IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

This Offering Circular has been prepared solely for use in connection with, and prospective investors are authorized to use this Offering Circular only in connection with, a private placement of the Notes by us to institutional investors outside of the United States. We and the Initial Purchasers reserve the right to reject any offer to subscribe for the Notes for any reason.

No person has been authorized to give any information or to make any representations in connection with the offering or sale of the Notes other than as contained in this Offering Circular, and, if given or made, such information or representations must not be relied upon as having been authorized by us, the Initial Purchasers, any of our or their affiliates, or by any other person. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs or the affairs of our subsidiaries since the date hereof or that the information contained herein is correct and complete as at any time subsequent to the date hereof.

We have prepared this Offering Circular and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. We have summarized certain documents and other information in a manner we believe to be accurate. However, we refer you to the actual documents for a more complete understanding of the matters discussed in this Offering Circular. Where information has been sourced from a third party, we confirm that this information has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been included, its source has been stated.

This Offering Circular has been prepared by us on the basis that any purchaser of the Notes is a person or entity having such knowledge and experience of financial matters as to be capable of evaluating the merits and risks of such purchase. Before making any investment decision with respect to the Notes, potential investors should conduct such independent investigation and analysis regarding us and the Notes as they deem appropriate to evaluate the merits and risks of such investment. In making any investment decision with respect to the Notes, investors must rely (and will be deemed to have relied) solely on their own independent examination of us and the terms of the Notes, including the merits and risks involved. Before making any investment decision with respect to the Notes, prospective investors should consult their own counsel, accountants, or other advisers, and carefully review and consider such investment decision in light of the foregoing.

To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, we confirm that the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. We accept responsibility for the information contained in this Offering Circular accordingly.

Neither we nor the Initial Purchasers nor any of our or their respective affiliates or representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Circular as legal, business, tax or other advice. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

The Initial Purchasers are not responsible for, and no representation or warranty, express or implied, is made by the Initial Purchasers or any of their respective affiliates or advisors or selling agents, nor any of their respective representatives, as to the accuracy or completeness of the information or representation set forth herein, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by any of them, whether as to the past or the future.

The Initial Purchasers are not responsible for any third party social, environmental and sustainability assessment of the Notes. The Notes may not satisfy an investor's requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the Notes from a sustainability perspective.

You are urged to pay careful attention to the risk factors described under the section "*Risk Factors*" of this Offering Circular, as well as the other information contained herein, before making your investment decision. The occurrence of one or more of the risks described herein, could have an adverse effect on our activities, financial condition, or results of operations. Furthermore, other risks not yet identified or not considered significant by us could have adverse effects, and you may lose all or part of your investment.

STABILIZATION

In connection with the issue of the Notes, Société Générale (the "**Stabilizing Manager**") (or any person acting on behalf of the Stabilizing Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over allotment must be conducted by the relevant Stabilizing Manager (or person(s) acting on behalf of any Stabilizing Manager) in accordance with all applicable laws and rules.

SELLING RESTRICTIONS

General

This Offering Circular does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. This Offering Circular may only be used for the purposes for which it has been published.

No action has been taken in any jurisdiction that would permit a public offering of the Notes. No offer or sale of the Notes may be made in any jurisdiction except in compliance with the applicable laws thereof. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Circular.

For a description of certain restrictions relating to the offer and sale of the Notes, see "*Subscription and Sale of the Notes*". We accept no liability for any violation by any person, whether or not a prospective purchaser of the Notes, of any such restrictions.

Notice to Prospective Investors in the United States

The Notes offered pursuant to this Offering Circular have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold outside the United States or to, or for the account or benefit of, U.S. Persons, as defined in Regulation S under the Securities Act ("**Regulation S**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any Notes in the United States.

Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Offering Circular or delivery of the Notes, that it is subscribing or acquiring the Notes in compliance with Regulation S.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Notice to Prospective Investors in the United Kingdom

This Offering Circular is for distribution to and is directed solely at (i) persons located outside the United Kingdom, (ii) persons with 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 "**Order**"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Issuer or any member of its group may otherwise lawfully be communicated or caused to be communicated (all such persons in (i) to (iv) above being "**relevant persons**"). Any investment activity to which this Offering Circular relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.

UK MiFIR Product Governance/Professional Investors and ECPs Only Target Market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK PRIIPs Regulation / Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II Product Governance/Professional Investors and ECPs Only Target Market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID

II; or (iii) not a qualified investor as defined in the European Union Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Notice to Prospective Investors in Canada, Australia and Japan

The Notes may not be offered, sold or purchased in Canada, Australia or Japan.

Notice to Prospective Investors in Italy

The Offering has not been cleared by the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities exchange commission) pursuant to Italian securities legislation and will not be subject to formal review by CONSOB. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except (a) to qualified investors (*investitori qualificati*) pursuant to Article 2 of the Prospectus Regulation, Article 100 of Legislative Decree No.58 of 24 February 1998, as amended (the "**Financial Services Act**") and the implementation CONSOB regulations, including CONSOB Regulation No. 20307 of 15 February 2018, as amended ("**Regulation 20307**"), pursuant to Article 34-*ter*, first paragraph letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971**"), implementing Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Act**") and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and the implemented CONSOB regulations, including Regulation 11971.

For the purposes of this provision, the expression "**offer of the Notes to the public**" in Italy means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, including the placement through authorized intermediaries.

The Initial Purchaser has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or of any other document relating to the Notes in the Republic of Italy will be carried out in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restrictions under (a) and (b) above and must be:

(i) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter (r), of the Italian Financial Act), to the extent duly authorized to engage in the placement or underwriting or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation 20307, as amended, Italian Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"), Regulation 11971 and any other applicable laws and regulations;

(ii) in compliance with all relevant Italian securities, tax, exchange control and any other applicable laws and regulations and any other applicable requirement or limitation that may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) or any other relevant Italian competent authorities; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

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, which excludes Hella prior to the Completion Date and includes Hella following the Completion Date, whereas references to "**Faurecia**" or the "**Issuer**" or the "**Company**" are to Faurecia S.E. and 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;
- "**2027 Sustainability-Linked Notes**" refers to €1.2 billion in principal amount of 2.750% Sustainability-Linked Notes due 2027, which we issued on 10 November 2021;
- "**2028 Notes**" refers to €700 million in principal amount of 3.750% Notes due 2028 which we issued on 31 July 2020;
- "**2029 Green 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 (consisting of a Term Loan A Bridge Facility of up to €500 million with a maturity of three years, a Term Loan B Bridge Facility of up to €4.2 billion with a maturity of twelve months and a bridge to equity Term Loan C Bridge Facility of €800 million with a maturity of twelve months, each as defined and further described under "*Description of Other Indebtedness—Bridge Facilities*") made available to Faurecia, as borrower, from various lenders, including Natixis and Société Générale as mandated lead arrangers, bookrunners and underwriters, pursuant to the Bridge Facilities Agreement, of which €2.9 billion in principal amount was drawn on the Completion Date to finance in part the Hella Acquisition Price and of which approximately €1.7 billion remains outstanding as of the date of this Offering Circular;

- "**Bridge Facilities Agreement**" refers to the agreement dated as of 13 August 2021 among, *inter alios*, Faurecia Participations GmbH, Natixis and Société Générale as mandated lead arrangers, bookrunners and underwriters, the financial institutions listed therein (among them BNP Paribas, Intesa Sanpaolo S.p.A. and Raiffeisen Bank International AG) as original lenders and Natixis as agent, providing for the Bridge Facilities;

- "**Clarion**" refers to Clarion Co, Ltd.;

- "**Clarion Schuldschein**" refers to €700 million in principal from a *Schuldscheindarlehen* (privately placed bank loan under German law) issued in multiple tranches in December 2018 and January 2019, maturing in December 2022, December 2023 and December 2024, in connection with the financing of our acquisition of Clarion's shares in 2019, and of which €226.5 million of the 2022 tranche has been repaid in June 2021;

- "**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;

- "**Completion Date**" means the date on which the Block Trade and the Public Tender Offer were settled and the Hella Acquisition was consummated, being 31 January 2022;

- "**EIB Loan**" refers to the €315 million loan due 2029 from the European Investment Bank as part of a programme to partially finance the Group's investments in hydrogen mobility activities, under which we borrowed €289 million in July 2022;

- "**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 Hueck 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 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, including its consolidated subsidiaries where the context so requires;

- "**Hella 2024 Notes**" refers to the €300 million in principal amount of 1.000% Notes due 2024 which Hella issued in May 2017;

- "**Hella 2027 Notes**" refers to the €500 million in principal amount of 0.5% Notes due 2027 which Hella issued in September 2019;
- "**Hella Acquisition**" means our acquisition of Hella via the Block Trade and the Public Tender Offer, which was completed on the Completion Date;
- "**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 14 August 2021, as amended by an amendment agreement dated 23 September 2021 (the "**Hella Acquisition Agreement**");
  - the investment agreement between Faurecia and the Family Pool dated 14 August 2021, as amended by an amendment agreement dated 23 September 2021, and further amended by an amendment agreement dated 21 January 2022 (the "**Investment Agreement**"); and
  - the business combination agreement between Hella, HELLA Geschäftsführungsgesellschaft mbH, Blitz F21-441 GmbH and Faurecia dated 14 August 2021 (the "**BCA**");
- "**Hella Acquisition Price**" means the sum of the price paid under the Block Trade, the price paid under the Public Tender Offer, representing a total investment by Faurecia of €5.3 billion, consisting of €4,775,166,936 in cash and 13,571,385 of Faurecia's ordinary shares (valued at €38.653 per share, being the intra-day volume-weighted average price of Faurecia's ordinary shares traded in completed transactions on the Euronext system of Euronext Paris on 28 January 2022, the last banking day on which trading in Faurecia's shares was not suspended prior to the Completion Date), as well as €143.1 million paid for additional 2,327,078 shares of Hella acquired by Faurecia as of 31 March 2022 (which includes 77,580 shares of Hella acquired from the Family Pool) in open-market or off-market transactions;
- "**Hella Credit Facility Agreement**" refers to a syndicated credit facility agreement under which a consortium of international banks have agreed to lend to Hella up to €450 million pursuant to the terms thereof (the "**Hella Credit Facility**"), which expires in June 2023;
- "**Hella Indebtedness**" refers collectively to (i) the Hella 2024 Notes, (ii) the Hella 2027 Notes, (iii) the Hella Japanese Yen Debt, and (iv) the Hella USD Loans, together with financial liabilities from finance leases and profit participation certificates and amounts outstanding under the Hella Credit Facility, if any;
- "**Hella Japanese Yen Debt**" refers to (i) notes certificates denominated in Japanese Yen for an amount of JPY 12 billion, issued by Hella in September 2002, due September 2032, carrying an annual interest of 3.50% (accruing in Japanese Yen) payable on 17 March and 17 September each year (the "**Hella JPY Notes**"), and (ii) a loan denominated in Japanese Yen for an amount of JPY 10 billion, issued by Hella in fiscal year 2003, due June 2033, carrying annual interest of 4.02% (accruing in U.S. dollars), payable on 20 June and 20 December each year (the "**Hella JPY Loan**");
- "**Hella USD Loans**" refers to two loans denominated in U.S. dollars, in the equivalent amount of €110.0 million and €66.1 million, due in January 2023 and January 2026;
- "**HMI**" refers to human-machine interfaces;
- "**ICE**" has the meaning ascribed to it in "*Summary – Combining Faurecia and Hella*";
- "**Initial Purchasers**" refers to BNP Paribas, Société Générale, Crédit Industriel et Commercial S.A., Banco Santander S.A., Bank of China (Europe) S.A., Deutsche Bank Aktiengesellschaft, Intesa Sanpaolo S.p.A., Mizuho Securities Europe GmbH, Natixis and Raiffeisen Bank International AG;
- "**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*";

- "**Latin American Syndicated Loan**" means the two-tranche loan due 2028 denominated in U.S. dollars and Mexican pesos, equivalent to U.S.$210 million, entered into in by Faurecia's subsidiary in Mexico with a syndicate of seven Latin American banks;

- "**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;

- "**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, which expired on 11 November 2021 with 21,662,359 shares tendered;

- "**Refinancing**" refers to the issuance of the Notes offered hereby and the use of proceeds herefrom to repay in part the Bridge Facilities;

- "**Relevant Sustainability Performance Target**" means attaining the Issuer's target set forth in the Sustainability-Linked Financing Framework to reduce absolute 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;

- "**Schuldscheindarlehen**" means the Clarion Schuldschein together with the Sustainability-Linked Schuldschein.

- "**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 CO_2 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, 15 June 2018 and 28 May 2021, and further amended on 26 April 2022;

- "**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 7.500% 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 Financing Framework**" refers to the Sustainability-Linked Financing 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 Financing Framework does not form part of this Offering Circular);
- "**Sustainability-Linked Schuldschein**" refers to €700 million in principal amount of U.S. dollar- and euro-denominated sustainability-linked *Schuldscheindarlehen* (privately placed bank loan under German law), issued in multiple tranches with settlement in December 2021 for €435 million thereof and in January 2022 for €265 million thereof, maturing in July 2024, January 2026, January 2027 and January 2028;
- "**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 incorporates by reference English translations of the (i) unaudited condensed consolidated financial statements of Faurecia as at and for the six months ended 30 June 2022 ("**2022 H1 Financial Statements**") and (ii) audited consolidated financial statements of Faurecia as at and for the years ended 31 December 2021 ("**2021 Consolidated Financial Statements**") and 2020 ("**2020 Consolidated Financial Statements**"). The 2022 H1 Financial Statements present comparable financial data for the six months ended 30 June 2021 ("**2021 H1 Comparative Financial Information**"). The 2020 Consolidated Financial Statements present comparable financial data as at and for the year ended 31 December 2019 (the "**2019 Comparative Consolidated Financial Information**"). Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). Our (i) 2022 H1 Financial Statements, (ii) 2021 Consolidated Financial Statements and (ii) 2020 Consolidated Financial Statements, have been approved by our Board of Directors on 22 July 2022, 18 February 2022 and 19 February 2021, respectively. Our independent statutory auditors are Mazars and Ernst & Young Audit. Mazars replaced PricewaterhouseCoopers Audit as part of our standard audit rotation policy on 28 May 2019.

In this Offering Circular, (i) 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, (ii) references to "**U.S. dollar**" and "**U.S.$**" refer to the lawful currency of the United States of America, (iii) references to "**Mexican Peso**" and "**MXN**" refer to the lawful currency of the United Mexican States and (iv) references to "**Japanese Yen**", "**JPY**" and "**¥**" refer to the lawful currency of Japan.

We publish our audited 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 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 2021, 2020 and 2019. 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 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 adjusted 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 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 adjusted 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 adjusted 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 adjusted 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.

Adjusted EBITDA as presented for Forvia and Faurecia in this Offering Circular differs from adjusted EBITDA used by Hella in the Hella Annual Financial Report (as defined under "*Information Incorporated by Reference*" of this Offering Circular) and from "Consolidated EBITDA" contained in the section entitled "*Terms and Conditions of the Notes*" of this Offering Circular. For the respective definitions of adjusted EBITDA used by Forvia and Faurecia on the one hand, and Hella in the Hella Annual Financial Report on the other, and for a reconciliation of our adjusted EBITDA, see "*Summary Financial and Operating Data—Other Consolidated Financial Data.*"

Restatement of Comparative 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.

On 31 October 2021, Faurecia sold to APG its Acoustics and Soft Trim business, which manufactures and sells acoustic products and soft trims, with eight plants and one R&D center, all based in Europe, within the Interiors segment, for an enterprise value of €80 million. According to the sale contract, the calculation of prospective price adjustments based on Acoustics and Soft Trim accounts on the transaction date is ongoing. No significant impact on the Group financial statements is expected. On 31 December 2021, the loss on disposal after tax has been booked in "net income of discontinued operations". In accordance with IFRS 5, net income of discontinued operations presented in the consolidated statement of comprehensive income amounted to negative €96.5 million including the operations of the Acoustics and Soft Trim business from 1 February 2021 to 31 October 2021 as well as the net loss on disposal related to this activity and the directly incremental expenses related to the sale.

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 the 2020 Consolidated Financial Statements and the 2019 Comparative Consolidated Financial Information). 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.

The sale of the Acoustic Soft Trim business was completed on 29 October 2021.

Financial Information Relating to Hella

We acquired control of Hella on the Completion Date. Hella has been consolidated in the financial statements presented for the Group starting on 1 February 2022. Figures reported for the six months ended 30 June 2022 include the consolidated results of Hella for the period from 1 February 2022 until 30 June 2022 and the balance sheets presented for the Group as of 30 June 2022 include the financial position of Hella as of 30 June 2022. None of the income statements presented for the Group for the years ended 31 December 2021, 2020 or 2019 or for the six months ended 30 June 2021 include the consolidated results and cash flows of Hella for the periods presented, nor do the balance sheets presented for the Group as of 31 December 2021, 2020 and 2019 or 30 June 2021 include the consolidated statement of financial position of Hella.

We have included in this Offering Circular certain financial information in relation to Hella for periods that include results prior to the Completion Date of the Hella Acquisition. Such financial data relating to Hella has been extracted or derived from Hella's published audited consolidated financial statements as of and for the year ended 31 May 2022 starting on page 112 and ending on page 210 of Hella's English-language annual report for the fiscal year 2021/2022 (the "**Hella Consolidated Financial Statements**"). 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.

Since Hella is changing its fiscal year to the calendar year with effect from 1 January 2023, a transitional short fiscal year is being applied from 1 June to 31 December 2022.

Unaudited LTM Pro Forma Financial Data

We have included in this Offering Circular unaudited *pro forma* financial data regarding our results of operations for the twelve months ended 30 June 2022 in order to illustrate the effects of the Hella Acquisition and the relating financing, as if they had occurred on 1 July 2021 (the "**Unaudited LTM Pro Forma Financial Data**").

The Unaudited LTM Pro Forma 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 Hella Acquisition had been effectively completed on 1 July 2021, nor is it indicative of future performance.

The Unaudited LTM Pro Forma Financial Data combines the accounting periods of Faurecia and Hella. Faurecia and Hella have different fiscal year ends. The Unaudited LTM Pro Forma Financial Data has been prepared utilizing periods that differ by less than three months. Management does not believe that the difference of one month in closing dates for the most recent twelve-month periods presented (30 June 2022 for Faurecia and 31 May 2022 for Hella) has had a significant impact on the *pro forma* financial information presented. The Unaudited LTM Pro Forma Financial Data was prepared for the twelve months ended 30 June 2022 based on the following sources of financial information with respect to Faurecia and Hella as follows:

(i) with respect to Faurecia, the sum of (A) the financial results of Forvia for the period from 1 January 2022 through 30 June 2022, derived from the 2022 H1 Financial Statements, *less* the financial results relating to Hella that were consolidated therein for the period from 1 February 2022 through 30 June 2022, and (B) financial results of Faurecia for the period from 1 January 2021 through 31 December 2021, derived from the 2021 Consolidated Financial Statements, *less* the financial results of Faurecia for the period from 1 January 2021 through 30 June 2021, derived from the 2021 H1 Comparative Financial Information; and

(ii) with respect to Hella, the financial results of Hella for the period from 1 June 2021 through 31 May 2022 derived from the Hella Consolidated Financial Statements.

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, S&P Global Mobility (formerly 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 2021. 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 2022 Half-Year Financial Report comprising (i) our 2022 H1 Financial Statements and (ii) the selection headed "Business Review" (the "**2022 Half-Year Financial Report**");
- section 1 (Financial and accounting information) of the English translation of our 2021 Universal Registration Document (the "**2021 Universal Registration Document**"), including our 2021 Consolidated Financial Statements, which was filed with the *Autorité des marchés financiers* on 6 April 2022;
- section 1 (Financial and accounting information) of the English translation of our 2020 Universal Registration Document (the "**2020 Universal Registration Document**") including our 2020 Consolidated Financial Statements, which was filed with the *Autorité des marchés financiers* on 11 March 2021;
- the Hella Consolidated Financial Statements, starting on page 112 and ending on page 210 of Hella's English-language annual report for the fiscal year 2021/2022 (the "**Hella Annual Financial Report**"); and
- Hella's English-language quarterly financial statements for the period from 1 June 2022 through 31 August 2022 (the "**Hella Q1 Financial Report**").

Any statement contained in the 2022 Half-Year Financial Report, the Hella Annual Financial Report, the Hella Q1 Financial Report or the sections of the 2021 Universal Registration Document or the 2020 Universal Registration Document incorporated by reference herein (collectively, the "**Incorporated Documents**") 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 Incorporated Documents are important parts of this Offering Circular. All references herein to this Offering Circular include the Incorporated Documents, as modified or superseded.

Any documents themselves incorporated by reference in the Incorporated Documents, or the sections of the Incorporated Documents that are not expressly incorporated by reference herein, shall not form part of this Offering Circular.

The 2022 Half-Year Financial Report and the sections of the 2021 Universal Registration Document and the 2020 Universal Registration Document incorporated herein, include, among other things, a description of the Group's results of operations. The Hella Annual Financial Report and the Hella Q1 Financial Report contain, among other things, a description of Hella'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 Incorporated Documents are available for viewing on our website (http://www.faurecia.com), or, with respect to the Hella Annual Financial Report and Hella Q1 Financial Report, on Hella's website at (http://www.hella.com/). Except for the information specifically incorporated by reference in this Offering Circular, the information provided on such websites 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 and retain key personnel;
- risks relating to difficulties integrating acquired businesses or achieving anticipated synergies;
- 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 increases 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 and data protection and security infrastructure;
- 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 and anti-corruption regulations;
- risks related to financial reporting standards or policies;
- risks related to the integration of Hella and other acquisitions; and
- risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data.

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 FINANCING FRAMEWORK

In October 2021, we adopted our Sustainability-Linked Financing Framework (the "**Sustainability-Linked Financing Framework**"). Our Sustainability-Linked Financing Framework can be found on our website at https://www.faurecia.com/en/investors/investors-analysts/debt-information. The Sustainability-Linked Financing Framework does not form part of this Offering Circular. A second-party opinion on the alignment of our Sustainability-Linked Financing 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 https://www.faurecia.com/en/investors/investors-analysts/debt-information (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 Document. This report will be separate from, and in addition to, the reporting required under the terms and conditions of the Notes.

In addition, no assurance or representation is given by the Issuer, any other member of the Group, any of the Initial Purchasers or the External Verifier as to the suitability or reliability for any purpose whatsoever of the Second-Party Opinion. Holders of the Notes have no recourse against the Issuer, any other member of the Group, or the Initial Purchasers for the contents of the Second-Party Opinion, any certification or verification.

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 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. We estimate that approximately one-in-two vehicles globally are equipped with at least one of our products.

On 31 January 2022, we completed the Hella Acquisition. This acquisition is a strategic opportunity 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. Following the acquisition, we rebranded ourselves with a new trade name, "Forvia", although Faurecia and Hella are expected to continue to operate as separate legal companies and market products under their own brands, collaborating closely and aiming to create sustainable value for all stakeholders through technology solutions and synergies generated in the best interest of both companies. For further details regarding the Hella Acquisition see "*—Recent Developments—Combining Faurecia and Hella*" below.

Faurecia 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 Faurecia's four business groups (Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors) and are seeking to become a leader in cockpit electronics through our Faurecia Clarion Electronics business group, established following the successful acquisition of Clarion in 2019. In July 2021, we announced the creation of a new division for sustainable materials to develop and manufacture cutting-edge sustainable and smart materials. The "Sustainable Materials" division benefits 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, further diversified with the combination of Faurecia and Hella, the Sustainable Materials division works across business groups to propose solutions for the development of low-CO_2, and even CO_2-negative, materials in order for us to better support OEMs in attaining their sustainability objectives.

With the integration of Hella, and to align the business models of both companies, we expect to add two new business groups: Hella Lighting and Hella Life-Cycle Solutions. We also intend to combine Hella Electronics and Software operations with our Faurecia Clarion Electronics business group. We expect annual sales of around or above €3 billion in five of our six business groups (Faurecia Seating, Faurecia Interiors, Electronics, Hella Lighting and Faurecia Clean Mobility). In the interim, Hella currently operates as a separate business group within Forvia (encompassing Hella Electronics and Software, Hella Lighting and Hella Life-Cycle Solutions), headquartered in Lippstadt, Germany, although Hella's business are expected to be fully integrated and continue to converge towards common processes to ensure a consistent Group approach and consolidation.

