we signed a memorandum of understanding to create a joint venture with Michelin, a leader in sustainable mobility. The joint venture will incorporate each of Michelin's fuel cell related activities, including its subsidiary Symbio, with our fuel cell related activities with the aim of creating a world leader in hydrogen fuel cell systems. In April, we launched our fourth business group Faurecia Clarion Electronics, based in Saitama, Japan. In April, we also announced the acquisition of a majority stake in the Swedish company Creo Dynamics, which provides innovative acoustics and Active Noise Control solutions. In April, we also announced the establishment of our first Faurecia Clean Mobility manufacturing plant in Japan, located in Koriyama City, Fukushima Prefecture. In May, we announced an investment in GuardKnox, an Israeli automotive cybersecurity provider, to reinforce passenger safety and data security in the connected car and for new user experiences. In June, we announced the creation of a global center of expertise for hydrogen storage systems at our research and development center in Bavans, France. In July, we announced a collaboration with Microsoft to create connected and personalized services inside the Cockpit of the Future. In October, we announced the acquisition of the remaining 50% of our SAS joint venture with Continental, which completed in January 2020. In November, we announced the creation of a joint venture with Aptoide to develop and operate apps for the global automotive market. In December, we announced a partnership with Devialet to develop high-quality sound solutions for automakers.

2020. In January, we signed a cooperation framework agreement with Beijing Horizon Robotics to co-develop multi-modal perception artificial intelligence solutions and accelerate the commercialization of intelligent cockpit systems and ADAS for the Chinese market. We also acquired Ullit, a French manufacturer of high pressured tanks to reinforce our hydrogen ecosystem. In April, we entered into a new joint venture with Changchun Xuyang Industry (group) Co., Ltd ("**Xuyang group**") in relation to the production, assembly and sales of automotive display products, as well as relevant after-sales services for OEMs. In May, we announced that we have selected Schneider Electric as our preferred partner to support us in our commitment to reach CO_2 neutrality. In June we announced our investment in Moovency, a French start-up specializing in 3D skeleton tracking to reinforce risk assessment and workplace health in our industrial sites. From July 2020, our joint venture with Aptiode will provide VW Latin America customers a connected user experience known as “VW Play”. In July, we acquired a Canadian start-up, IRYStec Software to enhance user experience of cockpit display systems. We also announced a new joint venture with BAIC, one of China’s largest automotive manufacturers, to provide complete seat assembly, seat frames, foams and headrests initially for BAIC Hyundai and other BAIC owned brands. This partnership will be created through our purchase of the 50% shareholding of Beijing BAI DAS Automotive System Co., Ltd. from DAS Corporation and is subject to obtaining regulatory approvals in China. In October, we inaugurated our global center of expertise for hydrogen storage and our partnership with Gaussin, a handling and transportation equipment and systems manufacturer, to equip a fleet of Gaussin’s logistics and port vehicles with Faurecia’s hydrogen storage system. In November, we announced that our greenhouse gas emissions reduction targets have been approved by the Science Based Targets initiative (SBTi). This is in line with our program to reach CO_2 neutrality. In December, Groupe Renault and FCE launched a partnership for multi-brand electronic repairs.

2021. In January we extended our collaboration with Microsoft to accelerate our transition to a fully cloud-based IT infrastructure. On 16 January 2021, Peugeot S.A. was merged into Fiat Chrysler Automobiles to form Stellantis N.V. As a result Stellantis N.V. owned 39.34 per cent. of the capital stock and 38.91 per cent. of the voting rights in Faurecia. On 8 March 2021, the shareholders of Stellantis N.V. approved the distribution by it of up to 54,297,006 ordinary shares in Faurecia to Stellantis N.V.’s shareholders. The distribution by Stellantis N.V. of these shares took effect on 15 March 2021.

In March 2021 we announced the construction of a new industry 4.0 platform in the Bourgogne-Franche-Comté region of France for a total cost of €165 million. Employing over 1,000 people in the long term, the new site will produce seats, innovative solutions for reducing vehicle emissions, and hydrogen storage systems. The new site will be equipped with the latest digital manufacturing technologies and will be a benchmark for CO2 emissions reduction. In April 2021 we signed an exclusive advisory contract with Schneider Electric to procure offsite renewable electricity as part of its CO2 neutral program. Under the agreement, we will benefit from Schneider Electric’s support in the development and deployment of competitive processes for power purchase agreement sourcing to cover all Faurecia sites in Europe, North America, China and Brazil. In April 2021, we revealed disruptive innovations at the Shanghai Auto Show, designed for the needs of Chinese consumers enabling a safe, comfortable, and connected on-board experience. The Group also showcased ultra-low emissions technologies and zero emissions hydrogen solutions for passenger and commercial vehicles. In April 2021, we also successfully completed the final closing of its acquisition of CLD, one of the leading Chinese manufacturers of hydrogen tanks. In May 2021, we were awarded a contract by SAIC to provide hydrogen tanks for a large fleet of commercial vehicles. On 28 May 2021, we entered into an amendment and extension of our Syndicated Credit Agreement, which was initially signed in December 2014 and already amended in June 2016 and June 2018. The amended agreement increases the total amount of the credit line available thereunder, which is undrawn, from €1.2 to €1.5 billion, enabling the Group to reinforce its long-term financial resources and flexibility. The agreement also extends the maturity of the credit line to five years, from June 2023 to May 2026, with two one-year extension options until May 2028. It further improves the other terms and conditions of the credit line. The interest rate of the credit line will vary depending upon the reduction of Faurecia’s CO_2 emissions between 2019 and 2025, by which time the Group aims at being CO_2 neutral for its Scope 1 and 2 GHG emissions (see “*—Sustainable Development—Ambition to be CO_2 neutral by 2030*” and “*Sustainability-Linked Bond Framework*”). In June 2021, we acquired designLED. The Scotland-based company, specialized in advanced backlighting technologies, is expected to strengthen Faurecia’s offer for display technologies and enrich its immersive experiences for the Cockpit of the Future. In June 2021, we also inaugurated a new industrial site in Togliatti, in the Samara region. The city will thus be home to both our largest site in Russia and our regional headquarters, building on the Group’s six sites across the country and energizing its momentum for this dynamic market. In June 2021 we also announced the success of our first employee share ownership plan, as the subscription period ended on 25 June. More than 22% of employees across 15 countries expressed their wish to invest in Faurecia Employee Share Ownership ("**Faur'ESO**") 2021, marking a success for a first transaction. In August we announced the Hella Acquisition.

Our Industry

We operate within the global automotive equipment sector and our business growth is dependent on the trends in the global automotive market. Consumer expectations and societal changes are the two main drivers of change within such market. Regulatory change, which mirrors societal change, aims to reduce the impact of vehicles on the environment across all major automotive markets. The globalization of the automotive markets and the swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive products.

From early 2010 to 2017, our markets experienced substantial growth, fuelled by a rebound of sales in Europe and North America, as well as robust growth in China and other emerging markets. However, in 2018, worldwide automotive production decreased by approximately 1.0% worldwide (source: *IHS Markit Automotive June 2019*). Nonetheless, our 2018 revenue was up by 7.0% at constant currencies, demonstrating an outperformance of 810bps above worldwide automotive production.

Worldwide automotive production decreased by 17.2% from 2019 to 2020, decreasing by 21.6% is Europe, 20.2% in North America, 31.4% in South America and by 13.0% in Asia (including a 6.9% decrease in China) (source: *IHS Markit Automotive Report February 2021*). Worldwide automotive production increased by 30.1% from the six months ended 30 June 2020 to the six months ended 30 June 2021. It increased in Europe (including Russia) by 28.4%, in North America by 32.0%, in Asia by 28.6% (of which an increase of 27.8% in China) and in South America by 61.5% (source: *IHS Markit Automotive report dated July 2021*). We continued to display strong resilience, with our sales for the six months ended 30 June 2021 up to €7,782.5 million compared to €6,084.1 million in H1 2020. For more information, see "*Summary – The impact of the Covid-19 pandemic*".

Reducing fuel consumption, an increasingly compelling requirement

Since 2009, European Union legislation has set mandatory emission targets for new cars and, since 2011, for new vans. From 2021, phased in from 2020, the EU fleet-wide average emission target for new cars will be 95g CO_2/km, in contrast with the goal of 180g CO_2/km which was in force ten years ago. The next requirement will be a reduction from the 2021 baseline of 15% for both cars and vans to around 80g CO_2/km from 2025 onwards and then 37.5% for cars and 31% for vans from 2030 onwards. In China, the government has set a target of 95g CO_2/km for passenger vehicles by 2025, followed by 75g Co_2/km. These objectives will require breakthroughs in design and materials. We are already active in the various areas that help reduce vehicle weight by offering new products and new designs applicable to existing products, optimized design, and are working to develop alternative materials and new manufacturing processes. As a world leader in clean technologies, we are committed to offering innovative solutions in zero and ultra-low emission mobility and the reduction of emissions from all types of vehicles.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that are converging towards a drastic reduction. Reducing fuel consumption results in increased levels of pressure and higher temperatures in combustion chambers, which are damaging to the environment in terms of emissions of gas, pollutants and particulates. Direct fuel injection, increasingly widespread in gasoline engines, generates particulates that may require treatment in the exhaust system. We have been supplying particulate filters for gasoline engines since 2014, when we were the first company to introduce them as standard equipment in the market. The new Euro 6c emission standards have made it mandatory for all vehicles produced after 1 September 2018 with gasoline engines to have particulate filters installed, as has been the case for diesel engines since 2011.

We are able to develop exhaust systems integrating the most efficient pollutant and particulate treatment technologies as a result of our experience in all aspects of the design and production of exhaust systems. In 2018, we offered an innovative solution to an important General Motors program to save fuel and reduce CO_2 emissions. Called "Resonance Free Pipe™" (RFP™), this innovation reduces the weight and the architectural complexity of exhaust by eliminating resonance. In 2019, we received Automotive News magazine's 2019 PACE award for this innovation. In 2018, we further strengthened our technological offerings for clean mobility with our acquisition of Hug Engineering, a leader in whole systems for exhaust gas purification of extremely high-powered engines. In 2020, stringent regulations were implemented in all regions both for stationary and marine applications. In order to adapt to stricter emission regulations and to improve air quality, we developed "Electric Heated Catalyst" technology that will enable the emission control system in vehicles to reach its maximum efficiency at a faster pace.