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 2022, in addition to working towards our long-term goal of becoming a leader in hydrogen mobility, we expect 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. In 2021, sales in the Clean Mobility business group reached €4,090.9 million (26% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Clean Mobility business group reached €2,284.8 million (20% of Forvia's total sales) compared to €2,040.0 million for the six months ended 30 June 2021.

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 2021, sales in the Seating business group reached €6,048.7 million (39% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Seating business group reached €3,529.9 million (30% of Forvia's total sales) compared to €2,966.6 million for the six months ended 30 June 2021.

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 2021, sales in the Interiors business group reached €4,640.6 million (30% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Interiors business group reached €2,561.5 million (22% of Forvia's total sales) compared to €2,375.8 million for the six months ended 30 June 2021.

Electronics. In connection with the integration of Hella's operations, we expect to combine Faurecia Clarion Electronics and Hella's electronics and software operations to create a strong global player supporting the next high-speed and low-speed advanced driver assistance systems ("**ADAS**") convergence, to be headquartered in Lippstadt, Germany. The new business group will operate 24 production sites and 21 R&D centers.

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 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 2021, sales in the Clarion Electronics business group reached €837.6 million (5% of Faurecia's total sales). For the six months ended 30 June 2022, sales in the Clarion Electronics business group reached €458.4 million (4% of Forvia's total sales) compared to €400.0 million for the six months ended 30 June 2021.

Hella Electronics and Software. Radars, electric power steering, e-mirrors, 360° views and automated parking solutions are a few examples of the high technology additions to the Group's product and system offering. Hella's electronics and software operations have historically formed a sub-division within Hella's Automotive business segment. Within this sub-division, Hella has focused on developing components for body electronics, energy management, driver assistance systems, steering as well as lighting electronics. Hella has been an innovator in battery management systems and DCDC converters in the field of energy management but has also developed core technology for radar and camera software in the field of driver assistance.

Hella Lighting. In connection with the integration of Hella's operations, we expect to add a fifth business group, Lighting, headquartered in Lippstadt, Germany. The Lighting division is currently operated primarily as a sub-division of Hella's Automotive business segment. The Lighting division develops and produces headlamp, rear combination lamp, car body and interior lighting for OEMs throughout the world. Through its long-standing cooperation with premium OEMs, Hella established strength in the area of innovative light products, and has focused on innovations in new, digital lighting technologies. Hella has been a leader in full-LED headlamp technology, having first concluded the development of its first full-LED headlamp in 2008 and now producing LED headlamps in large-scale production.

Hella Life-Cycle Solutions. In connection with the integration of Hella's operations, we expect to add a sixth business group, Life-Cycle Solutions, in line with environmental concerns and industry evolutions. Also to be headquartered in Lippstadt, the business group will combine Hella's Aftermarket and Special Applications business segments. Hella's Aftermarket segment is an established partner in the European aftermarket for spare parts, providing automotive parts, accessories and workshop equipment and acting as a service partner for wholesalers and repair and maintenance workshops. Hella's Special Applications segment develops, manufactures and distributes lighting technology and electronic products for specialist vehicles, such as construction and agricultural machinery, buses and motor homes, and the marine sector. 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.

Sales of Hella's business groups (Hella Lighting, Hella Life-Cycle Solutions and Hella Electronics and Software) have been treated as a single business group, the Hella business group, since the Completion Date. Sales in the Hella business group were €2,788.5 million (24% of Forvia's total sales) for the five months during which Hella's operations were consolidated in Forvia's results for the six months ended 30 June 2022.

For the six months ended 30 June 2022, our sales amounted to €11,623.1 million (including €8,834.6 million for Faurecia alone), compared to €7,782.5 million for the same period in 2021 and our adjusted EBITDA for the six months ended 30 June 2022 amounted to €1,321.1 million (including €975.5 million for Faurecia alone) compared to €1,108.9 million for the same period in 2021.

As at 31 May 2022, we employed approximately 150,000 people in over 40 countries.

On a *pro forma* basis to give effect to the Hella Acquisition as if it had occurred on 1 July 2021, we estimate that for the twelve months ended 30 June 2022 we would have had last twelve month ("**LTM**") *pro forma* sales amounting to €22,995.8 million and *pro forma* adjusted EBITDA amounting to €2,679 million. See "—*Summary Financial and Operating Data—Other consolidated financial data*".

For the year ended 31 December 2021, our order book for sales (calculated on a three-year rolling basis) was €75 billion, compared to €72 billion at the end of 2020 and €68 billion at the end of 2019. For the nine months ended 30 September 2022, Forvia achieved an order intake of over €24.5 billion.

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 60.2% or €9,404.5 million of our sales in 2021. We believe the integration of Hella will open new sales opportunities 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. Following the combination with Hella, we currently have approximately 300 industrial sites, approximately 75 R&D centers and approximately 150,000 people, including more than 35,000 engineers and specialists, across more than 40 countries. With, once fully integrated, six business groups with 24 product lines and a strong IP portfolio of over 14,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide. 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 our 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 and major player in Electronics and Lighting

Based on our estimates, we have leading market positions in Clean Mobility, Seating, and Interiors. Through the combination with Hella, we acquired a strong portfolio with superior technology in Automotive Electronics and Lighting.

In 2021, 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.

Following the Hella Acquisition in January 2022, we rebranded ourselves as Forvia, the new company name combining Faurecia and Hella, on 7 February 2022. Forvia, as the seventh largest automotive technology supplier, will be organized in six business groups with leading positions, five of which we expect to each have annual sales of approximately, or in excess of, €3 billion. In addition, Forvia provides customers with high technology products and solutions that are organized around 24 different product lines and aim to address automotive industry megatrends.

We further intend to combine Faurecia Clarion Electronics with Hella Electronics and Software to leverage increased scale and become a major player in Electronics and Software. Following the Hella Acquisition, we are poised to become a leading player in the Electronics and Software segment with combined sales expected to exceed €3 billion. We have set an ambitious target to reach more than €6.3 billion in combined sales for the Electronics business group by 2025.

With the integration of Hella, we add a strong lighting business focused on technology. We view the Hella Lighting business as an opportunity to advance Hella's existing division by leveraging (i) Faurecia's track record in industrial excellence and cost optimization, and (ii) Faurecia's strong client relationships with high-volume OEMs and OEMs based in Asia.

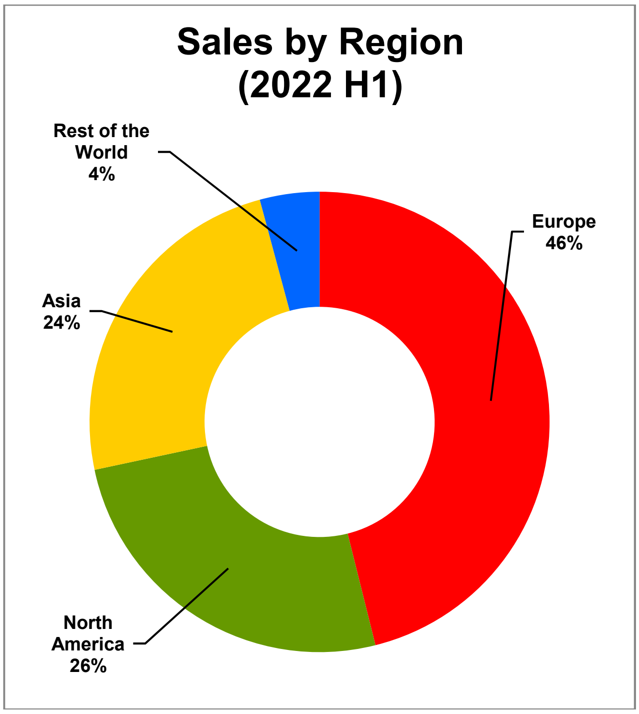
We believe that our market leadership in five of our six expected business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

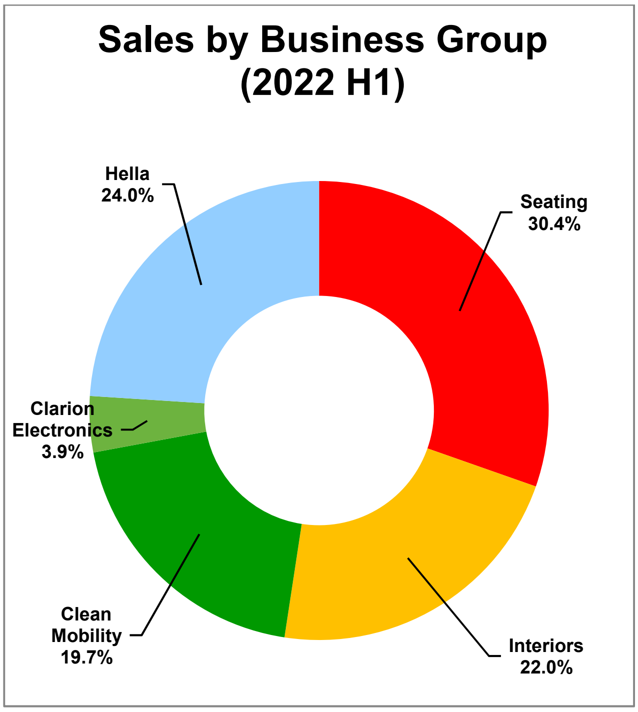
In addition, we intend to capitalize on Hella's strengths and identity by maintaining the headquarters of three of our business groups in Lippstadt, Germany and three in Nanterre, France.

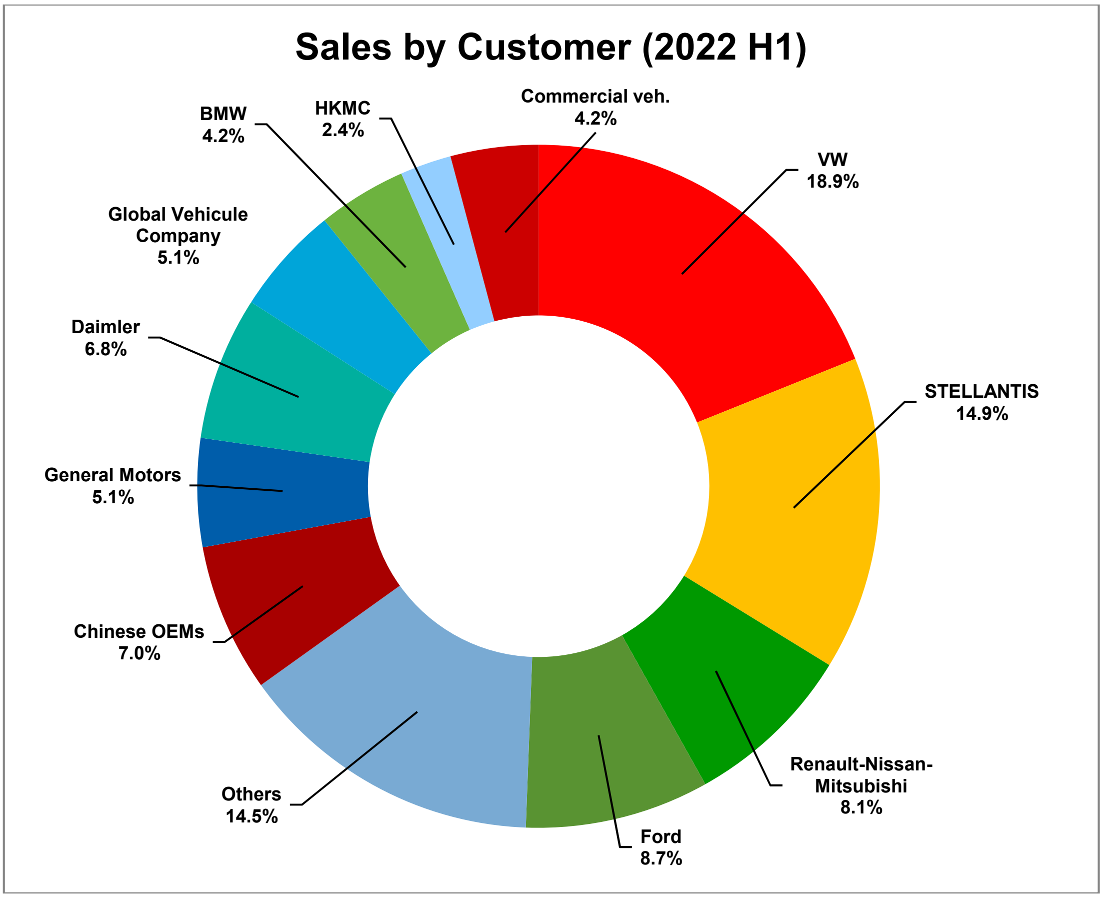
A key partner for a broad and diversified base of OEMs around the globe

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 2022 by region, business group and customer (including Hella's sales for the five months since the Completion Date for which Hella's operations are consolidated in Forvia's results):







In recent years we have further increased our customer diversification. In the six months ended 30 June 2022, our two largest customers accounted for 33.8% of sales compared to approximately 48% of sales in 2008. We also further increased our geographic diversification by increasing the share of our North American and Asian sales. In the six months ended 30 June 2022, sales in Europe, North America and Asia were 46.1%, 25.6% and 24.2% of sales, respectively compared to approximately 74%, 15% and 6% of sales, respectively, in 2008.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we are today a direct 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 further improves our inroads with automakers and opens new sales opportunities. We believe Hella's sales may improve by leveraging Faurecia's privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to developing our relationships further with German OEMs, and we believe that Faurecia and Hella will both benefit from complementary strengths 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 believe the Hella Acquisition further strengthens our position and is a unique opportunity to place Faurecia at the forefront of automotive megatrends. See "*—Recent Developments—Combining Faurecia and Hella*" for more information on the acquisition and its anticipated impact.

Connectedness

Vehicles with connected capabilities 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.

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 BEV and 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, 38% of vehicles will be fully electric vehicles, and 32% 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 incentives 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 Hella Acquisition, we expect to increase our offering to include life-cycle solutions, 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. At Faurecia, we operate 39 research and development centers worldwide and employ approximately 8,850 engineers. In 2021, Faurecia filed 574 new patents, compared to 621 in 2020.

In 2021, we allocated €1,219 million to gross R&D costs.

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. In addition, the Hella Acquisition aims to improve Faurecia's technological portfolio and bring us at the forefront of R&D and technological development. Following the Hella Acquisition, we have approximately 75 R&D centers and more than 35,000 engineers and specialists.

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 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 2018 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 start-up specialized in biomimetic spray technology, to accelerate 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 our 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.

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 comprises 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 2021, over 2,500 smart robots and Automated Guided Vehicles were in use across our plants. 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 70 customer recognition awards in 2021 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. We also saw an improvement in customer perception with 4.5 stars out of 5 in 2021, compared to 4.2 in 2020.

Over the 2019-2021 period, our cumulative order intake was approximately €75.0 billion. In 2021, €2.6 billion of our cumulative order intake was attributable to Faurecia Clarion Electronics, €6.1 billion was attributable to electric vehicles (representing 26% of total order intake) and €6.4 billion was attributable to China (representing 27% of order intake and reflecting the continued strong growth potential of the Chinese market).

For the nine months ended 30 September 2022, Forvia achieved an order intake of over €24.5 billion.

Notable new business awarded to us in 2021 and in 2022 included:

- VW Passat / Skoda Superb complete seat, instrument panel & door panel, over €1.5 billion;
- Chinese Chehejia LI X03 complete seat;
- BMW Mini & X3/X4 Frames in China;
- FAS – BMW NCAR KKL Family – EUR & CN – Frames
- FIS – STELLANTIS – FCA DT 1500 – NAO – Instrumental Panel;
- FAS – VW – TIGUAN – EUR – Rear Frames;
- 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;
- eight contract awards won by Hella to equip different EVs from German premium manufacturers with multifunctional Front Phygital Shields (Lighting);
- a contract award with a global long-haul truck leader for the first mass-production of hydrogen storage systems for long-haul trucks;
- interiors, cockpit assembly and seating businesses with a leading electric vehicle player in China, North America and Europe; and
- award with Daimler for complete seats (first and second rows), expected to generate approximately €2 billion of sales during the course of the award.

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

- our H_2 activities have been selected as an "Important Project of Common European Interest" ("**IPCEI**") pursuant to the European Commission's criteria by the French Government and will be allocated €213 million (those of Symbio (50/50 joint venture with Michelin) have also been selected);
- inclusion of Faurecia in the Euronext CAC 40 ESG® index;
- 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 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 2.9% of sales for the year ended 31 December 2020. For the year ended 31 December 2021, we reported a resilient operating income of €862 million, representing 5.5% of sales despite the semiconductor shortage and increase in raw material prices throughout the year. For the first half of 2022 we reported an operating income of €426 million, representing 3.7% of Forvia's total sales, reflecting the impacts of inflation, volatility in automotive supply chains related to the war in Ukraine, and the Covid-19 related lockdowns in China during the period.

Throughout the first half of 2022, we maintained sufficient liquidity and we ended the period with €4,201.5 million of available cash available as at 30 June 2022 compared to €4,905.7 as at 31 December 2021. We also had €1.95 billion of undrawn commitments, collectively, under the Senior Credit Facility and the Hella Credit Facility as at 30 June 2022, compared to €1.5 billion as of 31 December 2021. We reported net debt of €8,394.4 million as at 30 June 2022 compared to €3,467 million as at 31 December 2021. The ratio of our net debt as at 31 December 2021 to our adjusted EBITDA for the year ended 31 December 2021 fell to 1.6x, showing deleveraging from 1.9x as at 31 December 2020. As at 30 June 2022, net debt to LTM *pro forma* adjusted EBITDA was 3.1x (see "*Summary Financial and Operating Data—Other consolidated financial data*" and "*Presentation of Financial and Other Information—Unaudited LTM Pro Forma Financial Data*").

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. The impact of inflation in costs has been reduced by offsetting increases in steel and chemical prices through our contractual pass-through to customers. We estimate that our contractual pass-through policies have helped mitigate the impact of inflation in our raw materials costs by an average of over 80% in the first half of 2022 (calculated by comparing the impact of inflation on raw materials costs for the first half of 2022 against our estimation of raw materials inflation exposure for the period) and we believe that ongoing negotiations with customers will continue to mitigate inflationary impacts in 2022.

The Group's operations are not highly energy-intensive: in 2021, Faurecia and Hella, taken together, had energy costs (of which approximately 70% related to electricity and approximately 30% related to gas) that amounted to approximately €170 million, representing only 0.7% of sales.

The Group has hedging policies in place that aim to protect our energy costs from the current sharp rise in electricity and gas prices. On top of these hedging policies, we have implemented energy savings measures and accelerated energy self-production through the installation of solar panels at our sites, which are capable of generating approximately 120 gigawatts of additional energy.

As a result, we estimate that our total energy costs are expected to grow by only 1.8 times by 2023 compared to energy costs in 2021, whereas we expect energy prices in Europe to increase by more than 10 times in the same period.

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, Hella’s CEO, has been with the Group since 2013. Prior to becoming Hella’s CEO, he was Faurecia’s Chief Financial Officer, and previously 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 addition of Hella's Lighting business and the creation of Faurecia Clarion Electronics and its upcoming combination with Hella's Electronics business.

The Hella Acquisition 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 expect to bolster our Cockpit of the Future strategy thanks to our complementary portfolios. See "*—Recent Developments—Combining Faurecia and Hella*".

Sustainable Mobility

Our current sustainability strategy rests on a long-term view towards becoming a leader in zero-emissions hydrogen solutions while developing innovative solutions for electric and hybrid vehicles in the near term. To that end, 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.

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 Allenjoie, France (serial production to start in 2023 with strong ramp-up in 2024), another site under construction in Lyon, 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.

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.

In May 2019, we announced 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.

Refinancing

The proceeds of the Notes will be used to (i) repay in part the principal amount outstanding under the Bridge Facilities, which were used to finance the Hella Acquisition and (ii) pay fees and expenses incurred in connection with the offering of the Notes.

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 the second half of 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**"). Our plan was developed prior to the Hella Acquisition and is expected to be reviewed or revised ahead of our annual report for the year ended 31 December 2022, and released in 2023, to account for the closing of the Hella Acquisition and any impact it may have.

- *By 2025: Internal Emissions*: we aim to be CO_2 neutral for our Scope 1 and 2 emissions across all of our 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 CO_2 neutral for our scope 3 emissions, excluding emissions of vehicles equipped with Faurecia products ("**Controlled Emissions**"). Controlled Emissions include emissions from upstream and downstream activities: purchases, lease, freight, travel, 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, Engie and KPMG to develop an action plan to optimize energy sourcing and to use less energy and clean energy across our sites. This will involve on-site renewable energy production and external renewable energy sourcing. With the help of Engie and Schneider Electric, Faurecia undertook energy audits of around 140 sites at the end of 2021, with a view to identifying energy cost saving investments. The goal is to achieve fully decarbonized energy by 2025.

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.

In 2022, we commissioned a study to assess our industrial portfolio, including Hella's portfolio, against multiple climate physical risks under different scenarios developed by the Intergovernmental Panel on Climate Change. We are assessing the results and developing a plan.

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 all of our 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.

Sustainability-Linked Bond Features

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

In October 2021, we adopted our Sustainability-Linked Financing Framework, which identifies the following as a sustainability performance target: reducing absolute 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**"**)**. The Relevant Sustainability Performance Target is expected to be recalculated to reflect the new perimeter on the basis of the Hella Acquisition and, as the case may be, submitted to SBTi for validation as compatible with the reduction required to limit global warming to 1.5°C and publicly communicated by Faurecia.

On 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 on 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 holder of the Notes 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 Document 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 Financing 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 Financing 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 or the 2027 Sustainability-Linked Notes will be subject to adjustment*."

Recent Developments

Update to 2025 Ambitions

Our ambitions and targets for our future results presented below constitute forward-looking statements and reflect our present ambitions with regard to future performance. Our future performance is 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 ambitions 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". This information has been prepared by, and is the responsibility of, management and has not been audited or reviewed by Mazars or Ernst & Young Audit, nor have any procedures been performed by them with respect thereto.

Our 2025 ambitions included herein are based on assumed annual worldwide automotive production of 88 million light vehicles by 2025 and includes the estimated impact from our divestment plan (see "—Divestment Plan" below). Elsewhere in this Offering Circular, our forecasts and estimates of worldwide automotive production, or other forecasts or estimates based thereon, have been calculated on the basis of S&P Global Mobility (formerly IHS Markit) forecasts that have been restated to exclude vehicles between 3.5 tons and 6 *tons in Asia. For example, our 2022 guidance included under "—Third-Quarter 2022 Sales Results and 2022 Guidance" below assumes worldwide automotive production of approximately 77 million light vehicles, excluding such vehicles between 3.5 tons and 6 tons in Asia. Estimated worldwide automotive production would increase to approximately 80 million units if vehicles between 3.5 tons and 6 tons in Asia are included. Our 2025 ambitions contained in this section are prepared using S&P Global Mobility methodology without restatement, that is, without excluding vehicles between 3.5 tons and 6 tons in Asia. As a result, readers are cautioned to use care in comparing our 2025 ambitions with other predictions or estimates relating to worldwide automotive production.*

For the upcoming years, we aim to focus on deleveraging through three financial priorities: (i) selective sales growth, (ii) cost reduction, and (iii) cash management. Our ambition is to deleverage to the extent that our net debt to adjusted EBITDA ratio reaches less than 1.5x by 2025.

With respect to selective sales growth, our ambition is to reach approximately €30 billion in annual sales in 2025. To meet our target, for the period through 2025 we aim to:

- adjust product mix to higher electronics content and reduced ICE exposure;
- continue increases in the share of Electrified, Premium and SUVs in our product mix; and
- continue growth in Asia, in particular China, which has outperformed the overall worldwide production level in recent years.

We intend to allocate 60% of net cash flow to deleveraging our balance sheet, and the remaining 40% of net cash flow to dividends and share repurchases (mainly allocated to performance share plans, to avoid dilution for shareholders).