Sustainable development and use of raw materials

Materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations. Depending on the engine type and driving cycle, decreasing the average vehicle's total mass by 100kg reduces CO_2 emissions by approximately 8-10g per kilometer driven. Our products can represent up to 20% of a vehicles' total weight. This makes us a major contributor to the reduction of vehicle weight as a means of cutting fuel consumption, limiting emissions of greenhouse gases and reducing the use of raw materials in vehicle production.

From 2015, the European Commission imposed stricter requirements where the recyclability of synthetic materials such as plastics and, in the longer term, composite materials is one of the key features of the vehicle of the future. We offer bio-sourced natural fibers, including hemp and vegetable fibers, which make it possible to attain high performance in reducing environmental impact: the proportion of natural fibers in plastics is renewable and the sustainability of plastics as well as the lesser weight of products allow for responsible consumption and use of these materials. The environmental impact of this innovation was assessed according to ISO 14040 and ISO 14044 international standards. Natural hemp fibers used by us also reduce environmental impact as the natural fibers in plastics is renewable and the lesser weight of products allows for responsible consumption and use of these materials. Plastic materials strengthened with hemp are recognized as compatible with industrial recycling processes already in place.

We are currently developing the NFPP family, a new range of interiors components for compression technology. These materials enable up to 50% weight reduction and are expected to reduce CO_2 emissions by 50% as well. We believe this new product line will assist in accelerating development of bio-sourced and recyclable materials providing significant weight, energy and CO_2 emission reduction.

We are already making a contribution having patented three technologies utilizing biomaterials. Lignolight technology, using compressed fibers for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components. NAFILean™ technology (Natural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with talc-loaded polypropylene. To date, more than 17 vehicles are equipped with NAFILean™ technology. NAFILite™, a project we developed together with a major French agricultural cooperative, Interval, which combines NAFILean™ material and an injection (foaming process) can further reduce weight by 10%. NAFILite™ received a sustainability award at the JEC World 2017 Innovation Awards.

In order to grow and manufacture lighter and cleaner vehicles, we take environmental factors into account at all stages of the product life cycle, from product design to the environmental impact of our plants, from supplier collaboration to product end-of-life. We have gradually put in place a management system that allows us to be particularly responsive to new restrictions and to set up an alternative project if necessary. Our management system includes an investigation phase to collect reports from our suppliers, notably in the context of the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**") regulation, and setting up an alternative project if necessary).

Competition

We estimate we are a world leading automotive technology suppliers in the world. We estimate that we are among the top three suppliers in terms of worldwide sales in each of three of our four business groups (Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors). We have benefited from the significant consolidation in our markets and have been able to acquire significant new technologies, markets and product lines. Our main competitors by business group are:

Faurecia Seating: Adient, Lear Corp and Magna International Inc.

Faurecia Interiors: Yanfeng Automotive Interiors ("**YFAI**"), Grupo Antolin, IAC (International Automotive Components) and Motherson.

Faurecia Clean Mobility: Tenneco, Eberspächer, Boysen and Magneti Marelli.

The list above does not include "captive" Keiretsu / Chaebol competitors closely linked to carmakers, such as Toyota Boshoku, Sitech, Mobis, Sango, Futaba, Yutaka or Sejong.

Faurecia Clarion Electronics: Bosch, Harman, Panasonic and Continental.

Manufacturing

With approximately 266 plants, 39 R&D centers in 35 countries, we can support automakers with on-the-ground services, especially in high-growth emerging markets. Focusing on innovation, project-engineering and production, we play a leading role in shaping the automotive industry around the world.

Around two thirds of our plants producing components are specifically located near our customers' plants in order to streamline industrial and supply chain costs. Around a third of our sites use a just-in-time business model, meaning that rather than stock-piling raw materials and finished products, components are produced based on the specifications communicated by the customer on the day of production. Located near automakers' assembly lines or even set up within their actual industrial parks, these sites are capable of delivering to our customers' production lines in less than three hours. For this reason, much of our property, plant and equipment is specifically dedicated to particular client programs and utilization rates are dependent on the activity level of the customers.

Most of our property, plants and equipment is comprised of machinery, specific tooling and new plants in the process of construction, as well as land and buildings involved in our production processes. The level of automation in our manufacturing plants will depend on the local context and customers' needs; however, none of our plants are 100% automated and the skills of our employees is a key factor of our quality level. By the end of 2020, over 850 smart robots (including collaborative robots, visual guided robots) and over 1,100 automated guided vehicles had been installed at Faurecia production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines.

Market conditions weakened significantly in 2020 as a result of the Covid-19 pandemic. See "*Summary – The impact of the Covid-19 pandemic*" for information about our response to the Covid-19 pandemic and its impact the automotive sector.

Suppliers

We use a large number of suppliers based in different countries for our raw materials and basic parts. In 2020, the Group made a total of approximately €8.4 billion in purchases (production and indirect, excluding monoliths) from approximately 19,000 main suppliers in 63 countries. Since 2017, we have been working with our partner, EcoVadis, to carry out an in-depth assessment of our suppliers focusing on their ethical, social, and environmental practices. As at the date of this Offering Circular, 87% of all direct suppliers are assessed by EcoVadis.

Quality

We manage product quality from the new order acquisition phase to manufacturing in our plants. The Group quality control department is responsible for quality management at all stages of the process. It is present at all levels of organization from the multidisciplinary team developing new programs or the production plant up to the Group's management structure.

In 2018, we initiated our Total Customer Satisfaction program. This program aims at getting a global picture of our customer satisfaction both in term of performance and perception of the overall value chain: from order taking to production start. Beyond those quality measures, customer feedback is now collected instantly and in a transparent way through a dedicated digital application. The Faurecia Excellence System ("**FES**") is defining how production and operations are being organized. It has been built to improve quality, cost, delivery and security on a continuous basis, based on a common framework for all plants around the world, guaranteeing the best possible operational performance. The FES, renamed "FES X.0", was updated in 2018 to make it more pragmatic and accessible to employees as well as to accelerate digitization. FES X.0 is being deployed during 2019 and will be an important contributor to our Total Customer Satisfaction program and our financial performance.

We have developed a Quick Response Continuous Improvement ("**QRCI**") approach to analyze the frequency of work-related accidents to measure the effectiveness of actions carried out in the relevant area. After each accident, a QRCI analysis is performed using a problem-solving method based on best practices in terms of solving quality problems to ensure that the primary causes of the accident are understood, that corrective actions have been effective and that preventative measures are implemented and shared across the various sites.

Our major customers acknowledge that we offer one of the highest levels of quality worldwide, as evidenced by numerous awards received from customers each year. Detailed monitoring of specific performance with each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Reducing quality performance differentials between sites remains an overriding goal as demonstrated by our Plant Ranking initiative, launched in 2018, which is designed to promote comparative analysis between production sites.

Research and Development

Consumer expectations and societal changes are the two main drivers of change within the market. Regulatory change, which mirrors societal change, aims to reduce the impact of cars and commercial vehicles on the environment across all major automotive markets. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive product ranges.

Gross R&D expenses accounted for €1,187.3 million of total expenses in 2020, representing 8.1% of our sales, and €607 million was allocated to innovation over the last three years. We filed 621 patents in 2020 compared to 608 in 2019.

We focus our innovation efforts on "Sustainable Mobility", our development of products and processes which reduce CO_2 emissions, improve air quality, weight reduction, size reduction, energy recovery and the development of bio-sourced and renewable materials and "Cockpit of the Future", our development of products and technology for vehicle seating and interiors which is aligned with the increasing connectedness and autonomy of vehicles which we believe will radically alter the driving experience and lead to the "Cockpit of the Future", with substantially redesigned and enhanced vehicle seating and interiors. We are pioneering technological development in the "Cockpit of the Future" which will provide users with versatile architecture, advanced safety, health and wellbeing, personalized comfort, connectivity, infotainment and intuitive HMI systems. We are focusing our product development on higher value, innovative products with a high technology content.

Following the Hella Acquisition, we expect the new Group will expand innovation and R&D projects with a combined total of 18,500 highly talented and motivated engineers and specialists, including 3,000 software engineers, 24 production sites and 21 R&D centers.

Product process and design

Product process and design are central to the activity of our engineering teams. We develop our own rules and design standards. This guarantees both a high level of robustness and a competitive advantage. We expect this process of standardization to help us reduce our existing level of capital expenditure by allowing us to manufacture different types of vehicles for several automakers, using the same production process and the same plants.

We commit a lot of efforts and incur significant expenses to improve our production processes, in particular in order to ensure that our productivity and production efficiency continues to increase. Our customers often require that we share with them our productivity gains by agreeing to some potential price reduction to reflect any improvement in productivity based on certain volume of production assumptions for each particular program. These approaches have allowed us to develop lighter products than our competitors.

The industrial chair of automotive mechatronics with Centrale Nantes (France) and of processing methods for metal materials with the Technische Universität Dortmund (TUD, Germany) are part of this process. Since 2012, we have made particular efforts to enhance our expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automotive mechatronics with Centrale-Supelec (France).

Intellectual Property

Technological development and innovation are among our priorities. In order to protect our new and existing products, proprietary know-how and production processes, we manage a large intellectual property rights portfolio including patents, designs and trademarks relating to our business in France and other countries. In particular, we filed 621 new patent applications and 673 territorial extensions in 2020. Overall, we have more than 10,000 patents in our patent portfolio. These patents relate to products, materials, and manufacturing processes, demonstrating the efforts made by us to optimize the entire product value chain and to sustain a competitive advantage.

While our patent portfolio and other intellectual property rights including trademarks and designs are of material importance to our business, we do not consider any one patent or group of patents that relates to any particular product or process as being of material importance in relation to the products we supply to any client or, for that matter, to our business as a whole. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding.

Recycling

We incorporate recyclability in our eco-design approach by anticipating the end-of-life phase and optimizing production waste recovery. The European Directive 2000/53/EC of 18 September 2000 on end-of-life vehicles stipulates that vehicles must be 95% recoverable by weight, of which 85% must be actually reusable or recyclable, by 1 January 2015. Given the general increase of regulatory requirements from an environmental perspective, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recyclability.

All of our businesses are affected by these regulatory requirements and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products are processed as efficiently as possible in the future.

We are committed to a process of forecasting the life-cycle of a product and the recoverability of a product at the end of its life-cycle. Selective trials overseen by us comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academic institutions and automotive industry related, groups to forecast volumes of materials available for recycling in the future.

Faurecia Interiors, after performing tests on the recycling and recovery of products, has begun similar operations after disassembling vehicles. Industrial-scale recyclability studies and tests have been undertaken with certain car-disassembling plants, both on existing products and materials being developed, including agro-composites. For example, the NAFCORECY (NAtural Fiber COmposites RECYcling) project was able to demonstrate, with the help of European companies specialized in recycling, that parts made of NAFILean (polypropylene with natural fibers) can be processed with post-disassembling technologies for vehicles or recycling technologies used for industrial waste.