With respect to reducing costs, our ambition is to reach an operating margin of more than 7% in 2025. To meet our target, for the period through 2025 we aim to:

- rationalize and optimize our industrial footprint across business groups;
- reach operational efficiency by reducing our manufacturing and operational costs (by more than 200 basis points between 2022 and 2025);
- reduce gross R&D costs by 100 basis points between 2022 and 2025 and selling, general and administrative expenses by 60 basis points between 2022 and 2025;
- control fixed costs while continuing to invest in electronics and sustainability; and
- realize cost synergies and optimisations from the integration of Hella.

With respect to cash management, our ambition is to reach net cash flow margin of 4% of sales by 2025. To meet our target, for the period through 2025 we aim to:

- improve net cash flow generation;
- maximise R&D efficiency by focusing on high return platforms;
- reduce our working capital requirements (by at least 150 basis points in 2025 compared to 2022, including synergies with Hella) and capital expenditures (by 100 basis points in 2025 compared to 2022, including synergies with Hella); and
- continue active management of financings to ensure optimized cost in the medium term.

Third-Quarter 2022 Sales Results and 2022 Guidance

The third quarter results presented below for the Group are limited in nature, are not intended to be a comprehensive statement of our financial or operational results and may not be indicative of the results of any other period. This information has been prepared by, and is the responsibility of, management and not been *audited or reviewed by Mazars or Ernst & Young Audit, nor have any procedures been performed by them with respect thereto.*

In addition, the guidance set out below constitutes forward-looking statements and reflects our present expectations with regard to future events and is 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 Group recorded sales of €6,591 million in the third quarter of 2022, reflecting growth of 92.4% compared to the third quarter of 2021, or 30.9% on an organic basis (*i.e.,* without including the impact of currency effects or the results of Hella), mainly driven by:

- 29.5% growth in worldwide automotive production for the third quarter of 2022 compared to the third quarter of 2021 (which had been impacted by the semiconductor shortage);
- market outperformance of worldwide automotive production by 140 basis points (or 490 basis points, restated downward for an unfavorable geographic mix of 350 basis points); and
- an increase of 53.6%, or €1,835 million, from the consolidation of Hella (which has been consolidated in the Group's results since 1 February 2022).

For our business groups, for the third quarter of 2022:

- *Seating* – recorded sales of €1,960 million (30% of Forvia sales), representing 50.2% growth compared to the third quarter of 2021, driven particularly by growth in China through increased sales to Chinese OEMs, a major American EV producer and new entrants;
- *Interiors* – recorded sales of €1,333 million (20% of Forvia sales), representing 33.7% growth compared to the third quarter of 2021, driven particularly by growth in European and North American sales;
- *Clean mobility* – recorded sales of €1,207 million (18% of Forvia sales), representing 30.1% growth compared to the third quarter of 2021, driven particularly by automotive production in Europe;
- *Clarion Electronics* – recorded sales of €256 million (4% of Forvia sales), representing 31.0% growth compared to the third quarter of 2021, driven particularly by sales in North America as well as Asia (outside of China); and
- *Hella* – the consolidation of Hella in the third quarter contributed €1,835 million to sales, of which the Hella Lighting sub-division contributed €745 million (11% of Forvia sales), the Hella Electronics and Software sub-division contributed €850 million (13% of Forvia sales), and the Hella Lifecycle Solutions sub-division contributed €240 million (4% of Forvia sales).

By geographic region, for the third quarter of 2022:

- *Europe* – recorded sales of €2,647 million (40% of Forvia sales), representing 97.7% growth compared to the third quarter of 2021, or 28.5% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating, Interiors and Clean Mobility;
- *North America* – recorded sales of €1,728 million (26% of Forvia sales), representing 91.3% growth compared to the third quarter of 2021, or 26.5% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating, Interiors and Clean Mobility;
- *Asia* – recorded sales of €1,925 million (29% of Forvia sales), representing 92.5% growth compared to the third quarter of 2021, or 35.6% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating and sales of €1,566 million in China (representing organic growth in China of 38.4% compared to the third quarter of 2021); and

- *Rest of the world* – recorded sales of €292 million (5% of Forvia sales), representing 58.4% growth compared to the third quarter of 2021, or 44.4% without the contribution of Hella and excluding currency effects, driven particularly by sales in South America to Stellantis and Volkswagen.

We revised our sales guidance expectations for the full year 2022 to between €24.5 billion and €25.5 billion (from €23 billion and €24 billion previously) to reflect the impact of currency effects (calculated by applying average currency rates for the period to the sales of the prior year) and an increase in our estimate of worldwide automotive production in 2022 to 77 million light vehicles (from 74 million light vehicles, previously). We continue to expect an operating margin of between 4% and 5% of sales and net cash flow at breakeven for the full year 2022.

The above guidance is based on full-year average currency rates of 1.05 for U.S. dollars to euros and of 7.07 for Chinese Yen to euros. It assumes no major lockdown impacting production or retail sales in any automotive region in the fourth quarter of 2022 and takes into account the Group's latest update of the estimated net impact from cost inflation.

Shortage of electronics components

The global shortage of semiconductors impacted the automotive industry in 2021. The impact was stronger in the second half of 2021, although in the first half the supply of semiconductors was also impacted by climatic conditions in Texas and a fire experienced by one of the major Japanese suppliers of semiconductors. Worldwide automotive production in 2021 amounted to 73.4 million light vehicles, an increase of only 3.8% year-on-year. The difficult situation in the second half of 2021, with a low point in the third quarter (only 15.8 million light vehicles were produced in the third quarter of 2021, a decrease of 19% vs. the third quarter of 2020), strongly disrupted our customers' activity during that period, which resulted in unprecedented high volatility in OEM programs and numerous and erratic production stops & gos for Faurecia. The volatility in OEM programs, which reached its peak in September and October 2021.

The shortage of semiconductors has continued in the first half of 2022. Production of automobiles in Europe decreased a further 17.8% in the first quarter of 2022 compared to the first quarter of 2021 and 11.8% in the first half of 2022 compared to the first half of 2021. Supply chain disruptions in Europe were also impacted by the war in Ukraine. In China, supply chain disruptions were further impacted by Covid-related restrictions implemented in April and May in the Shanghai and Changchun areas, with automotive production up only 1.1% in the second quarter of 2022. Overall, worldwide automotive production in the first half of 2022 decreased by 0.6% compared to the first half of 2021, to 37.2 million light vehicles (down 6 million light vehicles or 14% compared to the 43.3 million light vehicles produced in the first half of 2019, prior to the Covid pandemic and supply chain disruptions).

Divestment Plan

In April 2022 we announced a program to dispose of certain non-strategic assets by the end of 2023, as part of the Group's plan to reduce its consolidated net debt following the Hella Acquisition. We have identified non-strategic assets with a combined estimated value of over €1 billion for divestment.

On 28 July 2022, Hella announced the first significant step in the Group's divestment program: the divestment of its 33% stake in the joint venture in HBPO Beteiligungsgesellschaft mbH ("**HBPO**") to its co-shareholder, Plastic Omnium for a purchase price of approximately €290 million. The transaction is subject to customary regulatory approvals, with a closing expected in the fourth quarter of 2022.

The divestment of HBPO represents close to 30% of the total target for the divestment plan. We expect to announce at least one further divestment by the end of 2022, and announce the remaining divestments under the program by mid-2023 in order to close such transactions by the end of 2023.

Combining Faurecia and Hella

Our business combination with Hella marks a step in our ambition to accelerate our strategic transformation, investing in fast-growing segments with leading positions. The Hella Acquisition 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**").

We completed the Hella Acquisition on 31 January 2022 (the "**Completion Date**") with the settlement of transactions representing an investment by us of €5.4 billion and a total enterprise value of €6.7 billion for 100% of Hella. On the Completion Date, we purchased 88,329,028 shares representing 79.5% of the share capital and voting rights of Hella, including the purchase of 66,666,669 shares representing 60% of the share capital and voting rights of Hella (the "**Block Trade**") from family shareholders of Hella having concluded a pooling agreement between them (the "**Family Pool**") and the settlement of a voluntarily public takeover offer pursuant to Section 29 (1) of the German Takeover Act (*Übernahmeangebot*) for 21,662,359 shares tendered, representing 19.5% of the share capital and voting rights of Hella (the "**Public Tender Offer**" and, together with the Block Trade, the "**Hella Acquisition**"). We also, as of 31 March 2022, purchased 2,327,078 shares of Hella (which includes 77,580 shares of Hella acquired from the Family Pool) in open-market or off-market transactions, representing 2.09% of the share capital and voting rights of Hella. As a result of the above, we held 81.59% of the share capital and voting rights of Hella as of 31 March 2022.

With our 81.59% interest in Hella, we are now the controlling shareholder of Hella, given the legal status of Hella as a GmbH &Co. KGaA, which has allowed us to begin, from the Completion Date, to implement our strategy for integrating Hella to benefit from cost synergies and optimized operations. Hella will continue to be a listed company with its own governance, and has been fully consolidated into Faurecia's financial accounts since 1 February 2022.

As part of the Hella Acquisition, and following discussions with Hella and the members of the Family Pool, we had agreed in August 2021 to the following:

- the BCA, under the terms of which we undertook, 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 per share (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 paid by Hella to all its shareholders prior to the Completion Date), which corresponds to a premium of 33% compared to the latest unaffected share price of €45.8 as of 26 April 2021 and of 24% compared to the unaffected 3-month volume weighted average price ("**VWAP**") of €49.10 prior to 27 April 2021; and
- the Hella Acquisition Agreement, and the Investment Agreement (as amended on 21 January 2022), under the terms of which we undertook to purchase the entire stake held by the Family Pool in the Block Trade of 66,666,669 shares of Hella, representing 60% of the share capital and voting rights of Hella, at a price of €60.00 per share, paid through a combination of: (i) €3.4 billion in cash (*i.e.,* 57,153,018 shares in Hella at €60.00 per share), (ii) 13,571,385 of our ordinary shares (such shares were issued in accordance with the existing capital increase authorizations granted by our shareholders at their meeting on 31 May 2021; the exchange ratio was determined based on a one-day VWAP trading price of €38.635 per share on the last trading day of Faurecia shares on Euronext Paris immediately before the Completion Date, at which price such shares were valued at €524.3 million) and (iii) €46.2 million (*i.e.,* the remainder of the 770,676 shares in Hella held by the Family Pool at €60.00 per share).

As a result, the Family Pool became our largest shareholder with approximately 9% of our share capital, subject to an 18-month lock-up agreement. Dr. Jürgen Behrend was appointed as a Family Pool representative to the Faurecia Board of Directors and his appointment was confirmed at our Combined General Meeting of 1 June 2022, emphasizing the Family Pool's strong commitment to the Group's strategy and outlook.

Pursuant to the Public Tender Offer, Hella's shareholders were permitted under the German Takeover Act (*Übernahmeangebot*) to tender their shares in Hella starting on 27 September 2021 until 11 November 2021 (the "**Public Tender Offer Expiration Date**"). We published the final results on https://www.faurecia-offer.com following the Public Tender Offer Expiration Date, and we settled the Public Tender Offer on the Completion Date for cash consideration of €1.3 billion.

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

- Electric Mobility (including hydrogen solutions),
- ADAS & Autonomous Driving,
- Cockpit of the Future, and
- Life-Cycle Solutions.

We believe that with approximately 2,650 software and data engineers the Group is positioned to become a major technological player in the automotive electronics and software fields.

We view the strategic rationale for the 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. The Hella Acquisition is an opportunity for our companies to accelerate our technological transformation, achieve critical size and leading positions in Electronics (aiming for more than €6.3 billion of sales by 2025) and Life-Cycle Solutions. Hella has established three business groups (Electronics, Lighting and Lifecyle Solutions), headquartered in Lippstadt, Germany. Our objective is to leverage Hella's talents to achieve profitable growth for the Group. We believe that stability in Hella's management and their continued involvement is a key factor in integrating successfully into one Group.

(2) *Establishing ourselves as 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 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 Group's product offering, 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 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 less than 20% at the Completion 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 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 Group operates 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 Group, with orders already significantly booked, is to grow sales to more than €6.3 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 Life-Cycle Solutions activity, in line with environmental concerns and industry evolutions.* The Hella Acquisition will bring opportunities to build a real life-cycle solutions 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*. We expect to expand innovation and R&D projects through a combined total of approximately 300 industrial sites, approximately 75 R&D centers and approximately 150,000 people, including more than 35,000 engineers and specialists, across more than 40 countries. With six business groups with 24 product lines and a strong IP portfolio of over 14,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide.

(4) *Capitalizing on complementary customer portfolios across all geographies and leveraging Faurecia's strong position in Asia, particularly in China*. The Hella Acquisition has brought 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 €250 million adjusted 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 approximately €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.

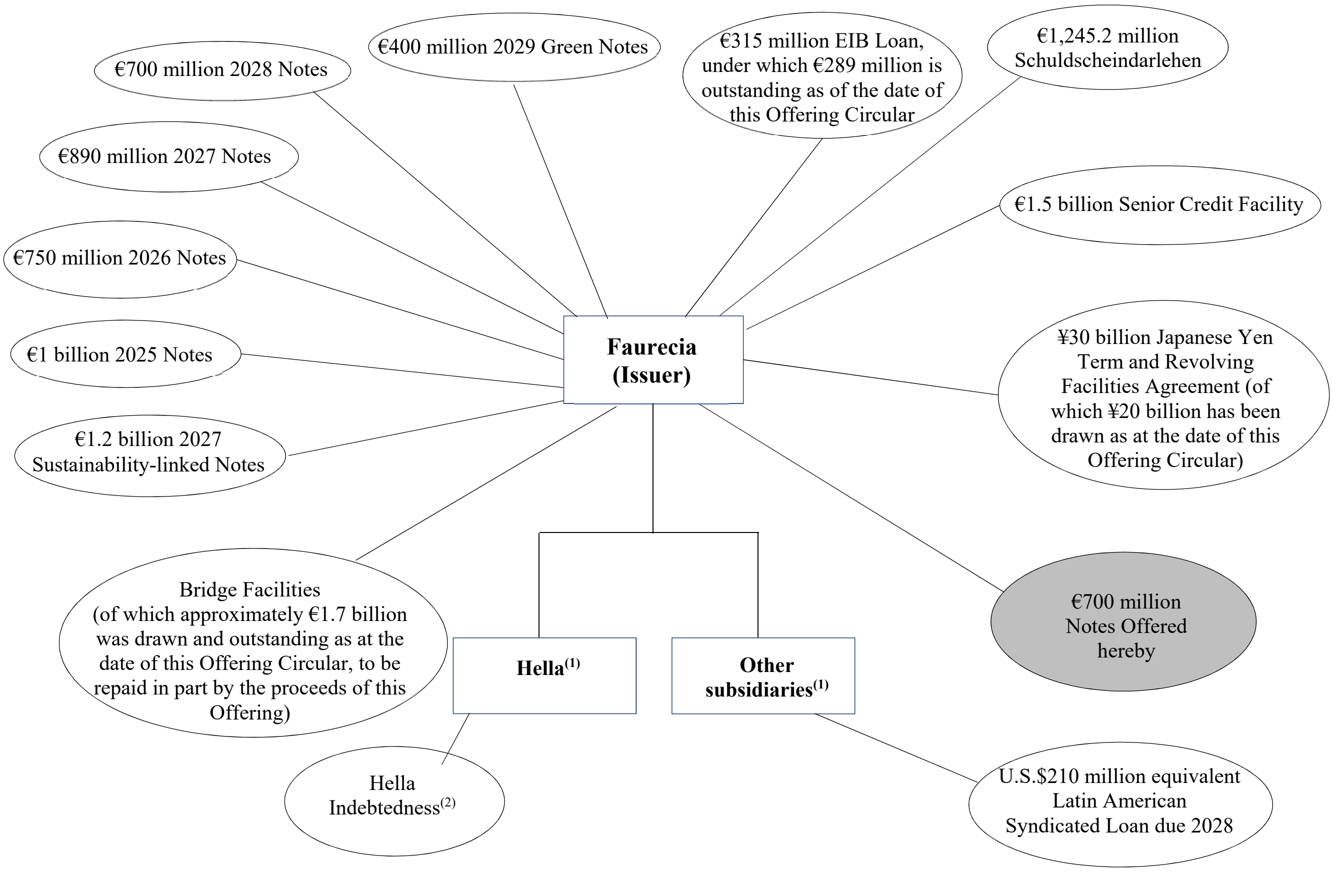
(6) *Leveraging common ESG commitments and priorities.* Both companies share strong values, including ESG approaches involving ambitious CO_2 neutrality roadmaps. The Group is a driving force in the decarbonation and sustainability of mobility.

We secured the financing for the cash portion of the Hella Acquisition Price through up to €5.5 billion in Bridge Facilities under the Bridge Facility Agreement signed with a syndicate of international banks. We drew down €2.9 billion from the Bridge Facilities to finance the cash portion of the Hella Acquisition Price. Approximately €2.2 billion remained outstanding under the Bridge Facilities as at 30 June 2022, of which €500 million corresponded to the three-year Term Loan A Bridge Facility and €1.7 billion corresponded to the Term Loan B Bridge Facility and Term Loan C Bridge Facility, collectively, following the partial repayment of the Term Loan C Bridge Facility in June 2022 using the proceeds of a €705 million capital increase in June 2022. Approximately €1.7 billion remains outstanding under the Bridge Facilities as at the date of this Offering Circular following partial repayments of the Bridge Facilities using (i) the proceeds of the EIB Loan, supplemented by cash from our balance sheet, and (ii) the proceeds of the Latin American Syndicated Loan.

As of 30 June 2022, on an adjusted basis after giving effect to this Offering, the borrowings under the Latin American Syndicated Loan and the EIB Loan and the use of the proceeds therefrom and cash on balance sheet to partially repay the Bridge Facilities, we had ample liquidity of €6.2 billion, including €4.2 billion of available cash and €2.0 billion collectively from the Secured Credit Facility and the Hella Credit Facility, each fully undrawn. See "*Capitalization*".

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure after giving effect to the Offering as well as the borrowings under the Latin American Syndicated Loan and the EIB Loan. 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 2022, our subsidiaries, including Hella, had €2,877 million of gross financial debt to third parties, of which leases accounted for €1,266 million, and a net cash position of €3,075 million. Such indebtedness will be structurally senior to the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities Agreement, the Schuldscheindarlehen, the 2025 Notes, the 2026 Notes, 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the EIB Loan and the Notes.

(2) As at 30 June 2022, Hella had €1,474 million in debt outstanding. The Hella Indebtedness includes (i) the Hella 2024 Notes, (ii) the Hella 2027 Notes, (iii) the Hella Japanese Yen Facilities, and (iv) the Hella USD Loans. Under the Hella Credit Facility Agreement, €450 million in funds is available to Hella and the facility remains fully undrawn as of the date of this Offering Circular.

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	€700,000,000 aggregate principal amount of 7.250% sustainability-linked senior notes (the "**Notes**").
Maturity Date.........................	15 June 2026.
Issue Date...............................	15 November 2022.
Issue Price..............................	100.000%.
Interest Rate...........................	The Notes will bear interest at 7.250% *per annum* on the basis of a 360-day year consisting of twelve 30-day months.
Subsequent Rate of Interest..	On 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 arrear on 15 June and 15 December of each year, commencing on 15 June 2023. 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 Schuldscheindarlehen, the Japanese Yen Term and Revolving Facilities Agreement, the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the Bridge Facilities, and the EIB Loan; • 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, including Hella. 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 2022, the Issuer's Subsidiaries, including Hella, had €2,877 million of indebtedness outstanding and our consolidated trade payables amounted to €8,730.0 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, including Hella".
Optional Redemption	At any time prior to 15 November 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 November 2024, the Issuer may, at its option, redeem the Notes, in whole or in part, at redemption prices that vary by period, 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 November 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 107.250% 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) repay in part the principal amount outstanding under the Bridge Facilities, which were used to finance the Hella Acquisition and (ii) pay fees and expenses incurred in connection with the offering of the Notes. See "*Use of Proceeds*" and "*Capitalization*".
Listing	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. 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 years ended and as at the dates indicated below. Our summary financial information as at and for the years ended 31 December 2019, 2020 and 2021 and our summary financial information as at and for the six months ended 30 June 2021 and 2022 have been derived from the 2020 Consolidated Financial Statements, the 2021 Consolidated Financial Statements and the 2022 H1 Financial Statements, 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.

The following information should be read in conjunction with the section headed "Presentation of Financial and Other Information" elsewhere in this Offering Circular, as well as the 2021 Universal Registration Document and the 2022 Half-Year Financial Report, which are each incorporated by reference in this Offering Circular, including (i) the section headed "Business Review" contained in the 2022 Half-Year Financial Report, (ii) sections 1.1 (Review of the Group's business and consolidated results), 1.2 (Outlook and Trends) and 1.5 (Review of Company's business and financial results) of the 2021 Universal Registration Document, and (iii) our consolidated financial statements and the related notes thereto. Our historical results do not necessarily indicate results that may be expected for any future period.

The financial information included for the six months ended 30 June 2022 in the following summary includes the results of operations of Hella since the Completion Date for the period from 1 February 2022 through 30 June 2022. The financial information included as of 30 June 2022 includes the financial position of Hella as of 30 June 2022. In addition, certain information contained in this summary is adjusted to give effect to the Hella Acquisition prior to the Completion Date on a pro forma basis. The financial data relating to Hella used in the preparation of such pro forma adjustments has been extracted or derived from publicly available information regarding Hella, including Hella's audited consolidated financial statements. Information adjusted to give effect to the Hella Acquisition should be read together with the sections entitled "Risk Factors—Risks Related to the Hella Acquisition—Risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data" as well as "Presentation of Financial and Other Information—Financial Information Relating to Hella," and "Presentation of Financial and Other Information—Unaudited LTM Pro Forma Financial Data."

Summary consolidated income statement data

	For the year ended 31 December			For the six months ended 30 June	
	2019	**2020***	**2021**	**2021**	**2022†**
			(in € millions)		
SALES	**17,768.3**	**14,444.6**	**15,617.8**	**7,782.5**	**11,623.1**
Cost of sales	(15,286.5)	(12,971.6)	(13,734.4)	(6,738.4)	(10,180.5)
Research and development costs	(420.0)	(341.7)	(330.9)	(181.2)	(453.2)
Selling and administrative expenses	(778.5)	(712.9)	(690.8)	(353.1)	(563.1)
OPERATING INCOME	**1,283.3**	**418.4**	**861.7**	**509.8**	**426.3**
Amortization of intangible assets acquired in business combinations	(56.4)	(91.7)	(92.6)	(44.5)	(94.8)
Other non-operating income and expenses	(213.8)	(276.5)	(238.5)	(51.5)	(233.2)
Income from loans, cash investments and marketable securities	18.7	20.9	32.0	22.4	14.6
Finance costs	(197.7)	(202.7)	(239.3)	(116.8)	(181.3)
Other financial income and expenses	(40.4)	(36.3)	(47.2)	(11.2)	(115.0)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**793.7**	**(167.9)**	**276.1**	**308.2**	**(183.4)**
Taxes	(166.8)	(122.3)	(138.8)	(81.9)	(49.1)
of which deferred taxes	*76.5*	*57.6*	*95.0*	41.4	94.4
NET INCOME OF FULLY CONSOLIDATED COMPANIES	**626.9**	**(290.2)**	**137.3**	**226.3**	**(232.5)**
Share of net income of associates	37.8	(12.8)	(24.6)	(7.8)	(11.9)
NET INCOME FROM CONTINUED OPERATIONS	**664.7**	**(303.0)**	**112.7**	**218.5**	**(244.4)**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**—**	**(18.5)**	**(96.5)**	**(30.7)**	**—**
Consolidated Net Income	**664.7**	**(321.5)**	**16.2**	**187.8**	**(244.4)**
Attributable to owners of the parent	589.7	(378.8)	(78.8)	145.8	(296.5)
Attributable to minority interests from continued operations	75.0	57.3	95.0	42.0	52.0

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

† Results presented for the six months ended 30 June 2022 include the results of Hella since the Completion Date of the Hella Acquisition, for the five-month period from 1 February 2022 through 30 June 2022.

Summary consolidated cash flow statement data

	For the year ended 31 December			For the six months ended 30 June	
	2019	**2020***	**2021**	**2021**	**2022†**
			(in € millions)		
Net cash provided (used) by:					
Operating activities	1,782.8	1,105.6	1,392.0	768.6	1,031.2
Of which from discontinued activities	—	*14.3*	*(41.9)*	*(32.7)*	—
Investing activities	(2,272.6)	(1,362.7)	(1,281.6)	(570.9)	(5,593.7)
Of which from discontinued activities	—	*(21.2)*	*(24.1)*	*(8.5)*	—
Financing activities	699.2	1,125.4	1,597.8	(338.0)	3,791.4
Of which from discontinued activities	—	*(4.0)*	*(2.6)*	*(2.1)*	—

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

† Results presented for the six months ended 30 June 2022 include the results of Hella since the Completion Date of the Hella Acquisition, for the five month period from 1 February 2022 through 30 June 2022.

Summary consolidated balance sheet data

	As at 31 December			As at 30 June	
	2019	**2020***	**2021**	**2021**	**2022†**
			(in € millions)		
Assets					
TOTAL NON-CURRENT ASSETS	**9,482.3**	**9,472.3**	**9,789.6**	**9,464.5**	**17,684.8**
of which intangible assets	2,550.9	2,668.0	2,800.4	2,677.7	4,722.9
of which property, plant and equipment	2,997.4	2,813.3	2,802.4	2,732.3	5,088.6
TOTAL CURRENT ASSETS	**7,682.5**	**9,230.2**	**11,885.3**	**9,498.9**	**14,790.9**
of which inventories, net‡	1,423.8	1,431.3	1,657.6	1,591.2	2,995.6
of which trade accounts receivables	2,608.9	3,237.1	3,468.1	3,091.3	4,992.6
of which cash and cash equivalents	2,319.4	3,091.4	4,905.7	2,997.6	4,201.5
of which assets held for sale	—	—	—	184.9	—
TOTAL ASSETS	**17,164.8**	**18,702.5**	**21,674.9**	**19,148.3**	**32,475.7**
Liabilities					
Equity attributable to owners of the parent	4,135.0	3,395.7	3,429.1	3,406.3	4,784.5
Total shareholders' equity	4,461.8	3,727.1	3,815.4	3,770.2	6,524.1
Total non-current liabilities	4,327.5	5,616.0	7,663.7	5,834.2	12,107.8
Total current liabilities	8,375.5	9,359.4	10,195.8	9,428.6	13,843.8
Liabilities linked to assets held for sale	—	—	—	115.3	—
TOTAL EQUITY AND LIABILITIES	**17,164.8**	**18,702.5**	**21,674.9**	**19,148.3**	**32,475.7**

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

† Financial position presented as of 30 June 2022 includes the financial position of Hella as at 30 June 2022.

‡ As disclosed in the 2020 Consolidated Financial Statements, the 2019 Comparative Consolidated Financial Information was restated therein to present inventories of products for which the Group is considered as agent as contract assets and not as inventories.

Other consolidated financial data

	As at and for the year ended 31 December			As at, and for the six months ended, 30 June
	2019	2020*	2021	2022†
	(in € millions, except ratios)			
Sales	17,768.3	14,444.6	15,617.8	11,623.1
Adjusted EBITDA[(1)]	2,404.3	1,669.2	2,109.4	1,321.1
Gross cash interest expense	(197.7)	(202.7)	(239.3)	(181.3)
Total capital expenditure[(2)]	(685.2)	(464.4)	(529.9)	(522.7)
Capitalised development costs	(681.2)	(612.9)	(669.7)	(469.7)
Net debt[(3)]	2,524.0	3,128.1	3,466.7	(8,394.4)
Ratio of net debt to adjusted EBITDA[(4)]	1.0x	1.9x	1.6x	
Ratio of adjusted EBITDA to gross cash interest expense[(5)]	12.2x	8.2x	8.8x	

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

† Results presented for the six months ended 30 June 2022 include the results of Hella since the Completion Date of the Hella Acquisition, for the five-month period from 1 February 2022 through 30 June 2022. Financial position presented as of 30 June 2022 includes the financial position of Hella as at 30 June 2022.

Last twelve months ("LTM") pro forma financial data

	As at, and for the twelve months ended, 30 June 2022‡
	(in € millions, except ratios)
LTM *pro forma* Sales[(6)]	22,995.8
LTM *pro forma* adjusted EBITDA[(7)]	2,679
LTM *pro forma* gross cash interest expense[(8)]	329.2
Adjusted LTM *pro forma* gross cash interest expense[(9)]	374.5
Adjusted net debt[(10)]	8,401.4
Ratio of adjusted net debt to LTM *pro forma* adjusted EBITDA[(11)]	3.1x
Ratio of LTM *pro forma* adjusted EBITDA to adjusted LTM *pro forma* gross cash interest expense[(12)]	7.2x

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

‡ The Unaudited LTM Pro Forma Financial Data presented for the twelve months ended 30 June 2022 combines the accounting periods of Faurecia and Hella as described further under "*Presentation of Financial and Other Information— Unaudited LTM Pro Forma Financial Data*" and in the footnotes below.

(1) Adjusted EBITDA is a non-IFRS measure, which as used in this Offering Circular refers to operating income (before amortization of acquired intangible assets), before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures. Adjusted EBITDA 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 adjusted EBITDA differently than us. See "*Presentation of Financial and Other Information.*"

In accordance with the European Securities and Markets Authority rules regarding the labelling of performance measures published in October 2021, the term "adjusted EBITDA" is used by the Group with effect as of 1 January 2022 instead of the term "EBITDA" that was previously used.

The following table shows for each period a reconciliation to adjusted EBITDA of operating income (before amortization of acquired intangible assets) for the period:

	For the year ended 31 December			For the six months ended, 30 June
	2019	2020*	2021	2022†
			(in € millions)	
Operating income (before amortization of acquired intangible assets)	**1,283.3**	**418.4**	**861.7**	**426.3**
Depreciation and amortizations of assets[(a)]	1,121.0	1,250.8	1,247.7	894.9
Adjusted EBITDA	**2,404.3**	**1,669.2**	**2,109.4**	**1,321.1**

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

† Results presented for the six months ended 30 June 2022 include the results of Hella since the Completion Date of the Hella Acquisition, for the five month period from 1 February 2022 through 30 June 2022.

(a) Includes provisions for impairment of capitalized development costs.

(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 adjusted EBITDA represents net debt divided by adjusted EBITDA.

(5) Adjusted EBITDA to gross cash interest expense represents adjusted EBITDA divided by gross cash interest expense.

(6) LTM *pro forma* Sales for the twelve months ended 30 June 2022 combines (i) Faurecia's €16,669.8 million of sales for the period from 1 July 2021 through 30 June 2022 with (ii) Hella's €6,326 million of sales for the period from 1 June 2021 through 31 May 2022, each calculated as described under "*Presentation of Financial and Other Information— Unaudited LTM Pro Forma Financial Data.*" LTM *pro forma* Sales is presented on a *pro forma* basis to give effect to the Hella Acquisition as if such transaction had occurred on 1 July 2021 for illustrative purposes only and does not purport to represent what the Group's results would have actually been had the Hella Acquisition occurred on the date assumed, nor does it purport to project our results for any future period or our financial condition at any future date. See "*Risk Factors— Risks Related to the Hella Acquisition—Risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data.*" LTM *pro forma* Sales includes sales between Hella and Faurecia prior to the Hella Acquisition of €15.9 million during the six months ended 31 December 2021.

(7) LTM *pro forma* adjusted EBITDA for the twelve months ended 30 June 2022 combines (i) Faurecia's €1,976 million of adjusted EBITDA for the period from 1 July 2021 through 30 June 2022, which is based on the Group's adjusted EBITDA described in footnote (1) less the financial results relating to Hella that were consolidated therein for the period from 1 February 2022 through 30 June 2022, with (ii) Hella's €703 million of adjusted EBITDA for the period from 1 June 2021 through 31 May 2022, which is defined as adjusted earnings before interest, income taxes and before adjusted depreciation and amortization, each of (i) and (ii) calculated as described under "*Presentation of Financial and Other Information— Unaudited LTM Pro Forma Financial Data.*" LTM *pro forma* adjusted EBITDA is presented on a *pro forma* basis to give effect to the Hella Acquisition as if such transaction had occurred on 1 July 2021 for illustrative purposes only and does not purport to represent what the Group's results would have actually been had the Hella Acquisition occurred on the date assumed, nor does it purport to project our results for any future period or our financial condition at any future date. See "*Risk Factors—Risks Related to the Hella Acquisition—Risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data.*"

(8) LTM *pro forma* gross cash interest expense for the twelve months ended 30 June 2022 combines (i) Faurecia's €303.7 million of gross cash interest expense for the period from 1 July 2021 through 30 June 2022 with (ii) Hella's €25.5 million of interest expenses for the period from 1 June 2021 through 31 May 2022, each calculated as described under "*Presentation of Financial and Other Information— Unaudited LTM Pro Forma Financial Data.*" LTM *pro forma* gross cash interest expense is presented on a *pro forma* basis to give effect to the Hella Acquisition as if such transaction had occurred on 1 July 2021 for illustrative purposes only and does not purport to represent what the Group's results would have actually been had the Hella Acquisition occurred on the date assumed, nor does it purport to project our results for any future period or our financial condition at any future date. See "*Risk Factors— Risks Related to the Hella Acquisition—Risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data.*"

(9) Adjusted LTM *pro forma* gross cash interest expense for the twelve months ended 30 June 2022 is based on our LTM *pro forma* gross cash interest expense for the twelve months ended 30 June 2022, as described in footnote (8) above, as adjusted to give effect to: (i) the offering of the Notes, (ii) the Refinancing of the Bridge Facilities in part with the proceeds of the Notes (see "*Use of Proceeds*" and "*Capitalization*"), and (iii) the borrowing of the EIB Loan and the Latin American Syndicated Loan (see "*Capitalization*"), as if such transactions had occurred on 30 June 2022.

(10) Adjusted net debt as of 30 June 2022 is based on our net debt as of 30 June 2022 (which include the net debt of Hella as of 30 June 2022) as adjusted to give effect to: (i) the offering of the Notes, (ii) the Refinancing of the Bridge Facilities in part with the proceeds of the Notes (see "*Use of Proceeds*" and "*Capitalization*"), and (iii) the borrowing of the EIB Loan and the Latin American Syndicated Loan (see "*Capitalization*"), as if such transactions had occurred on 30 June 2022; adjusted net debt has been presented for illustrative purposes only and does not purport to represent what our adjusted net debt would have actually been had such transactions occurred on the date assumed, nor does it purport to project the Group's net debt for any future period or our financial condition at any future date.

(11) Ratio of adjusted net debt to LTM *pro forma* adjusted EBITDA for the twelve months ended 30 June 2022 is the ratio of our adjusted net debt as at 30 June 2022 to our LTM *pro forma* adjusted EBITDA, as described in footnote (7) above.

(12) Ratio of LTM *pro forma* adjusted EBITDA to adjusted LTM *pro forma* gross cash interest expense for the twelve months ended 30 June 2022 is the ratio of our LTM *pro forma* adjusted EBITDA, as described in footnote (7) above, to our adjusted LTM *pro forma* gross cash interest expense, as described in footnote (9) above.

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, supply chains and employees, and has caused and may continue to cause severe disruptions in the global economy and financial markets, which could potentially create widespread business continuity issues.

We are present in many countries that were particularly affected by the Covid-19 pandemic, and we are monitoring the situation closely while implementing the necessary measures to protect our employees, suppliers and subcontractors and aiming to reduce the economic and financial impacts that the Covid-19 pandemic has had on our business.

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 pandemic;
- the global demand for vehicles (new ways of working, etc.);
- the health impacts on the wellbeing and availability of our employees and service providers, particularly in our factories and R&D centers; and
- the impact of the Covid-19 pandemic on our financial performance (sales, operating margin and cash in particular),

the consequences of which have 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 the Covid-19 pandemic have materially impacted our sales in the year ended 31 December 2021 and, particularly due to Covid-related restrictions in China, the six months ended 30 June 2022, and may continue to have a material adverse impact on our sales. In addition, the shortage of semiconductors linked to the Covid-19 pandemic has had and continues to have an impact on our sales volumes.

Some of our sites and suppliers have had to reduce or cease their activities as a result of the Covid-19 pandemic, and we cannot guarantee that they will not be forced to do so again in the future, particularly in the event of new surges in Covid-19 cases, the appearance of new variants or as the result of another virus in the countries in which we operate.

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 such 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 the economy, 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 constraints 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. Our greenhouse gas emissions footprint consists of our direct and indirect emissions (scopes 1 and 2, respectively), and mostly from our controlled upstream and downstream value chain (scope 3), as well as from our purchasing activities. To accelerate the climate transition, public authorities are expected to constrain total footprint with new taxes and regulations. In addition, more extensive regulations aimed at reducing emissions of NOx in urban areas and CO_2 globally could lead to an increase in demand for vehicles that pollute less. Consumer behaviour may also evolve as a result of greater environmental awareness, encouraging new models of mobility and vehicle ownership as well as the purchase of more eco-friendly vehicles. Finally, extreme weather-related events (such as floods, cyclones and storms) may impact production facilities located near rivers or basins, which could disrupt production and thereby lead to customer delays and, potentially, loss of business.

Failure to anticipate, identify and manage risks associated with climate transition could have a significant impact on our financial condition, business and reputation. Furthermore, our operations may be interrupted due to the loss, closure or suspension of our production facilities, whether as a result of extreme weather-related events or failure to comply with more stringent regulations.

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).

Our sales are directly linked to the performance of the automotive industry in the major geographic regions where we and our customers operate, especially in Europe (which constituted 44.8% of our sales in 2021), Asia (which constituted 26.7% of our sales in 2021) and North America (which constituted 23.8% of our sales in 2021).

Our sales are also 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. There can be no guarantee that our products will be utilized for the replacement model, and we could therefore be required to make certain investments in supply contracts that may not be offset by customer order volumes, which would generate a significant impact on our operating income. A shift in market share away from the vehicles for which we produce components and modules (and in particular, internal combustion engine vehicles) 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.

In 2021, our five largest customers accounted for 66.9% of sales, as follows: Volkswagen (20.0%), Stellantis (18.5%), Ford (11.2%), Renault-Nissan-Mitsubishi group (10.6%) and Chinese OEMs (6.6%).

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. In addition, 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. 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 our raw materials and basic parts supplies. As of 31 December 2021, we have 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 €11.5 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. We have been and could be impacted in the future in the event of supplier failures, for example, following a major disaster impacting a supplier's production sites, a health crisis, production quality issues, delivery of less than required quantities or a shortage of certain raw materials or components, such as electronic components.

We are also subject to negative impacts as a result of 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. Such shortages may be further exacerbated by climatic events, such as the winter storms in Texas, or other external factors, such as the Covid-19 pandemic and fires in Japan that have disrupted the production of semiconductors. In addition, global economic recovery, such as the recovery from the impacts of the Covid-19 pandemic, has created and may continue to create pressure on demand for raw materials or components, which may result in a disruption to production further down the global value chain.

In addition, if we or one of our suppliers or service providers default at any stage of the manufacturing process, or if we are no longer able to purchase such raw materials or components in sufficient quantities or at sufficiently affordable prices to meet existing customer orders, we may be held liable for failure to fulfil our contractual obligations or for technical problems. In such a case, we may also be required to pay compensation related to the difficulty of continuing current projects.

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 our 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 must adapt our business activity to our customers' demands with respect to their supply chains, production operations, services and R&D. If the software provided by our suppliers is defective, the product may not function as intended. In particular, a number of our products, including infotainment, Android system embedded applications and wireless chargers that connect with smartphones, include embedded software which is obtained from third-party providers. Should we, or one of our suppliers or service providers, default at any stage of the manufacturing process or provide a defective service, 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 we make with a 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. In 2021, we managed approximately 800 programs on a permanent basis.

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.

Failure to attract and retain key personnel could adversely affect our business.

Our success largely depends on the services of our senior management team and key personnel with particular expertise. The loss or unavailability of our senior management team or key personnel for an extended period of time could have an adverse effect on our operations. In addition, we could experience difficulties in attracting and retaining the necessary talent able to provide the skills required for the development or production of our products and services, particularly if the automotive industry is considered less attractive to younger generations. Moreover, we compete with other companies for suitably qualified personnel, including technical and engineering personnel.

If management or key positions remain unfilled for too long, if turnover rates are too high or if diversity is insufficient, the level of motivation and productivity of our teams, as well as the cost of recruiting, training and integrating new employees, could be impacted. The failure to attract and retain management and 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 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, trends 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.

These may result in particular from heightened geopolitical tensions (including those between the U.S. and China and between Russia and Ukraine), regional instability or the imposition of trade barriers and protectionist policies in various countries.

As of 30 June 2022, we operated in more than 40 countries and generated 46.1% of our sales in Europe, 24.2% in Asia, 25.6% in North America and 4.2% in the rest of the world. Our international business activities, notably in emerging countries, are exposed to certain risks inherent in any activity carried out overseas, including:

- any potential amendments to laws or regulations, or to commercial, monetary or fiscal policies applied in certain 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;
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent; and
- supply chain tensions and their consequences.

Inadequate planning or preparations for regulatory decisions or changes made to legal requirements could have a significant negative impact on our business, finances and results of operations. For example, the government authorities in a country in which we operate could update standards that apply to our products, which could have negative consequences on our operating income.

In addition, 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, inflation and trade tensions between the EU and the U.S. and between the U.S. 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.

These risks may be further exacerbated by macroeconomic trends and developments, such as trade tensions between various countries and regions, which could lead to unfavorable changes in trade policies that apply to our products.

These developments could have a material adverse effect on our business, financial condition and results of operations.

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, 39.5% of our borrowings were at variable rates as at 30 June 2022 and 24.6% of our borrowings were at variable rates as at 31 December 2021. Our variable rate financial debt relates primarily to the Senior Credit Facility, when drawn, the Bridge Facilities, the EIB Loan and the Latin American Syndicated Loan, as well as our short-term debt. Our main fixed rate debt consists of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes, the Schuldscheindarlehen.

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 2022 and 2023 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 2021 Consolidated Financial Statements.

Any significant variation in interest rates combined with a poor application of the hedging policy for these rates would lead to an increase in financial costs and could have a significate impact on our financial results.

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. Excessive fluctuations in exchange rates could have a negative impact on our financial results.

See note 30.1 of our audited 2021 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. In addition, certain of our products or components such as infotainment, Android system embedded applications or wireless chargers that connect with smartphones contain complex information technology systems, software and/or data connectivity features and may be vulnerable to unauthorized access aimed at gaining control of, changing the functionality of or gaining access to data stored in or generated by these products.

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 thermoplastic resins, and the raw materials share of indirect purchases of components made of these same raw materials, represented approximately 40% of purchases in 2021. The prices of these raw materials are subject to fluctuations, the underlying causes of which are linked to structural supply capacity, demand, international geopolitical relations and impacts of the Covid-19 pandemic. Our operating and net income could 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, including risks related to shortages of semiconductors (which are present in a number of our products) that are expected to continue through part or all of 2022 at a minimum.

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 and which could in turn have a material adverse effect on our business, financial condition and results of operations. In addition, if we are unable to secure a sufficient quantity of semiconductors, we could be exposed to operational losses as well as client claims seeking indemnification. Bottlenecks in the value chain, which are mainly the result of a general shortage of certain electronic components and have been amplified by external factors over which we have limited control, could result in higher costs of transportation, raw materials, energy, workforce and quality assurance, for example, which may affect our financial results.

These raw materials risks could also affect customer-supplier relationships. Automakers could require the creation of larger safety stocks, which could result in revisions of existing contractual arrangement. Impacts from such changes to customer-supplier relationships may affect our financial results.

The ongoing military action between Russia and Ukraine could adversely affect our business, financial condition and results of operations.

In February 2022, Russian military forces launched a military action against Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict has and could continue to disrupt markets, including significant volatility in commodity prices, financial markets, supply chain interruptions, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

We have operated and continue to operate certain sites in Russia, including an industrial site in Togliatti in the Samara region that we opened in 2021, and generated sales in Russia of approximately €200 million in 2021, representing 1.3% of our total sales. Hella generated sales in Russia of less than €50 million in 2021, representing less than 0.5% of Hella's total sales. We do not have direct operations or material sales in Ukraine, although Ukraine is a major exporter of wire harnesses used in the production of automobiles. The conflict in the region has had and could continue to have a direct impact on our operations and sales in Russia, and has also had an indirect impact on automotive production globally. Continuation of the conflict could lead to further supply chain disruptions and may have a material adverse impact on demand for our products.

The ongoing conflict between Russia and Ukraine has impacted global energy markets, particularly in Europe, leading to high volatility and increasing prices for crude oil, natural gas and other energy supplies. Higher energy costs result in increases in operating expenses at our manufacturing facilities, in the expense of shipping raw materials to our facilities, and in the expense of shipping products.

Russia's annexation of portions of Ukraine and military action against Ukraine have led to sanctions being levied by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries targeting persons and entities in Russia, Belarus, and certain regions of Ukraine, including, among others, removing certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") payment system, which can significantly hinder the ability to transfer funds in and out of Russia. In response, Russia has instituted counter-sanctions against such countries. The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia or other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as any potential responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect our business, financial condition and results of operations.

We are actively monitoring the situation in Ukraine and assessing its impact on our business, including its impact on commodity prices and supply chains. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this offering circular.

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.

We conduct an active R&D policy and file patents and designs for technologies, products and processes in many countries. As of 2021, we have more than 1,400 patents in our patent portfolio. Due to this significant volume, we may be exposed to infringement of our intellectual property rights by third parties. In addition, we may also be exposed to the involuntary infringement of intellectual property rights held by third parties, such as in the case of unpublished or unidentified rights. Such events are likely to negatively impact our business and results, as well as our image and the reputation of our products.

We cannot guarantee that our intellectual property rights will not be disputed by a third party, including by non-practicing entities or "patent trolls" on the grounds of pre-existing rights or for any reason. The use of new technologies also entails the risk of infringing upon patent of other companies, and the materialization of such risk could result in a negative financial impact as a result of claims for damages, loss of business income or damage to our reputation. We may also be required to modify our products or processes or negotiate rights of use with third parties, which may generate significant financial consequences.

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 (such as floods, earthquakes, cyclones or blizzards, including those resulting from climate change), systems failure, accidental pollution and non-compliance with current or future regulations. We have experienced major accidents in the past, such as fires, flooding and explosions, and although we have extensive health and safety policies in place, we cannot assure you that we will be able to prevent future industrial accidents at our plants or R&D centers in the future. In addition, some of our plants are highly specialized in terms of manufacturing, and it would be difficult to set up alternative solutions within a short period of time in the event of a major accident.

Our industrial activities and use of a large number of potentially polluting products and materials in the context of the product production process expose us to environmental risks, such as the risk of accidental pollution and other risks related to the tightening of environmental regulations. We may also be exposed to operational risks related to poor energy management (such as generating excessive CO_2 emissions) or poor management of raw materials or waste. Any failure to comply with environmental regulations could cause damage to our reputation and generate a significate financial impact, including in the form of criminal law sanctions or lost opportunities. Accidental pollution could also force us to pay considerably for the decontamination of the sites impacted.

In addition, as part of our production activities, our personnel are exposed to a variety of risks, including accidents, occupational illnesses or illnesses related to the workplace environment in general that may affect their health or physical safety. If our personnel were to experience harm in the workplace, our business, reputation and financial condition could be negatively impacted.

Moreover, 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. These various risks may result in us incurring additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

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 2021, we worked with more than 19,000 suppliers in 63 countries. Due to this large number of suppliers, we may be unable to exclude, and may not be aware of, the existence of improper practices at these suppliers with respect to compliance with environmental standards, business ethics, employment law or human and fundamental rights. If one of our suppliers has failed, or is suspected of having failed, to comply with environmental standards, business ethics, employment law or human and fundamental rights, or if our integrity on these issues is called into doubt, we may experience significant consequences to our reputation, business activity and financial position.

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 40 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 of non-compliance with such regulations, or if our integrity on such issues were to be called into doubt, we may face significant impacts our business, reputation, financial condition and results of operations, which may therefore impact 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 Hella Acquisition

We may face difficulties implementing the integration of Hella and other acquisitions, which may result in an impairment of the goodwill recorded in respect of such transactions.