Insurance

As we do not have any captive insurance entities, our system for safeguarding assets is based on the implementation and on-going adaptation of our risk prevention policy as well as our strategy of transferring our principal risks to the insurance market. As with any industrial activity, our sites are exposed to various risks: fire, explosion, natural disaster, systems failure, non-compliance with regulations or stricter regulations applicable or other factors. These types of events may result in us incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

We hold fire, property damage and business interruption insurance policies. Insurance coverage for our buildings and equipment is based on the asset's replacement value. We have established special coverage in connection with certain country-specific risks. We renewed our liability insurance policy on 1 January 2021. Liability insurance covers operating liability and product liability after delivery, including the risk of product recall.

Employees

As at 31 December 2020, we employed approximately 113,391 people (including temporary workers). Our total number of permanent employees, increased by 815, or 0.9%, to approximately 93,699 as at 31 December 2019, compared to 2019.

The following table shows our permanent employees across regions and functions:

	2020				2019				
	Operators and workers	Technicians, foremen and administra-tive staff	Managers and professionals	Total	Operators and workers	Technicians, foremen and administra-tive staff	Managers and professionals	Total	Variation
Europe	28,551	6,195	9,565	44,311	28,474	6,582	9,207	44,263	0.1%
North America................	14,362	1,373	3,872	19,607	14,104	1,574	4,073	19,751	-0.7%
South America................	3,323	660	487	4,470	3,828	795	481	5,104	-12.4%
Asia	6,441	1,408	7,483	15,332	7,251	1,995	7,860	17,106	-10.4%
Other	6,236	582	823	7,641	6,072	653	750	7,475	2..2%
Total	**58,913**	**10,218**	**22,230**	**91,361**	**59,729**	**11,599**	**22,371**	**93,699**	**-2.5%**

The proportion of employees employed under indefinite term contracts (as opposed to employees on fixed term contracts) decreased from 74.6% in 2019 to 73.4% in 2020.

In addition to the above permanent employees, we employed 22,570 total temporary employees throughout all of our sites in 2020. The proportion of temporary staff increased from 18.9 % in 2019 to 19.8% in 2020.

Our employees benefit from employees saving plans and other incentive-based pay depending on their level and the country in which they work. In 2010 we implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

Litigation

On 25 March 2014, the European Commission and the United States Department of Justice, on 27 November 2014, the Competition Commission of South Africa, and on 19 May 2017, the Brazilian competition authority ("**CADE**"), initiated inquiries covering certain suppliers of emission control systems on the basis of suspicions of anti-competitive practices in this market. Faurecia is one of the companies covered by these inquiries. The current status of these inquiries is as follows:

- the European Commission has announced that it had closed the enquiry, as communicated by us on 2 May 2017;
- we have reached an agreement with the CADE for a non-material amount, which we announced on 5 September 2018, and, as a result, we are no longer subject to their enquiry;
- in December 2018, we were informed by the United States Department of Justice that we were no longer subject to their enquiry;
- on 10 April 2020, a settlement agreement for a non-material amount was signed between us and the Competition Commission of South Africa, and was approved by the court on 18 May 2020.

Moreover, the Group has reached agreements, for non-material amounts, with the plaintiffs to settle all three class actions which were filed in the United States District Court for the Eastern District of Michigan against several suppliers of emissions control systems, including group affiliates, alleging anticompetitive practices in regard to Exhaust Systems. These agreements have been validated by the court.

All investigations by competition authorities are now closed.

Two class actions for similar allegations have also been filed in Canada. These class actions have been subject to agreements for non-material amounts. These agreements have been validated by the court on December 2020 and are no longer subject to appeal.

In 2014, the Alliance of Artists and Recording Companies, Inc. ("**AARC**") (an organisation protecting copyrights in the USA) filed two consolidated cases in the United States District Court for the District of Columbia (the "**District Court**") seeking damages and an injunction against a group of automotive manufacturers and suppliers, including Clarion Corporation of America (a 100% subsidiary of Clarion) ("**Clarion Corporation**"). AARC alleged that the defendants were distributing in-vehicle navigation systems in violation of the Audio Home Recording Act of 1992 (the "**Act**"). On 23 March 2018, the District Court issued summary judgment in favor of Clarion Corporation and the other defendants. This summary judgment was appealed by the AARC in September 2018 at the United States Court of Appeals for the District of Columbia Circuit (the "**D.C. Circuit**"). On 28 January 2020, the D.C. Circuit unanimously affirmed the District Court's summary judgment in favour of Clarion Corporation and the other defendants. In the absence of a petition for a rehearing or appeal to the U.S. Supreme Court, the Group considers that the case has been definitively concluded.

There are no other claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The unaudited *pro forma* consolidated financial information has been prepared for illustrative purposes only to illustrate the effects of the Hella Acquisition as if it had occurred on:

- 1 January 2020 (with respect to the pro forma income statement for the year ended 31 December 2020 and the six months ended 30 June 2021); or
- 30 June 2021 (with respect to the pro forma consolidated balance sheet as of 30 June 2021).

The unaudited *pro forma* consolidated financial information of the Issuer for the year ended 31 December 2020, for the six-month period ended 30 June 2021 and as of 30 June 2021, presented below is for illustrative purposes only. This *pro forma* financial information should not be considered indicative of the Group's profit and loss that would have been achieved if the Hella Acquisition had been effectively completed on the dates set forth above, nor it is indicative of future performance. The actual results may differ significantly from those reflected in the unaudited *pro forma* consolidated financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the unaudited *pro forma* consolidated financial information.

The unaudited *pro forma* consolidated financial information has not been prepared in accordance with the requirements of Regulation S-X under the Exchange Act, the Prospectus Directive or any generally accepted accounting standards. The unaudited *pro forma* consolidated financial information is based upon available information and certain assumptions that we believe to be reasonable and give effect to events that are directly attributable to the Hella Acquisition described therein and are factually supportable. Neither the assumptions underlying the *pro forma* adjustments, nor the resulting *pro forma* financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

The financial data relating to Hella included herein has been extracted or derived from publicly available information regarding Hella, including Hella's audited consolidated financial statements and Hella's condensed interim consolidated financial statements. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. See "*Presentation of Financial and Other Information—Financial Information Relating to Hella*."

The unaudited *pro forma* consolidated financial information should be read in conjunction with the information included elsewhere in this Offering Circular under the captions "*Presentation of Financial and Other Information*", "*Use of Proceeds*", "*Capitalization*" and "*Terms and Conditions of the Notes*"

Introduction

Information regarding the transaction:

- Faurecia's unaudited *pro forma* financial information, (including Hella GmbH & Co KGaA and its subsidiaries, hereafter "the combined Group"), are composed of one balance sheet, one income statement and notes (hereafter "**Unaudited Pro forma Financial Information**").
- Faurecia's Unaudited Pro forma Financial Information has been prepared assuming that 100 per cent of the share capital of Hella will be tendered in the offer (acquisition of the remaining 40%) and to illustrate the effect of such acquisition, as if it has been completed on January 1, 2020 for the purpose of the Unaudited Pro forma Statement of Income and on June 30, 2021 for the purpose of the Unaudited Pro forma Statement of Financial Position. Faurecia Unaudited Financial Information was prepared on the basis of a number of assumptions as outlined in note 1 below.
- The Unaudited Pro Forma Financial Information does not reflect the operating results or financial position which Faurecia would have had if Faurecia had actually acquired 100 per cent of the shares of Hella. The Unaudited Pro Forma Financial Information presented below

does not reflect the effect of any synergies that may result from the acquisition or any severance, integration or restructuring costs that may be incurred following the acquisition.

- The Unaudited Pro Forma Financial Information is not necessarily indicative of the results of operations in the future periods or the future financial position of Faurecia and there can be no assurance the trends indicated by the Unaudited Pro Forma Financial Information are representative of the future results or performance of Faurecia. Accordingly, Faurecia results and financial condition may differ significantly from those portrayed by the Unaudited Pro Forma Financial Information.

Context of the publication of the Unaudited Pro Forma Financial Information:

- In August 2021 we announced our proposed business combination with Hella. We intend to acquire 66,666,669 shares representing 60% of the share capital and voting rights of Hella in the Block Trade that are held by the Family Pool and launched the Public Tender Offer on 27 September 2021 for the remaining shares issued by Hella. We expect to complete the Hella Acquisition in the first quarter of 2022, subject to regulatory approvals and customary closing conditions (see "*Business—Recent Developments—Closing Conditions of the Hella Acquisition*").

- The Hella Acquisition represents an estimated total enterprise value of €6.7 billion for 100% of Hella.

- As part of our proposed combination with Hella, and following discussions with Hella and the members of the Family Pool, we concluded the following agreements:

  - the BCA, under the terms of which we launched the Public Tender Offer at a price of €60.00 per share, amounting to total consideration of €60.96 (which includes a dividend of €0.96 according to a resolution by the Hella shareholders at their annual general meeting on 30 September 2021 and to be paid by Hella to all its shareholders before the Hella Acquisition Closing Date), which corresponds to a premium of 33% compared to the latest unaffected share price of €45.8 and of 24% compared to the unaffected 3-month VWAP of €49.10; and

  - the Hella Acquisition Agreement, and the Investment Agreement, under the terms of which we undertake to acquire the entire stake held by the Family Pool, representing 60% of the share capital and voting rights of Hella, at a price of €60.00 per share, paid through a combination of €3.4 billion of cash and up to 13,571,428 of our ordinary shares (such shares are to be issued in accordance with the existing capital increase authorizations granted by our shareholders at their meeting on 31 May 2021; 13,571,428 is based on a reference price of €42.06 per share, whereas the final exchange ratio will be determined on the basis of the trading price of our shares immediately before the date of the consummation of the Hella Acquisition (with a floor of €37.85 per Faurecia share)).

- As a result, the Family Pool will become our shareholder with up to 9% share of capital, subject to an 18-month lock-up agreement. A Family Pool representative may also join our Board of Directors, emphasizing the Family Pool's strong commitment to the Combined Group.

- The Hella Acquisition has been unanimously approved by our Board of Directors at a meeting held on 9 August 2021, and received the support of Hella's management.