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

For example, in 2020, Faurecia completed the acquisitions of (i) the Canadian company IRYStec Inc., which specializes in display technologies, and (ii) SAS, a major player in the assembly and logistics of complex modules for vehicle interiors. In 2021, Faurecia also acquired (i) the Russian company ACP, specialized in the production of vehicle interior systems in the Togliatti region, (ii) the UK company Design Led, specialized in advanced backlighting technologies, and (iii) CLD, one of the main Chinese producers of hydrogen reservoirs, based in Shenyang.

In August 2021, Faurecia announced its proposed business combination with the German company Hella. The Hella Acquisition was completed on 31 January 2022, following the acquisition of 60% of Hella's shares from its family shareholders and the voluntary cash tender offer launched by Faurecia on 27 September 2021 at the end of which Faurecia acquired an additional 19.5% of Hella's shares. As of 30 June 2022, Faurecia held 81.59% of the share capital of Hella. Hella's sales for the period from 1 February 2022 through 30 June 2022 during which it was consolidated in Forvia's financial results represented 24% of the Group's consolidated sales for the six months ended 30 June 2022 (for more information on the acquisition, see "*Recent Developments—Combining Faurecia and Hella*").

There are several risks inherent to acquisitions which could occur, including, in particular:

- risk of overestimation of the target value;
- risk of the anticipated synergies being significantly delayed or not being achieved;
- risk of not succeeding in integrating the acquired companies and their technologies, product ranges and employees;
- risk of departure of key employees;
- risk of higher than expected costs related to the integration of acquired companies;
- risks related to suppliers or customers, or the loss of contracts resulting in costly or unfavorable financial conditions;
- existence of new specific risks within the target including risks the Group failed to identify during the due diligence investigations (tax, environmental, ethics, legal, *etc.*);
- risk of increased indebtedness in order to finance the acquisition or refinance the debt of the target.

In addition, due to the nature and the date of the Hella Acquisition closing (i.e., an acquisition of a listed company, involving several antitrust review processes) we only had access to Hella's public financial information upon the closing of the Hella Acquisition on 31 January 2022. This date did not allow for a detailed review of potential changes of accounting policies and further impacts on Hella's financial statements, in particular the amortization period of tangible and intangible assets, as well as the treatment of certain study costs related to customer programs.

The benefits expected from future or completed acquisitions may not be realized within the anticipated time frames and/or at the levels expected and, consequently, may significantly affect our business, financial position and results of operations.

The expected benefits of the Hella Acquisition in particular depend upon the successful integration of Hella's activities. We could face significant difficulties 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 our organization 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. The costs we incur in integrating Hella or trying to realize anticipated synergies may be substantially higher than our current estimates and may outweigh any benefit. Furthermore, if the assumptions and estimates used by us to value the acquisition prove to be inaccurate, it could result in an impairment of the goodwill recorded in respect of the transaction.

Risks related to the operating results and financial position presented in the Unaudited LTM Pro Forma Financial Data.

The Unaudited LTM Pro Forma Financial Data for the twelve months ended 30 June 2022 included in this Offering Circular has been prepared to illustrate the impact of the Hella Acquisition as if it had occurred on 1 July 2021.

This Unaudited LTM Pro Forma Financial Data is based on preliminary estimates and assumptions that we believe are reasonable and that are provided for illustrative purposes only. These estimates and assumptions may differ substantially from the Group's current and future results of operations. As a result, the Unaudited LTM Pro Forma Financial Data included in this Offering Circular is 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.

Moreover, by definition, the unaudited pro forma information incorporated in or 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 methodology could result in downward adjustments to the indicators retained by Hella.

The Unaudited LTM Pro Forma Financial Data combines the accounting periods of Faurecia and Hella. Faurecia and Hella have different fiscal year ends. The Unaudited LTM Pro Forma Financial Data has been prepared utilizing periods that differ by less than three months.

Prospective investors are therefore cautioned against placing undue reliance on the Unaudited LTM Pro Forma Financial Data set forth in this Offering Circular, which, beyond its illustrative nature, may not accurately reflect the current or future performance of the combined entity.

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, including Hella.

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 30 June 2022, our subsidiaries, including Hella, had €2,877 million of gross financial debt to third parties, of which leases accounted for €1,266 million, and a net cash position of €3,075 million. In addition, as at 30 June 2022, our consolidated trade payables amounted to €8,730.0 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 our debt arrangements limit our ability to take certain actions.

The Senior Credit Facility, the Latin American Syndicated Loan, the EIB Loan, the Hella Indebtedness, the Japanese Yen Term and Revolving Facilities, the Schuldscheindarlehen, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes and the 2029 Green 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 total amount available under the EIB Loan is subject to conditions related to our investment and refinancing in the hydrogen business, and failure to meet such conditions may cause a reduction in the amount available for borrowing. The operating and/or financial restrictions and/or covenants in the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities, the Schuldscheindarlehen, the EIB Loan, the Latin American Syndicated Loan, the Trust Deed and the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes and the 2029 Green 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 Schuldscheindarlehen, the EIB Loan, the Latin American Syndicated Loan, the Trust Deed or the trust deeds governing the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes and the 2029 Green 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 Schuldscheindarlehen, 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, 2027 Sustainability-Linked Notes, 2028 Notes, the 2029 Green Notes, the Notes or the Hella Indebtedness 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 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes and the Hella Indebtedness 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.

We may redeem, in whole or in part, the Notes at our option at the principal amount of the Notes plus accrued and unpaid interest, if any, to the date fixed for redemption, plus the applicable "make-whole" premium, if applicable, as more fully described in "*Terms and Conditions of the Notes – Condition 3: Optional Redemption*".

In addition, if certain changes in the law of any Relevant Taxing Jurisdiction (as defined under "*Terms and Conditions of the Notes – Condition 4: Taxation*") become effective that would impose withholding taxes or other deductions or government charges on the payments on the Notes, we may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to the date of redemption. We are unable to determine whether such a change to any tax laws will be enacted, but if such change does occur, the Notes will be redeemable at our option.

Such redemptions may occur at times when prevailing interest rates are relatively low. 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 may 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 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.

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

We are subject to complex and evolving tax legislation in the countries in which we operate. Changes in tax laws or regulations or in their interpretation could adversely affect our tax position, such as our effective tax rate or tax payments.

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into French tax law of the Organization for Economic Cooperation and Development's (the "**OECD**") principles related to base erosions and profit shifting ("**BEPS**") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on 7 June 2017, and ratified by France on 26 September 2018, may increase the administrative efforts within our business and impact existing structures.

Furthermore, the European Union continues to harmonize the tax legislation of the member states. In this respect, the Council of the European Union (the "**Council of the European Union**") adopted a directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on 12 July 2016 (Council Directive 2016/1164) (the "**ATAD**"). The ATAD was later amended on 29 May 2017, by the Council Directive (EU) 2017/952 (the "**ATAD 2**"), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from 1 January 2020. Among the set of proposed measures, the ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3,000,000, whichever is higher (subject to several exceptions). Such new rules apply since 1 January 2019, following their transposition into French tax law by Article 34 of the French Finance Law for 2019 (Law 2018-1317 of 28 December 2018) (the "**French Finance Law for 2019**") of the general interest limitation rule provided for by the ATAD. The French Finance Law for 2020 (Law 2019-1479 of 28 December 2019) (the "**French Finance Law for 2020**") also introduced under French tax law the provisions of the ATAD 2 and thus repealed the existing French anti-hybrid rules, as set forth in Article 212-I-b of the French *Code général des impôts* (the "**FTC**"). See "*—Risks Related to the Notes—French tax legislation may restrict the deductibility,* *for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France on our indebtedness, thus reducing the cash flow available to service our indebtedness"* for more details on this rule.

In addition, Article 108 of the French Finance Law for 2019 introduced under French tax law, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, the French tax authorities may ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances.

The European Commission also published a corporate reform package proposal on 25 October 2016, including three new proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("**CCCTB**") which is a single set of rules to compute companies' taxable profits in the European Union, (ii) avoiding loopholes associated with profit-shifting for tax between European Union countries and non-European Union countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. On 18 May 2021 the European Commission communicated a new plan called Business in Europe: Framework for Income Taxation ("**BEFIT**") which aims to replace the CCCTB in the European tax policy proposals. BEFIT is based mainly on the framework of the OECD's international tax reform project, and would involve the consolidation of the profits of the EU members of a multinational group into a single tax base, which will then be allocated to Member States using a formula, to be taxed at national corporate income tax rates. The preparation for this new proposal will be carried out by the European Commission alongside the Member States and the European Parliament and will give rise to consultations with the business sector and civil society groups. The Commission's aim is to introduce BEFIT into EU legislation by 2023. Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes – the European Commission having made public a proposed directive on 22 December 2021 which once adopted, should be transposed by European member states prior to 30 June 2023 and then enter into force on 1 January 2024, (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("**DEBRA**").

On 8 October 2021, members of the OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework) agreed to the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy reflecting the agreement reached by 136 out of the 140 Inclusive Framework members. The Two-Pillar Solution is comprised of Pillar One and Pillar Two.

Pillar One aims at ensuring a distribution of profits and taxing rights among countries with respect to the largest multinational enterprises ("**MNEs**") through the re-allocation of taxing rights over 25% of the residual profit of the largest and most profitable MNEs to the jurisdictions where the customers and users of those MNEs are located.

Pillar Two puts a floor on tax competition on corporate income tax through the introduction of a global minimum corporate tax at a rate of 15% that countries can use to protect their tax bases (the GloBE rules). On 20 December 2021, the OECD published the pillar two model rules (the "**Model Rules**") for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE's effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax.

On 22 December 2021, the European Commission published a legislative proposal for a Directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft Directive aims at consistently implementing among all 27 member states the Model Rules that include an Income Inclusion rule ("**IIR**") and an Under Taxed Payment Rule ("**UTPR**"). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft Directive makes use of an option contemplated by the Inclusive Framework whereby the member state of a low-taxed income entity (referred as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities residents in that member State. The proposal will move to the negotiation phase among the Member States with the aim of reaching a final agreement; the European Commission proposes that the member states shall transpose the Directive into their national laws by 21 December 2022 for the rules to come into effect as of 1 January 2023 (with the exception of the UTPR, for which the application will be deferred to 1 January 2024).

The development of model legislation, a Multilateral Convention and a multilateral instrument for the implementation of the Two-Pillar Solution are expected to be finalized on 2022 in order the Two-Pillar Solution to be effective on 2023.

Furthermore, new rules on tax dispute resolution already apply since 1 January 2019, following the transposition of Council Directive 2017/1852 of 10 October 2017 into French tax law as part of the French Finance Law for 2019. These new regulations could impact our tax position in the future.

We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our rental offerings and services to track and collect such taxes, which could increase our costs of operations and have a material adverse effect on our business, results of operations and financial condition.

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 39.1.3° of the FTC, the deduction of interest paid by a borrower to creditor that is a direct shareholder but not a related party within the meaning of Article 39.12 of the FTC, is subject to the conditions that (i) the share capital of the borrowing company is fully paid-in and (ii) the interest rate on the corresponding loans does not exceed a rate equal to the annual average rate of floating rate loans granted by financial establishments for a minimum term of two years (currently 1.15% for companies closing their fiscal year between 28 February 2021 and 30 March 2022). By exception, Article 212, I-(a) of the FTC provides that interest incurred on loans granted by a related party within the meaning of Article 39.12 of the FTC is deductible up to the rate referred to in Article 39.1.3° of the FTC or, if higher, up to the rate that the borrowing entity could have obtained from independent financial institutions in similar conditions.

Moreover, under article 212 bis of the FTC, for financial years opened as from 1 January 2019, net financial expenses ("**NFE**") are deductible up to the highest of €3,000,000 per financial year and 30% of the borrower's adjusted EBITDA, corresponding to its taxable result before offset of tax losses and without taking into consideration tax, NFE and, to some extent, depreciation, amortization, provisions and capital gain/losses (subject to several exceptions).

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 borrower's 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 borrower's 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 members of French tax consolidated groups.

In addition, the French Finance Law for 2020 has implemented into French tax legislation the provisions of the ATAD 2 in relation to hybrid mismatches with third countries, which are applicable as from 1 January 2020, except for certain of its provisions which are applicable since 1 January 2022. In relation to such implementation, the provisions of Article 212-1-(b) of the FTC (*i.e.,* the former French anti-hybrid provisions) have been repealed.

Articles 205 B *et seq.* of the FTC implementing ATAD 2 provide limitations on interest deductions in the event of (i) a deduction of a payment at the level of a paying entity without a corresponding inclusion of such payment in the taxable income of the receiving entity (referred to as a "deduction without inclusion"), or (ii) a deduction of the same payment, operational expenses or losses in the taxable income of both the paying and receiving entity (referred to as a "double deduction"). Unlike the previous domestic anti-hybrid rules, payments made to tax-exempt or low-taxed beneficiaries are not within the scope of the new rules that only target differences in qualification or attribution of the right to tax an element of income. Such limitations only apply to payments taking place between "associated enterprises," except for the so-called "structured arrangements" (*i.e.,* an arrangement pricing the relevant mismatch or an arrangement designed to produce the mismatch, subject to certain conditions). If the hybrid mismatch results in a deduction without inclusion, the deduction from taxable income will generally be denied to the French paying entity. Alternatively, the payment to a French receiving entity will be included in its taxable income if deduction is not denied in the jurisdiction of the paying entity. If the hybrid mismatch results in a double deduction, the deduction will either be denied at the level of the receiving entity or at the level of the paying entity.

In respect of fiscal years opened as from 1 January 2022, these provisions also cover reverse hybrid entities, referring to situations where an entity is deemed to be tax transparent by the Member State in which it is incorporated or established but the jurisdiction or jurisdictions in which its "associated enterprises" holding directly or indirectly in aggregate an interest in 50% or more of its voting rights, capital interests or rights to share profit are established, qualify the entity as non-transparent. Where a hybrid entity of a reverse hybrid mismatch is incorporated or established in France, its income is, as the case may be, either subject to French corporate income tax or taxable pursuant to the conditions provided for by Article 8 of the FTC, to the extent that it is not taxed in another State.

The above-mentioned tax rules, as well as generally applicable tax principles, may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may increase our tax burden, which could adversely affect our business, financial condition and results of operations and reduce the cash flow available to service our indebtedness. 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. In February 2021, the Portuguese Presidency of the Council proposed an inclusive discussion among all Member States on tax design issues of the FTT.

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.

The methodology we use to calculate our Scope 1 and 2 GHG Emissions may change over time.

Key performance indicators on which the Relevant 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, and with respect to the Hella Acquisition, or in case of any further merger and acquisition activity, 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, which may impact, positively or negatively, our ability to satisfy the Relevant Sustainability Performance Target, which could in turn adversely affect the market price of the Notes and our reputation. As of the date of this Offering Circular we have not recalculated, and we may in the future recalculate, the levels of the relevant baseline, Relevant Sustainability Performance Target and/or key performance indicators to reflect the Hella Acquisition.

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 or 2027 Sustainability-Linked 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 be an event of default under neither the Notes nor the 2027 Sustainability-Linked Notes, nor will we be required to repurchase or redeem the Notes or the 2027 Sustainability-Linked 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 and holders of the 2027 Sustainability-Linked Notes will not be entitled to an increase in the interest rate on the Notes or the 2027 Sustainability-Linked Notes, respectively, 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 and the 2027 Sustainability-Linked 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 Financing Framework, the Notes or the 2027 Sustainability-Linked 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 the 2027 Sustainability-Linked 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) repay in part the principal amount outstanding under the Bridge Facilities, which were used to finance the Hella Acquisition, and (ii) pay fees and expenses incurred in connection with the offering of the Notes.

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....................................	700.0	Repayment of the Bridge Facilities[(1)]	693.0
		Estimated fees and expenses................................	7.0
Total	700.0	**Total**	700.0

(1) Represents the partial repayment of the principal amount of the Bridge Facilities outstanding on Issue Date. The Bridge Facilities were drawn in the principal amount of €2.9 billion on the Completion Date to fund the Hella Acquisition, of which approximately €1.7 billion remains outstanding as at the date of this Offering Circular.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, financial liabilities and total capitalization as at 30 June 2022, on a historical basis, and as adjusted to reflect the completion of the Offering and certain other events subsequent to 30 June 2022.

You should read this table in conjunction with the section headed "*Presentation of Financial and Other Information*" elsewhere in this Offering Circular, as well as the 2021 Universal Registration Document and the 2022 Half-Year Financial Report, which are each incorporated by reference in this Offering Circular, including (i) the section headed "*Business Review*" contained in the 2022 Half-Year Financial Report, (ii) sections 1.1 (*Review of the Group's business and consolidated results*), 1.2 (*Outlook and Trends*) and 1.5 (*Review of Company's business and financial results*) of the 2021 Universal Registration Document, and (iii) our consolidated financial statements and the related notes thereto. Our historical results do not necessarily indicate results that may be expected for any future period.

	As at 30 June 2022		
	Historical (Reported)	**Adjustments**	**As adjusted**
		(in € million)	
Cash and cash equivalents[1]	4,201.5	(13.3)	4,188.2
Other current financial assets included in net debt	32.5	—	32.5
Total cash and cash equivalents	**4,234.0**	**(13.3)**	**4,220.7**
Short-term borrowings	1,130.0	—	1,130.0
Current portion of the Bridge Facilities[2]	100.0	—	100.0
Other current financial liabilities[3]	585.2	—	585.2
Total current financial liabilities	**1,815.2**	**—**	**1,815.2**
Senior Credit Facility	—	—	—
Hella Credit Facility	—	—	—
2025 Notes	1,000.0	—	1,000.0
2026 Notes	750.0	—	750.0
2027 Notes	890.0	—	890.0
2027 Sustainability-Linked Notes	1,200.0	—	1,200.0
2028 Notes	700.0	—	700.0
2029 Green Notes	400.0	—	400.0
Hella 2024 Notes	300.0	—	300.0
Hella 2027 Notes	500.0	—	500.0
Hella Japanese Yen Facilities[4]	155.4	—	155.4
Schuldscheindarlehen[5]	1,186.7	—	1,186.7
Japanese Yen Term and Revolving Facilities[6]	141.3	—	141.3
Bridge Facilities[7]	2,100.0	(1,210.0)	890.0
Bank borrowings & other long-term debt	1,489.8	—	1,489.8
EIB Loan[8]	—	289.0	289.0
Latin American Syndicated Loan[9]	—	214.7	214.7
Notes offered hereby	—	700.0	700.0
Total long-term financial liabilities	**10,813.2**	**(6.3)**	**10,806.9**
Total financial liabilities (gross)	**12,628.4**	**(6.3)**	**12,622.1**
Total financial liabilities (net)	**8,394.4**	**7.0**	**8,401.4**
Minority interests	1,739.6	—	1,739.6
Equity attributed to owners of the parent	4,784.5	—	4,784.5
Total shareholders' equity	**6,524.1**	**—**	**6,524.1**
Total capitalization	**19,152.5**	**(6.3)**	**19,146.2**

(1) Adjustments represent (i) €7.0 million of cash used to pay estimated fees and expenses for the Offering, as described under "*Use of Proceeds*," (ii) €11 million of cash used to supplement the partial repayment of the Bridge Facilities using proceeds from borrowings under the EIB Loan, and (iii) €4.7 million of cash remaining following the partial repayment of the Bridge Facilities using proceeds from borrowings under the Latin American Syndicated Loan.

(2) Represents €100 million outstanding under the Term Loan C Bridge Facility with a maturity on 13 February 2023.

(3) Includes the current portion of long-term debt (other than the current portion of long-term debt relating to the Bridge Facilities), including €58.5 million outstanding under the Clarion Schuldschein due in December 2022.

(4) Represents ¥22 billion in principal amount that remains outstanding as at the date of this Offering Circular which has been translated from Japanese Yen into euros at a rate of ¥141.54 per €1.00, which was the rate of Japanese Yen per euro as published by the European Central Bank as at 30 June 2022.

(5) Represents amounts outstanding as of 30 June 2022 under the Clarion Schuldschein and the Sustainability-Linked Schuldschein, excluding the current portion of the Clarion Schuldschein described in footnote (3) above. Amount outstanding under the U.S.

dollar tranches have been translated into euros at the rate of U.S.$1.0387 per €1.00, which was the rate of U.S. dollars per euro as published by the European Central Bank as at 30 June 2022.

(6) Represents ¥20 billion of the Japanese Yen Term and Revolving Facilities that has been drawn as at the date of this Offering Circular which has been translated from Japanese Yen into euros at a rate of ¥141.54 per €1.00 which was the rate of Japanese Yen per euro as published by the European Central Bank as at 30 June 2022.

(7) Represents (i) €1.6 billion outstanding under the Term Loan B Bridge Facility with a maturity on 13 August 2023, (ii) €500 million outstanding under the Term Loan A Bridge Facility with a maturity on 13 August 2024, excluding the current portion of the Bridge Facilities described in footnote (2). Adjustments represent: (i) the expected use of gross cash proceeds from this Offering, see "*Use of Proceeds*" and footnote (1) above regarding payment of estimated fees and expenses for the Offering, (ii) the use of €210 million from the cash proceeds of the Latin American Syndicated Loan in September 2022, see footnote (1) above regarding the remaining €4.7 million in cash proceeds therefrom, (iii) the use of €289 million in cash proceeds from borrowings under the EIB Loan and (iv) the use of an additional €11 million in cash from our balance sheet to supplement the proceeds from borrowings under the EIB Loan, in each case to repay in part the Bridge Facilities.

(8) Adjustments represent borrowing under the €315 million EIB Loan, under which we borrowed €289 million in July 2022.

(9) Adjustments represent borrowing of U.S.$210 million equivalent under the Latin American Syndicated Loan, which has been translated into euros at the rates of U.S.$0.9748 per €1.00 and MXN 19.6393 per €1.00, which were the rates of U.S. dollars per euro and Mexican pesos per euro, respectively, as published by the European Central Bank as at 30 September 2022.

Since 30 June 2022, 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. We estimate that approximately one-in-two vehicles globally are equipped with at least one of our products.

On 31 January 2022, we completed the Hella Acquisition. This acquisition is a strategic opportunity 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. Following the acquisition, we rebranded ourselves with a new trade name, "Forvia", although Faurecia and Hella are expected to continue to operate as separate legal companies and market products under their own brands, collaborating closely and aiming to create sustainable value for all stakeholders through technology solutions and synergies generated in the best interest of both companies. For further details regarding the Hella Acquisition see "*—Recent Developments—Combining Faurecia and Hella*" below.

Faurecia 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 Faurecia's four business groups (Faurecia Clean Mobility, Faurecia Seating and Faurecia Interiors) and are seeking to become a leader in cockpit electronics through our Faurecia Clarion Electronics business group, established following the successful acquisition of Clarion in 2019. In July 2021, we announced the creation of a new division for sustainable materials to develop and manufacture cutting-edge sustainable and smart materials. The "Sustainable Materials" division benefits 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, further diversified with the combination of Faurecia and Hella, the Sustainable Materials division works across business groups to propose solutions for the development of low-CO_2, and even CO_2-negative, materials in order for us to better support OEMs in attaining their sustainability objectives.

With the integration of Hella, and to align the business models of both companies, we expect to add two new business groups: Hella Lighting and Hella Life-Cycle Solutions. We also intend to combine Hella Electronics and Software operations with our Faurecia Clarion Electronics business group. We expect annual sales of around or above €3 billion in five of our six business groups (Faurecia Seating, Faurecia Interiors, Electronics, Hella Lighting and Faurecia Clean Mobility). In the interim, Hella currently operates as a separate business group within Forvia (encompassing Hella Electronics and Software, Hella Lighting and Hella Life-Cycle Solutions), headquartered in Lippstadt, Germany, although Hella's business are expected to be fully integrated and continue to converge towards common processes to ensure a consistent Group approach and consolidation.

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 2022, in addition to working towards our long-term goal of becoming a leader in hydrogen mobility, we expect to develop a comprehensive offering for electric vehicles (HEVs, PHEVs, BEVs and 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 DC/DC converters and onboard charging systems. In 2021, sales in the Clean Mobility business group reached €4,090.9 million (26% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Clean

Mobility business group reached €2,284.8 million (20% of Forvia's total sales) compared to €2,040.0 million for the six months ended 30 June 2021.