- We secured the financing for the cash portion of the Hella Acquisition Price through €5.5 billion Bridge Facilities signed with a syndicate of international banks that can be drawn as necessary. A bridge to equity component of €800 million will be refinanced partially or fully through a capital increase with preferential subscription rights, with respect to which Peugeot 1810 and Bpifrance, each an existing shareholder of ours, have expressed their intention to participate in the amount of their prevailing shareholding in us, subject to the final terms of the Proposed Share Capital Increase. As of June 30, 2021, we had ample liquidity of €4.5 billion, including €3.0 billion of available cash and €1.5 billion from our fully undrawn Secured Credit Facility.

- We, through our subsidiary, Faurecia Participations GmbH, launched the Public Tender Offer for all Hella shares on September 27, 2021. The definite terms and conditions of the Public Tender Offer, as well as further provisions concerning this offer, are included in the offering document in relation thereto, which was approved by the BaFin, on September 24, 2021.

- The initial period for Hella's shareholders to tender their shares in the Public Tender Offer started with the publication of the offering document on the Public Tender Offer Launch Date and expired on October 25, 2021, at midnight Central European Time. Hella's shareholders who did not tender their shares during such initial period may still do so under the German Takeover Act (*Übernahmeangebot*) within two weeks after we publish the results. We announced on 28 October 2021 that as of 25 October 2021 the total amount of shares in Hella that have been tendered by shareholders in the Public Tender Offer, plus the shares in Hella subject to the Block Trade, amounts to 81,596,038 shares in Hella, corresponding to approximately 73.44% of the share capital and the voting rights of Hella as of 25 October 2021. Pursuant to the German Takeover Act (*Übernahmeangebot*), all shareholders of Hella who had not tendered their shares in Hella in the Public Tender Offer at the time of 28 October 2021 announcement, may still tender such shares within two weeks of such announcement, i.e., until 11 November 2021, at midnight Central European Time. We have published such announcement and the results of the Public Tender Offer on a weekly basis at https://www.faurecia-offer.com and expect to publish the final results on such website following the expiration of the additional period.

- The settlement of the Public Tender Offer is expected in the first quarter 2022 and remains subject to several closing conditions.

- The Hella Acquisition is expected to close in the first quarter 2022, with its completion (including the settlement of the Public Tender Offer) and its timing subject to receipt of approvals by the relevant regulatory authorities and customary closing conditions.

Accounting treatment:

- Based on IFRS 3 standard "Business Combinations" (hereafter "IFRS 3") and the Share Purchase Agreement, Faurecia management has established that Hella GmbH would be the acquiree and Faurecia the acquirer.

- Upon completion of the proposed Transaction, the Hella identifiable assets acquired and liabilities assumed will be recognized at fair value at that date in application of IFRS 3, at acquisition date as defined by IFRS 3.

Basis of preparation:

- These Unaudited Pro forma Financial Information has been prepared in accordance with (UE) Prospectus Delegated Regulation 2019/980, ESMA Guidelines on prospectuses of March 2021 and AMF Recommendations of April 2021.

- The amounts are expressed in million euros.

- The pro-forma adjustments of the Unaudited Pro forma Financial Information are limited to the impacts:

    - directly linked to the Operation;

    - that may reasonably be documented with regard to available information.

- Given the assumptions taken and the preliminary assessment performed for the preparation of the Unaudited Pro forma Financial Information, the financial situation and the operating income of the Group might differ in the future from the amounts indicated in the Unaudited Pro forma Financial Information as additional information will be made available and additional analysis will be performed.

Note 1 – Periods used as the basis for the preparation of the Unaudited *Pro Forma* financial information

The Unaudited Pro Forma Financial Information has been compiled and should be read in conjunction with the respective following financials statements described below.

Faurecia:

- the 2020 Consolidated Statements;
- the 2021 H1 Financial Statements (including our restated consolidated financial information for the year ended 31 December 2020, see "*Presentation of Financial and Other Information—Restatement of Comparative Financial Statements—IFRS 5 - Discontinued Activities*"); and

Hella:

- Hella closes its financial year on 31 May; in order to get periods comparable with Faurecia's financial statements, a 12-month income statement from 1 December 2019 to 30 November 2020 and a 6-month income statement from 1 December 2020 to 31 May 2021 were reconstituted from:
    - Hella's audited annual consolidated financial statements as of 31 May 2020 and 31 May 2021;
    - Hella's half-year consolidated financial statements, as published, unaudited and not subject to a limited review, as German regulations do not require it.

  For additional information on the use of Hella's financial information and development of the periods used see "*Presentation of Financial and Other Information—Unaudited Pro Forma Consolidated Financial Information*"

Summary of periods used:

	***Pro forma* 2020**	***Pro forma* 30 June 2021**
Faurecia	Annual accounts as at 31 December 2020	Half-year accounts as at 30 June 2021
Hella	**2nd half of the 2019/2020 financial year** (= Annual accounts at 31 May 2020 minus half-yearly accounts from 01 June to 30 November 2019) ***plus*** **1st half of fiscal year 2020/2021** (= Half-year accounts from 01 June to 30 November 2020	**2nd half of fiscal year 2020/2021** = Annual accounts as of 31 May 2021 minus half-yearly accounts from 01 June to 30 November 2020

Pro forma Combined Group - Income statement for the year 2020

(in € million)	**Faurecia**	**Hella** **For the year end 30 November 2020** *(Note 2.2)*	*Reciprocal transactions (Note 2.4)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	**Faurecia** ***pro forma*** **2020**
SALES	**14,444.6**	**5,616.8**	**(25.3)**			**20,036.1**
Cost of sales	(12,971.6)	(4,623.2)	25.3			(17,569.5)
Research and development costs	(341.7)	(586.6)				(928.3)
Selling and administrative expenses	(712.9)	(211.4)				(924.3)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**418.4**	**195.6**	–	–	–	**614.0**
Amortization of intangible assets acquired in business combinations	(91.7)	(15.5)				(107.2)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**326.7**	**180.1**	–	–	–	**506.8**
Other non-recurring operating income	180.7	76.6				257.3
Other non-recurring operating expense	(457.2)	(741.7)			(31.0)	(1 229.9)
Finance costs	(202.7)	(34.1)		(152.7)		(389.5)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**(167.9)**	**(519.1)**	–	**(152.7)**	**(31.0)**	**(870.7)**
Taxes	(122.3)	(15.6)		39.7	8.1	(90.2)
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**(290.2)**	**(534.7)**	–	**(113.0)**	**(22.9)**	**(960.8)**
Share of net income of associates	(12.8)	7.3				(5.5)
NET INCOME FROM CONTINUED OPERATIONS	**(303.0)**	**(527.4)**	–	**(113.0)**	**(22.9)**	**(966.4)**
NET INCOME FROM DISCONTINUED OPERATIONS	**(18.5)**	–				**(18.5)**
CONSOLIDATED NET INCOME (LOSS)	**(321.5)**	**(527.4)**	–	**(113.0)**	**(22.9)**	**(984.8)**
Attributable to owners of the parent	**(378.8)**	**(527.0)**	–	–	–	**(905.8)**
Attributable to minority interests from continued operations	57.3	(0.5)				56.8
Attributable to minority interests from discontinued operations	–					–

(*): As published as at 30 June 2021, restated for IFRS 5 impact
The items in Hella's income statement have been allocated to the equivalent lines in Faurecia's income statement, on the basis of information published by Hella.

Pro forma Combined Group – Income statement for the six months ended 30 June 2021

(in € million)	**Faurecia**	**Hella** **For the six months ended 31 May** *(Note 2.2)*	*Reciprocal transactions (Note 2.4)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	**Faurecia** ***pro forma*** **30 June 2021**
SALES	**7,782.5**	**3,279.4**	**(16.5)**	**,**	**,**	**11,045.4**
Cost of sales	(6,738.4)	(2,675.2)	16.5			(9,397.1)
Research and development costs	(181.2)	(232.0)				(413.2)
Selling and administrative expenses	(353.1)	(87.8)				(440.9)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**509.8**	**284.3**	–	–	–	**794.1**
Amortization of intangible assets acquired in business combinations	(44.5)	(7.8)				(52.3)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	**465.3**	**276.5**	–	–	–	**741.8**
Other non-recurring operating income	6.7	6.3				13.0
Other non-recurring operating expense	(58.2)	(71.5)			–	(129.7)
Finance costs	(116.8)	136.9		(45.9)		(25.7)
S410T - Total interest expense	*(94.4)*					*(94.4)*
S410T16 - Total interest expense IFRS16	*(22.4)*					*(22.4)*
Other financial income and expense	(11.2)	,				(11.2)
S620T - Other Financial Revenues and Expenses	–					–
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**308.2**	**348.3**	–	**(45.9)**	–	**610.6**
Taxes	(81.9)	(66.4)		11.9	–	(136.4)
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**226.3**	**281.9**	–	**(33.9)**	–	**474.3**
Share of net income of associates	(7.8)	11.5				3.7
NET INCOME FROM CONTINUED OPERATIONS	**218.5**	**293.4**	–	**(33.9)**	–	**478.0**
NET INCOME FROM DISCONTINUED OPERATIONS	**(30.7)**	–				**(30.7)**
CONSOLIDATED NET INCOME (LOSS)	**187.8**	**293.4**	–	**(33.9)**	–	**447.3**
Attributable to owners of the parent	**145.8**	**292.6**	–	–	–	**438.4**
Attributable to minority interests from continued operations	42.0	0.8				42.8
Attributable to minority interests from discontinued operations	–					–

The items in Hella's income statement have been allocated to the equivalent lines in Faurecia's income statement, on the basis of information published by Hella.