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 2021, sales in the Seating business group reached €6,048.7 million (39% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Seating business group reached €3,529.9 million (30% of Forvia's total sales) compared to €2,966.6 million for the six months ended 30 June 2021.

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 2021, sales in the Interiors business group reached €4,640.6 million (30% of Faurecia's total sales). For the six months ended 30 June 2022 sales in the Interiors business group reached €2,561.5 million (22% of Forvia's total sales) compared to €2,375.8 million for the six months ended 30 June 2021.

Electronics. In connection with the integration of Hella's operations, we expect to combine Faurecia Clarion Electronics and Hella's electronics and software operations to create a strong global player supporting the next high-speed and low-speed ADAS convergence, to be headquartered in Lippstadt, Germany. The new business group will operate 24 production sites and 21 R&D centers.

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 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 2021, sales in the Clarion Electronics business group reached €837.6 million (5% of Faurecia's total sales). For the six months ended 30 June 2022, sales in the Clarion Electronics business group reached €458.4 million (4% of Forvia's total sales) compared to €400.0 million for the six months ended 30 June 2021.

Hella Electronics and Software. Radars, electric power steering, e-mirrors, 360° views and automated parking solutions are a few examples of the high technology additions to the Group's product and system offering. Hella's electronics and software operations have historically formed a sub-division within Hella's Automotive business segment. Within this sub-division, Hella has focused on developing components for body electronics, energy management, driver assistance systems, steering as well as lighting electronics. Hella has been an innovator in battery management systems and DCDC converters in the field of energy management but has also developed core technology for radar and camera software in the field of driver assistance.

Hella Lighting. In connection with the integration of Hella's operations, we expect to add a fifth business group, Lighting, headquartered in Lippstadt, Germany. The Lighting division is currently operated primarily as a sub-division of Hella's Automotive business segment. The Lighting division develops and produces headlamp, rear combination lamp, car body and interior lighting for OEMs throughout the world. Through its long-standing cooperation with premium OEMs, Hella established strength in the area of innovative light products, and has focused on innovations in new, digital lighting technologies. Hella has been a leader in full-LED headlamp technology, having first concluded the development of its first full-LED headlamp in 2008 and now producing LED headlamps in large-scale production.

Hella Life-Cycle Solutions. In connection with the integration of Hella's operations, we expect to add a sixth business group, Life-Cycle Solutions, in line with environmental concerns and industry evolutions. Also to be headquartered in Lippstadt, the business group will combine Hella's Aftermarket and Special Applications business segments. Hella's Aftermarket segment is an established partner in the European aftermarket for spare parts, providing automotive parts, accessories and workshop equipment and acting as a service partner for wholesalers and repair and maintenance workshops. Hella's Special Applications segment develops, manufactures and distributes lighting technology and electronic products for specialist vehicles, such as construction and agricultural machinery, buses and motor homes, and the marine sector. 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.

Sales of Hella's business groups (Hella Lighting, Hella Life-Cycle Solutions and Hella Electronics and Software) have been treated as a single business group, the Hella business group, since the Completion Date. Sales in the Hella business group were €2,788.5 million (24% of Forvia's total sales) for the five months during which Hella's operations were consolidated in Forvia's results for the six months ended 30 June 2022.

For the six months ended 30 June 2022, our sales amounted to €11,623.1 million (including €8,834.6 million for Faurecia alone), compared to €7,782.5 million for the same period in 2021 and our adjusted EBITDA for the six months ended 30 June 2022 amounted to €1,321.1 million (including €975.5 million for Faurecia alone) compared to €1,108.9 million for the same period in 2021.

As at 31 May 2022, we employed approximately 150,000 people in over 40 countries.

On a *pro forma* basis to give effect to the Hella Acquisition as if it had occurred on 1 July 2021, we estimate that for the twelve months ended 30 June 2022 we would have had LTM *pro forma* sales amounting to €22,995.8 million and *pro forma* adjusted EBITDA amounting to €2,679 million. See "*—Summary Financial and Operating Data—Other consolidated financial data*".

For the year ended 31 December 2021, our order book for sales (calculated on a three-year rolling basis) was €75 billion, compared to €72 billion at the end of 2020 and €68 billion at the end of 2019. For the nine months ended 30 September 2022, Forvia achieved an order intake of over €24.5 billion.

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 60.2% or €9,404.5 million of our sales in 2021. We believe the integration of Hella will open new sales opportunities 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. Following the combination with Hella, we currently have approximately 300 industrial sites, approximately 75 R&D centers and approximately 150,000 people, including more than 35,000 engineers and specialists, across more than 40 countries. With, once fully integrated, six business groups with 24 product lines and a strong IP portfolio of over 14,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide. 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 our 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 and major player in Electronics and Lighting

Based on our estimates, we have leading market positions in Clean Mobility, Seating, and Interiors. Through the combination with Hella, we acquired a strong portfolio with superior technology in Automotive Electronics and Lighting.

In 2021, 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.

Following the Hella Acquisition in January 2022, we rebranded ourselves as Forvia, the new company name combining Faurecia and Hella, on 7 February 2022. Forvia, as the seventh largest automotive technology supplier, will be organized in six business groups with leading positions, five of which we expect to each have annual sales of approximately, or in excess of, €3 billion. In addition, Forvia provides customers with high technology products and solutions that are organized around 24 different product lines and aim to address automotive industry megatrends.

We further intend to combine Faurecia Clarion Electronics with Hella Electronics and Software to leverage increased scale and become a major player in Electronics and Software. Following the Hella Acquisition, we are poised to become a leading player in the Electronics and Software segment with combined sales expected to exceed €3 billion. We have set an ambitious target to reach more than €6.3 billion in combined sales for the Electronics business group by 2025.

With the integration of Hella, we add a strong lighting business focused on technology. We view the Hella Lighting business as an opportunity to advance Hella's existing division by leveraging (i) Faurecia's track record in industrial excellence and cost optimization, and (ii) Faurecia's strong client relationships with high-volume OEMs and OEMs based in Asia.

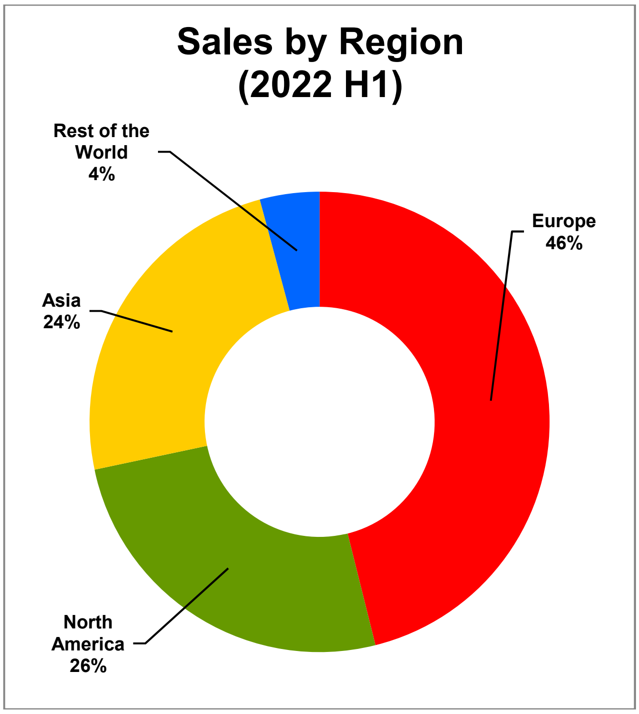
We believe that our market leadership in five of our six expected business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

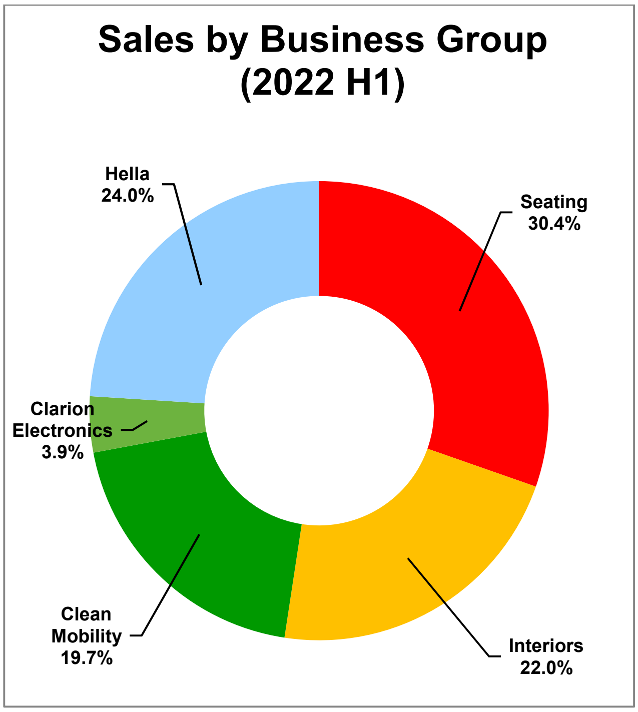
In addition, we intend to capitalize on Hella's strengths and identity by maintaining the headquarters of three of our business groups in Lippstadt, Germany and three in Nanterre, France.

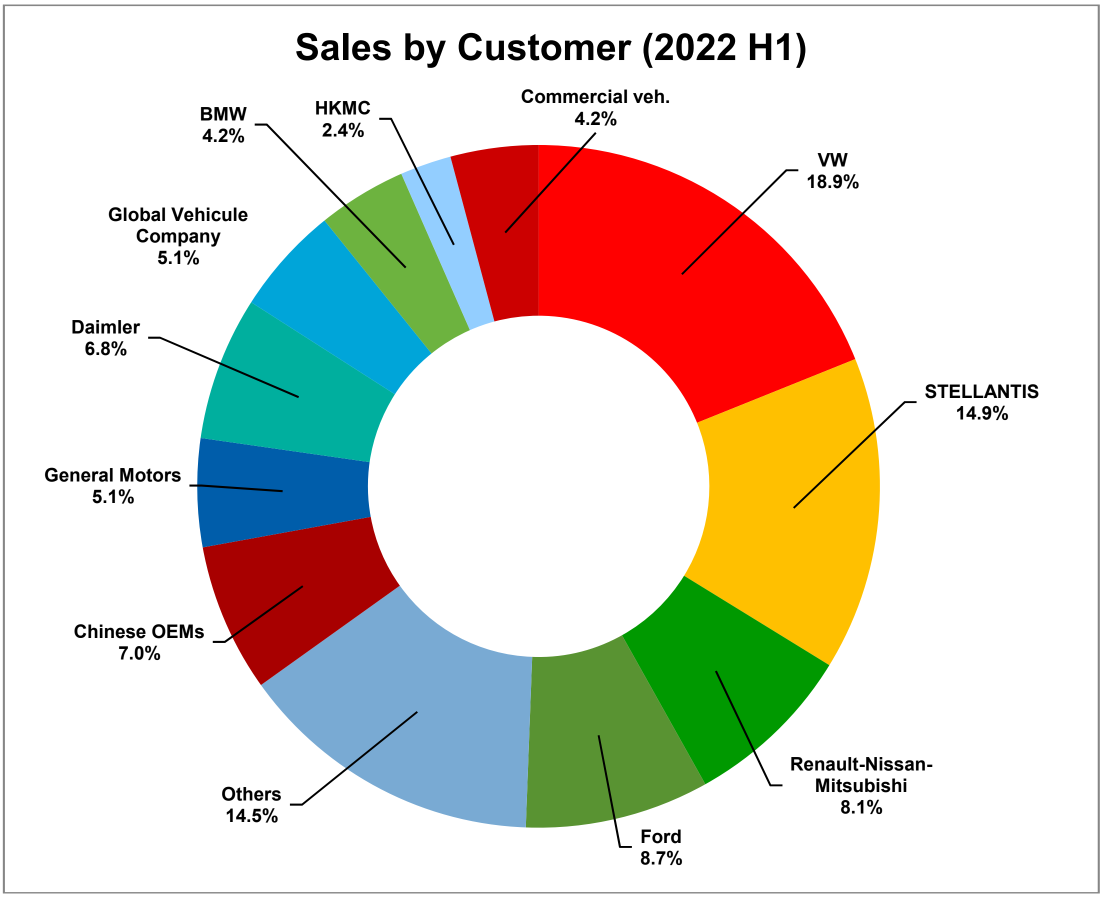
A key partner for a broad and diversified base of OEMs around the globe

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 2022 by region, business group and customer (including Hella's sales for the five months since the Completion Date for which Hella's operations are consolidated in Forvia's results):







In recent years we have further increased our customer diversification. In the six months ended 30 June 2022, our two largest customers accounted for 33.8% of sales compared to approximately 48% of sales in 2008. We also further increased our geographic diversification by increasing the share of our North American and Asian sales. In the six months ended 30 June 2022, sales in Europe, North America and Asia were 46.1%, 25.6% and 24.2% of sales, respectively compared to approximately 74%, 15% and 6% of sales, respectively, in 2008.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we are today a direct 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 further improves our inroads with automakers and opens new sales opportunities. We believe Hella's sales may improve by leveraging Faurecia's privileged access to key Chinese and Japanese OEMs, while we believe Hella's position with German OEMs will contribute to developing our relationships further with German OEMs, and we believe that Faurecia and Hella will both benefit from complementary strengths 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 believe the Hella Acquisition further strengthens our position and is a unique opportunity to place Faurecia at the forefront of automotive megatrends. See "*—Recent Developments—Combining Faurecia and Hella*" for more information on the acquisition and its anticipated impact.

Connectedness

Vehicles with connected capabilities 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.

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 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 BEV and 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, 38% of vehicles will be fully electric vehicles, and 32% 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 incentives 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 Hella Acquisition, we expect to increase our offering to include life-cycle solutions, 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. At Faurecia, we operate 39 research and development centers worldwide and employ approximately 8,850 engineers. In 2021, Faurecia filed 574 new patents, compared to 621 in 2020.

In 2021, we allocated €1,219 million to gross R&D costs.

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. In addition, the Hella Acquisition aims to improve Faurecia's technological portfolio and bring us at the forefront of R&D and technological development. Following the Hella Acquisition, we have approximately 75 R&D centers and more than 35,000 engineers and specialists.

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 partnerships with Michelin for fuel cell systems, with Microsoft to develop more digital services for the Cockpit of the Future, with Aptoide to develop and operate Android app store solutions for the global automotive market and 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 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, 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 2018 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 start-up specialized in biomimetic spray technology, to accelerate 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 our 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.

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 comprises initiatives such as: the Faurecia Excellence System, the Plant Ranking Initiative and our Digital Manufacturing initiatives.

The Faurecia Excellence System

The 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 2021, over 2,500 smart robots and Automated Guided Vehicles were in use across our plants. 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 70 customer recognition awards in 2021 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. We also saw an improvement in customer perception with 4.5 stars out of 5 in 2021, compared to 4.2 in 2020.

Over the 2019-2021 period, our cumulative order intake was approximately €75.0 billion. In 2021, €2.6 billion of our cumulative order intake was attributable to Faurecia Clarion Electronics, €6.1 billion was attributable to electric vehicles (representing 26% of total order intake) and €6.4 billion was attributable to China (representing 27% of order intake and reflecting the continued strong growth potential of the Chinese market).

For the nine months ended 30 September 2022, Forvia achieved an order intake of over €24.5 billion.

Notable new business awarded to us in 2021 and in 2022 included:

- VW Passat / Skoda Superb complete seat, instrument panel & door panel, over €1.5 billion;
- Chinese Chehejia LI X03 complete seat;
- BMW Mini & X3/X4 Frames in China;
- FAS – BMW NCAR KKL Family – EUR & CN – Frames;
- FIS – STELLANTIS – FCA DT 1500 – NAO – Instrumental Panel;
- FAS – VW – TIGUAN – EUR – Rear Frames;
- 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;
- eight contract awards won by Hella to equip different EVs from German premium manufacturers with multifunctional Front Phygital Shields (Lighting);
- a contract award with a global long-haul truck leader for the first mass-production of hydrogen storage systems for long-haul trucks;
- interiors, cockpit assembly and seating businesses with a leading electric vehicle player in China, North America and Europe; and
- award with Daimler for complete seats (first and second rows), expected to generate approximately €2 billion of sales during the course of the award.

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

- our H_2 activities have been selected as an IPCEI pursuant to the European Commission's criteria by the French Government and will be allocated €213 million (those of Symbio (50/50 joint venture with Michelin) have also been selected);
- inclusion of Faurecia in the Euronext CAC 40 ESG® index;
- 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 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 2.9% of sales for the year ended 31 December 2020. For the year ended 31 December 2021, we reported a resilient operating income of €862 million, representing 5.5% of sales despite the semiconductor shortage and increase in raw material prices throughout the year. For the first half of 2022 we reported an operating income of €426 million, representing 3.7% of Forvia's total sales, reflecting the impacts of inflation, volatility in automotive supply chains related to the war in Ukraine, and the Covid-19 related lockdowns in China during the period.

Throughout the first half of 2022, we maintained sufficient liquidity and we ended the period with €4,201.5 million of available cash available as at 30 June 2022 compared to €4,905.7 as at 31 December 2021. We also had €1.95 billion of undrawn commitments, collectively, under the Senior Credit Facility and the Hella Credit Facility as at 30 June 2022, compared to €1.5 billion as of 31 December 2021. We reported net debt of €8,394.4 million as at 30 June 2022 compared to €3,467 million as at 31 December 2021. The ratio of our net debt as at 31 December 2021 to our adjusted EBITDA for the year ended 31 December 2021 fell to 1.6x, showing deleveraging from 1.9x as at 31 December 2020. As at 30 June 2022, net debt to LTM *pro forma* adjusted EBITDA was 3.1x (see "*Summary Financial and Operating Data—Other consolidated financial data*" and "*Presentation of Financial and Other Information—Unaudited LTM Pro Forma Financial Data*").

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. The impact of inflation in costs has been reduced by offsetting increases in steel and chemical prices through our contractual pass-through to customers. We estimate that our contractual pass-through policies have helped mitigate the impact of inflation in our raw materials costs by an average of over 80% in the first half of 2022 (calculated by comparing the impact of inflation on raw materials costs for the first half of 2022 against our estimation of raw materials inflation exposure for the period) and we believe that ongoing negotiations with customers will continue to mitigate inflationary impacts in 2022.

The Group's operations are not highly energy-intensive: in 2021, Faurecia and Hella, taken together, had energy costs (of which approximately 70% related to electricity and approximately 30% related to gas) that amounted to approximately €170 million, representing only 0.7% of sales.

The Group has hedging policies in place that aim to protect our energy costs from the current sharp rise in electricity and gas prices. On top of these hedging policies, we have implemented energy savings measures and accelerated energy self-production through the installation of solar panels at our sites, which are capable of generating approximately 120 gigawatts of additional energy.

As a result, we estimate that our total energy costs are expected to grow by only 1.8 times by 2023 compared to energy costs in 2021, whereas we expect energy prices in Europe to increase by more than 10 times in the same period.

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, Hella's CEO, has been with the Group since 2013. Prior to becoming Hella's CEO, he was Faurecia's Chief Financial Officer, and previously 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 addition of Hella's Lighting business and the creation of Faurecia Clarion Electronics and its upcoming combination with Hella's Electronics business.

The Hella Acquisition 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 ESG. For example, through the Hella Acquisition we expect to bolster our Cockpit of the Future strategy thanks to our complementary portfolios. See "*—Recent Developments—Combining Faurecia and Hella*".

Sustainable Mobility

Our current sustainability strategy rests on a long-term view towards becoming a leader in zero-emissions hydrogen solutions while developing innovative solutions for electric and hybrid vehicles in the near term. To that end, 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.

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 Allenjoie, France (serial production to start in 2023 with strong ramp-up in 2024), another site under construction in Lyon, 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 EHC solutions including a pre-heating function that can give a near zero emissions vehicle, and a combined EGR / 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.

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 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 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.

In May 2019, we announced 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 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 the second half of 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 SBTi. Our plan was developed prior to the Hella Acquisition and is expected to be reviewed or revised ahead of our annual report for the year ended 31 December 2022, and released in 2023, to account for the closing of the Hella Acquisition and any impact it may have.

- *By 2025: Internal Emissions*: we aim to be CO_2 neutral for our Scope 1 and 2 emissions across all of our 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 CO_2 neutral for our Controlled Emissions. Controlled Emissions include emissions from upstream and downstream activities: purchases, lease, freight, travel, 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, Engie and KPMG to develop an action plan to optimize energy sourcing and to use less energy and clean energy across our sites. This will involve on-site renewable energy production and external renewable energy sourcing. With the help of Engie and Schneider Electric, Faurecia undertook energy audits of around 140 sites at the end of 2021, with a view to identifying energy cost saving investments. The goal is to achieve fully decarbonized energy by 2025.

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 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.

In 2022, we commissioned a study to assess our industrial portfolio, including Hella's portfolio, against multiple climate physical risks under different scenarios developed by the Intergovernmental Panel on Climate Change. We are assessing the results and developing a plan.

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 all of our 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.

Sustainability-Linked Bond Features

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

In October 2021, we adopted our Sustainability-Linked Financing Framework, which identifies the following as a sustainability performance target: reducing absolute 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 is expected to be recalculated to reflect the new perimeter on the basis of the Hella Acquisition and, as the case may be, submitted to SBTi for validation as compatible with the reduction required to limit global warming to 1.5°C and publicly communicated by Faurecia.

On the Step-Up Date, the interest rate payable on the Notes will 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 the Target Observation Date, which will also include a confirmation that the Issuer has received an Assurance Letter which supports, with the Issuer's KPI Confirmation Certificate. For the avoidance of doubt the interest rate payable on the Notes shall not increase on 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 holder of the Notes 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 Document 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 Financing Framework can be found on our website at http://www.faurecia.com/en/investors. The

Second-Party Opinion on the alignment of our Sustainability-Linked Financing 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 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

Update to 2025 Ambitions

Our ambitions and targets for our future results presented below constitute forward-looking statements and reflect our present ambitions with regard to future performance. Our future performance is 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 ambitions 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". This information has been prepared by, and is the responsibility of, management and not been audited or reviewed by Mazars or Ernst & Young Audit, nor have any procedures been performed by them with respect thereto.

Our 2025 ambitions included herein are based on assumed annual worldwide automotive production of 88 million light vehicles by 2025 and includes the estimated impact from our divestment plan (see "—Divestment Plan" below). Elsewhere in this Offering Circular, our forecasts and estimates of worldwide automotive production, or other forecasts or estimates based thereon, have been calculated on the basis of S&P Global Mobility (formerly IHS Markit) forecasts that have been restated to exclude vehicles between 3.5 tons and 6 tons in Asia. For example, our 2022 guidance included under "—Third-Quarter 2022 Sales Results and 2022 Guidance" below assumes worldwide automotive production of approximately 77 million light vehicles, excluding such vehicles between 3.5 tons and 6 tons in Asia. Estimated worldwide automotive production would increase to approximately 80 million units if vehicles between 3.5 tons and 6 tons in Asia are included. Our 2025 ambitions contained in this section are prepared using S&P Global Mobility methodology without restatement, that is, without excluding vehicles between 3.5 tons and 6 tons in Asia. As a result, readers are cautioned to use care in comparing our 2025 ambitions with other predictions or estimates relating to worldwide automotive production.

For the upcoming years, we aim to focus on deleveraging through three financial priorities: (i) selective sales growth, (ii) cost reduction, and (iii) cash management. Our ambition is to deleverage to the extent that our net debt to adjusted EBITDA ratio reaches less than 1.5x by 2025.

With respect to selective sales growth, our ambition is to reach approximately €30 billion in annual sales in 2025. To meet our target, for the period through 2025 we aim to:

- adjust product mix to higher electronics content and reduced ICE exposure;
- continue increases in the share of Electrified, Premium and SUVs in our product mix; and
- continue growth in Asia, in particular China, which has outperformed the overall worldwide production level in recent years.

We intend to allocate 60% of net cash flow to deleveraging our balance sheet, and the remaining 40% of net cash flow to dividends and share repurchases (mainly allocated to performance share plans, to avoid dilution for shareholders).

With respect to reducing costs, our ambition is to reach an operating margin of more than 7% in 2025. To meet our target, for the period through 2025 we aim to:

- rationalize and optimize our industrial footprint across business groups;
- reach operational efficiency by reducing our manufacturing and operational costs (by more than 200 basis points between 2022 and 2025);
- reduce gross R&D costs by 100 basis points between 2022 and 2025 and selling, general and administrative expenses by 60 basis points between 2022 and 2025;
- control fixed costs while continuing to invest in electronics and sustainability; and
- realize cost synergies and optimisations from the integration of Hella.

With respect to cash management, our ambition is to reach net cash flow margin of 4% of sales by 2025. To meet our target, for the period through 2025 we aim to:

- improve net cash flow generation;
- maximise R&D efficiency by focusing on high return platforms;
- reduce our working capital requirements (by at least 150 basis points in 2025 compared to 2022, including synergies with Hella) and capital expenditures (by 100 basis points in 2025 compared to 2022, including synergies with Hella); and
- continue active management of financings to ensure optimized cost in the medium term.

Third-Quarter 2022 Sales Results and 2022 Guidance

The third quarter results presented below for the Group are limited in nature, are not intended to be a comprehensive statement of our financial or operational results and may not be indicative of the results of any other period. This information has been prepared by, and is the responsibility of, management and not been audited or reviewed by Mazars or Ernst & Young Audit, nor have any procedures been performed by them with respect thereto.

In addition, the guidance set out below constitutes forward-looking statements and reflects our present expectations with regard to future events and is 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 Group recorded sales of €6,591 million in the third quarter of 2022, reflecting growth of 92.4% compared to the third quarter of 2021, or 30.9% on an organic basis (*i.e.,* without including the impact of currency effects or the results of Hella), mainly driven by:

- 29.5% growth in worldwide automotive production for the third quarter of 2022 compared to the third quarter of 2021 (which had been impacted by the semiconductor shortage);
- market outperformance of worldwide automotive production by 140 basis points (or 490 basis points, restated downward for an unfavorable geographic mix of 350 basis points); and
- an increase of 53.6%, or €1,835 million, from the consolidation of Hella (which has been consolidated in the Group's results since 1 February 2022).

For our business groups, for the third quarter of 2022:

- *Seating* – recorded sales of €1,960 million (30% of Forvia sales), representing 50.2% growth compared to the third quarter of 2021, driven particularly by growth in China through increased sales to Chinese OEMs, a major American EV producer and new entrants;
- *Interiors* – recorded sales of €1,333 million (20% of Forvia sales), representing 33.7% growth compared to the third quarter of 2021, driven particularly by growth in European and North American sales;
- *Clean mobility* – recorded sales of €1,207 million (18% of Forvia sales), representing 30.1% growth compared to the third quarter of 2021, driven particularly by automotive production in Europe;
- *Clarion Electronics* – recorded sales of €256 million (4% of Forvia sales), representing 31.0% growth compared to the third quarter of 2021, driven particularly by sales in North America as well as Asia (outside of China); and
- *Hella* – the consolidation of Hella in the third quarter contributed €1,835 million to sales, of which the Hella Lighting sub-division contributed €745 million (11% of Forvia sales), the Hella Electronics and Software sub-division contributed €850 million (13% of Forvia sales), and the Hella Lifecycle Solutions sub-division contributed €240 million (4% of Forvia sales).

By geographic region, for the third quarter of 2022:

- *Europe* – recorded sales of €2,647 million (40% of Forvia sales), representing 97.7% growth compared to the third quarter of 2021, or 28.5% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating, Interiors and Clean Mobility;
- *North America* – recorded sales of €1,728 million (26% of Forvia sales), representing 91.3% growth compared to the third quarter of 2021, or 26.5% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating, Interiors and Clean Mobility;
- *Asia* – recorded sales of €1,925 million (29% of Forvia sales), representing 92.5% growth compared to the third quarter of 2021, or 35.6% without the contribution of Hella and excluding currency effects, driven particularly by organic growth in Seating and sales of €1,566 million in China (representing organic growth in China of 38.4% compared to the third quarter of 2021); and
- *Rest of the world* – recorded sales of €292 million (5% of Forvia sales), representing 58.4% growth compared to the third quarter of 2021, or 44.4% without the contribution of Hella and excluding currency effects, driven particularly by sales in South America to Stellantis and Volkswagen.

We revised our sales guidance expectations for the full year 2022 to between €24.5 billion and €25.5 billion (from €23 billion and €24 billion previously) to reflect the impact of currency effects (calculated by applying average currency rates for the period to the sales of the prior year) and an increase in our estimate of worldwide automotive production in 2022 to 77 million light vehicles (from 74 million light vehicles, previously). We continue to expect an operating margin of between 4% and 5% of sales and net cash flow at breakeven for the full year 2022.

The above guidance is based on full-year average currency rates of 1.05 for U.S. dollars to euros and of 7.07 for Chinese Yen to euros. It assumes no major lockdown impacting production or retail sales in any automotive region in the fourth quarter of 2022 and takes into account the Group's latest update of the estimated net impact from cost inflation.

Shortage of electronics components

The global shortage of semiconductors impacted the automotive industry in 2021. The impact was stronger in the second half of 2021, although in the first half the supply of semiconductors was also impacted by climatic conditions in Texas and a fire experienced by one of the major Japanese suppliers of semiconductors. Worldwide automotive production in 2021 amounted to 73.4 million light vehicles, an increase of only 3.8% year-on-year. The difficult situation in the second half of 2021, with a low point in the third quarter (only 15.8 million light vehicles were produced in the third quarter of 2021, a decrease of 19% vs. the third quarter of 2020), strongly disrupted our customers' activity during that period, which resulted in unprecedented high volatility in OEM programs and numerous and erratic production stops & gos for Faurecia. The volatility in OEM programs, which reached its peak in September and October 2021.

The shortage of semiconductors has continued in the first half of 2022. Production of automobiles in Europe decreased a further 17.8% in the first quarter of 2022 compared to the first quarter of 2021 and 11.8% in the first half of 2022 compared to the first half of 2021. Supply chain disruptions in Europe were also impacted by the war in Ukraine. In China, supply chain disruptions were further impacted by Covid-related restrictions implemented in April and May in the Shanghai and Changchun areas, with automotive production up only 1.1% in the second quarter of 2022. Overall, worldwide automotive production in the first half of 2022 decreased by 0.6% compared to the first half of 2021, to 37.2 million light vehicles (down 6 million light vehicles or 14% compared to the 43.3 million light vehicles produced in the first half of 2019, prior to the Covid pandemic and supply chain disruptions).

Divestment Plan

In April 2022 we announced a program to dispose of certain non-strategic assets by the end of 2023, as part of the Group's plan to reduce its consolidated net debt following the Hella Acquisition. We have identified non-strategic assets with a combined estimated value of over €1 billion for divestment.

On 28 July 2022, Hella announced the first significant step in the Group's divestment program: the divestment of its 33% stake in the joint venture in HBPO to its co-shareholder, Plastic Omnium for a purchase price of approximately €290 million. The transaction is subject to customary regulatory approvals, with a closing expected in the fourth quarter of 2022.

The divestment of HBPO represents close to 30% of the total target for the divestment plan. We expect to announce at least one further divestment by the end of 2022, and announce the remaining divestments under the program by mid-2023 in order to close such transactions by the end of 2023.

Combining Faurecia and Hella

Our business combination with Hella marks a step in our ambition to accelerate our strategic transformation, investing in fast-growing segments with leading positions. The Hella Acquisition 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 ESG.

We completed the Hella Acquisition on the Completion Date with the settlement of transactions representing an investment by us of €5.4 billion and a total enterprise value of €6.7 billion for 100% of Hella. On the Completion Date, we purchased 88,329,028 shares representing 79.5% of the share capital and voting rights of Hella, including the purchase of 66,666,669 shares representing 60% of the share capital and voting rights of

Hella from the Family Pool and the settlement of the Public Tender Offer for 21,662,359 shares tendered, representing 19.5% of the share capital and voting rights of Hella. We also, as of 31 March 2022, purchased 2,327,078 shares of Hella (which includes 77,580 shares of Hella acquired from the Family Pool) in open-market or off-market transactions, representing 2.09% of the share capital and voting rights of Hella. As a result of the above, we held 81.59% of the share capital and voting rights of Hella as of 31 March 2022.

With our 81.59% interest in Hella, we are now the controlling shareholder of Hella, given the legal status of Hella as a GmbH &Co. KGaA, which has allowed us to begin, from the Completion Date, to implement our strategy for integrating Hella to benefit from cost synergies and optimized operations. Hella will continue to be a listed company with its own governance, and has been fully consolidated into Faurecia's financial accounts since 1 February 2022.

As part of the Hella Acquisition, and following discussions with Hella and the members of the Family Pool, we had agreed in August 2021 to the following:

- the BCA, under the terms of which we undertook, 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 per share (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 paid by Hella to all its shareholders prior to the Completion Date), which corresponds to a premium of 33% compared to the latest unaffected share price of €45.8 as of 26 April 2021 and of 24% compared to the unaffected 3-month volume weighted average price ("**VWAP**") of €49.10 prior to 27 April 2021; and

- the Hella Acquisition Agreement, and the Investment Agreement (as amended on 21 January 2022), under the terms of which we undertook to purchase the entire stake held by the Family Pool in the Block Trade of 66,666,669 shares of Hella, representing 60% of the share capital and voting rights of Hella, at a price of €60.00 per share, paid through a combination of: (i) €3.4 billion in cash (*i.e.,* 57,153,018 shares in Hella at €60.00 per share), (ii) 13,571,385 of our ordinary shares (such shares were issued in accordance with the existing capital increase authorizations granted by our shareholders at their meeting on 31 May 2021; the exchange ratio was determined based on a one-day VWAP trading price of €38.635 per share on the last trading day of Faurecia shares on Euronext Paris immediately before the Completion Date, at which price such shares were valued at €524.3 million) and (iii) €46.2 million (*i.e.,* the remainder of the 770,676 shares in Hella held by the Family Pool at €60.00 per share).

As a result, the Family Pool became our largest shareholder with approximately 9% of our share capital, subject to an 18-month lock-up agreement. Dr. Jürgen Behrend was appointed as a Family Pool representative to the Faurecia Board of Directors and his appointment was confirmed at our Combined General Meeting of 1 June 2022, emphasizing the Family Pool's strong commitment to the Group's strategy and outlook.

Pursuant to the Public Tender Offer, Hella's shareholders were permitted under the German Takeover Act (*Übernahmeangebot*) to tender their shares in Hella starting on 27 September 2021 until 11 November 2021 (the "**Public Tender Offer Expiration Date**"). We published the final results on https://www.faurecia-offer.com following the Public Tender Offer Expiration Date, and we settled the Public Tender Offer on the Completion Date for cash consideration of €1.3 billion.

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

- Electric Mobility (including hydrogen solutions),
- ADAS & Autonomous Driving,
- Cockpit of the Future, and
- Life-Cycle Solutions.

We believe that with approximately 2,650 software and data engineers the Group is positioned to become a major technological player in the automotive electronics and software fields.

We view the strategic rationale for the 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. The Hella Acquisition is an opportunity for our companies to accelerate our technological transformation, achieve critical size and leading positions in Electronics (aiming for more than €6.3 billion of sales by 2025) and Life-Cycle Solutions. Hella has established three business groups (Electronics, Lighting and Lifecyle Solutions), headquartered in Lippstadt, Germany. Our objective is to leverage Hella's talents to achieve profitable growth for the Group. We believe that stability in Hella's management and their continued involvement is a key factor in integrating successfully into one Group.

(2) *Establishing ourselves as 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 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 Group's product offering, 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 Group plans to be uniquely positioned to benefit from the zero emissions mobility market transition, in particular with a view to decreasing ICE sales exposure from less than 20% at the Completion 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 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 Group operates 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 Group, with orders already significantly booked, is to grow sales to more than €6.3 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 Life-Cycle Solutions activity, in line with environmental concerns and industry evolutions.* The Hella Acquisition will bring opportunities to build a real life-cycle solutions 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*. We expect to expand innovation and R&D projects through a combined total of approximately 300 industrial sites, approximately 75 R&D centers and approximately 150,000 people, including more than 35,000 engineers and specialists, across more than 40 countries. With six business groups with 24 product lines and a strong IP portfolio of over 14,400 patents, we aim to be the preferred innovation and integration partner for OEMs worldwide.

(4) *Capitalizing on complementary customer portfolios across all geographies and leveraging Faurecia's strong position in Asia, particularly in China*. The Hella Acquisition has brought 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, SG&A expenses and other operating expenses, should generate more than €250 million adjusted 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 approximately €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 Group is a driving force in the decarbonation and sustainability of mobility.

We secured the financing for the cash portion of the Hella Acquisition Price through up to €5.5 billion in Bridge Facilities under the Bridge Facility Agreement signed with a syndicate of international banks. We drew down €2.9 billion from the Bridge Facilities to finance the cash portion of the Hella Acquisition Price. Approximately €2.2 billion remained outstanding under the Bridge Facilities as at 30 June 2022, of which €500 million corresponded to the three-year Term Loan A Bridge Facility and €1.7 billion corresponded to the Term Loan B Bridge Facility and Term Loan C Bridge Facility, collectively, following the partial repayment of the Term Loan C Bridge Facility in June 2022 using the proceeds of a €705 million capital increase in June 2022. Approximately €1.7 billion remains outstanding under the Bridge Facilities as at the date of this Offering Circular following partial repayments of the Bridge Facilities using (i) the proceeds of the EIB Loan, supplemented by cash from our balance sheet, and (ii) the proceeds of the Latin American Syndicated Loan.

As of 30 June 2022, on an adjusted basis after giving effect to this Offering, the borrowings under the Latin American Syndicated Loan and the EIB Loan and the use of the proceeds therefrom and cash on balance sheet to partially repay the Bridge Facilities, we had ample liquidity of €6.2 billion, including €4.2 billion of available cash and €2.0 billion collectively from the Secured Credit Facility and the Hella Credit Facility, each fully undrawn. See "*Capitalization*".

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.

2011. We became the first automotive supplier to introduce a complete range of bio-composite cockpit solutions.

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 our acquisition of Clarion. In November 2018, 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 March, in response to the global spread of the Covid-19 pandemic that adversely impacted the automotive industry and the economy generally, we implemented an action plan to address the health and safety of our employees, manage our liquidity and infrastructure and limit the impact of decreased sales on our operating income. In May, we announced 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 plants. 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 September, despite the impact of Covid-19 on our H1 2020 sales, we saw our sales return 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 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.

- On 29 October 2021, we finalized 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. 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.

- 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 CO_2 emissions reduction.

- In April 2021 we signed an exclusive advisory contract with Schneider Electric to procure offsite renewable electricity as part of its CO_2 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 Financing 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 July 2021 we announced the creation of our new Sustainable Materials division to develop and manufacture cutting-edge sustainable and smart materials. The division will work across our business groups to propose solutions for the development of low-CO_2, and even CO_2-negative, materials in order for us to better support OEMs in attaining their sustainability objectives. We are planning to build a dedicated Sustainable Materials R&D Center and a pilot plant, both expected to be operational in 2022. This new entity is expected to initially employ 125 engineers and over 400 in 2030.

- In August 2021 we announced the Hella Acquisition. See "*—Recent Developments—Combining Faurecia and Hella*".

- In September 2021 we announced our acquisition of the intellectual property assets of uMist Ltd., a Swedish startup specialized in biomimetic spray technology, to accelerate our technology leadership for commercial vehicles ultra-low emissions.

- In September 2021 we also selected Swedish steel maker SSAB, to partner for fossil-free high strength steel for use in our Seating business group. We secured SSAB fossil-free steel to start equipping our seating structures from 2026 onwards.

- In September 2021 we also selected ENGIE, a world leader in low carbon energy and services, to become a partner and support our ambition to reach CO_2 neutrality for scopes 1 and 2 by 2025. Under this partnership, ENGIE will provide energy solutions to be deployed across 100+ of our sites worldwide, expected by mid-2022.

- In September 2021 we also became a member of 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.

- In October 2021, we announced, together with Air Liquide, the signing of a joint development agreement to design and produce on-board liquid hydrogen storage systems for the automotive industry. Through this technology partnership, we aim to accelerate the deployment of zero-emission heavy-duty mobility.

2022.

- In January 2022 and April 2022 we announced partnerships with BMW Group and Mercedes-Benz group AG, respectively, to integrate the Faurecia Aptoide app store, which will provide access to a variety of applications, such as navigation, music on demand, audio books, video streaming, games, weather, electric vehicle charging and parking, into their respective premium car platforms.

- In January 2022 we announced the closing of the Hella Acquisition and in February 2022 we launched Forvia, our new name combining Faurecia and Hella. See "*—Recent Developments—Combining Faurecia and Hella*".

- In February 2022, we committed to set science-based targets to reach net-zero global emissions by no later than 2050, continuing our focus on the environment and climate change, and in May 2022, we achieved a milestone in our roadmap to become CO_2 neutral for our industrial operations (scopes 1 and 2) by 2025 by signing power purchase agreements with ENGIE and EDP to equip over 150 sites in 22 countries with solar panels. See "*—Sustainable Development—Ambition to be CO_2 neutral for Controlled Emissions by 2030*".

- In May 2022 we signed a Cooperation and Research Agreement with Veolia to jointly develop innovative compounds for automotive interior modules, aiming to achieve an average of 30% of recycled content by 2025.

- In March, April and June, 2022, respectively, we expanded our efforts to develop hydrogen mobility solutions by (i) partnering with MAN on a project to equip a Bavarian fleet (*Bayern flotte*) of heavy-duty trucks with complete hydrogen storage systems, as part of a state-supported fuel cell research project; (ii) being selected by the California Energy Commission, alongside Symbio, Michelin, GTI and other industry partners, to develop and demonstrate the performance of a hydrogen-fueled, regional-haul Class 8 truck as part of a state-supported hydrogen mobility project; and (iii) collaborating with Air Flow on a contract to supply high-capacity hydrogen storage containers for refilling stations.

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 increased by 3.8%% from 2020 to 2021, decreasing by 4.4% in Europe, increasing by 0.2% in North America, increasing by 16.1% in South America and increasing by 7.4% in Asia (including an increase of 7.0% in China) (source: *IHS Markit Automotive Report February 2022*).

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.

As stringent emissions regulations continue to come into force around the world, and as the demand for electrified vehicles continues to grow, we have made hydrogen mobility a strategic priority. We are at the heart of a growing ecosystem of partners supporting the industrialization and adoption of hydrogen mobility at scale. We have a clear roadmap to develop hydrogen solutions for vehicles ranging from passenger cars to commercial vehicles, and aim to support different use cases, logistical constraints and industries over the coming decade.

We also cover 75% of the hydrogen powertrain with hydrogen storage systems, as well as fuel cell stack systems through Symbio, our joint venture with Michelin. We are striving to become a world leader in hydrogen mobility and targeting €3.5 billion in sales by 2030.

In addition, we aim to work alongside leading OEMs to provide hydrogen mobility solutions to a variety of industries. Production of these hydrogen mobility solutions began in 2021 and are planned to continue for Hyundai (X-Cient), Stellantis (vans Peugeot e-Expert, Citroen Jumpy, Opel e-vivaro), Hyvia (Renault), Gaussin and SAIC. By 2050, we aim to be CO_2 neutral for total emissions, taking into account emissions produced during the use phase of our products.

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 for these specific business groups 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 257 plants, 39 R&D centers in 33 countries, Faurecia 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 2021, over 1,150 smart robots (including collaborative robots, visual guided robots) and over 1,350 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, with lingering uncertainty in 2021 and 2022, and market conditions continue to suffer from a shortage of semiconductors. The shortage of semiconductors in 2021 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. In addition, worldwide automotive production experienced a reduction in the first quarter of 2022 of 4.2% as compared to the first quarter of 2021 according to S&P Global Mobility, due partially to the impact of the ongoing semiconductor shortage. On 19 April 2022, S&P Global Mobility released its forecast for worldwide automotive production, which was expected to be 77.3 million light vehicles (rather than the estimate of 80.7 million light vehicles forecasted in February 2022 prior to the start of the war in Ukraine) as compared to 73.4 million light vehicles produced in 2021.

Suppliers

We use a large number of suppliers based in different countries for our raw materials and basic parts. In 2021, the Group made a total of approximately €11.5 billion in purchases (production and indirect, excluding monoliths) from approximately 19,000 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 31 December 2021, 97% 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 €1,033.9 million of total expenses in the six months ended 30 June 2022, representing 8.9% of our sales. We filed 574 patents in 2021 compared to 621 in 2020.

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.

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 574 new patent applications and 582 territorial extensions in 2021. Overall, we have more than 1,400 patents in our patent portfolio as of 31 December 2021. 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 2021, we employed approximately 111,000 people (including temporary workers). Our total number of permanent employees decreased by 1,739, or 1.9%, to 89,622 as at 31 December 2021, compared to 91,361 as at 31 December 2020.

The following table shows our employees (including temporary workers) by region as of 31 December of the year indicated below:

	2020	2021	Change
France	11,010	10,513	(4.5)%
Germany	5,805	5,261	(9.4)%
Other European countries	39,739	36,690	(7.7)%
North America	20,935	21,592	3.1%
South America	4,846	4,842	(0.1)%
Asia	28,154	30,907	9.8%
Other countries	1,245	1,335	7.2%
Total	111,734	111,140	(0.5)%

The following table shows our permanent employees by function as of 31 December of the year indicated below:

	2020	2021	Change
Operators and workers	58,913	57,310	(2.7)%
Technicians, foremen and administrative staff	10,218	9,641	(5.6)%
Executives	22,230	22,671	2.0%
Total	91,361	89,622	(1.9)%

The proportion of employees employed under open-ended contracts (as opposed to employees on fixed term contracts) increased from 91.6% in 2020 to 93.1% in 2021.

In addition to the above permanent employees, we employed 21,518 total temporary employees throughout all of our sites in 2021. The proportion of temporary staff decreased from 19.8% in 2020 to 19.4% in 2021.

Our employees benefit from employee 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 our Group companies, with grants thereunder conditioned on continued service and performance. In 2021, we implemented a long term share grant plan (an Executive Super Performance Initiative or "**ESPI**") for the members of our Group's Executive Committee, with grants thereunder vesting in five years, without a subsequent minimum retention period, capped at 300% of the annual fixed compensation and conditioned on continued service and performance. Executive performance for the purposes of the ESPI is measured based on Total Shareholder Return ("**TSR**") for our Group compared to a peer group. The amount recognized for the period for all these plans is an expense of €3.9 million in 2021, compared to €15.8 million in the year 2020.

The number of Hella's employees (including temporary employees) included in the Hella Annual Financial Report decreased by 492 to 36,008. The following table shows Hella's number of permanent employees by region as at 31 May of the year indicated below:

	2021	2022	Change
Germany	8,657	8,055	(7.0)%
Europe excluding Germany	14,563	14,335	(1.6)%
North, Central and South America	7,386	7,349	(0.5)%
Rest of the world	5,894	6,269	6.4%
Total	36,500	36,008	(1.3)%

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.

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.

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 to 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 fourteen members, out of which two represent the employees and nine of which are independent.

Members of the Board of Directors

The Board of Directors currently consists of fourteen members, nine 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), Judith Curran, 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
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. Daniel Bernardino	Director	1 November 2017	1 November 2021
Mr. Emmanuel Pioche............	Director	1 November 2017	1 November 2021
Ms. Judith Curran...................	Director	18 February 2022	—
Dr. Jürgen Behrend (representing the Hella Family Pool)......................................	Director	1 June 2022	—

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 directors and no observer. 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.

Changes to the Board of Directors

At its meeting held on 18 February 2022, the Board of Directors decided to co-opt Mrs. Judith Curran as a replacement of Mrs. Linda Hasenfratz, who previously served on our Board. Mrs. Curran is currently Head of Global Automotive Strategy at Ansys, which develops and markets engineering simulation software for a range of industries. She is a highly experienced automotive professional who, over 30 years at Ford Motor Company, held a number of key roles including Director of Technology Strategy.

In addition, in connection with the Hella Acquisition, we announced the appointment of Dr. Jürgen Behrend, as a Family Pool representative to the Faurecia Board of Directors. The Faurecia Combined General Meeting of 1 June 2022 (the "**General Meeting**") approved the appointment of Jürgen Behrend and the ratification of the co-option of Judith Curran as directors.