Pro forma Combined Group – Balance sheet

ASSETS

(in € million)	Faurecia 31 December 2020	Faurecia 30 June 2021	Hella 31 May 2021 *(Note 2.2)*	*Reciprocal operations* *Reciprocal operations (Note 2.4)*	*Business combination (Note 2.7)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	*Impact identified due to Change of Control clauses (Note 2.3)*	Faurecia ***pro forma* 30 June 2021**
Goodwill	2,195.9	2,240.7	5.2		4,209.2				6,455.1
Intangible assets	2,668.0	2,677.7	306.0						2,983.7
Property, plant and equipment	2,813.3	2,732.3	1,606.4						4,338.7
Right-of-use assets	913.3	895.8	105.1						1,000.9
Investments in associates	177.4	17–	199.2						369.2
Other equity interests	53.8	71.3	36.9						108.1
Other non-current financial assets	104.7	107.8	27.0						134.8
Other non-current assets	70.5	96.7	94.5						191.2
Deferred tax assets	475.4	472.1	128.8						601.0
TOTAL NON-CURRENT ASSETS	**9,472.3**	**9,464.5**	**2,508.9**	**–**	**4,209.2**	**–**	**–**	**–**	**16,182.6**
Inventories, net	1,431.3	1,591.2	900.4						2,491.6
Contract assets	248.0	321.5	72.2						393.7
Trade accounts receivables	3,237.1	3,091.3	958.5	(4.1)					4,045.7
Other operating receivables	363.4	559.6	–						559.6
Other receivables	856.4	937.6	196.3						1,133.9
Other current financial assets	2.6	0.1	442.4						442.5
Cash and cash equivalents	3,091.4	2,997.6	979.5			(646.0)			3,331.0
TOTAL CURRENT ASSETS	**9,230.2**	**9,498.9**	**3,549.3**	**(4.1)**	**–**	**(646.0)**	**–**	**–**	**12,398.1**
Assets held for sale	N/A	184.9	–						184.9
TOTAL ASSETS	**18,702.5**	**19,148.3**	**6,058.2**	**(4.1)**	**4,209.2**	**(646.0)**	**–**	**–**	**28,765.6**

LIABILITIES

(in € million)	Faurecia 31 December 2020	Faurecia 30 June 2021	Hella 31 May 2021 *(Note 2.2)*	*Reciprocal operations* *Reciprocal operations (Note 2.4)*	*Business combination (Note 2.7)*	*Financing of acquisition (Note 2.6)*	*Transaction costs (Note 2.8)*	*Impact identified due to Change of Control clauses (Note 2.3)*	Faurecia ***pro forma* 30 June 2021**
EQUITY									
Capital	966.3	966.3	222.2		(222.2)	228.1			1,194.4
Additional paid-in capital	632.8	632.8	–		–	1,126.7			1,759.5
Treasury stock	(19.1)	(147.8)	–		–				(147.8)
Retained earnings	2,449.2	1,958.4	1,995.5		(1,995.5)				1,958.4
Translation adjustments	(254.7)	(149.2)	(112.2)		112.2				(149.2)
Net income (loss)	(378.8)	145.8	353.3		(353.3)				145.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	**3,395.7**	**3,406.3**	**2,458.8**	**–**	**(2,458.8)**	**1,354.8**	**–**	**–**	**4,761.1**
Minority interests	331.4	364.0	1.8						365.7
TOTAL SHAREHOLDERS' EQUITY	**3,727.1**	**3,770.2**	**2,460.6**	**–**	**(2,458.8)**	**1,354.8**	**–**	**–**	**5,126.8**
Non-current provisions	515.3	454.1	456.8						910.9
Non-current financial liabilities	4,222.8	4,558.8	1,256.0			4,667.2		(798.1)	9,683.8
Non-current lease liabilities	794.0	778.9	103.9						882.8
Other non-current liabilities	1.9	1.9	–						1.9
Deferred tax liabilities	82.0	40.5	9.4						49.9
TOTAL NON-CURRENT LIABILITIES	**5,616.0**	**5,834.2**	**1,826.1**	**–**	**–**	**4,667.2**	**–**	**(798.1)**	**11,529.4**
Current provisions	315.4	247.3	197.5						444.8
Current financial liabilities	1,023.1	769.4	233.4					798.1	1,800.9
Current portion of lease liabilities	182.2	190.2	29.6						219.8
Prepayments on customers contracts	605.7	826.5	94.9						921.4
Trade payables	6,016.4	6,188.1	939.8	(4.1)					7,123.8
Accrued taxes and payroll costs	771.9	811.9	276.3						1,088.2
Sundry payables	444.7	395.2	–						395.2
TOTAL CURRENT LIABILITIES	**9,359.4**	**9,428.6**	**1,771.5**	**(4.1)**	**–**	**–**	**–**	**798.1**	**11,994.1**
Liabilities linked to assets held for sale	NA	115.3	–						115.3
TOTAL EQUITY AND LIABILITIES	**18,702.5**	**19,148.3**	**6,058.2**	**(4.1)**	**(2,458.8)**	**6,022.0**	**–**	**–**	**28,765.6**

The items in Hella's balance sheet have been allocated to the equivalent lines in Faurecia's balance sheet, on the basis of information published by Hella.

Note 2 – Hella information available and main adjustments made

2.1 Available information:

- Due to the nature of the transaction—*i.e.,* an acquisition of a listed company, involving several antitrust review processes—Faurecia had access to public financial information only, not allowing to carry out a detailed review of Hella's financial statements.

- The notes to Hella's half-year accounts do not always provide the same level of detail as the annual accounts, including for some line items that were useful in preparing the Unaudited Pro Forma Consolidated Financial Information. For example, there is no specific information on the amount of lease liabilities, which are included into current and non-current financial debt. Therefore, we had to use some default assumptions.

2.2 Hella information structure:

- The items in Hella's income statement and balance sheet have been allocated to the equivalent lines in Faurecia's income statement and balance sheet, on the basis of information published by Hella; in particular, the financial elements of other non-current and current liabilities have been reclassified under financial liabilities.

2.3 Impacts of change of control clauses:

- Based on the change of control clauses described in Hella's financial statements, following assumptions have been considered:
  - borrowings:
    - bond issues subject to a change of control clause were reclassified as short-term financial debt for €798 million.
    - The USD credit line has not been, however, as the amount drawn was not available.
  - *joint ventures*: a possible impact of a change of control clause has not been considered, no information on the joint-venture partners' decision being available at this stage.

2.4 Reciprocal transactions:

- The eliminated amounts were determined on the basis of the information recorded in Faurecia's systems:
  - Sales for €25.3 million in 2020 and €16.5 million in the six months ended 30 June 2021
  - Trade accounts receivables versus trade payables for €4.1 million as at 30 June 2021.

2.5 Other considerations:

- The Unaudited Pro Forma Financial Information is presented in accordance with Faurecia accounting policies and methods used to prepare the consolidated financial statements for the yearly and half-yearly accounts.
- Further adjustments and reclassifications may raise when Faurecia has full access to financial information and will harmonize accounting policies.
- Considering the points explained above (see note 2.1), the following potential adjustments could not be calculated and could be subject to subsequent adjustments or modifications:
  - harmonization of accounting rules and methods;
  - historical book value retained for assets acquired and liabilities assumed versus fair value; and
  - tax impacts resulting from a change of control (loss of previous deferred tax assets, etc.)

2.6 Financing:

- In line with Faurecia's communication of 14 August 2021, financing of the transaction consists of:
  - **A fully underwritten 5.5 billion euros bridge facility** was signed in August 2021. The contemplated refinancing of the bridge loans will mainly be done through:

- Long-term debt (bond issues and bank loans) for €4.7 billion; and
- a €800 million **capital increase**. The €800 million Bridge to equity included in the facility will be refinanced by an issuance of shares with preferential subscription rights; Peugeot 1810 and Bpifrance, current material shareholders of Faurecia with respectively 3.1% and 2.4% of its capital, have already expressed their intention to participate in this capital increase with preferential subscription right, up to their current ownership share, subject to the final terms thereof. The number of Faurecia shares issued was calculated on the basis of a price of €42.06 for *pro forma* purposes.

- **A capital increase of €570 million** (around 9% of Faurecia's existing shares) for the exchange in kind of part of the Hella family pool shares; the number of shares issued was calculated based on a price of €42.06 for *pro forma* purposes.
- **The use of available cash, for €646 million**.

- In order to reflect these financing items, the following adjustments have been recorded in the pro forma accounts.

2.7 Balance Sheet:

- Cash disbursement for €646 million.
- Equity increase by €1,355 million corresponding to
  - the €800 million Bridge to equity included that will be refinanced by an issuance of shares with preferential subscription rights; and
  - the capital increase of €570 million euros for the exchange in kind of part of the Family Pool's shares in Hella;
  - *less* capital increase costs estimated at 16 million euros impact.
- This increase has been booked in the reserves in the *pro forma* balance sheet as at 30 June 2021 as follows:
  - capital for €228 million; and
  - additional paid in capital for €1,227 million.

2.8 Income Statement:

- A €(153) million impact on 2020 *pro forma* financial costs (respectively €(46) million in the 6 months period ending 30 June 2021), broken down as follows:
  - **Costs** of setting up the **bridge loan of €5.5 billion** for €39 million euros (respectively);
  - **Financial expenses** related to the €**4.7 billion** debt €92 million (respectively €46 million); and
  - **Bonds issuance costs** for €22 million.
- Corresponding tax effects were considered for €40 million in 2020 and €12 million in the 6 months period ending 30 June 2021.

2.9 Goodwill:

- The Unaudited *Pro Forma* Financial Information assume a 100% success of the public tender offer (acquisition of the remaining 40%) at a price of €60 per Hella share (111,111,112 shares), adjusted for dividends paid in the meantime by Hella, ie €60.96 per share; since this dividend is voted and paid after the dates of the *pro forma* accounts, it has not been restated in Hella's accounts.

- The transaction is considered in the *pro forma* balance sheet as having been completed upon the closing date of the *pro forma* accounts, namely on 30 June 2021. A preliminary goodwill is calculated on these bases:

million €	***Pro forma*** **30 June 2021**
Identifiable assets acquired – Hella 31 May 2021	6,058.2
Liabilities assumed - Hella 31 May 2021	3,599.4
Total net assets acquired	(2,458.8)
Preliminary acquisition value	6,668.0
Preliminary Goodwill	**4,209.2**

2.10 Transaction costs:

- Transaction costs related to the transaction (excluding the associated financing) incurred by Faurecia were considered for €31 million in the 2020 *pro forma* income statement, with the corresponding tax effect. They correspond mainly to legal costs, financial and advisory services.

MANAGEMENT

We are a public limited liability company (*société européenne*) with a Board of Directors. The business address of our Board of Directors is 23-27 Avenue des Champs Pierreux, 92000 Nanterre, France.

Our Board of Directors determines our overall business, financial and economic strategies and oversees their implementation. Subject to the powers expressly granted by shareholders meetings and subject to our by-laws, the Board of Directors handles all our matters. The Board of Directors is consulted with respect to all of our strategic decisions at the initiative of our Chairman.

Our day-to-day activities are overseen by an Executive Committee. Our Executive Committee meets once a month to review the principal questions relating to our general organization. The Executive Committee discusses and prepares guidelines on major operations-related issues concerning us and our subsidiaries, which are then implemented by each of the Executive Committee's members in line with their functions.

Board of Directors

According to our Articles of Association, our Board of Directors must be composed of at least three members and no more than fifteen (excluding board members representing employees). The term of office has been four years since the Annual General Meeting of 27 May 2015. The Board of Directors currently consists of twelve members, out of which two represent the employees and eight of which are independent.

Members of the Board of Directors

The Board of Directors currently consists of twelve members, eight of whom are independent directors under French corporate governance guidelines issued by the *Association Française des Entreprises Privées / Mouvement des Entreprises de France* (the "**Corporate Governance Code**"): Michel de Rosen (Chairman), Odile Desforges, Penelope Herscher, Valérie Landon, Yan Mei, Peter Mertens, Jean-Bernard Lévy and Denis Mercier.

Michel de Rosen has been our Chairman since 30 May 2017 and Patrick Koller has been our Chief Executive Officer since 1 July 2016.

Name	Position	Initially Appointed	Date of Reappointment
Mr. Michel de Rosen	Chairman	27 May 2016	26 June 2020
Mr. Patrick Koller	CEO	30 May 2017	31 May 2021
Mr. Daniel Bernardino	Director	1 November 2017	1 November 2021
Ms. Odile Desforges...............	Director	27 May 2016	26 June 2020
Ms. Penelope Herscher...........	Director	30 May 2017	31 May 2021
Ms. Valérie Landon................	Director	12 October 2017	31 May 2021
Mr. Jean-Bernard Lévy...........	Director	19 February 2021	—
Ms. Yan Mei..........................	Director	28 May 2019	—
Mr. Denis Mercier	Director	28 May 2019	—
Dr. Peter Mertens	Director	28 May 2019 (effective as of 1 November 2019)	—
Peugeot 1810, represented by Mr. Robert Peugeot	Director	31 May 2021	—
Mr. Emmanuel Pioche............	Director	1 November 2017	1 November 2021

The members of the Board of Directors bring together a range of quality managerial, industrial and financial skills. Our directors come from a broad spectrum of professional backgrounds, including not only the automotive industry but also various other business sectors. They enhance the work and discussions of the Board of Directors and its committees through their diverse capabilities and the expert input they can give both from an international perspective as well as in terms of their specific experience in finance, manufacturing and management. They act in the best interests of all shareholders and are fully involved in defining our corporate strategy so that they can actively contribute to and support the decisions of the Board of Directors.

We have two employee-elected and no non-voting directors. Each member of the Board of Directors must hold at least 500 shares in our company throughout his or her term of office. However, Board members who do not receive compensation from the Company for his/her duties, shall only hold 20 shares provided for in the by-laws and that Board members representing the employees have no obligation to hold a minimum number of shares. There are no family relationships between members of the Board of Directors or corporate officers.

Responsibilities of the Board of Directors

The rules of procedure of the Board of Directors, which can be consulted by shareholders at the Company's head office or on our website, www.faurecia.com, detail the mission of the Board of Directors and its committees. Such rules describe the Board's *modus operandi* (including provision of information to its members) and its role in our management and our compliance with the law and our Articles of Association.

They specify the rights and responsibilities of members of our Board of Directors, particularly regarding the prevention of conflicts of interest, the holding of multiple offices, and the need for strict confidentiality in deliberations as well as diligence in taking part in the work of the Board of Directors. They also mention the rules governing transactions in our shares, which are detailed in the Code of Good Conduct with respect to the management of inside information and to securities transactions.

The Board of Directors is free to decide how to exercise their oversight. This can be performed, under its responsibility, either by the Chairman of the Board of Directors himself or by another person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Since 1 July 2016, the positions of our Chairman and Chief Executive Officer have been separate.

Committees of the Board of Directors

The Audit Committee

The Audit Committee has the primary role of reviewing the approval process for the corporate and consolidated financial statements as well as the process of preparing financial information. It ensures the relations with the statutory auditors of which it handles the selection process and checks the independence and follows internal control and risks management processes. It also reviews the budget, its execution and, more generally, the Group's financial situation.

The Audit Committee consists of four members with financial or accounting experience and expertise (including 2 independent directors): Odile Desforges (Chairwoman), Valérie Landon, Robert Peugeot (permanent representative of Peugeot 1810, Board member) and Emmanuel Pioche (employees representative).

Governance, Nominations and Sustainability Committee

The Governance, Nominations and Sustainability Committee (formerly, Governance and Nominations Committee) is tasked with the role of dealing with issues relating to the composition and operation of the Board of Directors and its Committees. More generally, the Committee assesses the Company's governance structure and, in this context, the exercise conditions of the Company's management and, where appropriate, makes recommendations in this regard. It also makes any necessary opinion in relation to the Board's Committees. Moreover, the Committee handles the selection and succession process for the Chair of the Board, the members of the general management and the Board members. It conducts the governance's assessment process (assessment of Board and Committees' work, examination of Board members' independence) and it annually reviews the selection and succession plans of the members of the Executive Committee. The Committee is also in charge of assessing the policy followed by the Company in ethics and compliance as regards good governance practice and reviewing social and environmental responsibility matters.

The Governance, Nominations and Sustainability Committee consists of three members (all independent directors): Michel de Rosen, Penelope Herscher and Jean-Bernard Lévy (Chairman).

Compensation Committee

The Compensation Committee is tasked with the role of dealing with issues relating to the compensation of the Chair of the Board, members of the general management and Board members. More generally, the Committee deals with issues associated with long term incentive plans policy. It is also informed of the performance and the compensation of the Executive Committee and also reviews the evolution of the compensation policy applicable to the Group main managers (Executive Committee, Group Leadership Committee).

The Compensation Committee consists of three members (including two independent directors): Denis Mercier (Chairman), Daniel Bernardino (employees representative) and Peter Mertens.

Conflicts of Interest

As provided for in the Board of Directors' internal regulations, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings, and must refrain from taking part in the vote on the matters in question and not attend Board meetings during the period of conflict of interests. The Company monitors carefully any situation likely to give rise to a potential conflict of interest. Each year, the Company notably provides its Board members with a detailed questionnaire allowing them to obtain the information required and thus make the necessary declarations.

It should also be noted that an *ad hoc* committee can be put in place by the Board of Directors to deal with certain specific topics. In accordance with best governance practice, an *ad hoc* committee was notably established by the Board of Directors in the context of the distribution of the Company's shares by Stellantis to its shareholders. See note 2.4 to our 2021 H1 Financial Statements incorporated by reference in this Offering Circular for a description of such distribution by Stellantis.

The Board of Directors strengthened its rules relating to conflicts of interest by adopting a procedure regarding the use of inside information. This procedure provides that no transactions may be carried out involving our shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in our shares to the Company which then informs the market.

Executive Committee

Under the responsibility of the Chief Executive Officer ("**CEO**"), our Executive Committee is comprised of the CEO and 13 Executive Vice-Presidents of the Group's international business groups and support functions. Our executive management meets every month to review our results and consider general matters concerning our Group. Its members are as follows:

Name	Position	Joined the Company
Mr. Patrick Koller	Chief Executive Officer	2006
Mr. Yves Andres	Executive Vice-President, Faurecia Clean Mobility	2013
Mr. Yann Brillat-Savarin..........	Executive Vice-President, Strategy	2018
Ms. Victoria Chanial	Executive Vice-President, Communication	2021
Ms. Nolwenn Delaunay............	Executive Vice-President, Group General Counsel & Board Secretary	2015
Mr. Olivier Durand...................	Executive Vice-President, Faurecia Clarion Electronics	2017
Mr. Michel Favre......................	Executive Vice-President, Group Chief Financial Officer	2013
Mr. Jean-Paul Michel	Executive Vice-President, Faurecia Interiors	2018
Mr. Thorsten Muschal	Executive Vice-President, Sales & Program Management	1992
Mr. Christophe Schmitt	Executive Vice-President, Group Operations & North America	1977
Mr. Jean-Pierre Sounillac	Executive Vice-President, Human Resources	2001
Mr. Eelco Spoelder...................	Executive Vice-President, Faurecia Seating	2016
Mr. François Tardif	Executive Vice-President, Faurecia China	2012
Mr. Hagen Wiesner	Executive Vice-President, SAS Interior Modules	2006

Senior Management

Please see note 3.2.2. (*The Group Leadership Committee*) of our 2020 Universal Registration Document for more information on our senior management.

Compensation of the Board of Directors and the Executive Committee

Please see note 3.3 (*Compensation of corporate officers*) of our 2020 Universal Registration Document for more information on Board of Directors and the Executive Committee compensation.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As at 31 August 2021, our share capital amounted to €966,250,607 divided into 138,035,801 fully paid-up shares with a par value of €7, all in the same class. These shares represent 139,934,656 theoretical voting rights and 139,843,085 exercisable voting rights.

Our ownership structure and voting rights as at 31 August 2021 were as follows:

Shareholder	Shares Owned	% shares outstanding	Theoretical voting rights(1)	% Theoretical voting rights	Exercisable voting rights(1)	% voting rights
Major shareholders(2)						
Exor	7,653,004	5.54%	7,653,004	5.47%	7,653,004	5.47%
Peugeot 1810(3)	4,328,380	3.14%	4,328,380	3.09%	4,328,380	3.10%
Bpifrance Participations	3,281,554	2.38%	3,281,554	2.35%	3,281,554	2.35%
Dongfeng Motor Hong Kong International	2,984,909	2.16%	2,984,909	2.13%	2,984,909	2.13%
Subtotal	***18,247,847***	***13.22%***	***18,247,847***	***13.04%***	***18,247,847***	***13.05%***
Company and company-related shareholding						
Corporate officers(4)	125,767	0.09%	172,340	0.12%	172,340	0.12%
Employees(5)	3,850,979	2.79%	4,239,434	3.03%	4,239,434	3.03%
Treasury stock(6)	91,571	0.07%	91,571	0.07%	0	0%
o/w liquidity contract(7)	*7,400*	*0.01*	*7,400*	*0.01%*	*0*	*0%*
Subtotal	***4,068,317***	***2.95%***	***4,503,345***	***3.22%***	***4,411,774***	***3.15%***
Free float and other shareholders holding >5%						
Citadel(8)	7,036,367	5.10%	7,036,367	5.03%	7,036,367	5.03%
Other (Free Float)	108,683,270	78.74%	110,147,097	78.71%	110,147,097	78.76%
Subtotal	***115,719,637***	***83.83%***	***117,183,464***	***83.74%***	***117,183,646***	***83.80%***
TOTAL	138,035,801	**100.00%**	139,934,656	**100.00%**	139,843,085	**100.00%**

(1) Theoretical voting rights = total number of voting rights attached to the total number of shares, including shares deprived of voting rights (including treasury shares). Exercisable voting rights = number of voting rights attached to the shares with voting rights.