Dr. Jürgen Behrend began his career in 1980 as a member of the management board of Eduard Hueck GmbH & Co. KG in Lüdenscheid, a company active in the production and manufacturing of aluminum products. In 1987, he was appointed as managing general partner of Hella and remained in this position until 2017. He then served on the shareholders' committee of Hella until 2021. Dr. Behrend is still active as the managing general partner of Hueck Industrie Holding KG, a holding company that invests in small and medium-sized enterprises. He studied law and economics at the Universities of Freiburg, Munich and Münster and he received a doctorate degree in law in 1977/1978.

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.

Permanent 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 must 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 2.3 to our 2021 Consolidated 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. Yann Brillat-Savarin..........	Executive Vice-President, Group Strategy	2018
Ms. Victoria Chanial	Executive Vice-President, Group Communications	2021
Ms. Nolwenn Delaunay............	Executive Vice-President, Group General Counsel & Board Secretary	2015
Mr. Olivier Durand..................	Executive Vice-President, Group Chief Financial Officer	2017
Mr. Nik Endrud	Executive Vice-President, North America	2006
Mr. Frank Huber.......................	Executive Vice-President, Faurecia Seating	2022*
Mr. Olivier Lefebvre	Executive Vice-President, Faurecia Clean Mobility	2006
Mr. Jean-Paul Michel	Executive Vice-President, Faurecia Interiors	2018
Mr. Christopher Mokwa	Executive Vice-President, Digital Transformation	2022*
Mr. Thorsten Muschal	Executive Vice-President, Sales & Program Management	1992
Mr. Christophe Schmitt	Executive Vice-President, Group Operations	1977
Mr. Jean-Pierre Sounillac	Executive Vice-President, Human Resources	2001
Mr. François Tardif	Executive Vice-President, Faurecia China	2012

* *previously employed at Hella.*

Recent Changes to the Executive Committee

On 25 February 2022 we announced the following appointments within our Executive Committee:

- effective 1 July 2022, Michel Favre was appointed Hella's Chief Executive Officer by the Shareholder Committee of Hella,
- effective 1 July 2022, Olivier Durand was appointed Executive Vice-President, Group Chief Financial Officer, succeeding Michel Favre, and Olivier Durand will continue to supervise the Clarion Electronics activity;
- effective 1 April 2022, Yves Andres is joining the Management Board of Hella to take over the Lighting Business Group;
- effective 1 April 2022, Olivier Lefebvre was appointed Clean Mobility Executive Vice-President, succeeding Yves Andres, moving from his current role as Senior Vice-President in charge of the Seat Structure and Systems division within the Seating Business Group; and
- effective 1 June 2022, Christopher Mokwa was appointed Digital Transformation Executive Vice-President, moving from his current role in charge of the Corporate Strategy, M&A activity and Chief Digital Officer within Hella.

Olivier Durand, 53, began his career at the Adecco Group in 1993 in Singapore before joining Schneider Electric in China as a financial analyst from 1994 to 1997. He then worked for Alcatel, becoming Business Group Controller for its wireless activities from 2000 to 2004. That same year he became the China Chief Financial Officer for Alcatel-Lucent. Upon returning to France in 2008 he held the Group Controller position before becoming Alcatel-Lucent Chief Executive Officer and Chief Financial Officer in 2016 in the context of the merger with Nokia. He joined Faurecia in 2017 and was the Group Deputy Chief Financial Officer until 2021, before leading the Clarion Electronics activity as Executive Vice-President. Olivier Durand holds a master's degree in financial control and finance from the École des Hautes Études Commerciales (HEC) in Paris.

Oliver Lefebvre, 49, has gained in-depth experience during 26 years at Faurecia, through a variety of key operational, business development, program management and regional leadership roles, including European Operations Director from 2006-2010 and South America Division Vice-President 2014-2017. He is currently Seat Structure Systems Senior Vice President within the Seating Business Group. Olivier is a graduate of Ecole Nationale Supérieure des Arts et Métiers.

Christopher Mokwa, 38, started his career at McKinsey & Company as a management consultant in 2008 after graduating in business administration at the University of Cologne (Germany) and also studying at the NYU Stern School of Business in New York City (USA). Since 2017, Christopher Mokwa has been responsible for

Corporate Strategy and M&A at Hella. In 2019, he additionally took responsibility for digital activities at Hella as the Chief Digital Officer and he is currently also leading the combination of Faurecia and Hella as the Chief Integration Officer.

Senior Management

Please see note 3.2.2. (*Group Leadership Committee*) of our 2021 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 2021 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 30 June 2022, our share capital amounted to €1,379,625,380 divided into 197,089,340 fully paid-up shares with a par value of €7, all in the same class, resulting in a total of 198,959,896 theoretical voting rights and 198,859,425 exercisable voting rights. As of 31 December 2021, 1,846,531 registered shares held double voting rights.

With the completion of the Hella Acquisition on the Completion Date, the Family Pool has collectively become our largest shareholder with approximately 9% of our share capital, subject to an 18-month lock-up agreement. The appointment of a Family Pool representative to our Board of Directors is expected to be proposed at the next Faurecia shareholders' meeting.

Our share capital increased following two share capital increases in the first half of 2022: (i) following a capital increase carried out in favor of the Family Pool on 31 January 2022 as part of the Hella Acquisition (see "*Business—Recent Developments—Combining Faurecia and Hella*"), the capital stock amounted to €1,061,250,302, divided into 151,607,186 fully paid-up shares with a par value of €7 each, in the same class, and (ii) as a consequence of the capital increase with preferential subscription rights and which subscription period was open from 9 June 2022 to 17 June 2022, inclusive, 45,482,154 new Faurecia shares were subscribed at a subscription price of €15.50 per share.

Our ownership structure and voting rights as at 30 June 2022 were as follows:

Shareholder	Shares Owned	% shares outstanding	% voting rights
Major shareholders[2]			
Family Pool	17,642,700	8.95%	8.87%
Exor	9,948,905	5.05%	5.00%
Peugeot 1810[3]	6,110,494	3.10%	3.07%
Bpifrance Participations	4,266,020	2.16%	2.14%
Dongfeng Motor Hong Kong International	3,880,381	1.97%	1.95%
Subtotal	***41,848,500***	***21.23%***	***21.03%***
Company and company-related shareholding			
Employees[4]	3,819,693	1.94%	2.16%
Treasury stock[5]	138,171	0.07%	0%
o/w liquidity contract[6]	*54,000*	*0.00%*	*0%*
Subtotal	***3,957,864***	***2.01%***	***2.16%***
Free float and other			
Other (including free float)[7]	151,282,976	76.76%	76.81%
TOTAL	197,089,340	**100.00%**	**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) The major shareholders mentioned are those holding more than 5% of the shares outstanding or voting rights as of 30 June 2022. 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 Peugeot S.A. and Fiat Chrysler Automotives. With effect from 15 March 2021, Stellantis N.V. distributed shares in Faurecia to its shareholders, including to each of Exor, Peugeot 1810, Bpifrance Participations (Lion Participations) and Dongfeng Motor Hong Kong International. See note 2.4 (*Recent events*) to our 2021 Consolidated 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) 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, please see note 22.1 (*Capital*) to our 2021 Consolidated Financial Statements.

(5) Voting rights in treasury stock cannot be exercised by us.

(6) For more information on our liquidity contract and its implementation in 2021, please see note 5.3 (*Transactions carried out by the Company in its own shares*) to our 2021 Universal Registration Document incorporated by reference into this Offering Circular.

(7) Includes free float as well as Stellantis N.V. and holdings of corporate officers (excluding Peugeot 1810, a Board member, whose shareholding is detailed above in this table). As of 7 February 2022, corporate officers (excluding Peugeot 1810) held 125,767 shares, representing 0.08% of shares outstanding and 0.11% of voting rights. See "*3.1.2.1. General information on the composition of the Board of Directors*" in the 2021 Universal Registration Document. Also includes shares subscribed directly and indirectly by Michel de Rosen, Chairman of the Board of Directors, Jürgen Behrend, Board Member, and Patrick Koller, Chief Executive Officer, in the capital increase that settled on 24 June 2022 as declared to the AMF under declarations n°2022DD848864 dated 27 June 2022, n°2022DD850697 dated 6 July 2022, n°2022DD850696 dated 6 July 2022 and n°2022DD850693 dated 6 July 2022.

As of 30 June 2022, our directors hold approximately 3.28% of our capital (including 3.10% of our capital and 3.07% 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	
	2019	**2020**
	(in € millions)	
Sales	2,075.8	1,600.2
Purchases of products, services and materials	12.8	7.7
Receivables(**)	473.3	477.7
Payables	138.1	120.4
(**)Before no-recourse sales of receivables amounting to:	*252.0*	*283.0*

Since the distribution of the shares in the Company by Stellantis to its shareholders completed on 22 March 2021, there are no longer any "related party relationships" between the Stellantis Group and Faurecia. The relationship between the two groups is currently a customer/supplier relationship.

Our business relations with non-consolidated or equity consolidated entities were considered as insignificant as of 30 June 2022.

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 year ended 31 December 2021 and six months ended 30 June 2022. In accordance with our past practice and in the ordinary course of our business, between 30 June 2022 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 2021, our consolidated subsidiaries issued dividends to the external shareholders of our minority interests in consolidated subsidiaries, in the amount of €66.4 million (recorded under "Dividends paid to minority interests in consolidated subsidiaries" in our Consolidated Cash Flow Statement included in our 2021 Consolidated Financial Statements).

Agreements with related parties

In 2021 we concluded the Hella Acquisition Agreement and the Investment Agreement with the Family Pool, as well as an amendment to the Investment Agreement in January 2022, as the result of which the Family Pool have become our largest shareholders following the Completion Date of the Hella Acquisition.

Agreement governing relations between Faurecia and Hella

In the context of the completion of the acquisition of the control of Hella by Faurecia, the parties desired to put in place an agreement in order to set the governance of the Group and to provide for the organizational framework of the future cooperation, including in particular:

- coordination of the performance of certain governance and control functions;
- defining the information and consultation lines to facilitate the information flow necessary for consolidated reporting and critical function operations at the level of the Group;
- implementation of the coordination process for certain important decisions regarding the staff; and
- alignment of certain key policies, procedures and legal frameworks to operate within the parameters of a de facto group under applicable German regulations.

On 14 September 2022, Faurecia concluded such a coordination agreement (the "**Coordination Agreement**") with Hella. The Coordination Agreement does not provide for any payment to be made by one party to any other party. Nevertheless, should some of the measures with respect to the envisaged cooperation between

Faurecia and Hella result in costs or other disadvantages at the level of Hella, such disadvantages would be included in Hella's dependency report (as required under German law) and be compensated by Faurecia. The Coordination Agreement has an initial fixed term of five (5) years and shall be automatically renewed for further consecutive fixed terms of two (2) years each, unless otherwise terminated by either party no later than twelve (12) months prior to the expiration of the respective term. The Coordination Agreement shall automatically terminate six (6) months from the date on which Faurecia ceases to own, directly or indirectly, at least forty (40) per cent of the shares in Hella.

Entering into the Coordination Agreement has formed a step in the envisaged integration of Faurecia and Hella, be instrumental in realizing potential synergies within the Group and help creating legal security for both parties. The conclusion of the Coordination Agreement was approved by Faurecia's Board of Directors during its meeting on 18 February 2022.

Given the Faurecia's controlling stake in Hella's share capital, the corporate form of Hella and the governance in place, the implementation of the identified synergies and the optimization plan began as soon as the acquisition was completed on 31 January 2022. The parties have entered into certain other agreements on commercial arms' length terms in order to execute such synergies and ensure appropriate compensation for cross-company services to be provided.

DESCRIPTION OF OTHER INDEBTEDNESS

Debt Summary

Our net debt as at 30 June 2022 was €8,394.4 million, reflecting total gross debt of €12,628.4 million and cash equivalents (including other current financial assets included in net debt) of €4,201.5 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.

The weighted average interest rate on our gross outstanding debt was 2.59% for the six months ended 30 June 2022.

Maturities of Outstanding Debt

The main elements of our long-term debt as at 30 June 2022 are the Senior Credit Facility of €1,500 million of which there have been no drawings as at the date of this Offering Circular, the Japanese Yen Term and Revolving Facilities Agreement of JPY30 billion of which JPY20 billion has been drawn down as at the date of this Offering Circular, the Hella Credit Facility of €450 million of which there have been no drawings as of the date of this Offering Circular, JPY12 billion under the Hella JPY Notes, €492.9 million under the Clarion Schuldschein, €700 million under the Sustainability-Linked Schuldschein, €1 billion under the 2025 Notes, €750 million under the 2026 Notes, €890 million under the 2027 Notes, €1,200 under the 2027 Sustainability-Linked Notes, €700 million under the 2028 Notes, €400 million under the 2029 Green Notes, €300 under the Hella 2024 Notes and €500 under the Hella 2027 Notes. In addition, following the Offering, we will have €700.0 million outstanding under the Notes as well as €289 million under the EIB Loan and U.S.$210 million equivalent under the Latin American Syndicated Loan that were settled since 30 June 2022.

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 2022, after giving effect to the Offering and the borrowings outstanding under the EIB Loan (as Bilateral loans) and the Latin American Syndicated Loan (as Bank borrowings):

	2023	2024	2025	2026	2027 and beyond	Total
			(in € millions)			
2025 Notes, 2026 Notes, 2027 Notes, 2027 Sustainability-Linked Notes, 2028 Notes, 2029 Green Notes, the Hella 2024 Notes, the Hella 2027 Notes, the Hella JPY Notes and the Notes offered hereby	—	300.0	1,000.0	1,450.0	3,774.8	6,524.8
Senior Credit Facilities	—	—	—	—	—	—
Schuldscheindarlehen	221.9	350.5	—	343.0	271.3	1,186.7
Bilateral loans	213.4	98.7	—	72.2	289.0	673.2
Japanese Yen Term and Revolving Facilities and Hella JPY Loan	—	—	—	141.3	70.7	212.0
Bridge Facilities	390.0	500.0	—	—	—	890.0
Bank borrowings, others, unamortised issuance fees†						302.4
Obligations under finance leases†						1,017.8
Non-current derivatives†						—
Total						**10,806.9**

† Schedule of debt maturities not available as at 30 June 2022.

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 arrear 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 arrear 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 arrear 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.

2027 Sustainability-Linked Notes

On 10 November 2021, we issued €1,200 million in principal amount of 2.75% Sustainability-Linked Senior Notes due 2027. They are listed on Euronext Dublin (Global Exchange Market).

Terms of the 2027 Sustainability-Linked Notes

We are required to pay interest on the 2027 Sustainability-Linked Notes semi-annually in arrear on 15 June and 15 December of each year, commencing on 15 June 2022. The interest rate payable on the Notes will increase by 0.25% per annum from 15 June 2026 unless we certify that by 31 December 2025 we have achieved the Relevant Sustainability Performance Target and obtain an Assurance Letter from the External Verifier.

The 2027 Sustainability-Linked Notes will mature (i) at a redemption price of 100.125%, unless we certify that we have achieved the Relevant Sustainability Performance Target, or (ii) otherwise at par, on 15 June 2027 unless earlier redeemed or repurchased and cancelled. The 2027 Sustainability-Linked Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2027 Sustainability-Linked Notes are redeemable, in whole or in part, at any time prior to 15 February 2024 at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date. The 2027 Sustainability-Linked Notes are also redeemable at any time on or after 15 February 2024 at redemption prices that vary depending on the year of redemption and attainment and certification of the Relevant Sustainability Performance Target. In addition, we may, at our option and on one or more occasions prior to 15 February 2024, redeem up to 40% of the outstanding principal amount of the 2027 Sustainability-Linked Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 102.75% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the 2027 Sustainability-Linked Notes, 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, in the event we undergo specific kinds of changes of control, holders of the 2027 Sustainability-Linked Notes may require us to repurchase their 2027 Sustainability-Linked 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 arrear 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 Green 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 Green Notes will mature at par on 15 June 2029 unless earlier redeemed or repurchased and cancelled.

Terms of the 2029 Green Notes

We are required to pay interest on the 2029 Green Notes semi-annually in arrear on 15 June and 15 December of each year, commencing on 15 June 2021.

The 2029 Green Notes will mature at par on 15 June 2029 unless earlier redeemed or repurchased and cancelled. The 2029 Green Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2029 Green 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 Green 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 Green 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 Green Notes may require us to repurchase their 2029 Green 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 and further amended on 26 April 2022, 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 to adjusted EBITDA must not exceed 3.0x; the compliance with this ratio is a condition to the availability of borrowings under this Senior Credit Facility.

On 26 April 2022 we proactively renegotiated such covenant. The level of this ratio was not tested on 30 June 2022 and will be set at 3.75x for 31 December 2022 (instead of 3.0x) before returning to 3.0x from 30 June 2023 onwards.

As at 30 June 2022, this ratio was therefore not tested.

Net debt corresponds to published consolidated net debt. Adjusted 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 Public Tender Offer by Faurecia Participations GmbH (the "**Offeror**") to acquire all shares in Hella, 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 (among them BNP Paribas, Intesa Sanpaolo S.p.A. and Raiffeisen Bank International AG) 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 adjusted 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 first of which has been exercised to extend maturity to 7 February 2026). 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 to adjusted EBITDA must not exceed 3.0x (previously 2.79x).

On 26 April 2022 we proactively renegotiated such covenant. The level of this ratio was not tested on 30 June 2022 and will be set at 3.75x for 31 December 2022 (instead of 3.0x) before returning to 3.0x from 30 June 2023 onwards.

As at 30 June 2022, this ratio was therefore not tested.

Net debt corresponds to published consolidated net debt. Adjusted 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.

Clarion Schuldschein

In December 2018, we entered into a transaction to issue €700 million in principal amount of *Schuldscheindarlehen* (a privately placed bank loan under German law) in multiple tranches in euro and U.S. dollar, 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. As of 30 June 2022, €492.9 million in principal amount remained outstanding (with U.S. dollars translated into euros at the rate of U.S.$1.0387 per €1.00, which were the rate of U.S. dollars per euro as published by the European Central Bank as at 30 June 2022). The Clarion Schuldschein matures in December 2022, December 2023 and December 2024. The Clarion Schuldschein does not include any financial covenants. However, the Clarion Schuldschein includes certain restrictive provisions on asset disposals and on the level of indebtedness of our subsidiaries. The U.S. dollar tranches have in effect been partially converted in euro through long term cross-currency swaps. The proceeds from the Clarion Schuldschein were used to finance the acquisition of Clarion. In June 2021, Faurecia reimbursed €226.5 million of the variable rate tranche of the Clarion Schuldschein maturing in 2022.

Sustainability-Linked Schuldschein

In December 2021, we entered into transactions to issue €700 million in principal amount of sustainability-linked *Schuldscheindarlehen* (a privately placed bank loan under German law), issued in multiple tranches with settlement in December 2021 for €435 million thereof and in January 2022 for €265 million thereof, maturing in July 2024, January 2026, January 2027 and January 2028. The Sustainability-Linked Schuldschein was issued under our Sustainability-Linked Financing Framework established in October 2021. The Sustainability-Linked Schuldschein does not include any financial covenants. However, the Sustainability-Linked Schuldschein includes certain restrictive provisions on asset disposals and on the level of indebtedness of our subsidiaries. Commerzbank Aktiengesellschaft and Landesbank Hessen-Thüringen Girozentrale acted as lead arrangers and bookrunners and Australia New Zealand Banking Group, Bankinter, Intesa Sanpaolo S.p.A., and Raiffeisen Bank International acted as co-arrangers. The U.S. dollar tranches have in effect been partially converted in euro through long term cross-currency swaps. The proceeds from the €700 million in principal amount in Sustainability-Linked Schuldschein were used to finance the Hella Acquisition.

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 31 December 2021, financing under these programs, corresponding to the cash received as consideration for the receivables sold totalled €1,068.8 million, compared to €972.2 million as at 31 December 2020. See note 18 of our 2021 Consolidated 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 2022, the outstanding amount was €930 million.

European Investment Bank Term Loan

We entered into a €315 million term loan dated 1 July 2022 with a seven-year maturity to finance investments in R&D and manufacturing deployment of hydrogen technology for mobility applications and R&D in the fields of vehicle advanced driver assistance systems and driver monitoring systems. The EIB Loan is composed of two tranches (i) a first tranche for an amount of €289 million, and (ii) a second tranche of €26 million. As at the date of this Offering Circular, €289 million was drawn under the EIB Loan.

The EIB Loan includes one financial covenant tested semi-annually requiring a consolidated financial ratio of total net debt to adjusted EBITDA not to exceed 4.5x. as at 30 June 2022, 3.75x as at 31 December 2022, and 3.0x as at 30 June 2023 and thereafter. For the purposes of such financial covenant (i) net debt corresponds to published consolidated net debt and (ii) adjusted EBITDA corresponds to operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets, for the last twelve months.

The EIB Loan also includes restrictive provisions on asset disposals and on the level of indebtedness of our subsidiaries.

Latin American Syndicated Facility.

We entered into a U.S.$210 million equivalent syndicated facility dated 22 September 2022 with a five-year maturity. The following loans were made available to us pursuant to the Latin American Syndicated Facility agreement: (i) a first tranche of MXN 1 billion with floating interest and (ii) a second tranche of U.S.$110 million with floating interest.

Although the Latin American Syndicated Facility does not include any financial covenants, it includes certain restrictions on the level of indebtedness of our subsidiaries.

Hella Indebtedness

As at 30 June 2022, Hella had €1,474 million of gross financial debt to third parties, of which leases accounted for €166.7 million and a net debt position of €516 million. Such indebtedness will be structurally senior to the Senior Credit Facility, the Japanese Yen Term and Revolving Facilities Agreement, the Schuldscheindarlehen, the EIB Loan, the 2025 Notes, the 2026 Notes, 2027 Notes, the 2027 Sustainability-Linked Notes, the 2028 Notes, the 2029 Green Notes and the Notes.

The Hella Indebtedness includes (i) the Hella 2024 Notes, (ii) the Hella 2027 Notes, (iii) the Hella Japanese Yen Debt, (iv) the Hella USD Loans and (v) to the extent drawn, if at all, the Hella Credit Facility.

Hella 2024 Notes

The Hella 2024 Notes were issued on 3 September 2019, with a principal amount of €500 million. The Hella 2024 Notes are due on 26 January 2027, and bear annual interest of 0.50%, which is payable on 26 January each year, beginning from 26 January 2020.

The proceeds of the Hella 2024 Notes were used to redeem the €500 million bonds due 24 January 2020, bearing annual interest of 2.375%, issued in January 2013.

The Hella 2024 Notes are listed on the Luxembourg Stock Exchange.

Hella 2027 Notes

The Hella 2027 Notes were issued on 17 May 2017, with a principal amount of €300 million. The Hella 2027 Notes are due on 17 May 2024, and bear annual interest of 1.00%, which is payable on 17 May each year, beginning from 17 May 2018.

The proceeds of the Hella 2027 Notes were used to redeem the €300 million bonds due 7 September 2017, bearing annual interest of 1.25%, issued in March 2014.

The Hella 2027 Notes are listed on the Luxembourg Stock Exchange.

Hella Japanese Yen Debt

On 17 September 2002, Hella issued a notes certificate for an amount of JPY 12 billion due on 17 September 2032, bearing annual interest of 3.50% (accruing in Japanese Yen), which is payable on 17 March and 17 September each year, beginning from 17 March 2003.

On 16 June 2003, Hella signed a loan for an amount of JPY 10 billion due 20 June 2033, bearing annual interest of 4.02% (accruing in U.S. dollars), which is payable on 20 June and 20 December each year, beginning from 20 December 2003.

Hella Credit Facility

On 1 June 2015, Hella signed a syndicated credit facility, with a five-year maturity with two extension options, for an amount of €450 million. A first one-year extension option was exercised in April 2016, extending the maturity of this credit facility to June 2021. A second one-year extension option was exercised in April 2017, extending the maturity of this credit facility to June 2022.

This credit facility was renegotiated on 16 August 2021, to extend the maturity to 3 June 2023, and adjust its terms and conditions.

As of 30 June 2022, this facility was not drawn.