(2) Exor, Peugeot 1810, Bpifrance Participations (Lion Participations) and Dongfeng Motor Hong Kong International were each shareholders in Stellantis N.V., the entity formed by the business combination of Peugot S.A. and Fiat Chrysler Automotives. With effect from March 15, 2021, Stellantis N.V. distributed shares in Faurecia to its shareholders, including to each of Exor, Peugeot 1810, Bpifrance Paricipations (Lion Participations) and Dongfeng Motor Hong Kong International. See note 2.4 to our 2021 H1 Financial Statements incorporated by reference in this Offering Circular for further information on the transactions related to the merger of Peugeot S.A. and Fiat Chrysler Automotives.

(3) This figure does not include the 372,000 shares acquired by Peugeot 1810 and declared to the AMF under declaration n°2021DD771600 dated 22 September 2021.

(4) Excluding Peugeot 1810, a Board member, whose shareholding is detailed above in this table.

(5) Calculated pursuant to art. L. 225-102 of the French Code of Commerce. This figure includes shares held by Faur'ESO International Employees as part of a Stock Appreciation Rights (SAR) formula. For more information on our employee shareholding plan, Faur'ESO, see note 15.1 to our 2021 H1 Financial Statements.

(6) Voting rights in treasury stock cannot be exercised by us.

(7) Please see note 5.3 to our 2020 Universal Registration Document incorporated by reference into this Offering Circular.

(8) Based on AMF threshold crossing declaration n°221C2000 dated 5 August 2021. Please note under AMF threshold crossing declaration n° 221C2707 dated 13 October 2021, Citadell declared crossing downward the 5% threshold (capital and voting rights), holding 4.95% of the share capital and 4.88% of the theoretical voting rights.

As of 30 September 2021, our directors hold approximately 3.5% of our capital and 3.45% of our theorical voting rights (including 3.41% of our capital and 3.36 % of our voting rights owned by Peugeot 1810).

Transactions with related parties

We are managed independently and transactions with the PSA Peugeot Citroën group and Stellantis N.V. (each a former majority shareholder) were and are conducted on arm's length terms. These transactions (including with companies accounted for by the equity method by the PSA Peugeot Citroën group) were recognized as follows in our audited consolidated financial statements:

	For the year ended 31 December		
	2018	2019	2020
		(in € millions)	
Sales	2,182.6	2,075.8	1,600.2
Purchases of products, services and materials	15.8	12.8	7.7
Receivables(**)	406.6	473.3	477.7
Payables	94.5	138.1	120.4
(**)Before no-recourse sales of receivables amounting to:	221.6	252.0	283.0

Our business relations with non-consolidated or equity consolidated entities were considered as insignificant as of 30 June 2021.

In the ordinary course of our business, our consolidated subsidiaries, including our minority interests in consolidated subsidiaries, engage in intragroup transactions, including distributions and the issuance of dividends during the whole financial year, including during the second half of the year. In accordance with our past practice and in the ordinary course of our business, between 1 July 2021 and the date of this Offering Circular, our consolidated subsidiaries issued dividends to the Company or its consolidated subsidiaries, including our minority interests in consolidated subsidiaries. In 2020, our consolidated subsidiaries issued dividends to the external shareholders of our minority interests in consolidated subsidiaries, in the amount of €35.4 million, including €30.1 million during the second half of the year and for the first and for the first half of the year 2021 this amount is equal to €24.7 million (recorded under "Dividends paid to minority interests in consolidated subsidiaries" in our Consolidated Cash Flow Statement included in our 2021 H1 Financial Statements).

DESCRIPTION OF OTHER INDEBTEDNESS

Debt Summary

Our net debt as at 30 June 2021 was €3,299.6 million, reflecting total gross debt of €6,297.3 million and cash equivalents (including other current financial assets included in net debt) of €2,997.6 million. Our subsidiaries hold significant cash balances from their servicing of derecognized receivables, which are included in our short-term debt. In addition, our subsidiaries tend to hold significant amounts of cash that they intend to use to fund working capital requirements and capital expenditure, particularly in jurisdictions where it would be disadvantageous from a tax perspective to distribute the cash and subsequently to receive funding from the parent company.

As at 31 December 2020, the weighted average interest rate on our gross outstanding debt was 2.86% for 2020.

Maturities of Outstanding Debt

The main elements of our long-term debt as at 30 June 2021 are the Senior Credit Facility of €1,500 million signed on 15 December 2014 and amended and restated on 24 June 2016, further amended and restated on 15 June 2018 and further amended and restated on 28 May 2021 (the maturity was extended to June 2026 in May 2021), the Japanese Yen Term and Revolving Facilities Agreement of JPY30 billion signed on 7 February 2020 of which JPY20 billion has been drawn down as at the date of this Offering Circular, the €473.5 million under the Schuldschein, the €1 billion under the 2025 Notes, the €750 million under the 2026 Notes, the €890 million under the 2027 Notes, the €700 million under the 2028 Notes and the €400 million under the 2029 Notes. In addition, following the Offering, we will have €1,000 million outstanding under the Notes.

The following table sets forth the maturity schedule of our outstanding long-term debt, set forth by category, in each case as at 30 June 2021 and after giving effect to the Offering:

	2022	2023	2024	2025	2026 and beyond	Total
			(in € millions)			
2025 Notes, 2026 Notes, 2027 Notes, 2028 Notes, 2029 Notes and Notes offered hereby	—	—	—	1,000.0	3,740.0	4,740.0
Senior Credit Facility	—	—	—	—	—	0.0
Schuldschein	(168.0)	202.5	212.5	—	—	247.0
Bilateral loans	—	—	92.0	—	—	92.0
Japanese Yen Term and Revolving Facilities	—	—	—	152.2	—	152.2
Bank borrowings & others*	—	—	—	—	—	322.5
Obligations under finance leases*	—	—	—	—	—	778.9
Non-current derivatives*	—	—	—	—	—	5.1
Total						**6,337.7**

* Schedule of debt maturities not available as at 30 June 2021.

2025 Notes

On 8 March 2018, we issued €700 million in principal amount of 2.625% Senior Notes due 2025 and on 31 July 2020, we issued €300 million in principal amount of Additional 2025 Notes which are consolidated, and form a single series with the €700 million 2025 Notes. They are listed on Euronext Dublin (Global Exchange Market). The 2025 Notes will mature at par on 15 June 2025 unless earlier redeemed or repurchased and cancelled.

Terms of the 2025 Notes

We are required to pay interest on the 2025 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2018.

The 2025 Notes will mature at par on 15 June 2025 unless earlier redeemed or repurchased and cancelled.

The 2025 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2025 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a redemption premium and accrued and unpaid interest, if any, to the redemption date. The 2025

Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions, redeem up to 35% of the outstanding principal amount of the 2025 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 102.625% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2025 Notes may require us to repurchase their 2025 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

2026 Notes

On 27 March 2019, we issued €500 million in principal amount of 3.125% Senior Notes due 2026 and, on 31 October 2019, we issued €250 million in principal amount of Additional 2026 Notes which are consolidated, and form a single series with, the €500 million 2026 Notes. They are listed on Euronext Dublin (Global Exchange Market). The 2026 Notes will mature at par on 15 June 2026 unless earlier redeemed or repurchased and cancelled.

Terms of the 2026 Notes

We are required to pay interest on the 2026 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2019.

The 2026 Notes will mature at par on 15 June 2026 unless earlier redeemed or repurchased and cancelled. The 2026 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2026 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a redemption premium and accrued and unpaid interest, if any, to the redemption date. The 2026 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions prior to 15 December 2022, redeem up to 35% of the outstanding principal amount of the 2026 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 103.125% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2026 Notes may require us to repurchase their 2026 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

2027 Notes

On 27 November 2019, we issued €700 million in principal amount of 2.375% Senior Notes due 2027 and, on 3 February 2021, we issued €190 million in principal amount of Additional 2027 Notes which are consolidated, and form a single series with, the €700 million 2027 Notes. They are listed on Euronext Dublin (Global Exchange Market). The 2027 Notes will mature at par on 15 June 2027 unless earlier redeemed or repurchased and cancelled.

Terms of the 2027 Notes

We are required to pay interest on the 2027 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2020.

The 2027 Notes will mature at par on 15 June 2027 unless earlier redeemed or repurchased and cancelled. The 2027 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2027 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a redemption premium and accrued and unpaid interest, if any, to the redemption date. The 2027 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions prior to 15 June 2023, redeem up to 35% of the outstanding principal amount of the 2027 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 102.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2027 Notes may require us to repurchase their 2027 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

2028 Notes

On 31 July 2020, we issued €700 million in principal amount of 3.750% Senior Notes due 2028. They are listed on Euronext Dublin (Global Exchange Market). The 2028 Notes will mature at par on 15 June 2028 unless earlier redeemed or repurchased and cancelled.

Terms of the 2028 Notes

We are required to pay interest on the 2028 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 December 2020.

The 2028 Notes will mature at par on 15 June 2028 unless earlier redeemed or repurchased and cancelled. The 2028 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2028 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a redemption premium and accrued and unpaid interest, if any, to the redemption date. The 2028 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions prior to 15 June 2023, redeem up to 40% of the outstanding principal amount of the 2028 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 103.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2028 Notes may require us to repurchase their 2028 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

2029 Notes

On 22 March 2021, we issued €400 million in principal amount of 2.375% Senior Notes due 2029. They are listed on Euronext Dublin (Global Exchange Market). The 2029 Notes will mature at par on 15 June 2029 unless earlier redeemed or repurchased and cancelled. The 2029 Notes are “Green Bonds”.

Terms of the 2029 Notes

We are required to pay interest on the 2029 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2021.

The 2029 Notes will mature at par on 15 June 2029 unless earlier redeemed or repurchased and cancelled. The 2029 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2029 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a redemption premium and accrued and unpaid interest, if any, to the redemption date. The 2029 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions prior to 15 June 2024, redeem up to 40% of the outstanding principal amount of the 2029 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 102.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2029 Notes may require us to repurchase their 2029 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

Senior Credit Facility

We have entered into a €1,500 million Senior Credit Agreement among us as borrower and various lenders, dated 15 December 2014 and amended and restated on 24 June 2016, further amended and restated on 15 June 2018 and further amended and restated on 28 May 2021, which refinanced our prior senior credit facility. The Senior Credit Facility was renegotiated on 15 June 2018, in order to extend the maturity to five years from that date, i.e. 15 June 2023 (with the possibility to extend such maturity by two one-year periods), and improve its terms and conditions. In June 2019, the maturity was extended to 15 June 2024 with agreement from all lenders. In May 2021, the Senior Credit Agreement was renegotiated, such that its amount was increased from €1,200 million to €1,500 million, and its maturity extended to May 2026, with two one-year maturity extension options. The credit facility is now a sustainability-linked credit line, with a margin indexed on the Group's performance in terms of CO_2 emissions reduction for its scopes 1 & 2. The Senior Credit Agreement is now composed of a facility (including a swingline) for an amount of €1,500 million. The full amount of the Senior Credit Facility is therefore available as of the date of this Offering Circular. This Senior Credit Facility includes one financial covenant (which needs to be complied with semi-annually), concerning compliance with a consolidated financial ratio: the ratio of total net debt/EBITDA must not exceed 3.0x; the compliance with this ratio is a condition to the availability of borrowings under this Senior Credit Facility. As at 30 June 2021, we complied with this ratio. Net debt corresponds to published consolidated net debt. EBITDA corresponds to operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets, for the past twelve months. Furthermore, this Senior Credit Facility includes some restrictive provisions on asset disposals (and for example, a disposal representing over 35% of our total consolidated assets requires the prior approval of lenders representing two-thirds of the lenders under the Senior Credit Agreement) and on the level of indebtedness of our subsidiaries.

Bridge Facilities

In connection with the financing of the announced offer by Faurecia Participations GmbH (the "**Offeror**") to acquire all shares in Hella GmbH & Co. KGaA, on 13 August 2021 (the "**Signing Date**") Faurecia, as borrower, entered into a €5.5 billion bridge facilities agreement with, *inter alios*, Natixis and Société Générale as mandated lead arrangers, bookrunners and underwriters, the financial institutions listed therein as original lenders and Natixis as agent (the "**Bridge Facilities Agreement**"), providing for (i) a term loan A of €500.0 million (the "**Term Loan A Bridge Facility**"), (ii) a term loan B of €4,200.0 million (the "**Term Loan B Bridge Facility**") and (iii) a term loan C of €800.0 million (the "**Term Loan C Bridge Facility**" and together with the Term Loan A Bridge Facility and the Term Loan B Bridge Facility, the "**Bridge Facilities**"). The Bridge Facilities are unguaranteed and unsecured. The utilization of the Bridge Facilities is subject to the satisfaction of customary conditions precedent.

Repayment and Prepayments

The Term Loan A Bridge Facility matures on the date falling on the third anniversary of the Signing Date. The Term Loan B Bridge Facility and the Term Loan C Bridge Facility mature on the date falling twelve (12) months after the Signing Date, subject to two six-month extensions which may be exercised at our option subject only to customary conditions, including the absence of events of default on both (i) the date the extension request is delivered by us and (ii) the initial maturity date or first extended maturity date (as applicable), or resulting from the extension.

Subject to certain conditions, we may voluntarily prepay our utilizations and/or permanently cancel all or part of the available commitments under the Bridge Facilities by giving five business days' prior notice for a voluntary prepayment and ten business day's prior notice for a voluntary cancellation.

In addition:

(i) upon a Change of Control (which means any person or group of persons acting in concert (within the meaning of Article L.233-10 of the French Commercial Code) gains control (within the meaning of Article L.233-3 of the French Commercial Code, provided that, the circumstance described in that article L.233-3, II shall constitute "*control*") of the Issuer), the Issuer shall promptly notify the agent under the Bridge Facilities Agreement (the "**Agent**") of that event and each lender shall not be obliged to fund any new utilization under the Bridge Facilities and may, by not less than 30 days' prior notice to the Agent, cancel its commitments and require repayment of all its share of the outstanding loans under the Bridge Facilities (the "**Bridge Loans**");

(ii) upon the occurrence of a Material Adverse Change (as defined in the Bridge Facility Agreement and in the reasonable opinion of the required majority lenders under the Bridge Facilities Agreement (the "**Majority Lenders**")) , the Agent shall promptly notify the Issuer and a lender may, by not less than

30 days' prior notice to the Agent, require repayment of all its share of the outstanding Bridge Loans; and

(iii) if at any time, the ratio of consolidated net debt of the Group to consolidated EBITDA of the Group (calculated as further detailed in the Bridge Facilities Agreement, the "**Leverage Ratio**") exceeds 3.0:1, the Agent may, upon instruction from the Majority Lenders, (x) notify the Issuer that all or part of the outstanding Bridge Loans shall be due and payable with 2 business days of such notification and (y) immediately cancel the lender's commitments.

The receipt of certain equity/quasi equity capital raising proceeds, debt issuance, incurrence proceeds (including under the Notes, and asset and share disposal proceeds would also constitute events warranting the mandatory prepayment of Bridge Loans and cancellation of commitments under the Bridge Facilities.

Interests and Fees

The amounts drawn on the Bridge Facilities bear interest at a rate equal to EURIBOR (with a zero per cent per annum floor), plus a margin that may range from (i) 1.10 per cent per annum to 2.15 per cent per annum with respect to the Term Loan A Bridge Facility adjusted periodically based on the Leverage Ratio and (ii) 1.40 per cent per annum to 4.95 per cent per annum with respect to the Term Loan B Bridge Facility and from 1.00 per cent per annum to 4.45 per cent per annum with respect to the Term Loan C Bridge Facility based on the Issuer long term and unsecured credit rating publicly confirmed by S&P, Moody's and Fitch and increasing every three months from the Signing Date.

We are also required to pay (v) subject to a grace period, a ticking fee accruing until the date on which the Hella Acquisition Closing Date occurs on the available commitment under each Bridge Facility, quarterly in arrears, at a rate ranging from 15% to 35% per annum of the applicable margin, (w) a commitment fee accruing from the Block Trade Closing Date, quarterly in arrears, on available commitments, under each Bridge Facility at a rate of 35 per cent of the applicable margin, (x) underwriting and upfront fees in respect of the Bridge Facilities, (y) a periodic agency fee and (z) in case of extension of the maturity of the Term Loan B Bridge Facility and the Term Loan C Bridge Facility as set out above, extension fees.

General Undertakings

The covenants include obligations with respect to, among other things: (i) providing certain financial information, including annual and semi-annual financial statements and compliance certificates, (ii) providing certain public information available in English language, (iii) providing certain information with respect to the Block Trade, the Public Tender Offer and, any legal process following the settlement of the Public Tender Offer by which the Offeror proposes to the relevant shareholders of Hella to acquire any shares not held at the time of the effectiveness of such process (including, for the avoidance of doubt, any squeeze-out proceedings pursuant to the German stock corporation act (*AktG*), the German securities acquisition and takeover act (*WpÜG*), and/or the German transformation act (*Umwandlungsgesetz*)). (iv) obtaining certain authorizations, (v) complying with laws and regulations, (vi) not granting security interests or entering into transactions having a comparable effect or purpose (including sale and lease-back, recourse disposal of receivables and set-off or combination arrangements), (vii) ensuring that the Bridge Facilities will benefit from the same guarantees issued by one or more subsidiaries on a *pari passu* basis should any existing or new loan or note or bond issues of ours, (viii) not disposing of assets, (ix) not completing mergers or corporate reconstructions, (x) not changing the business of the Group or the Issuer, (xii) maintaining certain insurances, (xii) taking steps to ensure that the repeating representations remain true and correct, (xiv) paying and discharging all taxes, (xv) maintaining the *pari passu* ranking of its obligations under the Bridge Facilities Agreement with its obligations vis-à-vis its unsecured and unsubordinated creditors, (xvi) ensuring that all pension schemes of the Group are funded, (xvii) ensuring that none of the subsidiaries of the Issuer will incur or allow to remain outstanding any financial indebtedness, unless, among other things, applied in prepayment of the Bridge Facilities, (xviii) ensuring that the Offeror complies with all relevant laws and regulations for the consummation of the Public Tender Offer, (xix) the Issuer shall hold directly or indirectly 100% if the share capital and the voting rights of the Offeror and (xx) not amending the Hella Acquisition Documents following their signature.

Financial Covenant

The Bridge Facilities Agreement also includes a financial covenant requiring us to maintain a leverage ratio of consolidated net financial debt to adjusted EBITDA which does not exceed 3.0:1 and which shall be tested semi-annually on a twelve-months rolling basis.

Event of Default

The Bridge Facilities Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), the occurrence of which would allow the Agent to accelerate the outstanding utilizations and/or terminate all the commitments under the Bridge Facilities Agreement.

Japanese Yen Term and Revolving Facilities Agreement

We have entered into a JPY30 billion Japanese Yen Term and Revolving Facilities Agreement among us as borrower and various lenders dated 7 February 2020 with a five-year maturity (with the possibility to extend such maturity by two one-year periods). The Japanese Yen Term and Revolving Facilities Agreement is composed of (i) a term facility for an amount of JPY15 billion and (ii) a revolving facility for an amount of JPY15 billion. As at the date of this Offering Circular, JPY20 billion was drawn under the facility. The Japanese Yen Term and Revolving Facilities Agreement includes one financial covenant (which needs to be complied with semi-annually), concerning compliance with a consolidated financial ratio: the ratio of total net debt/EBITDA must not exceed 2.79x. As at 30 June 2021, we complied with this ratio. Net debt corresponds to published consolidated net debt. EBITDA corresponds to operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets, for the past twelve months. Furthermore, this Japanese Yen Term and Revolving Facilities Agreement includes some restrictive provisions on asset disposals (and for example, a disposal representing the higher of €4,000 million and 35% of our total consolidated assets requires the prior approval of lenders representing two-thirds of the lenders under the Japanese Yen Term and Revolving Facilities Agreement) and on the level of indebtedness of our subsidiaries.Schuldschein

In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019, and of which €226.5 million of the 2022 tranche has been repaid in June 2021. The Schuldschein does not include any financial covenants. However, the Schuldschein includes certain restrictive provisions on asset disposals and on the level of indebtedness of our subsidiaries. Commerzbank Aktiengesellschaft is one of the joint lead arrangers and bookrunners and Intesa Sanpaolo S.p.A. is one of the co-arrangers for the currently ongoing private placement of notes (a *Schuldschein* transaction) which was announced on 29 October 2021 (see "*—Business—Recent Developments—New Private Placement of Notes*").

Factoring Programs

We have several factoring programs, which enable us to obtain financing at a lower cost than issuing bonds or obtaining bank loans. Part of our financing requirements is met through receivables sale programs, under which the receivables are derecognized and not included as assets in our consolidated balance sheet.

As at 30 June 2021, financing under these programs, corresponding to the cash received as consideration for the receivables sold totalled €992.0 million, compared to €1,016.8 million as at 31 December 2019. See note 13 of our 2021 H1 Financial Statements and note 18 of our 2020 Consolidated Financial Statements for more information on our factoring programs.

Commercial Paper Program

We regularly issue commercial papers with a maturity up to one year for investors located mainly in France. As at 30 June 2021, the outstanding amount was €559 million.